

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION
February 6, 2013

Deputy City Recorder Karen Spoons administered oath of office to John Dailey, who has been appointed to the Board; his term will expire January 31, 2018.

The pledge of allegiance was given.

The regular meeting of the Medford Water Commission was called to order at 12:27 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; Attorney John Huttli; Deputy City Recorder Karen Spoons; Administrative Coordinator Betsy Martin; Finance Administrator Tessa DeLine; Geologist Bob Jones; Duff Supervisor Jim Stockton; 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; Greg Jones

3. Elect Board Chair and Vice Chair for Calendar Year 2013

The Board elects officers by motion at this time of year. In past practice, the Commissioner completing the fourth year serves as Chair during the fifth year of their term. After the early resignation of Don Skundrick, Commissioner Jason Anderson was elected as Chair and Cathie Davis Vice Chair in 2012, a year ahead of the usual rotation.

Motion: Elect Jason Anderson as Chair and Cathie Davis as Vice Chair of the Medford Water Commission with a term ending January 31, 2014

Moved by: Mr. Dailey

Seconded by: Mr. Johnson

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

Motion carried and so ordered.

4. Approval or Correction of the Minutes of the Last Regular Meeting of January 16, 2013

The minutes were approved as presented.

5. Comments from Audience

None.

6. Resolutions

6.1 No. 1511, A RESOLUTION Authorizing the Manager to Execute a General Service Contract with PacifiCorp, Doing Business as Pacific Power, to Allow Additional Capacity (1000KW or Less) on Medford Water Commission's Martin Control Station Property, Located at 3097 Crater Lake Avenue, Medford, Oregon, Described as Section 7, Township 37 South, Range 1 West, W.M.

The Commission is expanding the water pumping capacity of Martin Control Station (3097 Crater Lake Highway). The increased capacity requires additional electrical power. Pacific Power requires a General Service Contract and easement in order to provide the additional service. The contract benefits both parties for economy of construction and cost. A similar contract and easement were approved for the two earlier control station projects in 2011. Staff recommended approval.

Motion: Approve Resolution No. 1511

Moved by: Mr. Dailey

Seconded by: Ms. Davis

Commissioner Anderson questioned the timing; Manager Rains noted that this project is on target with PacificCorp.

Roll Call: Commissioners Anderson, Dailey, Davis, Fortier, and Johnson voting yes.
Motion carried and so ordered. Resolution No. 1511 was approved.

- 6.2 No. 1512, A RESOLUTION Authorizing the Chair and City Recorder, Acting for the City of Medford By and Through its Board of Water Commissioners, to Execute an Underground Right of Way Easement with PacificCorp, Doing Business as Pacific Power, on a Portion of That Certain Real Property Situated in Medford, Oregon, Described as Section 7, Township 37 South, Range 1 West, W.M., Also Known as Medford Water Commission's Martin Control Station Property, Located at 3097 Crater Lake Avenue

As noted above, Pacific Power also requires an easement to provide additional electrical power at Martin Control Station. Staff recommended approval.

Motion: Approve Resolution No. 1512

Moved by: Ms. Dailey

Seconded by: Ms. Davis

Mr. Anderson noted that the easement appears to have the City of Medford as the signer; Attorney Huttli noted that the Commission could act under the City of Medford and add "by and through" or we can return the easement to PacificCorp for revision. Mr. Anderson will make the necessary changes and sign.

Roll Call: Commissioners Anderson, Dailey, Davis, Fortier, and Johnson voting yes.
Motion carried and so ordered. Resolution No. 1512 was approved.

7. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$740,755.97

Moved by: Mr. Johnson

Seconded by: Mr. Dailey

Roll Call: Commissioners Anderson, Dailey, Davis, Fortier, and Johnson voting yes; Anderson recused himself from the Butler Ford voucher. Motion carried and so ordered.

8. Engineer's Report

- 8.1 Duff Water Treatment Plant Floc/Sed Basins - Mr. Rains stated that they are having initial design meetings. Because this project has grown in scope of contract and cost there will be a study session, with the consultant, on March 20.

9. Water Treatment Report (Stockton)

- 9.1 Duff Supervisor Stockton stated that staff is waiting on 2600 cubic feet of anthracite filter media material which is shipping from New York. Staff will be bringing the filters to their maximum standard which is quite a process. This is done about every three years.

- 9.2 The plant reservoir has been empty for about two weeks as part of the Redundant Backwash Project. Disinfection will take place and the reservoir will be filled after that. This will be completed later this week.

Commissioner Dailey questioned if the Backwash System has been started; Mr. Stockton noted that we are still demolishing and there is a 20 week lead time on the pumps. If staff is not able to complete this within the projected timeline it will be fall of next year before it can be done.

