

**REGULAR MEETING OF BOARD OF DIRECTORS  
ROGUE VALLEY SEWER SERVICES  
June 21, 2017**

**TIME AND PLACE OF MEETING**

A regular meeting of the Board of Directors of the Rogue Valley Sewer Services, Jackson County, Oregon, was held at the Rogue Valley Sewer Services Office, 138 West Vilas Road, Central Point, Oregon June 21, 2017 at 7:00 a.m.

**PLEDGE OF ALLEGIANCE**

**PRESENT**

Bob Dunn, Chairman; Kay Harrison, Director; Wayne Brown, Director; Bill Stults Vice Chairman; Jim Lewis, Director

**ALSO PRESENT**

Carl Tappert, Manager; Brenda Baldovino, Finance Director; Shane Macuk, Operations Manager; Kevin James, Treatment Plant Supervisor

**CONSENT AGENDA**

Jim Lewis motioned and Kay Harrison seconded approval of the consent agenda consisting of Minutes of the May 17, 2017 Board Meeting and a termination of an easement on Nobility Drive. A request for financing for Sweet Tea Express was removed from the consent agenda at the request of Carl Tappert. The motion carried with a unanimous vote of the all board members.

**PUBLIC HEARING ON RESOLUTION 17-13 ADOPTION OF FY2018 BUDGET AND MAKING APPROPRIATIONS**

Chairman Dunn opened a public hearing of the Fiscal Year 2018 budget at 7:03. As there were no members of the public present the hearing was closed at 7:04 am.

Kay Harrison motioned and Wayne Brown seconded approval of Resolution 17-13. The motion carried with a unanimous vote of the all board members.

**RESOLUTION 17-04: CERTIFICATION OF ELECTION**

Bill Stults motioned and Jim Lewis seconded approval of Resolution 17-04. The motion carried with a unanimous vote of the all board members.

**RESOLUTION 17-05: PROVIDING ASSISTANCE FOR LUCAS PARK IN EAGLE POINT**

Carl Tappert explained that the City of Eagle Point was constructing a restroom at Lucas Park. In keeping with our policy of paying SDCs for public park restrooms, RVSS would pay the SDCs of approximately \$1,100 for this project.

Kay Harrison motioned and Bill Stults seconded approval of Resolution 17-05. The motion carried with a unanimous vote of the all board members.

**RESOLUTION 17-06: GENERAL OVERHEAD RATE, BILLING RATES, FOR LABOR AND EQUIPMENT RENTAL**

Carl Tappert explained that every year we update our labor and equipment rates to reflect current costs. Equipment rates include both an internal and external rate. The external rate is intended to reflect a market rate and is used when we do work for outside interests. We do not want to be in the business of renting equipment and the rates are set to encourage the use of private companies. The internal rate covers our actual cost of ownership and is used for allocating vehicle costs to various funds.

Jim Lewis motioned and Wayne Brown seconded approval of Resolution 17-06. The motion carried with a unanimous vote of the all board members.

**RESOLUTION 17-07: CONTRACTING OUT WITH PRIVATE SECTOR FIRMS RENEWAL OF PERSONAL SERVICE CONTRACTS**

Carl Tappert explained that every year we update our list of private firms we use to perform various services. Brenda Baldovino explained that we limit our auditor contracts to a maximum of 5 years. After our current auditor completes the FY2017 audit they will have completed five years and we will solicit proposals to retain a new auditor. The Board agreed that regularly changing auditors is a good practice.

Bill Stults motioned and Kay Harrison seconded approval of Resolution 17-07. The motion carried with a unanimous vote of the all board members.

**RESOLUTION 17-08: CAPITAL IMPROVEMENT PLAN FOR ALL AREAS**

Carl Tappert explained that this capital improvement plan is the same as what was presented to the Budget Committee. The approved budget resolution adopts the expenditures for each fund. This resolution approves the capital improvement plan.

Jim Lewis motioned and Wayne Brown seconded approval of Resolution 17-08. The motion carried with a unanimous vote of the all board members.

