

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

May 4, 2011

The regular meeting of the Medford Water Commission was called to order at 12:25 p.m. on the above date at Medford City Hall Lausmann Annex, Room 151/157.

The following commissioners and staff were present:

Chair Tom Hall; Commissioners Jason Anderson, John Dailey, Cathie Davis, Leigh Johnson

Acting Manager & Principal Engineer Eric Johnson; Deputy City Recorder Karen Spoons; Administrative Specialist Yvette Finstad; Finance Administrator Tessa DeLine; Public Information Coordinator Laura Hodnett; Geologist Bob Jones; Operations Superintendent Ken Johnson; Duff/WTP Supervisor Jim Stockton; Medford City Attorney John Huttli

Guests: Medford Councilmember's Bob Strosser and Jim Kuntz; Central Point Mayor and Liaison Hank Williams; Central Point Manager Phil Messina; Central Point Assistant City Manager Chris Clayton; Central Point Councilmember's Kay Harrison and Carol Fischer; Phoenix Councilmember and Liaison Stan Bartell; Public Works Management Joe Strahl; Greg Stiles of the Medford Mail Tribune

2. Approval or Correction of the Minutes of the Regular Meeting of April 20, 2011
Approved with corrections noted: Commissioner Dailey stated that his wife's first name is "Karin" vs. "Karen" and Dailey is misspelled in several locations.
3. Comments from Audience
 - 3.1 Central Point Assistant City Manager Chris Clayton appreciated Commissioner's Johnson and Hall's participation at the last work session.
 - 3.2 Public Works Management Joe Strahl expressed the same appreciation to Commissioner's Johnson and Hall.
 - 3.3 Central Point Manager Phil Messina also appreciated the cooperation of the Commissioners. He expressed his frustration with a letter received from Medford City Attorney Huttli dated April 21, 2011 which brought up the question about the City of Central Point failing to respond to the trust; he wondered if perhaps Mr. Huttli had them confused with another city. The letter also threatened to terminate water services if the agreement was not signed. Mr. Messina noted the new agreement sent with Mr. Huttli's letter is not consistent with the agreements that have been reached with Manager Larry Rains and that it contained many inaccuracies. He brought up information that Mr. Huttli should have known and which should have prevented the letter of April 21. Last fall Central Point staff agreed to do a flow study with the Commission which was just completed on April 5 and Central Point was waiting for a new water agreement with the revised numbers. He noted they have not had an email or phone call from the MWC since then. He expressed Central Point's concern with the City of Medford and the MWC and asked Mr. Huttli if he firmly believed that the MWC has the legal authority and right to turn off water to Central Point, let alone morally; Mr. Huttli stated that he believed the City of Medford and the Water Commission hold the water rights and we provide them to Central Point under agreement.
 - 3.4 Medford Councilmember Kuntz thanked the MWC and Commissioners for the flowers sent for his recent surgery as that meant a lot to him.
 - 3.5 Medford Councilmember Strosser wished Mr. Messina could have heard some of the comments that were made at the very origin of this but since he was not there he will defer.
4. Resolutions
 - 4.1 No. 1442, A RESOLUTION Adopting Findings and Authorizing Exemption from Competitive Bidding and Awarding a Contract in the Amount of \$45,200 to Aquatic Ecosystem Sciences, LLC, for Water Quality Consulting Services

As discussed at the April 20 meeting, staff has proposed funding a water quality project in the FY 2010-11 and 2011-12 budgets related to a study of the Willow Lake blue-green algae issue. Approval by the board is necessary for this type of exemption. Staff would like to proceed with a contract as soon as possible. Notice of the exemption from competitive bidding was published on the Commission's website and in the Mail Tribune. Staff recommended approval.

Commissioner Johnson thought this was very important to identify what is happening to Willow Lake; he noticed that the lakes seem to have the same issues and questioned if it was the same consultant. Geologist Jones noted that many lakes have this problem but may not be caused by the same criteria; some can be internal or exterior. There are other studies going on throughout the state and will be looked differently. Commissioner Hall questioned what the outcome was from other studies; Mr. Jones noted that Diamond Lake was a prime example which was an out of balance with fishery. Commissioner Dailey doesn't like non-competitive bidding and questioned if there might be someone more qualified to do the job; Mr. Jones explained why the MWC chose this particular company. Acting Manager Johnson also noted that an RFP would take about 2-1/2-3 months and staff needed to move on this issue sooner than that process would allow.

Motion: Approve Resolution No. 1442

Moved by: Ms. Davis

Seconded by: Mr. Dailey

Roll Call: Commissioners Anderson, Dailey, Davis, Hall, and Johnson voting yes.

