



BOARD OF WATER COMMISSIONERS MEETING MINUTES

Wednesday, June 19, 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 12:05 p.m. on the above date at Lausmann Annex - Room 151, with the following commissioners, staff, and guests present:

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

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, Capital & Special Projects Coordinator Andy Huffman, Water Resources & Customer Service Manager Julie Smitherman, Purchasing Agent Mark Depner

Guest(s): MW Attorney Mark Bartholomew

Out of sequence

8. Leadership Team Reports

- Tanya Haakinson, HR Manager
 - The Annual Company Picnic was held at Hanley Farm this year. Photos and Videos were shared of this year's Hawaiian Luau themed picnic; there was catered Hawaiian lunch, snow cones, games for adults and kids, a bounce house, and prizes.
- Brian Runyen, Engineering Manager
 - The Building Resilient Infrastructure and Communities (BRIC) Grant is a program designed to fund proactive community development projects, enhancing resilience and preparedness for natural disasters. Administered through the State of Oregon, Medford Water submitted a sub-application in September/October 2022 via the Oregon Department of Emergency Management (OEM). Our grant request totaled \$34.8 million, with Medford Water providing a \$14.5 million network match (30%). The funding will cover three ongoing projects:
 1. Capital Hill Reservoir Replacement,
 2. Crater Lake Ave Transmission Pipeline, and
 3. Martin & Conrad Control Station Improvements.

These projects are integral to the resilience of our distribution system backbone. The application process was intensive and complex, requiring significant effort from Medford Water (MW) staff and assistance from consultants Jacobs Engineering Group and RH2 Engineering. Their expertise in grant writing helped create a well-formulated application package, submitted to FEMA in January 2023. In August 2023, FEMA announced the selection of 124 projects for further review, and in March 2024, Medford Water responded to the informal questions from OEM. In May 2024, FEMA issued a Request for Information (RFI), and Medford Water provided the required responses back in June. Currently, there is no timeline for FEMA's final response.

Commissioner Dailey inquired whether the City of Medford had applied for the BRIC Grant for their sewer project. Councilor Card responded that the project is ineligible as it does not focus on enhancing resiliency but rather on meeting a regulatory requirement.

- Brad Taylor, General Manager
 - On June 11, we had our first in-person meeting with Eagle Point Irrigation District (EPID) to discuss modifications to our water-sharing agreement at Big Butte Springs. The discussion was detailed and addressed concerns raised by EPID. Our next step is to prepare a proposal by the end of July and present it to EPID for further discussion.

- Medford 2040 Vision Implementation Committee – On June 12, an overview of our Resiliency Strategy was given to the committee. Medford Water is the primary partner in building a plan for managing water resiliency. Councilor Card noted it was good to connect the dots and hear the community's input.

Back in sequence

3. Comments from the Audience

None.

4. Written Communication

4.1 Letters from ACCESS, St. Vincent de Paul and The Salvation Army

- ACCESS – Since April 1st, 2022, LIHWA program funds were approximately \$600,000, they have assisted approximately 553 households, and have provided approximately \$85,000 in funding to MW customers. ACCESS requests \$10,000 and staff recommends \$5,000.
- St. Vincent de Paul – Assisted 23 households with their water bills and assisted 2 households with finding and repairing their leaks. St. Vincent de Paul refers customers to ACCESS and is requesting \$4,314.60.
- The Salvation Army - Assisted 15 households with their water bills and is also referring customers to ACCESS, and they are requesting \$2,660.27.

Motion: Approve the Written Communication.

Moved by: Mr. Anderson

Seconded by: Mr. Dailey

Commissioner Dailey asked about the source and distribution of the \$600,000. The funds originated from the American Rescue Plan Act (ARPA) and were allocated to all states, which then distributed them to the counties. Jackson County received \$600,000 for water and wastewater utility bills. ACCESS distributed the entire \$600,000 to the surrounding communities, depleting the funds by January 2024.

Commissioners and staff discussed initiating a new customer care program to better support and connect with our customers. They also considered holding a study session to understand how we handle bad debt and the process for writing off bad debt.

