



**Wednesday, June 5, 2024**

Lausmann Annex - Room 151

200 S. Ivy Street, Medford, Oregon 97501

The regular meeting of the Medford Water Commission was called to order at 12:21 p.m. on the above date at the Lausmann Annex - Room 151 with the following commissioners, staff, and guests present:

Acting Chair David Wright; Commissioners Jason Anderson, John Dailey, and Mike Smith. Commissioner Bob Strosser 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, Shelby Snow\*, (\*Via Zoom)

**3. Comments from the Audience**

None.

**4. Public Hearings**

- 4.1 Consider Resolution No. 1933, A RESOLUTION Modifying the Charges in Lieu of Assessment, Exhibit A of the Regulations Governing Water Service, for Properties Directly Benefited by the Installation of Water Mains but Not Specifically Assessed for Such Benefit, Effective July 1, 2024

Commissioner Dailey inquired about the expiration of the Aerial Heights Refund District and sought clarification on the responsibilities of the property owners. Runyen confirmed that property owners are still required to pay System Development Charges (SDCs) and connection fees; however, they are no longer required to pay the Refund District Fee as it has expired. As directed in the meeting, Aerial Heights has since been removed from the Refund District list.

Information on proposed Charges in Lieu of Assessment (CLAs) was presented to the Board on April 17. These are updated annually based on actual developer cost. Staff recommends approval of Resolution 1933, modifying the Charges in Lieu of Assessments and Refund Districts.

*Public hearing was opened; no one spoke on this issue. Public hearing was closed.*

**Motion: Approve Resolution 1933**

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

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

**Motion carried and so ordered.**

- 4.2 Consider Resolution No. 1934, A RESOLUTION Modifying the Charges for Special Services, Exhibit D of the Regulations Governing Water Service, Effective July 1, 2024

Information on proposed Charges for Special Services was presented to the Board on April 17. Charges are reviewed annually and modified accordingly based on actual cost of the service being rendered. Items include but are not limited to charges for installation of service connections, air valves, control valves, fire hydrant painting, and meter resetting. Staff recommends approval of Resolution 1934, modifying the Charges for Special Services.

*Public hearing was opened; no one spoke on this issue. Public hearing was closed.*

**Motion: Approve Resolution 1934**

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

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

**Motion carried and so ordered.**

- 4.3 Consider Resolution No. 1935, A RESOLUTION Adopting the Budget for the Medford Water Commission of the City of Medford, by and through its Board of Water Commissioners, for Fiscal Year 2024-25 Commencing July 1, 2024, and Making Appropriations Thereunder

*Public hearing was opened; no one spoke on this issue. Public hearing was closed.*

**Motion: Approve Resolution 1935**

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

**Roll Call: Commissioners Anderson, Dailey, Smith, 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 May 15, 2024
- 5.2 Resolution No. 1936, A RESOLUTION Adopting the Proposed Modifications to the "Regulations Governing Water Service" Document, Effective July 1, 2024

**Motion: Approve the Consent Calendar**

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

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

**Motion carried and so ordered.**

## **6. Items Removed from Consent Calendar**

None.

7. **Resolution No. 1937, A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract Amendment in the Amount of \$974,240.00, with Soderstrom Architects, Ltd. for Consulting Services for Consulting Engineering & Architectural Services for Task Order 5 Construction Administration and Value Engineering Services of the Medford Water Operations Center project.**

The following task orders for Soderstrom Architects, Ltd.'s contracts are complete for Task Order 1 Programming and Basis of Design,, Task Order 2 Schematic Design (30% Design) and fee of \$508,327, Task Order 3 Detailed Design (60% Design) and fee of \$596,154,; work is in progress for Task Order 4 Construction Documents, Building Permits and Bid Phases and fee of \$921,727. The work to be completed under this Task Order 5 Construction Administration and Value Engineering Services, includes additional services to support value engineering efforts and estimated fees for construction administration.

Commissioner Wright inquired about the expenses involved in achieving net zero status. Upon evaluation, it was determined that while net zero status is a goal we are actively pursuing, the cost savings at this point would be minimal. However, achieving net zero will significantly enhance our resiliency by ensuring reliable energy is available during emergency events.

**Motion: Approve Resolution 1937**

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

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

**Motion carried and so ordered.**

8. **Resolution No. 1938, 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**

The current Agreement in effect between the bargaining unit employees and Medford Water will expire on June 30, 2025. Each year, a cost-of-living-adjustment is evaluated, using the

prescribed formula outlined in the collective bargaining agreement. On July 1st of each year of this agreement, all members of the Bargaining Unit receive a cost-of-living-adjustment (COLA). This adjustment shall be determined from the “Consumer Price Indexes, Pacific Cities and U.S. City Averages”, for Urban Wage Earners and Clerical Workers. The 2024 – 2025 Annual Cost-of-Living-Adjustment for bargaining unit employees is 4.14%. Commissioner Anderson asked if we are currently in the third year of a four-year contract; Taylor confirmed that we are entering into a bargaining year.

