



BOARD OF WATER COMMISSIONERS MINUTES

Wednesday, November 21, 2018
Lausmann Annex Room 151/157
200 S. Ivy Street, Medford, Oregon 97501

The regular meeting of the Medford Water Commission was called to order at 12:38 p.m. on the above date at the Medford City Hall Lausmann Annex, Room 151/157 with the following commissioners, staff, and guests present:

Chair Jason Anderson; Commissioners John Dailey, Daniel Bunn, Rick Whitlock

General Manager Brad Taylor; Deputy City Recorder Winnie Shepard; Administrative Coordinator Yvette Finstad; Principal Engineer Eric Johnson; Finance Director Tessa DeLine; Water Meter and Controls Supervisor Ken Johnson; TS Administrator Kris Stitt; Water Maintenance Supervisor Brian Davidson

Attorney Mark Bartholomew, Central Point Mayor Hank Williams, HDR Associate Vice President Shawn Koorn, James Herndon, and Ed Olson

Chair Jason Anderson spoke regarding the passing of Commissioner Leigh Johnson and all present gave a moment of silence.

3. Comments from the Audience

None.

4. Consent Calendar

4.1 Approval or Correction of the Minutes of the Last Regular Meeting of November 7, 2018

4.3 Resolution No. 1697, A RESOLUTION Repealing an Authorization of the General Manager of the Medford Water Commission to Obtain and use a VISA Business Card Issued by PremierWest Bank for use by Employees Designated by the General Manager, Resolution 1080

4.4 Resolution No. 1698, A RESOLUTION Authorizing the General Manager to Execute Purchase Order(s) with Sensus Metering Systems for Fiscal Year 2018-2019

Motion: Approve Consent Calendar.

Moved by: Mr. Whitlock

Seconded by: Mr. Bunn

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

Motion carried and so ordered. Items 4.1, 4.3, and 4.4 were approved.

5. Items Removed from Consent Calendar

Commissioner Whitlock requested item 4.2 be removed from the Consent Calendar.

4.2 Resolution No. 1696, A RESOLUTION Adopting, and Authorizing the General Manager to Execute the Comprehensive Financial Management Policy for the Board of Water Commissioners

Commissioner Whitlock voiced concerns about the language on page 6, item 3b regarding unrestricted resources and funds. His proposed revisions were sent to Commissioners on Monday. He requested the first sentence of the revised language that was stricken, remain in the document. He appreciated staff's efforts in putting this together, but preferred additional discussion before approving a final document.

Commissioners discussed whether to review the entire document in a study session and revise it section by section. Mr. Taylor clarified that although the policy would not be considered a draft, it outlines the current daily financial procedures and will be reviewed and/or updated annually.

After continued discussion, Commissioner Anderson requested a study session to discuss the document.

Motion: Approve Resolution 1696.

Moved by: Mr. Whitlock

Seconded by: Mr. Bunn

Commissioner Whitlock clarified that his motion was to approve Resolution 1696 with the amended language in section 3b previously provided to Commissioners. Commissioners again discussed whether to hold a study session to discuss possible revisions.

Amended Motion: Amend original motion to add that by the time the Board is prepared to conduct the cost of service survey next year, the Board should have a much refined version of the document.

Moved by: Mr. Whitlock

Seconded by: Mr. Bunn

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

Motion approved as amended.

Commissioners preferred Tessa DeLine attend the study session and that she could determine which additional staff also attend.

6. Review of Vouchers

The Board reviewed the vouchers. Commissioner Anderson requested additional clarification on three payments:

- 6.1 To CDW computers for \$18,000; Mr. Stitt explained that in 2013 staff switched to virtual computers which now need to be replaced. New computers are less expensive than updating the virtual computers. This payment will purchase computers for all staff.
- 6.2 The reported fraud charge; Ms. DeLine explained that an employee had his credit card compromised. When a fraudulent charge of \$14.99 was discovered and reported, the credit card company advised of thousands of dollars of fraudulent charges. The card has been cancelled. Ms. DeLine will provide updates on the fraud issue until it is resolved.
- 6.3 To the Oregon Department of Forestry for approximately \$15K; Mr. Taylor explained the fee is for fire protection in the watershed. All landowners in that area pay fees for this service.

7. Staff Reports

- 7.1 Engineer's Report (Principal Engineer Eric Johnson)
 - a. Duff Water Treatment Plant Floc/Sed Basins: Basins #3 and #4 were successfully tested last week. All the major components of this project are complete. The punch list items will be completed in the near future.
 - b. Duff Maintenance Building Construction: The grading of the building pad is underway. The building permit with Jackson County has been obtained. Coordination and permitting with Pacific Power is underway for electrical service to the building.
 - c. Rancheria Springs: A pre-design meeting with CH2M is scheduled for November 27, 2018.

