

**REGULAR MEETING OF BOARD OF DIRECTORS
ROGUE VALLEY SEWER SERVICES
June 15, 2016**

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 15, 2016 at 7:00 a.m.

PLEDGE OF ALLEGIANCE

PRESENT

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

ALSO PRESENT

Carl Tappert, Manager; Brenda Baldovino, Finance Director; Shane Macuk, Operations Manager; Joan Pariani, Executive Secretary; Jennie Morgan, Stormwater Manager; Nick Bakke, District Engineer

CONSENT AGENDA

Bill Stults motioned and Wayne Brown seconded approval of the consent agenda consisting of Minutes of the May 18, 2016 Board Meeting, Minutes of the April 27, 2016 Budget Meeting and the approval of assessment orders for Patricia Baird and David Elder. The motion carried with a unanimous vote of the board members.

BUDGET ITEMS

Chairman Bob Dunn opened the Public Hearing at 7:02 a.m.

Carl explained that Resolution 16-12 would adopt the FY2017 Budget and no changes had been made since the acceptance by the Budget Committee in April.

Chairman Dunn closed the Public Hearing at 7:03 a.m.

Jim Lewis motioned and Bill Stults seconded to approval of Resolution 16-12: Adoption of FY2017 Budget and Making Appropriations. The motion carried with a unanimous vote of the board members.

ORDINANCE 16-03: AN ORDINANCE TO AMEND THE ROGUE VALLEY SEWER SERVICES CODE TO CHANGE THE RESIDENTIAL TENANT BILLING RULES

This is the first reading of Ordinance 16-03.

Bob Dunn opened the public hearing at 7:04 a.m.

Carl explained that this will eliminate tenant billing for residential customers. Commercial tenants will still be able to be billed with a signed contract. Also, tenant who are currently being billed will be grandfathered in until they vacate the property or the ownership of the property changes.

Carl read the ordinance by title only.

Bob Dunn closed the public hearing at 7:07 a.m..

Bill Stults motioned and Jim Lewis seconded to approval of Ordinance 16-03: An Ordinance to Amend the Rogue Valley Sewer Services Code to Change the Residential Tenant Billing. The motion carried with a unanimous vote of the board members.

RESOLUTION 16-02: CAPITAL IMPROVEMENT PLAN FOR ALL AREAS

Improving and upgrading the sewer system infrastructure is very important to RVSS. Capital Improvement plans are reviewed every year and are included in the accepted Budget. This Resolution adopts the projects scheduled for FY2017.

Kay Harrison motioned and Wayne Brown seconded to approval of Resolution 16-02: Capital Improvement Plan for All Areas. The motion carried with a unanimous vote of the board members.

RESOLUTION 16-03: GENERAL OVERHEAD RATE, BILLING RATES FOR LABOR AND EQUIPMENT RENTAL

This Resolution is also reviewed annually. The rates have been updated to conform with comparable private sector rates.

Bill Stults motioned and Jim Lewis seconded to approval of Resolution 16-03: General Overhead Rate, Billing Rates for Labor and Equipment Rental. The motion carried with a unanimous vote of the board members.

RESOLUTION 16-04: CONTRACTING OUT WITH PRIVATE SECTOR FIRMS, RENEWAL OF PERSONAL SERVICES CONTRACTS

This is, again, an annual Resolution. It is to accept private sector service providers.

Jim Lewis motioned and Kay Harrison seconded to approval of Resolution 16-03: Contracting out with Private Sector Firms, Renewal of Personal Services Contracts. The motion carried with a unanimous vote of the board members.

RESOLUTION 16-05: SCHEDULES FOR SEWER PERMIT AND INSPECTIONS FEES

Another annual Resolution. This one updates rates provided in RVS 9.10.020 and 9.10.030

Kay Harrison motioned and Wayne Brown seconded to approval of Resolution 16-05: Schedules for Sewer Permit and Inspection Fees. The motion carried with a unanimous vote of the board members.

RESOLUTION 16-06: SCHEUDLES FOR MISCELLANEOUS FEES

One more annual Resolution. This one updates Miscellaneous fees charges to customers.

Bill Stults motioned and Wayne Brown seconded to approval of Resolution 16-06: Schedule for Miscellaneous Fees. The motion carried with a unanimous vote of the board members.

RESOLUTION 16-08: SCHEDULES FOR SANITARY SEWER AND STORMWATER CHARGES.