**RESOLUTION 17-09: SCHEDULES FOR SEWER PERMIT AND INSPECTION FEES**

Carl Tappert explained that every year we adopt by resolution the permit and inspection fees. There are no changes from the previous year. Bill Stults questioned the need for a resolution if there are no changes. Carl Tappert explained that since we publish these resolutions on our website it is more transparent to have a fresh resolution every year.

Kay Harrison motioned and Wayne Brown seconded approval of Resolution 17-09. The motion carried with a unanimous vote of the all board members.

**RESOLUTION 17-10: SCHEDULES FOR MISCELLANEOUS FEES**

Carl Tappert explained that every year we adopt by resolution the miscellaneous fees. There are no changes from the previous year.

Bill Stults motioned and Jim Lewis seconded approval of Resolution 17-10. The motion carried with a unanimous vote of the all board members.

**RESOLUTION 17-11: SCHEDULES FOR SANITARY SEWER AND STORMWATER CHARGES**

Carl Tappert explained that every year we adopt by resolution the sewer and stormwater charges. This resolution includes a rate increase of 3.16% which will raise the residential rate from \$19.00 to \$19.60 per month. All other schedules increase by the same percentage. There are two other changes to the rate schedule:

Schedule D.6 – FOG surcharge. Under the old rate we charged a monthly surcharge of \$50 for any food service establishment that does not have a properly functioning grease interceptor. The new schedule increases that charge by \$100 per month up to a maximum of \$1,000 per month. There are a couple of businesses that have decided that it is easier to pay the \$50 per month than it would be to comply with the grease interceptor rules. This change will hopefully bring them into compliance.

Schedule J – Hauled Waste. This schedule memorializes the previous Board decision to charge septic and porta-potty haulers \$0.15 per gallon that is delivered to the White City Lagoon

Kay Harrison motioned and Jim Lewis seconded approval of Resolution 17-11. The motion carried with a unanimous vote of the all board members.

## **RESOLUTION 17-12 SETTING RATES FOR SYSTEM DEVELOPMENT CHARGES**

Carl Tappert explained that every year we adopt by resolution the system development charges. The methodology can justify slightly higher rates for each of the SDC's we charge, but we are not recommending any change from last year.

Bill Stults motioned and Jim Lewis seconded approval of Resolution 17-12. The motion carried with a unanimous vote of the all board members.

## **PROJECT UPDATES**

In Nick Bakke's absence, Carl Tappert presented an update of current construction projects.

Casey Jones as started work as a summer engineering intern.

J094 Sarah Lane Project: Nick is currently working on the design of this project that will eliminate some back yard and shallow main line in Eagle Pont.

J232 Lozier Lane Street Improvements: This project is still under construction. We are having to relocate fewer service laterals than anticipated, which should result in a better price for us. Jim Lewis asked if the project was moving according to Schedule. Carl Tappert responded that he was not closely involved with this project and did not know how they were doing on time. We are aware that there have been more utility conflicts than anticipated which may be slowing progress.

J243 North Central Valley Sewer Replacement: This project was awarded last month. The contractor is making very good progress.

J251 Schoolhouse Lane Sewer Extension: This project is complete. We are waiting on as-built survey.

J256 OR 62:Rogue River Drive to Cleveland Street: This is an ODOT project in Shady Cove that will involve some manhole relocations. The project is currently on hold.

J266 FY 2016 CIPP Project: Currently working with the contractor on final punch list items.

J272 OR99 Rapp Rd to North Main: This project is still in the design phase.

J274 Wilson Way Sewer Ext: This project will eliminate the Wilson Pump Station, one of the Dutton Road Pump stations and several STEP systems. Nick has one alignment that works and is looking into an alternate alignment that could save about 300 feet of pipe if we can secure an easement.

17-01 Table Rock Sewer Ext: The design is complete and still trying to coordinate with Jackson County.

## **STORMWATER UPDATES**

In Jennie Morgan's absence, Carl Tappert presented an update of current stormwater issues.

Frances Oyung has started work. Her background includes public education and outreach experience which has been one of our weakest areas. She is already involved as a member of the steering committee for the Clean River Coalition, which is a statewide organization aimed at stormwater education.