- d. Corrosion Study: Staff will provide a short study session on the preliminary recommendations of the Corrosion Study from Black and Veatch at the next Board meeting.
- e. Rehabilitate Filter 5-8: The preliminary seismic analysis for the existing filters has been submitted by Marquess and Associates for staff review.
- f. Conservation: Dave Searcy and the City of Medford Planning Department participated in an open forum discussion at The Valley School regarding in municipal planning and public facilities. A 'Thank You' email is included in the Board's packet.

7.2 Operations Report (Water Maintenance Supervisor Brian Davidson)

- a. Due to low temperatures, there were two main breaks in the last week and one this morning; 1980 Cast iron (CI) pipe on Harrison Avenue and 1951 CI pipe on Windsor Avenue.
- b. Mr. Davidson shared a short video of a line repair.
- c. Staff should meet the NIMS emergency preparedness training goals by December 1, 2018.
- d. Emergency supply kit list should be handed out by next board meeting.
- e. Radio communication is part of the emergency preparedness training. Beginning December 1, radios will be the required form of communication every Tuesday. This training provides practice in the event that cellphone communication is lost. Staff will be trained in radio etiquette starting next week.

Our main communication system is on Roxy Ann but if that tower goes down, systems are in place throughout Medford for local radio communications.

7.3 Finance Report (Finance Director Tessa DeLine)

- a. October financial statements should be out today or early next week.
- b. The 10 Year Financial Plan is currently being drafted. The goal is to have that document presented in a separate section within our annual budget.
- c. Draft audit statements from Isler CPA are expected to be out next week. Once completed, staff will continue working on the supplementary schedules in the back of the Comprehensive Annual Financial Report.
- d. Our finance software update for Microsoft Dynamics GP is tentatively planned for January 11, 2019.
- e. Internal policies and procedures will be drafted in the next few months for travel and training, work order closure and segregation of duties. The purpose of this is twofold, to update existing policies and to document our business process.

7.4 I.T. Report (Technical Services Administrator Kris Stitt)

- a. Currently, Medford Water Commission currently has a \$1 million cyber liability insurance coverage through City County Insurance. The policy covers the Commission in the event of a data breach and includes most of the costs involved with a credit card or financial related data breach, including customer notification, payment penalties, credit card

monitoring and third-party coverage in the event our payment processor had a data breach. We are currently covered with the maximum available limit on this policy, with a \$5k deductible. This policy has an annual pool limit of \$5 million which is shared with all policy holders.

Mr. Stitt explained that supplemental coverage is available through Travelers Insurance. This could provide an additional \$1 or \$2 million additional coverage, which is not part of a shared pool. The coverage is similar to what we have now, but also provides network and security liability coverage, business interruption coverage, regulatory defense liability coverage and data restoration coverage. The policy could also provide an additional \$1 or \$2 million in coverage in security breach or mediation coverage.

Additional coverage would have an annual expense of approximately \$4,500 for \$1 million in coverage or \$6,500 for \$2 million; both have a \$10k deductible.

If the Water Commission did not have coverage, the average notification cost to each customer is \$230. With 13,000 electronic payments monthly, the worst case scenario expense would be around \$3 million.

Staff recommends obtaining the additional \$2 million coverage and the Board agreed.

Staff to verify the following:

- a. Whether the supplemental insurance is duplicative or acts as an umbrella policy
- b. Whether the \$5 million pool is reserved funding at the time of a claim or if it is actual dollars paid
- c. Whether the City County policy could be cancelled if we are purchasing double coverage

8. Manager's Report

8.1 Board Retreat Schedule

Taylor requested feedback on dates for the Board retreat. After discussion, the Board agreed to have it scheduled before a regular meeting. The strategy session will take approximately four hours, followed by a Board meeting.

8.2 There are two conferences for the 2019 for the Board Chair or designee; Pacific Northwest Section Conference in Vancouver, Washington, May 1 through May 3 or the ACE Annual Conference in Denver Colorado, June 9 through 12.

8.3 SAIF premium audit for workers compensation was completed November 20, 2018. One minor discrepancy was found in the amount of \$22.

8.4 On December 19, 2018, Jackson County will attend the meeting to report on water usage.

9. Propositions and Remarks from the Commissioners

9.1 Commissioner Bunn recommended a donation for the memorial wall in honor of Commissioner Leigh Johnson. Board agreed and directed Mr. Taylor move forward with that donation.

9.2 Commissioner Dailey advised the funeral is scheduled for December 9.

10. Adjourn

There being no further business, this Board meeting adjourned at 1:23 p.m. The proceedings of this Medford Water Commission meeting were recorded and are filed in the Water Commission's Office. The complete agenda of this meeting is filed in the Water Commission's Office.

Winnie Shepard, CMC
Deputy City Recorder