This Resolution will increase sewer rate by 3.8%. The stormwater rates are not changing. Carl highlighted the FOG surcharge. The minimum surcharge for Food Service Establishments who do not have properly installed grease interceptors will increase to \$50 per month. The current policy is to charge an Extra Strength Charge is \$1.21 per 1,000 gallons.

Bill Stults motioned and Kay Harrison seconded to approval of Resolution 16-08: Schedules for Sanitary Sewer and Stormwater Charges. The motion carried with a unanimous vote of the board members.

RESOLUTION 16-09: SETTING RATES FOR SYSTEM DEVELOPMENT CHARGES

Carl has reviewed SDC fees according to Code. Carl explained that SDCs cannot be higher than the amount justified by the approved calculation methodology. Justified rates for White City Trunk and Eagle Point Trunk are lower than current rate and so must be reduced. Interceptor and Collection Systems justified rates are higher and can be increased at the Board's discretion. The Board agreed to reduce the White City Trunk SDC to \$200 from \$225 and the Eagle Point

Trunk SDC to \$700 from \$750. The Collection System SDC was raised from \$625 to \$700. The Interceptor SDC rate remains the same.

Kay Harrison motioned and Wayne Brown seconded to approval of Resolution 16-09: Setting Rates for System Development Charges. The motion carried with a unanimous vote of the board members

RESOLUTION 16-10: ESTABLISHING A POLICY FOR CALCULATING STORMWATER FEES ON PROPERTIES WITH MULTIPLE SEWER ACCOUNTS

Carl explained that normally the entire stormwater fee is assigned to the sewer bill for the property. However, there are a few instances where a single property has multiple sewer accounts. The RVSS Code does not specify how stormwater fees are allocated in this instance. The proposed resolution would allocate the total impervious area of the property to the different sewer user accounts on a proportional basis based on the size of the buildings used by each sewer account.

Jim Lewis motioned and Bill Stults seconded to approval of Resolution 16-10: Establishing a Policy for Calculating Stormwater Fees on Properties with Multiple Sewer Accounts. The motion carried with a unanimous vote of the board members.

RESOLUTION 16-11: APPOINTING BOARD OF DIRECTORS CHAIR AND OTHER POSITIONS.

Every two years, Board Chair and other positions need to be updated.

Bill Stults nominated Bob Dunn and Kay Harrison seconded the nomination for Board Chair,.

Jim Lewis nominated Bill Stults and Kay Harrison seconded the nomination for Vice-Chair,.

Kay Harrison nominated Jim Lewis and Bill Stults seconded the nomination for Rate Committee Representative, Position #1,.

Kay Harrison nominated Wayne Brown and Jim Lewis seconded the nomination for Rate Committee Representative, Position #2,.

Bill Stults nominated Kay Harrison and Wayne Brown seconded the nomination for RVCOG Representative,.

Jim Lewis motioned and Bill Stults seconded to approval of Resolution 16-11: Appointing Board of Directors Chair and Other Positions, as nominated. The motion carried with a unanimous vote of the board members.

RESOLUTION 16-13: PROVIDING ASSISTANCE FOR EAGLE POINT SPLASH PARK.

Eagle Point is asking for the SDC fees to be waived for a Splash Park. Carl doesn't have the exact figures yet, but feels that it won't be a large number.

Bill Stults motioned and Kay Harrison seconded to approval of Resolution 16-13: Providing Assistance for Eagle Point Splash Park. The motion carried with a unanimous vote of the board members.

PROJECT UPDATES

Nick Bakke presented the Project Updates.

J111 Crater Lane: Six of the 11 easements have been signed and recorded. When all easements have been received, this Job will continue, hopefully this summer.

J200 Southern Oregon Ready Mix Bank Protection: The nationwide permit from the National Marine Fisheries Service has finally been obtained. RVSS will still try to get this project completed by the end of the Summer.

J260 Buchanan Ave Sewer Improvement: This project will replace 136 feet of undersized 8-inch sewer with a 12-inch pipe. This work will be completed this summer.

J262 Hwy 62 Bypass, Phase 2: This project will be reimbursed by ODOT with the exception of: the relocation of 700 feet of 8-inch sewer and one manhole to avoid insufficient cover on the pipe, one manhole abandonment and a relocation to avoid conflict with a proposed drainage ditch and installation of four bolt down lids located in bicycle and pedestrian facilities.

