

**MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION**  
**December 7, 2011**

The regular meeting of the Medford Water Commission was called to order at 12:30 p.m. on the above date at the Medford City Hall Lausmann Annex, Room 151/157 with the following commissioners and staff present:

Chair Tom Hall; Commissioners Jason Anderson\*, John Dailey, Cathie Davis

Commissioner Leigh Johnson was absent.

\*Left as noted

Manager Larry Rains; Attorney John Huttli; Deputy City Recorder Karen Spoonts; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Public Information Coordinator Laura Hodnett; Water Quality Superintendent Bob Noelle; Operations Superintendent Ken Johnson; Finance Assistant JC Rowley; IS/CS Administrator Cheryl Casad; TS Coordinator Kris Stitt

Guests: City of Medford Councilmember Bob Strosser; Central Point Mayor and Liaison Hank Williams; Central Point Assistant City Manager Chris Clayton; Eagle Point Public Works Director Robert Miller; Public Works Management Joe Strahl and Chris Peters; Paul Nielson of Isler CPA; Jeff Tompkins of Accent Business Systems; Brad Martinkovich; City of Talent Finance Director Denise Woodman

Chair Hall thanked the veterans in the room for serving for our country.

2. Approval or Correction of the Minutes of the Last Regular Meeting of November 16, 2011  
The minutes were approved as presented.
3. Comments from Audience
  - 3.1 Brad Martinkovich stated that he had new information on the Klamath Dam removal and the effect it will have on this area. He noted that he has attended meetings pertaining to this and requested time to give a 15 minute PowerPoint presentation during the study session on December 21. Mr. Hall asked Mr. Rains what we could do; Mr. Rains stated what our policy is pertaining to this and presented options to the board. The board questioned what the topic was for the December 21 study session and agreed to allow Mr. Martinkovich to present new information to the board during the first 15 minutes of the study session.
  - 3.2 Robert Miller thanked the crew of the MWC who meet with staff from the City of Eagle Point to help them determine where source of leaks are located.
  - 3.3 Joe Strahl of Public Works Management (PWM) presented information on conservation strategies, the need for water infrastructure expansion, and the opportunity to receive a grant from the Oregon Department of Water Resources. He is asking for the MWC to partner in this grant application; PWM would be willing to do the work to get the grant done. The 50-50 matching water conservation grant applications are due December 15, 2011. Other cities are in the process of taking this to their council and have only discussed this last week. Funding can be by in-kind or cash; PWM is hoping that MWC will be able to provide cash for this project. Commissioner Anderson questioned the amount they are requesting; Mr. Strahl stated that assuming that the other cities devote in-kind services then the MWC would put in \$50,000, as an estimate. Mr. Anderson questioned who would do the study; Mr. Strahl noted that it is yet to be determined. Mr. Anderson stated that he is hesitant to put in this type of cash but is less hesitant to the grant; if the grant was successful then he would think that over. He is pleased that the MWC and the other cities are coming together in this fashion and questioned if they were all matching grants; Mr. Strahl noted they were. Mr. Hall agreed with Mr. Anderson; Mr. Dailey noted that he understands that the money would go in the Cost of Service Study and everybody would participate.

Motion: Direct staff to work with Public Works Management and MWC customers in completing the Oregon Department of Water Resources grant application

Moved by: Mr. Anderson

Seconded by: Ms. Davis

Mr. Rains questioned who would put the grant together as he did not think the MWC had the time to do the grant in this short time frame, if the grant was successful would the MWC be requested to put up \$50,000 at that point, and will the board have decided how this will be decided in the Cost of Service Study. Mr. Anderson noted that conservation is a priority and that staff needs to help if needed. The board requested that staff do what is necessary; Mr. Strahl noted that they should be able to do this but would call the MWC if needed. Mr. Rains requested the motion be clarified to state that PWM will take the lead. Public Information Coordinator Hodnett noted that there are fuzzy areas in the grant process and may need better defining. Mr. Hall noted that fuzzy is good and this is a great opportunity to obtain grants and conservation with the other cities as this is what we have been trying to do; Mr. Dailey confirmed that the motion is to prepare the grant.

Roll Call: Commissioners Anderson, Dailey, Davis, and Hall and voting yes.  
Motion carried and so ordered.

- 3.4 Mr. Hall introduced Denise Woodman, City of Talent, who previously worked for the MWC as an accountant.

#### 4. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$669,772.07

Moved by: Mr. Dailey

Seconded by: Mr. Anderson

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

#### 5. Engineer's Report

- 5.1 Duff Reservoir Seismic Upgrade – Construction continues on the grade beam. Excavation is completed along the north side of the reservoir. Reinforcing bars are being placed along the north side of the reservoir. A concrete pour for a portion of the north side beam is scheduled for Friday. The cleaning of the roof is done. Interior work in the reservoir is scheduled for the week of December 19.
- 5.2 Duff Filters 13-16, Redundant Backwash System and Yard Piping Project – Staff continues to review the proposals and gather additional data to work toward making a selection of a consulting firm.
- 5.3 Control Stations Upgrades – Work continues at Conrad Control Station. The water manifold pipes have passed both the pressure and bacterial test. The electrical work is under way.
- 5.4 Ave G 48" Transmission Main – A pre-construction meeting was held on December 1. Submittals have been reviewed and returned to Moore Excavation. Materials for the project will be ordered in the very near future.
- 5.5 Martin Control Station – OBEC is proceeding with the preliminary design and the Basis of Design Report; both due tomorrow.
- 5.6 Needs Assessment Software – Staff would like the board to give direction on which way to go on this as staff is ready to give the Notice of Intent. Mr. Hall questioned who the Notice of Intent would go to; Engineer Johnson noted that it would be the Harris Group as stated in the study session. The

board agreed. Staff will issue the notice, if no protests this will come back to the board on December 21.

