



BOARD OF WATER COMMISSIONERS MEETING MINUTES

Wednesday, April 6, 2022

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 12:29 p.m. on the above date at the Medford Police Department building, Prescott Room, with the following commissioners, staff, and guests present:

Acting Chair Michael Smith; Commissioners Jason Anderson, Daniel Bunn, and John Dailey. Bob Strosser was absent.

General Manager Brad Taylor; Executive Administrative Coordinator Yvette Finstad; Human Resources Manager Tanya Haakinson; Water Meter & Controls Supervisor Ken Johnson; Water Maintenance Supervisor Lester McFall; Engineering Manager Brian Runyen; Information Technology Manager Kris Stitt; Water Quality & Treatment Director Ben Klayman; Interim Finance Manager Anna Roeder; Customer Service & Water Efficiency Manager Julie Smitherman

Guest(s): Attorney Mark Bartholomew; Shawn Koorn, HDR; Jeff Davis*; City of Central Point Councilor Tanea West Browning* (* Attended online)

3. **Comments from the Audience**

Staff read aloud a comment from Jeff Davis, who attended online, that from a water delivery service standpoint (as an owner of a water delivery service in Southern Oregon), he would suggest a weekly maximum bulk water sales limit rather than a daily limit as mentioned in the study session. The Board will consider this during the public hearing.

4. **Public Hearings**

- 4.1 Consider Resolution No. 1804, A RESOLUTION Prescribing and Establishing Rates for the Use and Sale of Water from the Municipal Water System of the City of Medford, Oregon, to the Water Districts and Partner Cities Customer Groups, Which Shall Become Effective Retroactive to March 1, 2022, and Thereafter, and to the Bulk Water Sales Rate, Effective June 6, 2022, or upon Completion of the Service Center Water Dispenser Modernization Project, If Later, and Repealing All Prior Rates in Conflict Herewith

New schedules for District Customers, Partner Cities, and Bulk Water Sales were presented.

Public hearing opened; the previous comment from Mr. Davis will be entered. Public hearing closed.

The rate for bulk water as set here is to recover our cost associated with service to that point, including the costs of meeting the new legislative requirements. The credit card costs are not fully understood at this time, but the rate will be considered on a yearly basis as part of the annual study.

Motion: Approve the Resolution 1804.

Moved by: Mr. Dailey

Seconded by: Mr. Bunn

Commissioners and staff discussed the impact on rates for any other customer groups; there is no impact, the anticipated effect on revenue will be managed through variance. It should be neutral on the cost model for everyone else. The capital investments we are making are not in the rate base at this point, so it is impacting only rate payers in Medford

until those investments are used and useful, then they will be paid back through the rate of return.

Roll Call: Commissioners Anderson, Bunn, Dailey, and Smith voting yes.
Motion carried and so ordered.

5. Consent Calendar

- 5.1 Approval or Correction of the Minutes of the Last Regular Meeting of March 16, 2022
- 5.2 Authorization of Employees to Conduct Bank Transactions on Behalf of Medford Water

Item 5.2 is cleanup from when the previous City Recorder retired. Current authorized representatives have been outlined in the letter for the Chair and Vice Chair to sign.

Motion: Approve the Consent Calendar.

Moved by: Mr. Anderson

Seconded by: Mr. Bunn

Roll Call: Commissioners Anderson, Bunn, Dailey, and Smith voting yes.

Motion carried and so ordered.

6. Items Removed from Consent Calendar

None.

7. Resolution No. 1805, A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract Amendment in the Amount of \$145,000 to the Contract with Grayback Forestry, Inc. for Fuels Treatment Work in the Big Butte Springs Watershed

Grayback Forestry, Inc. was originally contracted in November 2020 for fuels treatment work after a competitive selection process. The original contract amount of \$150,000 was anticipated to cover three years of services. Fire risk reduction work has been further prioritized in our watershed following the S. Obenchain fire, which burned to within 3 miles of our Springs source and infrastructure. The acceleration of both commercial and non-commercial thinning has contributed to a favorable reduction in fire risk to the watershed and resulted in an immediate need for additional cleanup of fuels work. This amendment to our current contract will ensure that the work can be accomplished prior to the upcoming fire season; staff will prepare a competitive process for future fuels treatment work.

Motion: Approve Resolution 1805.

Moved by: Mr. Bunn

Seconded by: Mr. Dailey

Roll Call: Commissioners Anderson, Bunn, Dailey, and Smith voting yes.

Motion carried and so ordered.

8. Resolution No. 1806, A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract with Johnny Cat, Inc. for Big Butte Springs Line Roads Crushed Rock Delivery and Chain Spread Services

Following wildfire and related traffic damage in 2020 from the S. Obenchain Fire, staff has solicited crushed rock delivery and spread services to bring Big Butte Springs pipeline access roads (along both BBS #1 and #2) back to pre-fire conditions. This work will ensure safe access for line patrol and maintenance, and is estimated at approximately \$200,000; FEMA will be reimbursing 75% of this amount.

FEMA toured the damage with staff to determine how much to be done and how much they will contribute. These funds will come from variance, capital dollars; and then we will get a check for reimbursement.