J266 Misc. CIPP Project: There is a sewer line off of West Main behind Roadhouse that is in poor condition. This line is a good candidate for a cured in place pipe (CIPP) technology. There are other lines that may be rehabilitated this summer, as well.

STORMWATER UPDATES

Jennie Morgan has hired a Summer Intern, Jonathon Hogenstad.

A letter went out to the customers in the new Phase II area last week. Jennie received about 15 complaint calls out of 1000 letters sent.

A water quality bike ride was held Phoenix/Talent on Sunday, June 12th. Eighteen riders participated.

Jennie held an Erosion Control Class last month for 26 contractors and will be conducting a private Erosion Control Class for one contractor.

A 1200-CN permit was issued for the Exit 24 Storage Units in Phoenix.

ServPro in White City was found to have discharged a substance into the stormwater catch basin on their lot. They have cleaned this up and were not assessed a fine.

Shari's Restaurant in Central Point is again discharging FOG into the stormwater system. Since this is their second offense, they were assessed a \$1,000 fine.

Drain Pros was discharging onto the ground at the Twin Creeks Development. This was authorized by the owner and was supposed to be only waste collected from the stormwater system. The fluid, which was dumped last week, was sampled and contained very high amounts of E.coli. The property owner is going to take care of this issue.

Jennie continues to work with the LID group on the Low Impact Development Guidance Manual.

O&M UPDATES

RVSS Maintenance staff have flushed 32,537 feet of pipe and the video inspection crew has inspected 44,993 feet.

The Special Cleaning Staff have flushed a total of 14,526 feet of pipe and video inspected 1,189 feet.

Root Saw total for May are 2,153 feet with 2,854 feet videoed

Shady Cove Treatment Plant received 131,000 gallons of hauled septage in the month of May for a total of \$19,650.

The special cleaning totals for May are 171.5 combined hours of labor & equipment for a total cost of \$8,027.79.

The City of Rogue River asked that RVSS video inspect 2,854 feet of their line.

Twenty-two FOG inspections were completed in the last 30 days. Of those, three were in violation of not maintaining their interceptor, four were in violation of not maintaining their log books. One did not have a grease removal device installed.

Shane noted that it has been nine years since the last time loss injury.

MANAGER'S REPORT

Carl reminded the Board that COLA raises for contract employees is 1.3% this year. This does not include management staff.

Bill Stults motioned and Jim Lewis seconded to approve a 2% raise of management staff. The motion carried with a unanimous vote of the remaining board members.

Carl noted that it is time for his annual review. He handed out a copy of last year's goals and his contract. An Executive Session will be planned for the July Board Meeting.

Carl has met with the City of Shady Cove regarding the agreement to continue maintaining the Shady Cove Treatment Plant. The City Council will meet Thursday night to recommend approval of the contract. Carl has had Attorney, Joe Kellerman look over the contract to make sure everything looks good. The highlights are: The annual O&M fee will be raised. They are proposing \$60,000 per year for Capital Improvements. Any projects over \$100,00, the city will pay for directly. The City will pay off the current operating deficient, up to \$60,000. The septic waste program will remain the same. It is a 10 year agreement with a re-opened period after five years. They have also agreed between years six and ten, to have an annexation vote. Carl recommends approval.

Jim Lewis motioned and Kay Harrison seconded to approve the Shady Cove Treatment Plant Agreement. The motion carried with a unanimous vote of the remaining board members.

The City of Eagle Point is moving towards imposing a franchise fee against the sewer service within the City limits.

Carl is still looking for ideas on how to commemorate RVSS' 50th Anniversary celebration. He submitted to the Board a picture of a manhole drawn by Quintyn Zilembo. The new flusher truck has been entered into the Central Point 4th of July Parade.

Carl also discussed forming a reimbursed district for Table Rock Road to coincide with the County improvements.

Carl also noted that Brenda received another certificate of excellence for the financial statements. The Board was pleased.

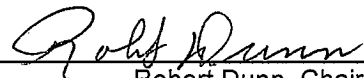
CLAIMS LISTING

Jim Lewis motioned and Kay Harrison seconded to approve the Claims Listing of \$643,412.67. The motion carried with a unanimous vote of the board members.

ADJOURNMENT

There being no further business, the meeting was adjourned at 7:48 a.m.

ROGUE VALLEY SEWER SERVICES



Robert Dunn, Chairman
Board of Directors



Joan Parfani, Executive Secretary