Mr. Hall noted that Mr. Anderson does need to leave shortly after 1 p.m. and requested any hot issue to come up now; staff had no pressing issue.

6. Water Quality Report  
Out of sequence

- 6.2 The Duff Intake Variable Frequency Drive Project has started; staff has engaged Marquess & Associates to do the design and specification. This project is in this year's capital budget.
- 6.3 Electrical Reliability Issues at Duff - Last summer there was a power failure with Pacific Power; there are a few things that PP&L can do with the poles to protect the integrity of the service connection as well as looking at phase connection.
- 6.4 During the course of construction at Duff an underground power conductor cable was damaged and will need to be replaced; staff is obtaining estimates. Mr. Hall questioned if a locate was done; staff noted that it was. Water Quality Superintendent Noelle noted the conductor at 500 feet long will cost approximately \$10,000. Mr. Rains noted that it will come before them in the bills.
- 6.5 Staff is working on reliability issues at the Big Butte Springs pertaining to off-gassing; staff will move forward with those fixes once the design is pulled together.

Back in sequence

- 6.1 Consideration of Two Water Quality Improvement Grant Applications  
Geologist Jones presented the staff report. The Commission has received two grant applications: the Little Butte Creek Watershed Council has proposed a project for irrigation and maintenance of riparian plantings associated with the Little Butte Creek Meander project in the Denman Wildlife Area at a cost of \$10,000; Jackson Soil & Water Conservation District has proposed the second phase of the C2 Cattle Ranch irrigation project, at a cost of \$15,000. The goal is to convert around 60 acres of flood irrigation to sprinklers in order to eliminate tailwater/runoff, which will reduce erosion and improve water quality in the North Fork of Little Butte Creek. The total cost for both projects exceeds the currently budgeted amount of \$15,000 for these grants in the FY 2011-12 budget. Direction is requested of board for this year's grants as well as the expectation of new budget year planning. Staff is recommending \$7,500 for each grant in order to stay within budget.

Mr. Anderson questioned if the other grants for C2 Cattle Ranch have been secured; Mr. Jones noted that most of their money is secure and the landowner is providing labor, equipment and \$3,500 in cash. Mr. Hall questioned if the project was 50% labor and 50% material; staff noted that it was.

Moved by: Mr. Anderson

Seconded by: Mr. Dailey

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

Motion carried and so ordered.

Mr. Jones questioned that due to requests received, if the board was comfortable with leaving the budget at \$15,000 pertaining to grants or would they like to raise the figure. He noted that this was previously \$20,000 but had been reduced due to the economy. Mr. Hall was comfortable with \$15,000; Mr. Dailey questioned what is in the cost study. Mr. Rains noted that there is nothing in the cost study as it is based on last years figures; staff noted that we will leave it at \$15,000 and the

board can always change it later.

7. Finance Report

7.1 Annual Audit Presentation

Paul Neilson of Isler & Co. commented on the in-kind match pertaining to the grant spoken of earlier and that an auditor may question this. He presented the annual audit and a PowerPoint presentation. He noted that the MWC received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. The board thanked staff for keeping costs down and the hard work put forth.

Jason Anderson left.

8. Operations Report

8.1 Crews have been busy; nothing significant is happening other than next work staff will be working on the 30" t out at the Duff Treatment Plant.

8.2 Senus will be here tomorrow to discuss radio read equipment and hope to get a green light to purchase per budget.

8.3 Mr. Hall questioned if there have been any broken water lines; staff noted that it has been quiet.

9. Manager/Other Staff Reports

9.1 Consideration of the Revised 2011 Cost of Service Study Summary

Based on the discussion at the last board meeting, staff revised the monthly and gallonage rates for the Inside Customer group and presented a Revised 2011 Cost of Service Study Summary. Mr. Rains explained the reason for the rate changes. The public hearing is scheduled on December 21, 2011. Staff recommended approval.

The board agreed to the numbers presented. Mr. Hall noted that he thought it would be about 6-cents per thousand gallons of water increase for inside customers and we are right there. He liked seeing the increase on the gallonage charge in order to help with conservation. Mr. Dailey would like the worksheets emailed to him; Mr. Rains agreed.

10. Propositions and Remarks from the Commissioners

10.1 Mr. Hall noted that at a meeting he had attended with Commissioner Johnson and Manager Rains the MWC promised the cities that in a time of duress the MWC would not shut off their water. Mr. Hall noted that it was not our intention and that we would promise a letter stating so. Mr. Rains had sent the Board the 2009 Water Management and Conservation Plan and Mr. Hall read a portion of that to the Board. Although Mr. Hall liked what the Plan said he would still like to see a letter that refers to this Plan addressed to the other cities. Attorney HuttI stated that this recognizes the doctrine of prior appropriation and the priority of our rights; Mr. Hall noted that it did so. Mr. HuttI noted that he could work with Mr. Rains and bring it back to the next board meeting.

11. Adjourn

There being no further business, this Commission meeting adjourned at 1:18 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.