



BOARD OF WATER COMMISSIONERS
MEETING MINUTES

Wednesday, June 21, 2023

Medford City Hall Council Chambers

411 W. 8th Street – Rm 300, Medford, Oregon 97501

The regular meeting of the Medford Water Commission was called to order at 12:19 p.m. on the above date at Medford City Hall Council Chambers, with the following commissioners, staff, and guests present:

Chair Michael Smith; Commissioners Jason Anderson, John Dailey, Bob Strosser, and David Wright
General Manager Brad Taylor, Executive Administrative Assistant Amber Furu, Finance Manager Anna Roeder, HR Manager Tanya Haakinson, Engineering Manager Brian Runyen, Information Technology Manager Kris Stitt, Water Operations Manager Dan Perkins, Capital & Special Projects Coordinator Andy Huffman, Water Resources & Customer Service Manager Julie Smitherman, Senior Accountant Jamie Look

Guest(s): MW Attorney Mark Bartholomew, Jacobs Engineering Richard Cole* and Trevor Klatt*, (*Via Zoom)

3. Comments from the Audience

None.

4. Written Communication

4.1 Letters from St. Vincent de Paul and The Salvation Army

- ACCESS – Since April 1st, 2022, LIHWA program funds were approximately \$600,000, they have assisted approximately 380 households, and have provided approximately \$60,000 in funding to Medford Water (MW) customers. The current fund cycle is set to expire September 2023.
- St. Vincent de Paul – Assisted 17 households with their water bills and assisted 3 households with finding and repairing their leaks. St. Vincent de Paul refers customers to Access, and they have a current balance of \$243.67.
- Salvation Army - Assisted 15 households with their water bills and is also referring customers to Access, and they have a current balance \$3,173.03.

Commissioner Dailey asked how much is left of the \$600,000; Smitherman replied we tried very hard to find out what the current balance is but were unable to get an answer from ACCESS.

Motion: Approve the Written Communication.

Moved by: Mr. Dailey

Seconded by: Mr. Wright

Roll Call: Commissioner Anderson, Dailey, Smith, Strosser, and Wright voting yes.

Motion carried and so ordered.

5. Consent Calendar

5.1 Approval or Correction of the Minutes of the Last Regular Meeting of June 17, 2023

5.3 Resolution No. 1884, A RESOLUTION Authorizing the General Manager to Execute an Amendment to Agreement between the Board of Water Commissioners and the Laborers' International Union of North America, Local #737

Motion: Approve the Consent Calendar with removal of item 5.2.

Moved by: Mr. Anderson

Seconded by: Mr. Strosser

Roll Call: Commissioner Anderson, Dailey, Smith, Strosser, and Wright voting yes.

Motion carried and so ordered.

6. Items Removed from Consent Calendar

- 5.2 Resolution No. 1883, A RESOLUTION Authorizing the Chair of the City of Medford, By and Through its Board of Water Commissioners to Execute a Quitclaim Deed Releasing All Right and Title to, and Interest in, a Portion of the Easement originally recorded as Document No. 2007-020194 on April 27, 2007

Item 5.2 was removed from Consent Calendar and will not be brought back for consideration. Resolution 1883 has been voided.

7. Resolution No. 1885, A RESOLUTION Adopting Findings, Authorizing an Exemption from Competitive Bidding, and Awarding a one-year contract, with four annual options to renew, to Hornecker Cowling (HC) for Legal Services for up to \$175,000

Prior to 2018, legal services were provided to Medford Water from City of Medford legal counsel. In 2018 a public solicitation for legal services was issued and HC was competitively selected to provide these services. A one-year contract was awarded with four annual options to renew and expires July 2023. Over \$126,186 has been spent to-date with an average of \$25k spent per year; based on change in workload, \$35K per year is more representative. HC is uniquely qualified with the capabilities required of Medford Water to provide legal services. Using any other legal services would result in additional time and expense to develop the institutional knowledge necessary to understand the business risks of the organization. Public notice was posted for the exemption on Medford Water Website since June 14, 2023.

Motion: Approve Resolution 1885

Moved by: Mr. Anderson Seconded by: Mr. Dailey

Roll Call: Commissioner Anderson, Dailey, Smith, Strosser, and Wright voting yes.

Motion carried and so ordered.

8. Resolution No. 1886, A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract Amendment in the Amount of \$10,552,457.00 with Slayden Constructors, Inc. for the Duff Filter/Reservoir/Pumping Expansion CM/GC Construction Services

The Duff WTP 65MGD Expansion (Filters/Reservoir/Pumping) CM/GC construction contract with Slayden Constructors, Inc. anticipated multiple contract amendments as design of the project elements are developed.

