



# BOARD OF WATER COMMISSIONERS MEETING MINUTES

Wednesday, June 07, 2023

Medford City Hall Council Chambers

411 W. 8th Street – Rm 300, Medford, Oregon 97501

The regular meeting of the Medford Water Commission was called to order at 12:18 p.m. on the above date at Medford City Hall Council Chambers with the following commissioners, staff, and guests present:

Chair Michael Smith; Commissioners Jason Anderson, John Dailey, Bob Strosser, and David Wright

General Manager Brad Taylor, Executive Administrative Assistant Amber Furu, Finance Manager Anna Roeder, 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, Eagle Point Mayor Kathy Sell, City of Central Point Councilor Tanea Browning\*\*, (\*\*Via Zoom)

### 3. Comments from the Audience

None.

### 4. Public Hearings

- 4.1 Consider Resolution No. 1877, 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, 2023

Information on proposed Charges in Lieu of Assessment (CLAs) was presented to the Board on April 19. These are updated annually based on actual developer cost. Staff recommends approval of Resolution 1877, modifying the Charges in Lieu of Assessments and Refund Districts. Commissioner Smith asked what changes were made. Runyen replied the 8" Water Main unpaved, from \$30.21 to \$45.00; 8" Water Main paved, from \$57.98 to \$75.00; 12" Water Main unpaved, from \$43.83 to \$61.00; 12" Water Main paved, from \$71.61 to \$91.00 per foot per each side of the street.

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

**Motion: Approve Resolution 1877**

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

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

**Motion carried and so ordered.**

- 4.2 Consider Resolution No. 1878, A RESOLUTION Modifying the Charges for Special Services, Exhibit D of the Regulations Governing Water Service, Effective July 1, 2023

Information on proposed Charges for Special Services was presented to the Board on April 19. 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, meter resetting, and field collection. Staff recommends approval of Resolution 1878, modifying the Charges for Special Services.

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

**Motion: Approve Resolution 1878**

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

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

**Motion carried and so ordered.**

- 4.3 Consider Resolution No. 1879, 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 2023-24 Commencing July 1, 2023, and Making Appropriations Thereunder  
Commissioner Dailey asked if we have always had a public hearing for updates or changes to the Budget. Roeder replied she hadn't been involved in any changes to the budget previously, but we still must adopt any changes made to the Budget, which is done with a public hearing.

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

**Motion: Approve Resolution 1879**

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

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

**Motion carried and so ordered.**

Taylor stated Medford Water is not statutorily required to hold a public hearing for the budget, but it is a practice of the Commission.

**5. Consent Calendar**

- 5.1 Approval or Correction of the Minutes of the Last Regular Meeting of June 7, 2023
- 5.2 Resolution No. 1880, A RESOLUTION Adopting the Revised "Regulations Governing Water Service" and Repealing All Previous "Regulations Governing Water Service", effective November 1, 2023
- 5.3 Quarterly Letter to Mayor and Council

**Motion: Approve the Consent Calendar**

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

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

**Motion carried and so ordered.**

**6. Items Removed from Consent Calendar**

None.

**7. Resolution No. 1881, Authorizing the General Manager to Execute an Intergovernmental Agreement (IGA) by and between the Medford Water Commission and the City of Medford for Southwest Infrastructure Water Improvements.**

The City of Medford has entered into a grant agreement with the State of Oregon, through the Oregon Business Development Department, to receive \$2,700,000 of American Rescue Plan Act ("ARPA") funds for water infrastructure improvements in the Southwest Medford area. The first project consists of extension of water main in the Southwest Pressure Zone north in Orchard Home Dr, west along Westwood Dr and north along future Fallen Leaf Ave to directly benefit the Housing Authority of Jackson County's (HAJC) "Orchard Meadows" project. The extension of this water main through areas otherwise not currently served by water will also be a benefit for future redevelopment of this area of Southwest Medford. The second project consists of the extension of the water main along South Stage Road from South Columbus Ave. to Kings Hwy. and additional water lines in the vicinity to directly benefit the MDA Development LLC "South Stage Park Subdivision" project at the northwest

corner of South Stage Rd. and Kings Hwy. This supports the rezoning of existing MW customers from the Gravity Pressure Zone and will improve water pressure. This IGA is an opportunity for Medford Water to work with the City of Medford to efficiently deliver two water construction projects, funded by grant money obtained by the City, and to foster development.