10. Finance Report

- 10.1 The consultant from Cogsdale was here last week; staff focused on the new Human Resource module, general ledger and fixed assets.
- 10.2 Interest rates have dropped to .54%; Finance Administrator DeLine will work with Davidson Fixed Income Management pertaining to adding to our portfolio. Ms. DeLine will also receive training on our investment tracking software.

11. Operations Report

As Operations Superintendent Johnson was attending a workshop there was no Operations Report.

12. Manager/Other Staff Reports

Out of sequence

- 12.2 Staff had been directed years ago to add \$250,000 every year to the budget for the Duff II Project on top of the surcharge fees collected. Mr. Rains questioned if the board still wants to continue this; the board agreed to continue to save money for this project. Mr. Dailey commented on the importance of savings and provided an example of a city bankrupt with water line issues.
- 12.3 Manager Rains received a copy of the City of Medford Strategic Plan and congratulated the City on this plan. The Plan will be available for the board.
- 12.4 Staff received a letter from Brad Martinkovich pertaining to the Klamath Dam removal.
- 12.5 Mr. Rains stated that there are important study sessions coming up that he would like to note. The SDC Study Review will be on March 6 and he suggested that the MWC send letters to the other cities to attend as well as RH2 Engineering; the board agreed. Other important study sessions are the Duff 1, Phase IV Floc/Sed Basins on March 20; the Ashland Emergency Connection on April 3; the Capital Budget on April 17; the Expense Budget on May 1; and the SDCs/CLAs/Fees on May 15.
- 12.6 As the MWC will be billing without the utility fees in July; Mr. Rains addressed the option of the return envelope. He reminded the board that we had blue envelopes in the past which he thought made them stand out and stated that it would cost \$7,200 a year for blue envelopes; Mr. Rains though the return blue envelopes were important. The board questioned what the cost of the white envelopes would be; staff noted that blue envelopes are three cents an envelope; white envelopes are one cent per envelope, a two cent difference. Mr. Rains requested board direction; Commissioner Fortier thought we should wait to see how often we would need them as online billing for Rogue Disposal keeps moving in that direction. Mr. Dailey questioned if envelopes are provided to those who don't mail in their payments; TS Coordinator Stitt provided input. The board agreed to wait to determine usage.
- 12.7 The Technical Advisory Committee for the Conservation Grant will meet next Monday at the City of Central Point from 9 a.m. – 2 p.m. Public Information Coordinator Hodnett will represent the MWC and Mr. Rains may attend the morning portion. The board was invited.
- 12.8 Manager evaluations were due today; all were received.
- 12.9 Mr. Rains noted that he received an email today from Medford City Attorney Kevin McConnell regarding the possibility of the City contracting with the MWC to shut off water for non-payment of City utility fees. Mr. Rains stated that the MWC has not been asked officially. Mr. Anderson

did not like the idea and stated we will not shut off water for non-payment of utility fees. The board agreed. City Attorney HuttI noted that Attorney McConnell responded from a Public Works question; Mr. HuttI stressed caution on attorney/client privilege.

Back in sequence

12.1 Consideration of Purchase of Water Meters

This purchase is part of the Commission's annual meter purchase from Sensus Metering Systems, the Commission's sole-source provider per Resolution No. 1481. The proposed list of meters and parts were provided; the total cost will be \$244,053.60, which exceeded the Manager's purchasing limit of \$150,000. Staff recommended approval, by a motion of the Board.

Motion: Approve purchase of annual meter purchase from Sensus Metering Systems in the amount of \$244,053.60

Moved by: Mr. Dailey

Seconded by: Ms. Davis

Mr. Fortier questioned if this included new purchases and how often we order; Mr. Rains stated that this is for new meters, we are reimbursed by customers and that we order several times a year, depending how many are needed throughout the year.

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

12.10 Monthly Software Upgrade Report

TS Coordinator Stitt noted that they have finished the third conversion; trainers will be on site next week. Cogsdale was here last week regarding finance; Lucity will be here next. He further commented that the go live date is still set for July 1.

13. Propositions and Remarks from the Commissioners

13.1 Commissioner Johnson noted that he will be gone on February 20 and May 1.

13.2 Mr. Johnson requested an executive session.

13.3 Councilmember Strosser thanked the board for clarity on the position of the utility fee. He also noted that the Strategic Plan is available on line and provides more of a long range perspective.

The Board adjourned to executive session at 12:58 p.m.

The Board reconvened at 1:03 p.m. with the same members present.

14. Adjourn

There being no further business, this Commission meeting adjourned at 1:03 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.