- The Board approved Resolution 1818 on June 15, 2022, which authorized a CM/GC style construction delivery for the Duff WTP 65MGD Expansion Project (Filters/Reservoir/Pumping) through Slayden Constructors. This initial contract covered pre-construction services.
- The Board approved Resolution 1843 on November 2, 2022, authorizing the construction work covered in EWA #1. EWA #1 scope included filters excavation & backfill, large diameter underslab piping, dewatering, early filter concrete work, ductile iron pipe procurement, and valve and actuator procurement.
- The Board approved Resolution 1854 on January 4, 2023, authorizing the construction work covered in EWA #2. EWA #2 scope included filter concrete, fabricated steel pipe, electrical, instrumentation, electrical switchgear and transformers, and other long lead items.
- The Board approved Resolution 1872 on May 3, 2023, authorizing the construction work covered in EWA #3 items based on the 100% Filters plans and specifications provided by Jacobs Engineering. EWA #3 scope included building mechanical, CMU block, interior and exterior finishes, electrical switchgear and installation, and various other components to finish the filter portion of the project.

Slayden Constructors has provided costing for EWA #4 items based on the 60% Reservoir and Finished Water Pump Station plans and specifications provided by Jacobs Engineering. EWA #4 scope includes, but is not limited to: Reservoir excavation, Reservoir base slabs, Stormwater/ overflow swale construction, Stormwater / overflow piping construction, Finished Water pumps, Surge system equipment and Analytical equipment. There is a potential for up to 2 additional contract amendments under the Duff WTP 65MGD Expansion (Filters/Reservoir/Pumping) CM/GC construction contract with Slayden Constructors, Inc.

Motion: Approve Resolution 1886

Moved by: Mr. Dailey Seconded by: Mr. Strosser

Roll Call: Commissioner Anderson, Dailey, Smith, Strosser, and Wright voting yes.

Motion carried and so ordered.

9. Resolution No. 1887, A RESOLUTION Awarding and Authorizing the General Manager to Execute Log Purchase Agreements for the Rancheria Timber Harvest on Big Butte Springs Watershed

The Rancheria Log harvest is a part of the Forest Management Plan strategies to increase forest health and fire resiliency and to protect water resources. Medford Water plans to commercially thin 250 forested acres near Big Butte Springs, known as the Rancheria Timber Harvest. Anticipated harvest volume is 867,000 board feet (867 mbf). An Invitation to Bid (ITB) was issued on May 3, 2023; four bids were received. A notice of intent to award to Murphy Co. and Boise Cascade, based on best value to Medford Water, was sent to each of the four companies on June 6, 2023. The anticipated total revenue from these log sale agreements, and additional sales of Incense Cedar and pulpwood, is \$500,000 (actual revenues will depend on harvest volumes). The expenses associated with the harvest are estimated at \$400,000 (contracts previously awarded).

Motion: Approve Resolution 1887

Moved by: Mr. Dailey Seconded by: Mr. Wright

Commissioner Wright asked who handles the logging services for us; Don Hamann handles the logging services and JD Forestry; Inc. and Sunset Forestry Inc. handle the slash disposal work.

Roll Call: Commissioner Anderson, Dailey, Smith, Strosser, and Wright voting yes.

Motion carried and so ordered.

10. Resolution No. 1888, A RESOLUTION Adopting, and Authorizing the General Manager to Execute the Comprehensive Financial Management Policy for the Board of Water Commissioners

Prior to the meeting, Finance Manager Roeder handed out to the Commissioners a marked-up copy of the changes to Comprehensive Financial Management Policy, reviewed in June of each year. Staff recommends various updates to formatting such as Medford Water Commission (MWC) to Medford Water (MW), and Annual Financial Report (AFR) to Annual Comprehensive Financial Report (ACFR). Other changes included adding and removing minor language issues.

Motion: Approve Resolution 1888

Moved by: Mr. Wright Seconded by: Mr. Strosser

Roll Call: Commissioner Anderson, Dailey, Smith, Strosser, and Wright voting yes.

Motion carried and so ordered.

11. Resolution No. 1889, A RESOLUTION Authorizing the General Manager of the Medford Water Commission to Execute on Behalf of the Board of Water Commissioners, a Payment to CityCounty Insurance Services in the Amount of \$237,673.65 for Medford Water Commission's General Liability, Automotive, and Property Damage Insurance Premium for Fiscal Year 2023-2024

Roeder went over a previously asked question at the last board meeting regarding claim and premium cost, stating our 10-year total is \$89,373, 10 year average is \$ 8,937, 5 year average is \$9,056, 3 year average is \$937, our high claim was \$35,388 in 2020, and our lowest claim was \$130 in 2023. Also asked about was our Cyber insurance and what our claims might be. We are still waiting to hear back from our insurance company on clarification on how much people are paying in insurance claims for Cyber insurance. They did provide us with information on Ransomware impacts and Ransom payment.

Stitt commented that depending on which report you look at, the average cost of a Ransom incident according to PayneWest Insurance, is about \$4,500,000. Commissioner Dailey asked are we insured against the cost of a ransomware act or just a ransom demand; Stitt answered just the cost of recovery is covered, typically the recommendation is to not pay a ransom. We are covered up to \$2,000,000 for ransomware attacks.