Commissioner Dailey asked if there is water already in this area. Runyen explained, yes, the Southwest (SW) area is supplied out of the smaller SW Pressure Zone Reservoir with the larger Bullis Reservoir providing support for the Gravity Pressure Zone. Taylor noted the Bullis Reservoir has a pump station that pumps water to the SW Pressure Zone reservoir. Commissioner Dailey inquired if this was a misguided project or would we have done this project on our own. Runyen stated we don't proactively extend distribution lines for future development of areas, as developments happen, they extend their portion of the line that's needed.

**Motion: Approve Resolution 1881**

**Moved by: Mr. Dailey**

**Seconded by: Mr. Strosser**

Commissioner Wright inquired if most of the project will be reimbursed by the grant, is there costs that we will be paying for; Medford Water's contributions are approximately \$26K in additional surveying and design.

**Roll Call: Commissioners Dailey, Smith, Strosser, and Wright voting yes; Commissioner Anderson abstained.**

**Motion carried and so ordered.**

**8. Resolution No. 1882, Awarding and Authorizing the General Manager to Execute a Contract in the Amount of \$191,188.80 with Lallo Pipeline, Inc. for Ductile Iron Pipe Storage and Handling for the Table Rock Road Pipeline project (CIPW-22-00363).**

In support of the Table Rock Road Pipeline construction project, Medford Water needs to receive and store a large quantity of pre-purchased ductile iron pipe and associated materials. Our interim storage contract with our supplier, US Pipe, is through July 31 for up to \$270,000 (\$15/ft pipe). Shipments have been paused as of 5/23 to 6/7; and we will only be utilizing \$65,560 of the contracted amount with US Pipe. This pipe and materials will be received in advance of the construction project being awarded and will be stored throughout the duration of construction. Bids have been received for supplying a local storage site and materials handling services (unloading of delivery trucks and storage of materials). The construction contract is anticipated to be awarded by the Board on July 19 and the construction project is estimated from August 2023 to January 2025.

**Motion: Approve Resolution 1882**

**Moved by: Mr. Dailey**

**Seconded by: Mr. Strosser**

Commissioner Anderson commented the information was very well presented and put together, actually lowering the cost of the \$270,000 storage contract that was previously approved. Runyen added that once the construction contract is signed, the contractor will be responsible for pickup and delivery of the pipe. The storage location is on the east side of E. Gregory Road and Highway 62.

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

**Motion carried and so ordered.**

**9. Leadership Team Reports**

Leadership Team staff will be present and may provide information: Engineering Manager Brian Runyen, Water Operations Manager Dan Perkins, Finance Manager Anna Roeder, Information Technology Manager Kris Stitt, Human Resources Manager Tanya Haakinson, Water Resources & Customer Service Manager Julie Smitherman, and General Manager Brad Taylor.

- Water Resources & Customer Service Manager Julie Smitherman
  - Watershed Report – 20" of cumulative precipitation through May (below average);

Snowpack for the basin is 128% of normal. Spring flow is starting to level off which is typical this time of year, and Willow Lake storage is 99% full. The current drought monitor shows improvement across the state.

- Big Butte Springs & Duff Tour - Staff lead a tour of the Robert A. Duff Water Treatment Plant, BBS, Whiskey Springs & Willow Lake. 45 people attended the tour. It was beautiful weather and Whiskey Springs was flowing. Our next tour will be September 27, 2023
- Garden Fair and Public Works Day – Conservation and Customer Service staff participated in the Garden Fair on Saturday, May 6. It was a great opportunity for staff to hear directly from our customers. Public Works Day at Lone Pine Elementary School was a lot of fun; the kids were engaged and learned a lot about what Medford Water does.
- Capital Hill Reservoir Replacement Project Open House – This was a successful event with staff and JLA consultants involved. This is the first open house Medford Water has held; in order to get the word out we sent 300 postcards, two reminder emails and three posts to social media. At the event we let them know we are in the early stages of the project, and we aren't going to have all the answers right now, but we are taking their concerns seriously. The Capital Hill Reservoirs are Medford's oldest and largest drinking water storage, holding 12 million gallons. Reservoir 1 was built in 1908 (2 million Gallons); Reservoir 2 was built in 1927 (2 million gallons); reservoir 3 was built in 1945 (8 million gallons). We have learned so far that our customers want to maintain high water quality, avoid impacts to personal property, protect the existing trees and wildlife, no public space or park on site, maintain current landscaping or add to public facing areas and protect safety for people walking around during construction.

