



BOARD OF WATER COMMISSIONERS MINUTES

Wednesday, December 19, 2018
Lausmann Annex Room 151/157
200 S. Ivy Street, Medford, Oregon 97501

City Recorder Karen Spoons administered the oath of office to Greg Jones, who has been appointed to the Board to fill a partial term; his term will expire January 31, 2021.

The regular meeting of the Medford Water Commission was called to order at 12:13 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, Greg Jones, Rick Whitlock

General Manager Brad Taylor; City Recorder Karen Spoons; Administrative Coordinator Yvette Finstad; Principal Engineer Eric Johnson; Finance Director Tessa DeLine; Water Meter and Controls Supervisor Ken Johnson; TS Administrator Kris Stitt; Water Treatment & Quality Director Ben Klayman; Water Maintenance Supervisor Brian Davidson

Attorney Mark Bartholomew; Medford Councilmember Tim D'Alessandro; Central Point Mayor Hank Williams; Central Point City Manager Chris Clayton; Eagle Point Mayor Bob Russell; Phoenix Mayor Chris Luz; J. Domis and John Vial of Jackson County

3. Comments from the Audience

- 3.1 Eagle Point Mayor Bob Russell stated this will be his last meeting and has enjoyed coming to the meetings the last eight years.
- 3.2 Phoenix Mayor Chris Luz came to learn about the rate increase and that knowing in advance is important for them in terms of budgeting.

4. Public Hearings

- 4.1 Resolution No. 1699, A Resolution Prescribing and Establishing Rates for the Use and Sale of Water from the Municipal Water System of the City of Medford, Oregon, Within and Without Said City, to Intermittent Users, and to Special Outside Customers, Repealing All Prior Rates in Conflict Herewith and Providing That the Modifications as Set Forth in the 2018 Cost of Service Study Shall Become Effective on March 1, 2019, and Thereafter.

Public hearing opened.
No one spoke.
Public hearing closed.

Motion: Approve Resolution No. 1699

Moved by: Mr. Bunn

Seconded by: Mr. Dailey

Commissioner Whitlock verified rate changes will be for one year only; this will not implement all the suggested rate changes for any following years. Commissioner Jones noted he has not participated on this resolution so will abstain from voting.

Roll Call: Commissioners Anderson, Bunn, Dailey, and Whitlock voting yes; Jones abstained.
Motion carried and so ordered.

5. Consent Calendar
 - 5.1 Approval or Correction of the Minutes of the Last Regular Meeting of December 5, 2018.
 - 5.2 Resolution No. 1700, A Resolution Authorizing the General Manager to Execute a Contract Amendment for Rogue Valley Backflow Services, LLC (RVB) for Residential Backflow Assembly Testing, Maintenance and Re-Test Services Project.

Motion: Approve Consent Calendar

Moved by: Mr. Whitlock

Seconded by: Mr. Dailey

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

Motion carried and so ordered.

6. Items Removed from Consent Calendar

7. Review of Vouchers

Commissioner Whitlock congratulated staff for the completion of the timber sale. Commissioner Dailey requested photos, which will be brought to the next meeting. General Manager Brad Taylor noted that the Board will be going to Big Butte Springs next year and will have an opportunity to see the site.

8. Staff Reports

8.1 Engineer's Report (Principal Engineer Eric Johnson)

- a. Duff Maintenance Building – The forming for the concrete footings and slab for the building is done.
- b. Corrosion Study – A project kick-off meeting was held, and the preliminary design of the chemical feed system will start next month.
- c. Conservation – Conservation Specialist Dave Searcy attended a webinar sponsored by the Alliance for Water Efficiency. The webinar was titled "Becoming a World Leader in Water Loss Control: The Amazing Story of Halifax Water" (Halifax, Nova Scotia).

Water Loss FY 17-18 - Total water production for FY 17-18 was 10.6 billion gallons. The amount of non-revenue water (unbilled water) is determined by production minus sales, which is approximately 1.2 billion gallons. After accounting for unbilled uses (Water Quality, Facilities, Operations, Fire Department, etc.) of approximately 100 million gallons, the net difference is 1.1 billion gallons or roughly 10.4% of total production. Staff would like to get this below 10%. Mr. Taylor noted the Water Management Conservation Plan speaks of no more than 10% water loss. Staff noticed they have to guess in the amount of water used to flush for fire hydrant testing, etc.

8.2 Operations Report - Operations Report (Water Maintenance Supervisor Brian Davidson)

- a. An emergency preparation flier was presented. Water Maintenance Supervisor Brian Davidson requested employee kits be completed by February 2019.
- b. A fire hydrant was recently hit which caused two breaks in our main. Mr. Davidson stated they are using the incident command in their daily work, such as with this event.
- c. Staff is setting benchmarks to achieve goals set for valve exercising beginning in February.

