



BOARD OF WATER COMMISSIONERS MEETING MINUTES

Wednesday, April 3, 2024

Medford Police Department Prescott Room
219 S. Ivy Street, Medford, Oregon 97501

The regular meeting of the Medford Water Commission was called to order at 12:16 p.m. on the above date at Medford Police Department's Prescott Room, with the following commissioners, staff, and guests present:

Chair Bob Strosser; Commissioners Jason Anderson, John Dailey, and David Wright. Commissioner Mike Smith was absent.

General Manager Brad Taylor, Executive Administrative Assistant Amber Furu, Finance Manager Beau Belikoff, HR Manager Tanya Haakinson, Engineering Manager Brian Runyen, Information Technology Manager Kris Stitt, Water Operations Manager Dan Perkins, Water Resources & Customer Service Manager Julie Smitherman

Guest(s): Attorney Mark Bartholomew, Medford Council Liaison Nick Card, Eagle Point Mayor Kathy Sell, Rob Annear*, Shelby Snow* (*Via Zoom)

3. Comments from the Audience

None.

4. Approval or Correction of the Minutes of the Last Regular Meeting of March 20, 2024

Motion: Approve the minutes of the last regular meeting as presented.

Moved by: Mr. Dailey

Seconded by: Mr. Anderson

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

Motion carried and so ordered.

5. Resolution No. 1927, 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, the Easement Originally Recorded as Document No. 1999-03158 on January 21, 1999

The easement for the property at 1200 Avenue G in White City, previously held by Medford Water (MW), is now unnecessary, as the water facilities installed by the property owner in 1999 have been transferred back to Plycem USA LLC, the current property owner. This includes a 12" public water main loop and a 3" domestic water service. Upon reviewing an application from Plycem to add a casing on a portion of the water main for installing another rail crossing, MW staff discovered unauthorized constructions over the water main loop and realized it solely serves the property owner's needs. To address this, MW staff proposed privatizing the water main loop for fire service by installing backflow prevention devices at the connection to the adjacent right-of-way and transferring ownership of the remaining portion of the water main loop to Plycem. This arrangement allows the property owner to maintain existing encroachments, construct the casing, and make future modifications without MW's approval, while relieving MW of maintenance responsibilities for the line.

Commissioner Dailey asked whether any funds were exchanged and if an SDC was paid for the fire service. Runyen clarified that the infrastructure was initially constructed by the developer using private funds, and the lines were subsequently dedicated to MW. Fire services are not subject to SDC's, and thus, no payment was made for the fire service addition. However, an SDC was initially paid for the 3" domestic water service installed.

Motion: Approve Resolution 1927

Moved by: Mr. Wright

Seconded by: Mr. Dailey

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

Motion carried and so ordered.

6. **By Motion, Authorizing the General Manager to sign a Memorandum of Understanding with Oregon Department of Forestry and Accept Grant Funds for Fire Risk Reduction**

In November 2023, the Oregon Department of Forestry (ODF) was awarded grant funding under Senate Bill 762's Land Resiliency Program (LRP), aimed at enhancing land management practices and reducing fire risk in Southern Oregon. As part of this initiative, Medford Water's Big Butte Springs Watershed was selected to receive up to \$525,000 in grant funds for implementing fire risk reduction strategies on 400 acres of Medford Water-owned lands. Since accepting this grant exceeds the General Manager's authority limit of \$150,000, Medford Water is required to adhere to its purchasing requirements. Forest treatments are scheduled to commence in the spring and conclude by June 2025, coinciding with the grant term's expiration. Medford Water and ODF have collaborated on a Memorandum of Understanding (MOU) outlining expectations, timeline, and reimbursement terms, which has been thoroughly reviewed and approved by legal counsel. The grant funds will enable Medford Water to accelerate fuel reduction efforts that are not currently budgeted for, with reimbursement anticipated within six to eight weeks of the submission request to ODF.

Commissioner Anderson and Smitherman conversed about the existing contracts with JD Forestry and Sunset Forestry, noting that both companies are currently contracted with MW for the same non-commercial work, thus eliminating the necessity to issue a Request for Proposals. Additionally, the locations of the two companies were discussed.

Motion: Authorizing the General Manager to sign a Memorandum of Understanding with Oregon Department of Forestry and Accept Grant Funds for Fire Risk Reduction

Moved by: Mr. Dailey

Seconded by: Mr. Wright

Commissioner Dailey inquired of the methodology for distinguishing between commercial and non-commercial blocks. Smitherman suggests that commercial blocks represent those most harvestable, and valuable to the mills, and agreed to bring back additional information concerning forest management practices and our watershed and will include photos and a map of the area. Commissioner Strosser questioned if a press release had been issued regarding the upcoming work in the watershed and with sensitivity stemming from the south Obenchain fire, and past maintenance efforts undertaken by Medford Water, it would be prudent to inform the public in advance of any impending work. Smitherman confirmed no press release has been issued.

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

Motion carried and so ordered.