Commissioner Wright commended the team for putting this event on and reaching out to the community, it is what was needed. Commissioner Strosser stated that considering the sensitivity of the project, it is better to do the work up front than trying to explain what went on with your outreach later. Commissioner Dailey commented he was impressed with the turnout; the staff did a terrific job of getting people there, managing everyone and presenting the information. The crowd was positive and appreciative of our efforts. The radio tower, trees and streets will be an issue. What we have done so far has really laid the groundwork to have meaningful communication with the neighbors. They are not going to be happy with everything but at least they know they have access to us. Good job to everyone who was involved. Commissioner Smith asked if all the information presented will be on the website. Smitherman confirmed the presentation had been recorded and will be made available for viewing.

- Engineering Manager Brian Runyen
  - RH2 Capital Hill Contract Update - This project came out of Distribution System Resilient Backbone Project. Plans originally started with building the River Zone Storage; thinking we needed to do this first before we could do the very necessary work at Capital Hill Reservoir. With the design team, we split the project into five different parts and figured out what needed to be built and when: Part A – Planning, Part B – Pre-Design of River Zone Storage, Part C – Design and Construction of River Zone Storage, Part D – Pre-Design of Capital Hill Reservoir Replacement, and Part E – Design and Construction of Capital Hill Reservoir Replacement. We are now in Part D, the predesign phase of Capital Hill Reservoir Replacement and in the fall of 2023, we will begin the design and construction of the Capital Hill Reservoir. Since the contract was awarded to RH2 Engineering there have been two change orders: one for additional Geotech Investigation, \$29,414 and one for JLA Public Engagement, \$29,806.
  - What's next - Completion of Basis of Design Report (Part D), develop Scope & Fee for Design (Part E) and bring back for Board approval in the Fall of 2023, and continued Public Engagement & Communication.

Commissioner Anderson asked if we have a location for the River Zone Storage; Runyen

answered we are working on 2 locations right now, actively looking at property in 2023 for construction in in 2027-2029.

- Finance Manager Anna Roeder
  - City County Insurance Renewal - Our existing Total Premium is \$227,779 and our Cyber Liability is \$14,485. This year our renewal premium with no changes to the deductible would be Total Premium \$237,674 and Cyber Liability is \$17,375. PayneWest ran an alternative deductible option with changes to Auto deductibles from \$1,000 to \$5,000 and Property deductibles from \$50,000 to \$100,000, saving \$8,710 to the overall policy. Over the last ten years, our total Paid Claims for Auto Liability is \$189,469 and General Liability is \$113,697. Total number of Paid claims is 24, total claims submitted is 47. Cyber Security Insurance increased \$2,890 from 22/23 - 23/24. Our deductible for Cyber Security is \$5000. Staff recommends keeping General Liability and Auto deductibles as is.

Commissioners and staff discussed past ratings and the number of claims affecting our cyber security. Commissioner Wright noted a cyber-attack could be pretty costly. Stitt replied our current policy gives us \$2 million in coverage with a \$50,000 deductible for a cyber/malware event.

- General Manager Brad Taylor
  - Charlotte Anne Water District (CAWD) Update - CAWD voted for Dissolution on the May ballot, set to close June 30, 2023. The area in the Medford UGB will be transferred to Medford Water (16 Customers), and the remaining area and customers will be transferred to City of Phoenix. We are working on details of the transfer with City of Phoenix. We will bring back Board approval, Phoenix wholesale agreement allowing Phoenix to serve CAWD (outside UGB) and Board approval to transfer monies collected from CAWD for purchase of Lost Creek Water Rights.
  - Upcoming Board Schedule - June 21, SCADA Master Plan Overview (Medford City Hall Council Chambers). July 5, back at Prescott Room, No Study Session Planned.

## 10. Propositions and Remarks from the Commissioners

## 11. Adjourn

There being no further business, this Commission meeting adjourned at 1:39 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