

**MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION**  
**February 5, 2014**

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 Jason Anderson; Commissioners John Dailey, Cathie Davis, Lee Fortier; Leigh Johnson

Manager Larry Rains; Deputy City Recorder Karen Spoons; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Public Information Coordinator Laura Hodnett; Geologist Bob Jones; Operations Superintendent Ken Johnson; TS Coordinator Kris Stitt

Guests: City of Medford Councilmember Bob Strosser; Ashland Public Works Director Mike Faught; Ashland Associate Engineer Pieter Smeenk; Central Point Mayor & Liaison Hank Williams; Central Point City Manager Chris Clayton; Eagle Point Mayor & Liaison Bob Russell; Eagle Point City Administrator Henry Lawrence; Eagle Point Public Works Director Robert Miller; Phoenix Mayor & Liaison Jeff Bellah; Medford Emergency Management Coordinator Larry Masterman; Resident John Adair

Deputy City Recorder Karen Spoons administered the oath of office to Jason Anderson, who has been appointed to the Board; his term will expire January 31, 2019.

The pledge of allegiance was given.

3. Elect Board Chair and Vice Chair for Calendar Year 2014

The Board elects officers by motion at this time of the year; Cathie Davis has elected not to serve as Chair for the coming year.

Motion: Nominate Jason Anderson as Chair of the Medford Water Commission for the 2014 year.

Moved by: Mr. Johnson

Seconded by: Mr. Fortier

Commissioner Anderson stated that as chair he would like to see the contracts with the other cities move through the process; Commissioner Johnson noted that he has talked to Mr. Anderson about having him serve as chair and that this will put us back in sync next year.

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

Motion carried and so ordered.

Motion: Nominate Leigh Johnson as Vice-Chair of the Medford Water Commission for the 2014 year.

Moved by: Mr. Anderson

Seconded by: Mr. Fortier

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

Motion carried and so ordered.

Commissioner Anderson thanked the board for their vote of confidence.

4. Approval or Correction of the Minutes of the Last Regular Meeting of January 15, 2014

Mr. Anderson thanked Commissioner Cathie Davis for stepping in for him at the last meeting. The minutes were approved as presented.

5. Comments from Audience

None

6. Written Communications

6.1 Quarterly Letter to the Mayor and Council

The report for the fourth quarter of FY2012-13 was provided. The board members agreed to its

contents, the Chair will sign and staff will forward the letter and relevant attachments to the Mayor and councilmembers.

Mr. Anderson questioned Councilmember Strosser if he reports on this; Councilmember Strosser noted that it is distributed to council.

6.2 Letters Received from the Other Cities

Manager Rains reported on the letters received from the cities of Central Point, Eagle Point, Phoenix and Talent which expressed disappointment in the Board's discussion on January 8, 2014 on clarification of the level of participation by the cities in the MWC rate study. Because of this all but Phoenix said they have withdrawn from participation in the rate study.

7. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$689,534.45

Moved by: Mr. Dailey

Seconded by: Mr. Johnson

Mr. Johnson questioned the fencing at Willow Lake; Geologist Bob Jones stated that the MWC will fence the entire lake to keep the cattle out of the area. Because of cost, staff will erect part of the fence which will be considerably less than the bid received. Some fencing will still be erected by a contractor as it is too much of a project for staff. In doing this, this saved staff time rebidding the large project. Mr. Jones also noted that many contractors stated that they are too busy at this time.

Roll Call: Commissioners Anderson, Dailey, Davis, Fortier, and Johnson voting yes; Anderson abstained from the Big R voucher. Motion carried and so ordered.

8. Engineer's Report (E. Johnson)

8.1 Duff Water Treatment Plant Duff Floc/Sed Basins – Staff is currently reviewing the plans and specifications. A review meeting with Black & Veatch is scheduled at Duff on February 13.

8.2 Duff Water Treatment Plant Raw Water Intake Pumps 1 & 2 – CH2M Hill is working towards completion of the 90% design plan submittal which is due February 18.

8.3 Martin Control Station – Punch list items are completed; staff is waiting on the operation and maintenance manuals to finalize the project.

8.4 Angelcrest Pump Station – The quote document for the pump is complete; quotes from pump suppliers will be solicited in the near future and are due February 18.

8.5 Highway 62 Bypass – The bid documents are complete and the project will be advertised for bid on February 21.

8.6 Vilas Road 16" Water Main Inter-tie – Neathamer Surveying is currently surveying the proposed alignment of the 16" water main and Marquess and Associates is currently designing the 16" water main.

9. Water Quality Report (Pindilli)

9.1 Water Quality Administrator Rosie Pindilli stated that the Department of Environmental Quality (DEQ) has proposed that the entire Rogue River be added to the list of water bodies with high levels of mercury (Hg) in resident fish (not the water). If adopted, this would lead DEQ to determine what levels of Hg in the river are safe and determine the sources of the Hg.

Hg is a worldwide health issue and is present in virtually all fish, even fish in the ocean. It is naturally occurring in the earth's crust and released with volcanic activity. Hg accumulates in essentially all living things (such as fossil fuels and waste materials), and when these things are burned, they emit Hg into the atmosphere which is then deposited on the landscape.

The current Maximum Contaminant Level (MCL) for Hg in drinking water is 2 parts per billion (ppb). Both of our source water entry points are tested for Hg at least once a year and have always been non-detected at 2 parts per trillion (ppt).

