

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

June 15, 2011

The regular meeting of the Medford Water Commission was called to order at 12:30 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 John Dailey, Cathie Davis, Leigh Johnson

Commissioner Jason Anderson was absent.

Eric Johnson, Principal Engineer and Acting Manager; City Recorder Glenda Wilson; Administrative Specialist Yvette Finstad; HR/Payroll Specialist Kristin Jones; Geologist Bob Jones; Operations Superintendent Ken Johnson; IS/CS Administrator Cheryl Casad; TS Coordinator Kris Stitt; Public Information Coordinator Laura Hodnett; Conservation Tech Julie Smitherman

Guests; Medford Councilmember's Bob Strosser; Medford Deputy Fire Chief Kurt Bennett; Central Point Mayor and Liaison Hank Williams; Central Point Manager Phil Messina; Central Point Councilmember Kay Harrison; Phoenix Councilmember and Liaison Stan Bartell; City of Medford Attorney John Huttli; Public Works Management Joe Strahl

2. Approval or Correction of the Minutes of the Regular Meeting of June 1, 2011
Approved as corrected.

3. Comments from Audience
Joe Strahl recommended the commissioners read "The Big Thirst," by Charles Fishman.

4. Written Communications

- 4.1 Letter from Customer Regarding Water Rates

The Commission received a letter on June 3, 2011 from customer Perry Sneed regarding his water rates. Staff had mailed a letter to Mr. Sneed on May 12 notifying him of his high summer usage and the impact that recent rate increases may have on his utility charges. Staff discussed the letter with Mr. Sneed and has offered a complimentary sprinkler survey, which has been scheduled in July. Public Information Coordinator Laura Hodnett noted that Mr. Sneed has a large lot (equivalent to five standard lots) that is largely covered by lawn, but there should be a good potential for savings. While there probably isn't a rate structure that everyone considers perfect, the Commission did strive towards tiers that reflected fair-share usage for a family. Some utilities offer personalized rate structures but it's more common for utilities with higher rates. She discussed the rate comparison charts included in the board's folders; Commission rates remain low.

5. Resolutions

- 5.1 No. 1450, A RESOLUTION Authorizing the Manager to Execute an Agreement to Provide Workers' Compensation Insurance for Medford Water Commission Employees

Staff receives quotes annually for this insurance coverage. At the time of the agenda publication staff was still awaiting a quotation from one of the vendors. All quotations received were presented to the board as well as a draft resolution. There were two quotes for consideration; CCIS and SAIF Corporation. HR Specialist Kristin Jones noted that although CCIS submitted the higher quote, there are additional discounts with CCIS as the Commission does have property liability insurance through them, which would lower the actual policy cost difference between the two vendors. Staff received additional information from CCIS this morning indicating that the Commission would still receive some discounts, even without the workers' comp policy, due to CCIS also providing health insurance to the Commission. Jones discussed both vendors' rates. SAIF was the low quote but staff recommended staying with CCIS given the ongoing relationship with this firm; staff's reluctance to move the policy back and forth; and some concern that the lower SAIF quote may only be introductory; it is unknown what the rates may rise to next year.

Boardmembers discussed the pros and cons of switching from CCIS to SAIF. Jones clarified that the insurance carrier assumes liability; the annual premium is the total cost to the Commission for the year; claims in any given year factor into the following year's rates; claims stay on the record for four years. The board questioned rebates from CCIS and the bid process. There are no rebates from CCIS. John HuttI noted that this was not a competitive bid process so the board is not required to select the lowest cost quote and that other factors may be taken into consideration when making the selection.

Motion: Approve Resolution No. 1450 with SAIF Corporation.

Moved by: Mr. Dailey

Seconded by: Mr. Johnson

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

Motion carried and so ordered. Resolution No. 1450 was approved.