Last fiscal year's insurance premium with CIS was \$227,779.12. Industry wide cost increases are responsible for our premium increase along with a 10% increase in Medford Water revenue and \$3 million in additional property insurance coverage with the on-going Duff Treatment Plant projects. In addition, \$2M in cyber liability coverage is being purchased from Evolve through Payne West Insurance in the amount of \$17,375.43. Last fiscal year's cost for cyber liability was \$14,485.45. Cyber liability renewal rates have continued to increase with the rise in instances of cybercrime. Utilities are a major target of such threats. The Fiscal Year 2023-2024 premium for general liability, automotive, and property damage from CIS is \$237,673.65. Evolve's cyber liability coverage through Payne West is \$17,375.43. The total on both insurance premiums are under the budgeted amount by \$12,040.58.

Motion: Approve Resolution 1889

Moved by: Mr. Dailey Seconded by: Mr. Strosser

Roll Call: Commissioner Anderson, Dailey, Smith, Strosser, and Wright voting yes.

Motion carried and so ordered.

10. Leadership Team Reports

- Julie Smitherman, Water Resources & Customer Service Manager
 - Medford Water & Eagle Point Irrigation District Agreement - Spring flows are still good but have been reduced to 1 and a half pipe for Eagle Point Irrigation District (EPID). Medford Water (MW) and EPID have water rights to Big Butte Creek with the same priority date. If EPID cannot meet their 100 cfs water allocation, then MW is required to reduce diversions from Big Butte Springs (BBS) or release water from Willow Lake. It is in the best interest to MW and EPID to retain as much water as possible in Willow Lake Reservoir to ensure supplies last throughout the irrigation season and that there is still storage later in the summer when stream flows are even lower. If the natural S. Fork of Big Butte Creek reaches 89.2 CFS or lower, Medford Water shall reduce its use of BBS during the months of April, May & June, so that we do not have to draw down Willow Lake Reservoir. July 1st we will release water from Willow Lake and July 1st MW can resume the full amount of diversion from BBS.

- Dan Perkins, Operations Manager
 - Water Operations Report – On April 26, BBS was able to go up to 2 full pipes, we haven't had 2 full pipes in 3 years; this allowed us to hold off on starting plant production until mid-May. Having 2 full pipes, we were able to focus on other projects such as the 65 MGD Expansion Pilot Study that was required and approved by OHA for filtration rating. The new filters were tested through a pilot study with mockup filters designed by Jacobs Engineering. This required 24-hour operations outside Duff's normal season, it took two years to complete with the final runs being completed in March 2023. This allowed for unrestricted use of the filters, and an approved filters rating increase from 6gpm/sf to 12gpm/sf. Another program being worked on is Demand Response. This is a Partnership between Pacific Power and Enel X. The agreement with Medford Water is to reduce pumping during a high demand event. A reduction of energy use during a demand period is voluntary and is limited to 3 hours for each event. Earnings of \$30.00

Per kW are based on performance, with a potential to earn up to \$48,000.00 in a year. This is great way we can help the Community and give back in a time of need.

Commissioner Smith noted this is a good program and likes the idea of using the generators to back feed and is a good way to test the generators; this could be a great opportunity to continue to educate the community when we have continuous hot days, on water conservation. Taylor stated we are one of the major consumers of electricity.

- Brian Runyen, Engineering Manager
 - Duff 65MGD and Table Rock Rd Transmission Line Project - Construction contract was issued for bids on May 23, 2023, bids will opened on June 27 and be back for board approval and to award the contract on July 19. Permanent and temporary Construction Easements were acquired for boring at Swanson Creek and E. Gregory Rd. Pipe is arriving and being unloaded multiple times a day.
- Tanya Haakinson, HR Manager
 - Paid Leave Oregon Update - Senate Bill 999 is for the Alignment of PLO with OFLA Terms and Conditions (signed by the Govenor on 6/7/2023). It will include updates to Leave Year Determination, Definition of Family Member/Allowable Use of Attestation form, Expansion of Employee Job Protection, Concurrency with OFLA/FMLA and Employee Contributions to Health Insurance Premiums. Senate Bill 31 could possibly delay the PLO start date due to the plan's solvency (signed by Governor on May 31, 2023). The Oregon Employment Department Director has until August 11, 2023, to decide if the PLO fund is solvent for PLO to start on September 3, 2023; if not, PLO will be delayed until December 3, 2023. This includes Equivalent Plans.
 - Annual Company Picnic photos were shared; there was catered BBQ lunch, games, contests, and prizes. Haakinson thanked commissioners that were able to attend.
- Brad Taylor, General Manager
 - Upcoming Board Schedule - July 5, No Study Session; July 19, Annual Goals; August 2 or August 16 will be a Duff Tour.

11. Propositions and Remarks from the Commissioners

Commissioner Smith advised he will not be at the July 5 meeting. Commissioner Strosser commended all the hard work done for the picnic; it was a great time. Commissioner Wright commented he appreciates the study sessions, they are very helpful and informative for him.

12. Adjourn

There being no further business, this meeting adjourned at 1:23 p.m. The proceedings were recorded and are on file along with the complete agenda of this meeting.



Amber Furu
Assistant Clerk of the Commission