If Hg were present in the Rogue River at higher levels, conventional treatment has been proven to remove up to 90% of Hg and has been identified by the Environmental Protection Agency as a Best Available Technology (BAT) for mercury removal.

Mr. Dailey questioned if that were true with the ozone and how mercury gets into the fish; Ms. Pindilli noted that it is the coagulation and settling which gets the mercury out and that it is deposited in the atmosphere and deposited in the sediment.

10. Finance Report  
None

11. Operations Report (K. Johnson)

11.1 Three vehicles have been ordered; two way radios and other equipment will be installed and recycled from previous autos. Mr. Anderson questioned if we used the purchasing organization we joined; Operations Superintendent Ken Johnson stated that we solicited quotes but we did use that company for the new vacuum truck. Commissioner Johnson stated that he would like to see the bid sheets on future vehicles purchased.

11.2 Staff will repair a valve at the Bullis Reservoir; the reservoir will need to be drained and tested in order to bring back on line.

11.3 Staff is still working on the City of Medford LaLoma project where there are old lines that needed to be replaced.

11.4 A request for quotes is out for the rebuild of pump #2 at the Lone Pine Pump Station.

12. Manager/Other Staff Reports

12.1 Staff Report on the Utility Management Software Project

TS Coordinator Kris Stitt reported on the software project stating that because some financial items were not configured as expected the primary focus has been to get the finance system up and running. To do this, the vendor will be here for the next few weeks. There are a few remaining items on the utility billing system being addressed and are almost completed.

Mr. Rains noted that the financial issues are causing problem on all ends; at some point we will have to be strong with our consultant as the budget is coming up and the budget reports may be not as complete as in the past. Mr. Dailey questioned if the consultant has been cooperative; Mr. Rains noted that they have. Mr. Dailey also questioned if we are paying them for extra hours; Mr. Rains noted that we are operating within the consultants' budget. The Board stated that they expected issues when converting to a new software system.

12.2 Water Rates Study Summary

The MWC received a project status report from Tom Gould of HDR Engineering. Mr. Rains stated that the study is composed of three interrelated analyses of 1) revenue requirement

analysis 2) cost of service analysis and 3) rate design analysis. All data has been collected, the cost of service analysis is in process and should be ready mid-March, at which point a focus group meeting can be scheduled. The study is taking longer than anticipated but is within budget with no major issues expected.

#### 12.3 Other Customer Agreements

At the last meeting the Board decided to delay and address the customer agreements at the March 5 meeting and make a decision or provide Board direction then. By February 24 staff needs our wholesale customer comments to collate. Mr. Anderson requested all comments in original form from our wholesale customers. Mr. Rains stated that he will send all comments to the Board before the meeting.

#### 12.4 Ashland Status

Mr. Rains noted that there are two agreements with Ashland that City Attorney John Huttli is reviewing with the City of Ashland 1) SDC buy-in (Mr. Rains requested input from Mr. Dailey on this pertaining to interest rates) and 2) Actual water service agreement. Ashland will take these agreements to their council on March 4 and the MWC will bring these back to the Board on March 5. The last board meeting this could be discussed and decided before the new SDC rates will go into effect will be March 19.

Mr. Anderson questioned if Ashland had any comments; Ashland Public Works Director Mike Faught noted that we are getting close and that Ashland council is aware that this is being worked on. He also noted that they would consider building pipeline and accepting water as early as next year.

#### 12.5 Quality Base Selection (QBS)

QBS is back again as today it is being heard in Salem. Administrator Coordinator Betsy Martin and Manager Rains have pulled letters on non- support from last year and they were redrafted and sent to Salem and hopefully, can be added to the record. Mr. Rains explained that now QBS is proposed for any consulting contract; no dollar amount.

Mr. Dailey questioned who is behind this; Mr. Rains though that it would probably be the big consultants. Mr. Fortier thought that it was the American Council of Engineering Companies of Oregon that is the primary pusher of this. Mr. Rains noted that he has complained about it through the AWWA OWUC committee.

12.6 Deanna Woodring from Davidson Group is separating from that company. Mr. Rains noted that our contract is with Davidson Group but we will need to decide whether we stay with the group or go with her new company. Staff will come back in two weeks with their input.

### 13. Propositions and Remarks from the Commissioners

#### 13.1 Letters from Cities re Focus Group

Mr. Johnson was disappointed to read the letters that we have received; he hoped in the long run they would continue with the focus group. He further commented that their basic questions presented will be answered. Mr. Fortier echoed Mr. Johnson's comments and noted that we do take them seriously. Mr. Dailey noted that we made the "post office increase analogy" mistake which ends up as a political process. This is a technical problem and making it a political process is not a way to solve this. Having a consultant develop a model should bring back something that is clearer for those involved. Mr. Anderson noted that some of the letters stated that the rate study would be a waste of time but he believes it should be completed. The focus group was for transparency, for questions asked as the process went along and not intended for them to direct the process. There will be a public hearing and we will continue to treat the

other cities with respect and courtesy which should go both ways. A certain city is not as polite in letters and memos in criticism of staff and Board as they should be and hoped there will be less of that.

14. Adjourn

There being no further business, this Commission meeting adjourned at 1:10 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