- 8.3 Water Treatment/Quality Report (Water Treatment/Quality Director Ben Klayman)
- a. The recent rains will not show up on our springflow data until a month out.
 - b. New operator positions will open in January; both are for unfilled positions. Water Treatment/Quality Director Ben Klayman stated that he wants to be full staff by the time Duff is fully operational.
 - c. Staff provided written comments and attended the Jackson County public hearing pertaining to impacts on wildfire.
 - d. Commercial thinning at Willow Basket was a success and has been completed, with almost 1.2 million board feet harvested. Slash disposal is scheduled for the spring (or fall if necessary). There is one commercial and one pre-commercial thinning operations planned for spring of 2019.
 - e. Water quality is 100% compliant.
- 8.4 Finance Report (Finance Director Tessa DeLine)
- a. The November financial statements will be out by the end of the week.
 - b. The 2019-2020 budget is currently underway. The focus this year is to prepare a budget document worthy of submission to the Government Finance Officers Association (GFOA) for the Distinguished Budget Presentation Award. The purpose of this is to ensure that our budget document is of the highest quality that focuses on transparency, professionalism and accountability.
 - c. The 2017-18 Comprehensive Annual Financial Report has been prepared and received, and will be submitted to GFOA for review. Commissioner Whitlock suggested action be taken by the Board before sending.
- 8.5 I.T. Report (Technical Services Administrator Kris Stitt)
- a. Along with Finance and billings system software upgrades, TS staff has been busy working on other projects that have been planned for this year. One of these projects has been to replace our older virtual computer systems that are used by most staff with new Windows 10 physical computer systems. The old systems were purchased as part of our software upgrade project in 2012. The last batch of new computers should be deployed by the end of this week.
 - b. Staff is also replacing two of our server systems at Duff, upgrading the SCADA server at the Service Center, and replacing our internet firewall at the Annex.

9 Manager's Report

9.1 Jackson County Bulk Water Sales

J. Domas and John Vial of Jackson County were introduced. Mr. Domas provided the history of the water station, stating they have been selling bulk water for several decades. The system was recently upgraded. During the process a revised agreement was needed. Mr. Domas stated the Commission had requested a regular report on the water station. As there is no way to determine the amount used for marijuana, the Board requested a list of users, which was provided. There was a drop in water use this year compared to last year, most likely from a reduction of marijuana farms which went out of business (approximately 50%).

Principal Engineer Eric Johnson questioned testing the meters for accuracy and stated the

use of a fire hydrant is not acceptable for domestic water use. Mr. Domas noted this was a big topic on regulating the water as they don't know where it is going. Mr. Taylor noted there is no restriction for use outside the Urban Growth Boundary.

Water Meter and Controls Supervisor Ken Johnson noted the water usage seems to be consistent with the Service Center station, which is \$1.14 per thousand. It's a mechanical system where quarters are needed. Mr. Johnson estimated 18,000 trips a year for the station, and sometimes there is ½ hour to 45 minute wait.

Mr. Domas stated commercial haulers would like a service at the southern end of the county, as many come from Ashland. Grants Pass also sells water with a similar situation as Jackson County.

- 9.2 Collection report and statistics were presented. A Monthly Single Family Residence Water graph rate comparison by cities was presented. Councilmember Bunn suggested including this in the Quarterly Report to Council and can also be included on the website.
 - 9.3 The upcoming meetings were discussed. The Comp Financial Management Policy study session will be on January 16; the Board requested staff's comments, such as policy decisions, history, etc. The Board Strategic Planning study session scheduled for February 20th will start at 8 a.m. in the Prescott Room.
10. Propositions and Remarks from the Commissioners
- 10.1 Commissioner Bunn questioned if staff has considered upgrading the Service Center water station; Mr. Taylor noted the existing station is working fine, there are more priority items, and next year we will be on a tight budget. Commissioner Whitlock questioned if there was land on the south end of the valley for another water station; staff noted there is none.
 - 10.2 Commissioner Dailey stated he will attend the AWWA Conference in Denver on June 9-12. Mr. Taylor noted a staff person will most likely attend as well.
 - 10.3 Commissioner Anderson welcomed Greg Jones as the new commissioner.
 - 10.4 Approval of Annual Audit

Motion: Approve the annual audit as presented by Paul Nielson of Isler.

Moved by: Mr. Dailey

Seconded by: Mr. Whitlock

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

Motion carried and so ordered.

- 10.4 Mr. Taylor questioned the succession of officers for the next year. Commissioner Bunn thought that would be an excellent topic for the Board Strategic Planning study session.
11. Adjourn
- There being no further business, this Commission meeting adjourned at 1:24 p.m. The proceedings of the Medford Water Commission meeting were recorded on tape and are filed in the Water Commission's Office. The complete agenda of this meeting is filed in the Water Commission's Office.

Karen M. Spoons, MMC
City Recorder
Clerk of the Commission