7. **Leadership Team Reports**

- Julie Smitherman Water Resources & Customer Service Manager

WaterSmart Update - Medford Water has partnered with Vertex One to introduce an upgraded customer account portal called Watersmart. Originally slated for release last fall, the launch was delayed as staff decided to transition billing platforms from Invoice Cloud to Paymentus. The rollout of the Watersmart portal has been pending the completion of the Paymentus integration. Currently, we are in the final stages of set-up with Paymentus, and the portal is scheduled for launch in early May. To ensure our customers are well-informed, communication efforts will include bill inserts, messages, and a direct mailing for autopay customers, as well as IVR message reminders, website updates, and social media posts, all scheduled for one month before the launch date. Additionally, two weeks prior to the launch, our customer service team will personally contact autopay customers to provide advanced notice of the changes. Following the launch, we will diligently monitor late payments, actively promote sign-ups, and possibly introduce a customer raffle later in the summer. Furthermore, FAQs will be readily available online to address any inquiries.

Medford Council Liaison Nick Card expressed admiration for the magnitude of the project, acknowledging its complexity. Commissioner Dailey proposed that when contacting customers to re-register, clarity should be emphasized regarding the necessity of re-registration for security purposes.

- Watershed Update – Precipitation at Big Butte Springs is 99.5% of normal and 106% of average in the Upper Rogue Watershed. Mountain snowpack is above average for this time of year at 124% of average with warmer than average temperatures in February. Springflows are higher than previous years. Willow Lake is 100% full. Rogue River Stream flows are at 2,570 cfs and is 93% of normal. Lost Creek Lake is now 88% full. Climate predictions for April show above average temperatures and below average precipitation.
- Brad Taylor General Manager
 - Revenue Bonding - An overview was provided regarding the one-year and ten-year Capital plans, information on these plans was presented on March 6th and 20th, emphasizing their financial implications and alignment with necessary actions. The ten-year view, contingent upon the receipt of the BRIC grant, outlines the financial instruments highlighted for funding the \$260 million over the next ten years. The one-year Capital budget is slated for approval in June after a review with the Board scheduled for May. Assuming the plan around the estimated one-year budget for Capital, we have recognized the need to issue revenue bonds in order to have cash flow, and in turn fund the \$50 million one-year budget view and lead us into the second-year view of the Capital Plan. It has been discussed with the Board around a bond issuance of between \$35 and \$40 million (assuming BRIC funding is received); strategies were shown to include BRIC funding and without BRIC funding. Once we get into the coming year, if BRIC funding does not come through, we will need to change directions in order to be prepared for next year's Capital Plan, by going out and issuing an additional revenue bond. Prior authority was established when we did our WIFIA loan agreement in 2021, and we worked together with Medford City Council to pass an ordinance in October of 2021 authorizing the Board to issue up to \$150 million in bonds for up to a 30-year term, approved by Medford Water with Resolution 1792. At the time, this was our view of how much bonding we would need relative to the WIFIA loan (\$96 million) we were issued. We are currently preparing a Preliminary Official Statement in order to get us in a position to issue bonds. The Ordinance/Resolution authorizes two approaches for the Sale of Bonds: Competitive Sale and Negotiated Sale. A negotiated sale is favorable for the following reasons:
 - Recommended by Medford Water's Financial Advisor.
 - Medford Water has a unique governance model that is not as familiar to bond market.
 - We do not have recent experience or use of the market.

Commissioners and staff discussed at length the typical range of underwriting fees in both Competitive Sales and Negotiated Sales. Given our current uncertainty of market exposure and the precise deal structure, which will only become clear once the RFP is issued, the exact structure of the deal remains uncertain. In a Competitive Sale, where the process is marked by openness and competition, it's common to achieve the lowest interest costs. In a Negotiated Sale, the financial advisor's focus is on risk mitigation and ensuring minimal expenses throughout the transaction. Commissioners and Taylor agreed to have the PFM financial advisor present at the next meeting to provide a recap of the bonding advice given and to allow time for questions. Commissioner Anderson and Taylor discussed the limited availability of remaining WIFIA funds and the necessity for revenue bonds to address the uncertainty surrounding funding the one-year Capital Budget. Commissioner Dailey asked about the timeline for receiving the BRIC grant. Progress is underway, with recent interactions indicating that we should expect news by June.

- Upcoming Board Schedule –April Meetings – SDC's/CLA/Fees/Rules & Regulations, May Meetings – Fiscal Year Budget 24/25

8. Propositions and Remarks from the Commissioners

Medford Council Liaison Nick Card added he is looking forward to the Joint meeting at the end of the month with Medford Water and the City Council.

Smitherman provided an update to Commissioner Anderson, confirming that JD Forestry and Sunset Forestry are both local businesses located in White City and Medford.

Commissioner Dailey remarked that he saw Water Efficiency Coordinator Cody Scoggins and Water Efficiency Technician Aaron Adachi at Home Depot over the weekend. They were assisting people for Fix a Leak Week, making friends, and doing an excellent job in the community.

9. Adjourn

There being no further business, this meeting adjourned at 1:36 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