Motion carried and so ordered. Resolution No. 1442 was approved.

- 4.2 No. 1443, A RESOLUTION Adopting Findings and Authorizing Exemption from Competitive Bidding and Awarding a Contract in the Amount of \$7,000 to GardenSoft for Development of a Water Wise Gardening Website

As discussed at the April 20 and April 6 meetings, staff has proposed development of a water wise landscape web feature through funding in the FY 2010-11 and 2011-12 budgets, plus licensing charges to be paid under subsequent fiscal year budgets. Once again, approval by the board is necessary for this type of exemption. A contract needs to be executed in time for the contractor to photograph spring and early-summer blooming plants in our area. Notice of the exemption from competitive bidding was published on the Commission's website and in the Mail Tribune. Public Information Coordinator Hodnett explained the process she used to find if there were other vendors that provided this service. Staff recommended approval.

Motion: Approve Resolution No. 1443

Moved by: Mr. Johnson

Seconded by: Ms. Davis

Roll Call: Commissioners Anderson, Dailey, Davis, Hall, and Johnson voting yes.

Motion carried and so ordered. Resolution No. 1443 was approved.

- 4.3 No. 1444, A RESOLUTION Authorizing the Chair to Execute an Indemnity and Hold Harmless Agreement By and Between Rogue Valley Mall (Mall) and the City of Medford, By and Through its Board of Water Commissioners, Related to Limiting Liability to the Mall during the Medford Water Commission's (Commission's) Use of the Mall's Parking Lot Facility for Two Days Related to the Commission's 2011 Bus Tours

Staff would like to use the Mall's parking lot again this year for two days, as a staging point for the two public bus tours this summer. The Mall requires the Commission to sign a hold-harmless agreement as a condition of use of the facilities. Commission agreements that include indemnity and hold-harmless language must be approved by the board. Staff recommended approval.

Motion: Approve Resolution No. 1444

Moved by: Mr. Anderson

Seconded by: Mr. Dailey

Roll Call: Commissioners Anderson, Dailey, Davis, Hall, and Johnson voting yes.

Motion carried and so ordered. Resolution No. 1444 was approved.

4.4 No. 1445, A RESOLUTION Awarding Bids and Authorizing the Manager to Purchase Water Treatment Chemicals

Eight bids were received for water quality chemicals this year. It was a smaller solicitation because staff was able to get price extension agreements with vendors of two of the chemicals that we typically bid: Liquid Oxygen and Carbon Dioxide. Staff recommended awarding the contracts per the bid amounts as set forth in the bid tabulation; Bulk Sodium Hypochlorite to Hasa Inc., Sodium Hypochlorite in 5-Gallon Pails to Chem Quip, Inc. and Calcium Thiosulfate in 5-Gallon Pails and 55-Gallon Drums to Cascade Columbia Distribution Company. The low bid on Sodium Hypochlorite in 5-Gallon Pails was incorrect and was withdrawn by the vendor. The total expenditure for the chemicals that were bid has been estimated at \$85,000 for 2011; the total cost for all chemicals this year has been forecasted at around \$160,000.

Motion: Approve Resolution No. 1445

Moved by: Mr. Johnson

Seconded by: Mr. Dailey

Commissioner Anderson questioned what the price is for the items not listed; Duff/WTP Supervisor Stockton did not have the current figures on hand but noted all is within budget.

Roll Call: Commissioners Anderson, Dailey, Davis, Hall, and Johnson voting yes.

Motion carried and so ordered. Resolution No. 1445 was approved.

5. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$548,823.87

Moved by: Mr. Johnson

Seconded by: Ms. Davis

Commissioner Johnson questioned why the generator seemed to be smaller than normally used; Acting Manager Johnson noted this purchase was for a portable generator for hand tool use.

Roll Call: Commissioners Anderson, Dailey, Davis, Hall, Johnson voting yes; Anderson recused himself from the C&C Tire, Knife River and Mail Tribune vouchers. Motion carried and so ordered.

6. Engineer's Report

6.1 Duff Operation Seismic Upgrade and Remodel – The steel stud framing is complete on the third floor and the insulation has been installed. Sheet rocking on the third floor will start this week. Framing continues on the first and second floors. The rough plumbing, electrical and mechanical for the first and second floor is almost complete. Interior seismic steel bracing is installed in the first floor electrical room and stairs.

6.2 Duff Reservoir Seismic Upgrade – Staff has reviewed the 70% design plans and will be returning the plan to Marquess this week to continue on the design.

6.3 Control Station Upgrades – Electrical work for Rossanley Control Station is under way; the electrical vault will be set this week. Pressure reducing valves for Conrad Control Station are being installed today.