**Motion: Approve Resolution 1938**

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

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

**Motion carried and so ordered.**

**9. Workers’ Compensation Renewal**

Medford Water renews the Workers Compensation insurance annually. Marsh McLennan Agency is our broker for Workers Compensation, and SAIF continues to be the provider. For 2024-2025 coverage year, the Marsh McLennan Agency quoted us a premium of \$39,088.11, which includes a discount for prepayment. At renewal, the experience modification factor will slightly increase from 0.59 to 0.66. If the SAIF Board of Directors elect to declare a dividend for their policyholders, Medford Water will be eligible; the dividend for the 2023 year was \$8,346. No assumption has been made for any future dividends. The renewal premium provides a pre-pay discount of \$1,232.89 and a premium discount of \$5,152.46.

**10. Leadership Team Reports**

- Engineering Manager Brian Runyen
  - The Energy Trust of Oregon, a nonprofit funded through customer utility bills, supports the reduction of energy costs and the achievement of clean energy by providing cash incentives and technical assistance for Energy Efficient Measures (EEM). In collaboration with Medford Water Engineering staff (Andy Huffman), Energy Trust contacts (Energy 350, Inc. and RHT Energy), and the Robert A. Duff WTP 65MGD design consultant (Jacobs Engineering), a Technical Analysis Study was conducted on potential EEMs for the Duff WTP 65MGD Upgrade - Finished Water Pump Station. Medford Water has been granted the Energy Trust Incentive, resulting in the installation of a VFD on a new 900hp FWP trim pump. With the incentive, the installation is expected to achieve energy savings payback in approximately 9 years, down from the original estimate of 16 years. The Energy Trust will cover around 45% of the cost with a \$122,498 incentive. Implementation, commissioning, and verification is required before the receipt of funds.
- Water Resources & Customer Service Manager Julie Smitherman
  - Capital Hill Reservoir Replacement Project & Tower Relocation –On June 4, 2024, Medford Water held a second open house for the Capital Hill Reservoir Replacement project, collaborating with the City of Medford to update the community on both the City of Medford’s Tower Relocation Project and the Capital Hill Project. The event was attended by 30 community members and included 15 staff members and consultants. Topics of discussion included:
    - Construction of the new regional public safety communications tower
    - Removal of the old communications tower
    - Construction of the new seismically resilient 12 MG reservoir
    - Decommissioning of the existing reservoirs
    - Restoration effortsFollowing the presentations, an interactive poster board session was held, contributing to the event’s success.

- Big Butte Springs & Duff Tour - Staff led a tour of the Robert A. Duff Water Treatment Plant, Big Butte Springs, Whiskey Springs, and Willow Lake. The tour was attended by 40 people. Our next tour is scheduled for September 18, 2024. Commissioner Smith commented staff did a wonderful job.
- Public Works Day – Public Works Day was held at Washington Elementary School this year. This annual event is both fun and educational, engaging kids and teaching them about the various functions and responsibilities of Medford Water.
- Watershed Report – Precipitation at Big Butte Springs is 93% of normal and 100% of average in the Upper Rogue Watershed. Mountain snowpack is 82% of average. Water Operations Manager Dan Perkins reported that on April 17th, Big Butte Springs transitioned to two full pipes to assist the Eagle Point Irrigation District (EPID) due to insufficient flows at Big Butte Creek. Additionally, a surge in temperatures has led to increased demand at the plant, which is now operating 24 hours a day to keep up with the demand. Willow lake is 100% full. Rogue River stream flows have increased and are at 2,440 cfs and are 81% of normal. Lost Creek is 97% full. Climate predictions for June show above average temperatures and average precipitation is expected.
- HR Manager Tanya Haakinson
  - Compensation and Benefits Survey – Medford Water contracted with Taryn M Consulting for an updated Compensation and Benefits Report for non-union positions (last comp survey was in 2021). The firm determined that Medford Water's compensation range for non-union positions fell between 80% to 108%, with an average of 95%. Mechanisms for compensation increases are market adjustment, discretionary bonus, merit, and structural adjustments.
- IT Manager Kris Stitt
  - Cybersecurity Update – Microsoft Defender XDR has been implemented to provide endpoint protection and vulnerability management. Combined with Defender for Office 365, it helps safeguard against email threats, including phishing and malicious links. On March 18th, 2024, the EPA and the National Security Council sent a letter to all governors, emphasizing the importance of protecting critical water and wastewater infrastructure. A second letter, issued on March 28th, requested that each state develop an action plan to mitigate the most significant cybersecurity vulnerabilities. Since then, we have been working to understand the implications for water utilities. To gain more clarity, we have invited Ben Gherezgiher, the State Chief Information Security Officer, to a recent OWUC meeting for a discussion with the group.
- General Manager Brad Taylor
  - Upcoming Board Schedule - June 19 Contracting and Purchasing Regulations, July 3 No meeting, July 17 Asset Management.

#### **10. Propositions and Remarks from the Commissioners**

Commissioner Anderson requested a list of all Medford Water properties along with their values and sought confirmation on whether we can still self-insure with the new WIFIA loan and Revenue Bonding. Staff will provide Commissioners with a list of properties and their values and will also investigate the rules regarding self-insurance.

#### **11. Adjourn**

There being no further business, this Commission meeting adjourned at 1:45 p.m. The proceedings of the Medford Water Commission meeting were recorded and are on file along with the complete agenda of this meeting.

  
Amber Furu  
Assistant Clerk of the Commission