Jennie has been working with the Medford Water Commission to develop an industrial survey in White City. The goal of this effort is to identify potential water quality impacts from industrial operations in White City, and to encourage the industries to mitigate these impacts. The Water commission's motive is to protect water quality upstream from their Rogue River intake. Our motive is to comply with the Phase 2 permit.

Since the work would be entirely voluntary Jennie has asked if the Board would be agreeable to offering an incentive in the form of reduced stormwater or storm drainage fees to businesses that participate. The Board indicated that this would be agreeable. Carl Tappert indicated that we would provide more details of any incentive proposal.

## **O&M UPDATES**

Shane Macuk gave an update on maintenance operations for the previous month.

## **MANAGER'S REPORT**

Carl Tappert recommended that we create a Treatment Department under the management of Kevin James. This makes sense at this time because we are now operating both the Gold Hill and Shady Cove treatment plants, and doing more work at the White City Lagoons. Carl recommended a salary of \$7,200 per month. Carl Tappert has communicated with the Teamsters Union and they are in agreement with moving Kevin into a management position. Carl Tappert has also proposed creating a two-tiered wage scale for plant operators. The Union has not agreed to this proposal. This will likely be resolved in the coming union mediation.

The actual staffing of the treatment department is still in question. We may either assign one person permanently to treatment or rotate employees through the plant a couple months at a time. Kay Harrison indicated that she believed rotating employees through had significant advantages.

Kay Harrison motioned and Jim Lewis seconded the creation of a Treatment Department and the promotion of Kevin James as manager of the department with a salary of \$7,200 per month. The motion carried with a unanimous vote of the all board members.

Carl Tappert recommended that we conduct a salary survey for non-represented employees. It has been many years since this was last done. LGPI has given an estimate of \$4,180 to complete this work.

Jim Lewis motioned and Bill Stults seconded to move forward with a salary survey. The motion carried with a unanimous vote of the all board members.

Kay Harrison left the meeting at 8:00 am]

Carl Tappert recommended that non-represented employees (with the exception of the Manager) be given a 2.5% cost of living adjustment based on the January 2017 CPI-U.

Carl Tappert recommended that we wait until the new collective bargaining agreement is complete before making any decision on COLA for union members.

Jim Lewis motioned and Wayne Brown seconded to allow a cost of living adjustment of 2.5% for non-represented employees. The motion carried with a unanimous vote of the all board members present.

Carl Tappert explained that annexation discussions with Shady Cove are currently on hold. However he wanted to discuss the possibility of dedicating surplus funds generated at the White City Lagoons to a capital reserve fund that could be used to fund projects at both the White City Lagoons and the Shady Cove Treatment Plant.

The logic behind this is that if the City annexes they will be part of RVSS so revenues generated by the treatment department could be allocated to the treatment department. Additionally, we have shifted most of the hauled waste revenue from Shady Cove to the lagoons for operational reasons. Carl acknowledged that this could be seen as the current RVSS subsidizing Shady Cove. No decision is needed at this time but Carl requested the Board give some thought to the concept.

The Board agreed to hold a performance review for the Manager immediately following the July Board meeting. Carl Tappert distributed a self-evaluation of goals from FY 2017 to the Board for review in advance of the performance evaluation.

Carl Tappert mentioned that the mediation session with the Teamsters was scheduled for June 28.

Carl Tappert explained that for some reason we have two different mission statements. One that was developed in 2004 as part of a strategic planning exercise and one that has been around for much longer. The Board noted that the 2004 statement was much simpler and more appropriate. Bill Stults said that he would like something in the statement that mentioned cost efficiency. Carl Tappert said that he would look at it further and come back with a recommendation.

**CLAIMS LISTING**

Bill Stults motioned and Jim Lewis seconded to approve the Claims Listing of \$802,365.23. The motion carried with a unanimous vote of the remaining board members.

**ADJOURNMENT TO EXECUTIVE SESSION**

The Board adjourned to executive session at 8:15 to conduct deliberations with persons that has been designated to carry on labor negotiations. ORS 192.660(2)(d).

**RETURN TO OPEN MEETING**

The Board returned to open meeting at 8:40.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 8:41 a.m.

ROGUE VALLEY SEWER SERVICES



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Bob Dunn, Chairman  
Board of Directors



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Carl Tappert, Manager