Roll Call: Commissioner Anderson, Dailey, Smith, Strosser, 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 June 5, 2024
- 5.2 Resolution No. 1939, A RESOLUTION Amending Medford Water's Contracting and Purchasing Regulations
- 5.4 Resolution No. 1941, A RESOLUTION Authorizing the Chair of the City of Medford, By and Through its Board of Water Commissioners to Execute a Quitclaim Deed Releasing All Right and Title to, and Interest in, the Easement Originally Recorded as Document No. 2006-024600 on May 10, 2006

Motion: Approve the Consent Calendar with removal of item 5.3.

Moved by: Mr. Dailey

Seconded by: Mr. Anderson

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

Motion carried and so ordered.

6. Items Removed from Consent Calendar

Commissioner Anderson requested the removal of Item 5.3.

- 5.3 Resolution No. 1940, A RESOLUTION Authorizing the General Manager of Medford Water to Execute on Behalf of the Board of Water Commissioners, a Payment to City County Insurance Services in the Amount of \$282,992.39 for Medford Water's General Liability, Automotive, and Property Damage Insurance Premium for Fiscal Year 2024-2025.

Commissioner Anderson inquired about the change in the payment to City County Insurance Services. Purchasing Agent Mark Depner clarified that the original figure in the agenda packet did not reflect the discount received by adjusting the vehicle comprehensive and collision deductibles. Commissioner Smith then asked about the new deductible amounts; Depner explained that the Vac-con machines will have a \$10,000 deductible for collision and comprehensive, while all other vehicles will have a \$5,000 deductible for collision and comprehensive.

Motion: Approve Resolution 1940

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

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

Motion carried and so ordered.

7. Resolution No. 1942, A RESOLUTION Adopting, and Authorizing the General Manager to Execute the Comprehensive Financial Management Policy for the Board of Water Commissioners

The Comprehensive Financial Management Policy (CFMP) consolidates all financial policies of MW into a single document and is approved annually by the Board of Water Commissioners. MW management has reviewed and updated the CFMP with the following changes:

- Financial planning policies – creation of the Bond Project Fund
- Financial planning policies – removed a paragraph discussing monitoring and forecasting. It is now included under General Budget Policies, section H, monthly financial reporting.
- General budget policies – public hearings updated to include SDCs.
- General budget policies – now includes section H, monthly financial reporting.
- Debt issuance and debt management policy – updated to include NEW debt Policy.
- Financial ratios and key indicators – updated to include target balances and debt limitations.

Motion: Approve Resolution 1942

Moved by: Mr. Dailey Seconded by: Mr. Smith

Commissioner Dailey asked whether the goal is to have 20% of the annual water fund expenditures in reserve at the end of the year or if this amount is carried over, he also inquired about the role of depreciation in the construction fund. Belikoff clarified that the target is to maintain the Water Fund at 20% of the annual budgeted revenues. Additionally, for the Construction Fund (one of the funds under the Construction and Infrastructure Replacement Fund), the goal is to have reserves at two times the estimated annual depreciation amount. Taylor added that our financial strategy will evolve with the implementation of Asset Management as it relates to this Construction Fund Target balance. The practice of setting aside twice the amount of annual depreciation is a broad approach aimed at ensuring sufficient funds for the renewal and replacement of infrastructure.

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

Motion carried and so ordered.

8. Leadership Team Reports, Cont'd.

- Brad Taylor, General Manager
 - Service Center and Annex Ownership Review – The update was requested by the Board to provide more detailed information on Medford Water's investments in the Annex facility and the Service Center. A draft summary of the original cost for the Annex includes the original building cost, property, and improvements, totaling \$1,377,700. A draft summary of the original cost for the Service Center includes the property, original building cost, multiple additions, and improvements, totaling \$1,212,900. The total draft original investment for the Annex and Service Center is approximately \$2.6 million. Commissioners and staff discussed at length that \$2.6 million is significantly lower than the current value and the costs associated with these investments. Several factors must be considered to ensure fairness and the right course of action.
 - Upcoming Board Schedule - July 3 No Meeting; July 17 Asset Management; August 7 New Website; August 21 Water Distribution Operations Update.

9. Propositions and Remarks from the Commissioners

Commissioner Smith asked IT Manager Kris Stitt about the issue with our old billing system notifying customers to update their credit card information and if it had been resolved; Stitt confirmed that notifications with our old billing system have been turned off and the issue has been resolved.

10. Adjourn

There being no further business, this meeting adjourned at 1:13 p.m. The proceedings were recorded and are on file along with the complete agenda of this meeting.



Amber Furu
Assistant Clerk of the Commission