- 5.2 No. 1451, A RESOLUTION Adopting Findings and Authorizing Exemption from Competitive Bidding and Awarding a Contract Extension to Harris Group, Inc., for Support Services for Medford Water Commission's Supervisory Control and Data Acquisition System (SCADA)

In June 2009, Harris Group Inc. (HGI) was awarded a two-year contract to provide a SCADA Software Upgrade, System Integration, and Support Services. HGI has since successfully provided integration services for the Hypochlorite Conversion and Carbon Dioxide Addition project at the Duff WTP and Big Butte Spring's facilities, the distribution system MOSCAD system, and other instrumentation and control enhancements at the plant. All projects with HGI have been completed on-time and on-budget. HGI staff is highly familiar with the Commission's control system architecture and programming; their experience makes them the logical choice for on-going SCADA Support Services. The 2009 contract included an option to extend the agreement for an additional two years upon written approval of both parties. Staff recommended approval of the resolution.

Boardmembers discussed the estimated cost for this work and concerns regarding the limited availability of vendors if Harris Group should go out of business at some point. Mr. Noelle noted he will be looking for other vendors with the ability to provide these services as a backup to this contract.

Motion: Approve Resolution No. 1451

Moved by: Mr. Dailey

Seconded by: Ms. Davis

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

Motion carried and so ordered. Resolution No. 1451 was approved.

- 5.3 No. 1452, A RESOLUTION Authorizing the Chair and City Recorder to Execute a Deed Lot Line Adjustment for the exchange of Real Property between the State of Oregon Department of Transportation (ODOT) and Medford Water Commission (Commission), Related to a Portion of the Southeast Quarter (SE ¼) of Section 7, township 37 south, Range 1 West, W.M., Adjacent to the Commission's Existing Martin Control Station Facility Property

At the October 6, 2010 board meeting, the board approved proceeding with the property exchange through a lot line adjustment with costs not to exceed \$200,000. A deposit in the amount of \$20,000 was submitted to ODOT in April 2011. The final step will be board approval and execution of the Deed Lot Line Adjustment, which will allow for the exchange of land as well as reciprocal access easements across the tax lots (ODOT will retain a permanent easement on TL200 for slope maintenance). The balance of the purchase cost of the property, \$180,000, has been included for approval in this meeting's vouchers. Staff recommended approval.

Motion: Approve Resolution No. 1452

Moved by: Ms. Davis

Seconded by: Mr. Johnson

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

Motion carried and so ordered. Resolution No.1452 was approved.

6. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$2,219,161.97.

Mr. Johnson questioned the bill for Eoff Electric and staff noted that this was for the purchase of the supplies and did not include the installation which was done with a local electrician.

Moved by: Mr. Johnson

Seconded by: Ms. Davis

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

Motion carried and so ordered.

7. Engineer's Report

- 7.1 Duff Operation Seismic Upgrade and Remodel – The painting on the third floor is done. The finish electrical on the third floor is underway. Sheet rocking on the second floor is done and the tape and mudding is underway. The exterior stairway screening is being installed. The compressor room and air receiver room continue to be worked on. Additional issues are being addressed as well including landscaping.
- 7.2 Duff Reservoir Seismic Upgrade – Marquess continues to work on the plans and specifications. The 98% plans and specifications are due back to MWC on June 17.
- 7.3 Control Station Upgrades – Equipment and piping are arriving and being staged for both control stations. Now that the higher water demands are needed and the pumping season has started the electrical and pump work at the control stations will go on hold until fall. Building items will continue that can be accommodated, such as air conditioning and roof repairs.
- 7.4 Avenue G 48" Transmission Main – Staff has returned the construction specifications to Thornton Engineering for corrections. The 100% plans and specification are due back to MWC by the end of June.
- 7.5 Martin Control Station – Once the property line adjustments are signed by MWC and ODOT, they will be returned to the Planning Department for approval and then recorded.
- 7.6 11th Street 36" Water Transmission Main – The portion of existing 16" steel water main between Avenue F and Avenue G is abandoned. The Central Oregon and Pacific Railroad permit is being reviewed by them.