- 6.4 Avenue G 48" Transmission Main – Staff is reviewing the construction specifications and will be returning the construction specifications to Thornton Engineering for corrections next week.
 - 6.5 Martin Control Station –The Interim Sales Agreement has been signed by MWC and ODOT. The application for the PLA's will be submitted to the Planning Department this week once ODOT signs the authorization form.
 - 6.6 Brentwood Drive & Brookdale 12" Water Main – A preconstruction meeting was held yesterday. The project will break ground next week.
 - 6.7 11th Street 36" Water Transmission Main – Upon receiving a price of approximately \$140,000, Knife River Materials was given the approval to replace the portion of 16" water main from north of the railroad tracks to Ave 'F'. The portion of existing 16" steel water main in 11th Street between Murphy Plywood to north of the railroad tracks is questionable. The condition of the portion of the 16" water main is poor and should be replaced. The approximate cost to replace this section is \$40,000. A permit from Central Oregon and Pacific Railroad (CORP) must be obtained prior to commencing work in the railroad right-of-way. Staff recommended pursuing the CORP permit; if the permit can be obtained in time staff would then replace this section of the 16" water main. Commissioner Hall noted that we would need to spend another \$40,000; staff noted that a permit of about \$2,500 would also be needed.
7. Water Quality Report
 - 7.1 Duff /WTP Supervisor Stockton stated that we are fully commissioned within the end of the week. He was questioned when was the earliest start-up date; he noted the earliest start date has been mid-April.
8. Finance Report
 - 8.1 At the last board meeting there was discussion about the auditor's rate increase. Finance Administrator DeLine presented that question to Medford Finance Director Chan who thought that Isler CPA underbid several years back and that they now needed to charge the same as other cities, although we currently receive a 30% discount for off-season. Hours were discussed but it breaks down to about \$94/hour for their service. Ms. DeLine noted that the MWC must share the same auditor as the City of Medford and that there is no charge for additional questions throughout the year which she is very pleased with. Commissioner Anderson noted that if we had problems with the audit we need to talk with city council, not staff. Commissioner Dailey noted that he thought the price was really a bargain.
 - 8.2 Ms. DeLine stated that at the last meeting there was a question pertaining to how expenditures were handled and staff provided incorrect information; she noted that expenditures are capitalized after they have been transferred to the Water Fund.
9. Operations Report
 - 9.1 The Angelcrest Pump Station Project is complete; the City of Medford and the contractor worked out an agreement on the asphalt placed in the right-of-way.
 - 9.2 Yesterday the Operations Department crews took Big Butte Springs Pipeline 1 from ½ pipe to full pipe. He explained the steps staff takes to bring this to the valley, which in total, takes about 14-1/2 hours. Currently there are about 26 million gallons flowing to the valley right now.
 - 9.3 McNeil Creek - The surveyor has completed the survey for the anode beds; will take to county to get recorded.

- 9.4 Commissioner Davis questioned when the fencing for the Archer Pump Station would be completed; staff noted that locates were called in and should be completed within the next couple of weeks.

10. Manager/Other Staff Reports
None.

11. Propositions and Remarks from the Commissioners

- 11.1 Commissioner Hall questioned Phoenix Councilmember and Liaison Stan Bartell about their rates and the future of the Charlotte Anne Water District; Mr. Bartell noted that the City of Phoenix discussed this at their last council meeting and that they would take the portion of Charlotte Anne Water District that is within their City limits and the rest would be determined from the RPS study. Mr. Hall didn't think part of Charlotte Anne was out of their city limits; Acting Manager Johnson noted districts usually are out of city limits. Mr. Bartell questioned when they could have a work study pertaining to Phoenix requesting additional services related to their water utility; Mr. Hall noted that the MWC will address this after we receive their letter.

The Board adjourned to executive session at 1:04 p.m.

The Board reconvened at 1:16 p.m. with same members present.

Motion: Direct staff to send letters to state representatives as presented at the Executive Session.

Moved by: Mr. Dailey

Seconded by: Mr. Johnson

Roll Call: Commissioners Anderson, Dailey, Davis, Hall, and Johnson voting yes.

Motion carried and so ordered.

- 11.2 Commissioner Anderson requested staff review the letter received today from Mr. Messina and to bring this issue back to the Board; Mr. Huttli noted this would be done at an Executive Session.

12. Adjourn

There being no further business, this Commission meeting adjourned at 1:17 p.m. The proceedings of the Water Commission meeting were recorded on tape and are filed in the Water Commission's Office. The complete agenda of this meeting is filed in the Water Commission's Office.

Karen M. Spoons, MMC
Deputy City Recorder
Clerk of the Commission