Motion: Approve Resolution 1806.

Moved by: Mr. Bunn **Seconded by: Mr. Dailey**

Roll Call: Commissioners Anderson, Bunn, Dailey, and Smith voting yes.

Motion carried and so ordered.

9. Management Reports

- Engineering Manager Brian Runyen
 - Easement Encroachment (1404 Brownsboro Hwy.) – Line patrol discovered encroachments on BBS 2 transmission line with 50' easement (c. 1950); existing metered water service. Encroachment involves buildings, fence, and fuel tanks.
 - Medford Water legal counsel consulted; Notice of Encroachment and Restrictive Covenant issued. It acknowledges encroachment on the easement, provides notice that repair and maintenance of the easement and pipeline may require removal or damage to encroachments; the owner is responsible for any additional future costs and shall forbear from any demand, claim, suit, or action, and shall indemnify, defend and hold harmless Medford Water. Removal of the fuel tanks will be required.

Commissioners and staff discussed the Notice of Encroachment; if our expenses are increased due to their encroachment, they are required to pay those added costs (legal fees are included now as well). It is not believed that the encroachment was a mistake, as the line was marked; markers had been pulled out of the ground. Staff will be following up with outreach to property owners that have this type of easement to remind/inform, and considering additional or updated markings.

- Water Quality & Treatment Director Ben Klayman
 - Watershed Report
 - Precipitation – 1.5" rain in last 84 days; Jackson County declared drought emergency March 23. Precipitation at BBS is 63% of average; Rogue Basin snowpack is melting quickly.
 - Springflow – Setting new historical minimums each week.
 - Willow Lake Storage – Lake is unlikely to fill this year
 - Duff Water Treatment Plant is fully commissioned and is anticipated to produce water this week.

Commissioners briefly discussed drought; Klayman added that one year of drought is not as concerning as the multiple that we are in now. If this trajectory continues, there is the potential that after next year we may have to run Duff WTP all year to make up for declining springflows. Staff can include this scenario in this year's annual Cost of Service Analysis.

- Interim Finance Manager Anna Roeder
 - Following up from an inquiry about the Netchex payroll system at a previous meeting, Roeder provided the following information: Cost is \$11 per employee per month (all payrolls processed).
 - Payroll taxes, Quarterly Reporting, and Semiweekly deposits, per Oregon Department of Revenue & Internal Revenue Service Guidelines
 - Semi-weekly deposit schedule: If the payroll is Wednesday thru Friday, taxes are paid by the following Wednesday. If the payroll is Saturday thru Tuesday, taxes are paid by the following Friday.
 - We make sure the money is available to them the day before, the total tax and payroll, but they do not take it out of our account until the day of payroll (twice a

month).

- Customer Service & Water Efficiency Manager Julie Smitherman
 - 11th Annual Wyland National Mayor's Challenge for Water Conservation – Mayor Sparacino has declared April 2022 as Water Conservation Month. This is a competition between cities across the U.S.; residents go to mywaterpledge.com, take a 4-step conservation pledge on behalf of their city and encourage their friends to take part. It is a positive way to motivate residents to conserve water, at no cost to participants or cities.
- Human Resources Manager Tanya Haakinson
 - Recruitment – Open Positions: IT Business Administrator (refill), Water Efficiency Technician (refill), Administrative Assistant (refill), Project Manager - Engineering (refill). Summer Internships: Duff/Watershed (student), Water Efficiency (student)
 - Upcoming Career Fairs – SOU Career & Internship Fair on April 20, 2022 (Conservation and Watershed staff will attend); Careers in Gear - Career Exploration Fair (apprenticeships) on April 27, 2022 (staff from Engineering, Watershed, Operators, Finance and Crew will attend).

Commissioner Dailey asked if there has been difficulty filling positions; Haakinson confirmed that we have been receiving a very small fraction of the number of applications we used to receive per position, even though we utilize a wide variety of recruiting avenues, including networking and word of mouth. Candidates want to work remotely, and/or have more flexibility overall.

- General Manager Brad Taylor
 - Other Announcements
 - WIFIA – Issue with Loan #2 closing; two of projects that are bundled in we do not currently have land purchased for. A resolution to this issue is currently underway.
 - Union Update – Will have a tentative agreement to present to the Board at a future executive session.
 - Upcoming Meetings: April 20 – SDCs/CLAs/Special Fees; May 4th & 18th – Budget.

10. EXECUTIVE SESSION PER ORS 192.660(2)(f) – To consider information or records that are exempt by law from public inspection.

The Board adjourned to executive session at 1:15 p.m.

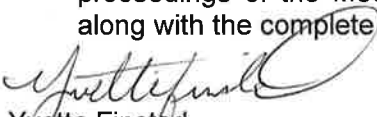
The Board reconvened at 1:27 p.m. with the same members present.

11. Propositions and Remarks from the Commissioners

None.

12. Adjourn

There being no further business, this Commission meeting adjourned at 1:28 p.m. The proceedings of the Medford Water Commission meeting were recorded and are on file along with the complete agenda of this meeting.


Yvette Finstad
Assistant Clerk of the Commission