8. Water Quality Report

- 8.1 Duff Water Treatment Plant first operating day for 2011 was June 9th which is the latest seasonal start since 1998. The plan has produced water every day since for a total of about 25 MG.
- 8.2 A new seasonal operator has been hired for the Duff Water Treatment Plant bring it to a total of 5 operating staff.
- 8.3 A dive inspection for the intake tee-screens is scheduled for Tuesday June 21st. There is concern that the water flow will increase the difficulty of the inspection.

- 8.4 With the Rogue source finally in production, staff will be doing our routine annual water quality and compliance testing. Other investigative monitoring is tentatively scheduled to begin in July.
- 8.5 The Willow Lake study is continuing with one more round of testing this month.
- 8.6 The Duff Wetlands Mitigation is progressing; Bob Jones reports that we are very close to submitting the permit application.
- 8.7 The topic of the study session scheduled for July 20th is "Water Quality Projects" and Mr. Noelle requested input on any topics the Boardmembers might like to hear about. Mr. Johnson questioned if anything had been done regarding beaver control at the springs; Mr. Noelle will check with Dennis Burg. Mr. Hall questioned the status of the mitigation permit for the Duff II site. Mr. Noelle noted that we are still working on the process with the agencies. We may not be permitted to mitigate the entire site (38 acres) but it is looking like the portions identified for the facility will be approved. Mr. Hall noted he would like a more detailed report on this topic at the July 20th study session.

9. Finance Report

- 9.1 None

10. Operations Report

- 10.1 Ken Johnson reported to the board that there was a main break on Front and 10th. Crews mitigated the issue and had no damages to immediate businesses. Crews did a great job in dealing with this.
- 10.2 Bids are out for the surplus meters, copper tubing, scrap iron and brass fittings.
- 10.3 Ken Johnson reported on his meeting with Deputy Fire Chief Kurt Bennett regarding fire hydrant inspections which are to be taken over by the Fire Department. The meeting went well and this task should be handed over to Fire by end of July.
- 10.4 Mr. Johnson questioned if the Commission did landscaping at the Cherry Lane Reservoir and Ken Johnson noted that this was completed; Highlands has not been landscaped.

11. Manager/Other Staff Reports

- 11.1 Eric Johnson reported that the Big Butte Springs tours are coming. Laura Hodnett noted that the first tour is June 24th and there are some seats available. The second tour for September is already full.
- 11.2 Eric Johnson noted that staff would like to give an update on the utility management software project. Kris Stitt, TS Coordinator, provided an update and noted that the steering committee is still researching options but expect to bring this forward at the next board meeting. Mr. Stitt provided an update on process and top three responders are being investigated. He noted that the steering committee has been doing site visits. Staff will be bringing forward a recommended selection at the July 6 board meeting. Costs are estimated at \$1.3 million for licensing, data conversion, training, etc. Johnson pointed out that changes to the Commission's business practices will be needed in order to maximize the potential of the software. Staff discussed the role of contractor Accent.

Boardmembers requested further information regarding the software recommendation and requested this be presented at the study session on July 6th.

12. Propositions and Remarks from the Commissioners

- 12.1 Mr. Johnson questioned the outcome of the meeting with the Department of Environmental Quality. Ken Johnson noted that Mr. Rains met with the DEQ representative and toured the facilities. Overall

impression is that they were impressed with the MWC.

12.2 Discussion of the legislative session as related to the DEQ issue with Capital Hill. City Attorney John Huttl will follow up.

12.3 Mr. Hall requested an update on the customer water leak issue. Ken Johnson noted that staff has been surveying and looking for leaks and cannot find anything. He has spoken with citizen and it appears it is an issue with rainfall as the pump is more active during rains. Mr. Strosser spoke with a previous resident of home and it appears that this is an ongoing issue from time they purchased the home. Boardmembers discussed the issue and it was suggested that some notification be sent to the customer that there is no apparent leakage in MWC system that is leading to her issue and that MWC will continue to monitor this during next three months.

13. Adjourn

There being no further business, this Commission meeting adjourned at 1:42 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.

Glenda Wilson
City Recorder