

**REGULAR MEETING OF BOARD OF DIRECTORS
ROGUE VALLEY SEWER SERVICES
August 17, 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, August 17, 2016 at 7:00 a.m.

PLEDGE OF ALLEGIANCE

PRESENT

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

Absent: Bill Stults Vice Chairman;

ALSO PRESENT

Carl Tappert, Manager; Brenda Baldovino, Finance Director; Nick Bakke, District Engineer,

James Philp, Jackson County Roads Engineer

Jean Savage, Citizen

CONSENT AGENDA

Jim Lewis motioned and Kay Harrison seconded approval of the consent agenda consisting of Minutes of the July 20, 2016 Board Meeting. The motion carried with a unanimous vote of the board members.

PUBLIC HEARING FOR CONSIDERATION OF ORDINANCE 16-04, CREATION OF THE TABLE ROCK ROAD SEWER REIMBURSEMENT DISTRICT

Carl Tappert presented the managers' report on this project. The project involves 25 properties and is a mixture of residential and commercial zoned property spanning three jurisdictions: Central Point, Medford, and Jackson County. The estimated cost of construction is \$500,000. Under the assessment formula in our code, the estimated assessment for residential lots will be \$14,691 per dwelling and the estimated assessment for commercial lots will range from approximately \$14,000 to \$41,000 per lot, depending on the size of the lots.

The project is proposed as a reimbursement district which means that RVSS would pay for the entire project, then collect assessments as the benefitted properties connect. If approved, we would have to adjust our capital improvement plan to re-allocate money for the project. There is sufficient money in the budget to do this.

The plan is to enter into an agreement with Jackson County Roads to complete the sewer work as part of the road improvement project. This is considered to be the most efficient approach.

Chairman Dunn opened the hearing for public comment.

Jean Savage, 4279 Table Rock Road: Supports the project. Noted that this stretch of Table Rock Road has not been upgraded in many years and definitely needs it. Noted that she owns a second lot at the intersection of Airport and Table Rock and wants sewer to that one as well.

Tappert: Said that the second tax lot was not in the initial boundary and that no notice was sent out. Since the owner was present and requesting inclusion in the district we can add that property to the reimbursement district.

James Philp, Jackson County Roads: Said that the County is supportive of the project and would agree to have the work done under the county road contract. This is preferable to doing these under a separate contract.

Chairman Dunn closed the public hearing.

Jim Lewis motioned and Kay Harrison seconded to approve the first reading of Ordinance 16-04 to create the Table Rock Road reimbursement district, with the addition of Ms. Savages second property, Tax Lot 901. The motion carried with a unanimous vote of the board.

Carl read the ordinance by title only.

Wayne Brown 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 16-16: A RESOLUTION TO INITIATE AN INTER-FUND LOAN FOR 2016-17 FROM THE GENERAL FUND 01 TO THE SHADY COVER O&M FUND 50, BECAUSE THE COST TO PERFORM MAINTENANCE ON SERCIE LINES WAS MORE THAN BUDGETEDTRANSFER OF APPROPRIATIONS IN FY2016 BUDGET

Brenda explained that this transfer is made every year to maintain a positive balance in Fund 50. The total deficit is down to \$51,000 from over \$130,000 a few years ago. Carl noted that under the newly executed contract with Shady Cove, the City will reimburse RVSS for the full amount of the deficit once the audit is complete.

Kay Harrison noted that the satisfactory renewal of the Shady Cove contract is a great relief.

Kay Harrison motioned and Jim Lewis seconded to approval of Resolution 16-16. The motion carried with a unanimous vote of the board members.

FINANCE UPDATES

Brenda presented the unaudited financial statements for the fourth quarter of FY2016. There were several noteworthy items:

Of the two remaining loans for Eagle Point, one has been retired and the second has only two payments left, one in October and the last one in October 2017.

Our cash position has increased by over \$1,000,000. This is partly attributed to the vacancy in the District Engineer position for nearly a year and the reduction in capital projects that resulted from that.

Our vehicle maintenance expenses for the year were about half of the previous year's expenses. This can be attributed to Shane's push to upgrade our fleet and improve preventative maintenance. The Board noted their appreciation of this type of forward thinking.

PROJECT UPDATES

Nick Bakke presented the Project Updates.

J111 Crater Lane: We are looking to change our approach to this project and use a cured in place pipe liner instead of a dig and replace project. This will save considerable expense on fence and landscape repairs.

J200 Southern Oregon Ready-Mix Bank Protection: This project has begun. Jennie is at the site today working on removing the fish from the work zone isolation. We need a contract with SOULA to oversee the archeological aspects of the project. The board agreed to approve the professional services contract with SOULA.

J232 Lozier Lane Street Improvements: This is a street improvement project being done jointly by Medford, Jackson County, and ODOT. We have been working to identify possible sewer conflicts.

J262 Hwy 62 Bypass, Phase 2: We have received a notice to proceed with bidding for this project. The work will be fully reimbursed by ODOT.

J270 Hwy 62 Bypass, Un-reimbursable work: There is a 500 foot section of pipe that needs to be re-aligned for this project. This will not be reimbursed from ODOT. RVSS crews began this work on Monday.

J266 Misc. CIPP Project: We will be adding Crater Lane to this project.

STORMWATER UPDATES

Manager Tappert presented the stormwater update in Jennie Morgan's absence.

Jennie made comments to DEQ on August 3 regarding the new Phase II stormwater permit. A copy of her written comments was presented. The public comment period has been extended to September 2 after which DEQ should issue the final permit.

RVSS issued one 1200-CN permit for a project in Phoenix.

RVSS responded to an illicit discharge. A person dumped used motor oil into a storm drain. The person admitted to the violation and was billed the cost of cleanup, \$739.26.

O&M UPDATES

Manager Tappert presented the O&M update in Shane Macuk's absence.

RVSS Maintenance staff have flushed 62,893 feet of pipe and the video inspection crew has inspected 68,031 feet.

The Special Cleaning Staff have flushed a total of 6,360 feet of pipe.

Shady Cove Treatment Plant received 181,500 gallons of hauled septage in the month of June for a total of \$27,225.00. This is a new record.

The special cleaning totals for June are 84.5 combined hours of labor & equipment for a total cost of \$4,217.50

The circuit board in the generator at the Dunn Pump Stations is being replaced.

A new Caterpillar 259D Trac Loader has been delivered.

MANAGER'S REPORT

The previously mentioned Lozier Lane project will require relocation of service laterals. RVSS must pay the cost of these. We have a utility agreement with ODOT to cover this cost, which is estimated at \$157,745.75. Joe Kellerman has been consulted and has approved the agreement for legal sufficiency.

Kay Harrison motioned and Jim Lewis seconded to approve the utility agreement with ODOT for the Lozier Lane project. The agreement was approved unanimously. Staff has prepared a draft franchise agreement with Eagle Point. Joe Kellerman is the attorney for both RVSS and Eagle Point, both parties agreed to allow Joe to represent both entities on this agreement.

The agreement is very similar to the Central Point agreement with two notable exceptions: Eagle Point fee is 7% of revenues as opposed to 5% for Central Point. Eagle Point currently does sewer billing for RVSS for a fee of approximately \$51,000 per year. This fee will be reduced to \$40,000 per year under this agreement. The allowance to increase of 3% per year will remain.

Carl noted that the billing fee is considerably more than what it would cost for RVSS to do the billing. This provision was created prior to annexation to help the city maintain adequate staffing.

The City is planning to consider this at council next week. If approved RVSS will need to modify its rate resolution and the new rates would go into effect in October.

Kay Harrison moved and Wayne Brown seconded to approve the franchise agreement. Motion approved unanimously.

Carl presented updated Board Policies. The push for this comes from SDAO which is tying a 2% insurance credit to updated board policies. The policies have been changed to include statutes by reference, rather than repeating them, and adding a section on how to deal with conflicts of interest.

Carl noted that in the past board members have taken an oath of office and submitted potential conflict declarations. Neither of these are required by statute and are discretionary on the part of the Board. They are not included in the draft policies but can be added if wanted.

The plan is to have Board members review the policies and present a final version for approval at the September meeting.

We have tentatively reserved the Inn at the Commons for a celebratory banquet on November 10. The Board approved the catering contract.

Kay Harrison left the meeting @ 7:50

CLAIMS LISTING

Jim Lewis motioned and Wayne Brown seconded to approve the Claims Listing of \$645,721.72. The motion carried with a unanimous vote of the board members.

ADJOURNMENT TO EXECUTIVE SESSION

The Board adjourned to executive session at 7:55 to conduct deliberations with persons designated by the governing body to carry on labor negotiations.

RETURN TO OPEN MEETING

The Board returned to open meeting at 8:25.

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:25 a.m.

ROGUE VALLEY SEWER SERVICES



Robert Dunn, Chairman
Board of Directors



Carl Tappert, Manager