

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

February 15, 2017

The regular meeting of the Medford Water Commission was called to order at 12:41 p.m. on the above date at the Medford City Hall Lausmann Annex, Room 151/157 with the following commissioners and staff present:

Chair John Dailey; Commissioners Jason Anderson, Daniel Bunn, Leigh Johnson*, Bob Strosser

Interim Manager and Principal Engineer Eric Johnson, Medford City Attorney Lori Cooper; City Recorder Karen Spoons; Administrative Coordinator Yvette Finstad; Finance Director Tessa DeLine; Geologist Bob Jones; Operations Superintendent Ken Johnson; Watershed Administrator Craig Harper

Guests: Medford Councilmember Michael Zarosinski; Central Point Mayor Hank Williams; Eagle Point Mayor Bob Russell; Rudd Johnson of Crown Hill Consulting; Cindy Krebs of Alliance Resource Consulting; John Vial of Jackson County Roads

*Left as noted.

The pledge of allegiance was given.

3. Approval or Correction of the Minutes of the Regular Meeting of February 1, 2017
The minutes were approved as presented.
4. Comments from Audience
 - 4.1 Central Point Mayor Hank Williams stated that they now have meters on their hydrants.
 - 4.2 Eagle Point Mayor Bob Russell stated they are filling up the reservoir and it should be full next week.
 - 4.3 Cindy Krebs of Alliance Resource Consulting stated she is here pertaining to the Manager position.
5. Written Communications
 - 5.1 Letter from Resident Regarding Coin Water Dispensaries
A letter was received from Medford resident Kit Vercella urging the Commission to extend the application and user fees, specifically a metered rate structure, to all municipal water usage including coin water dispensaries. Vercella cites the extreme growth of the cannabis industry as well as a growing population among several motives for protecting water resources.
6. Resolutions
 - 6.1 No. 1629, A RESOLUTION Providing for the Collection of a Proportionate Share of the Cost of a Water Main Constructed on Sunset Drive from Tivoli Drive to Thomas Road, and on Thomas Road from Sunset Drive to 905' North of Sunset Drive From Property Owners Benefiting Thereby at the Time of Use of the Said Water Main and Providing for the Payment of the Sums so Collected to McJoya Properties & Development, LLC, Installer of Said Water Main

McJoya Properties & Development has installed 326 Lineal feet of 12-inch ductile iron water main in Sunset Drive (from Tivoli Drive to Thomas Road) and 905 lineal feet of 8-inch in Thomas Road (from Sunset Drive to 905' north of Sunset Drive); approval of this resolution would allow the Commission to collect proportionate shares of the cost of the water main from property owners benefiting from the water line and provide the payment of sums back to the developer. Staff recommended approval authorizing the Commission to collect and pay

amounts at the rate of \$40.00 per lineal front foot for Sunset Drive, and \$23.59 per lineal front foot for Thomas Road, expiring July 29, 2026.

Motion: Approve Resolution No. 1629

Moved by: Mr. Anderson

Seconded by: Mr. Johnson

Commissioner Dailey questioned if we will create dead ends; Interim Manager Johnson stated that we did which is typical for development.

Roll Call: Commissioners Anderson, Bunn, Dailey, Johnson, and Strosser voting yes.

Motion carried and so ordered. Resolution No. 1629 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 \$742,271.06

Moved by: Mr. Anderson

Seconded by: Mr. Johnson

Roll Call: Commissioners Anderson, Bunn, Dailey, Johnson, and Strosser voting yes; Anderson and Bunn recused themselves from the Asante voucher; Johnson abstained from Stanley voucher.

Motion carried and so ordered.

8. Engineer's Report (Principal Engineer Eric Johnson)

8.1 Duff Water Treatment Plant Floc/Sed Basins – The concrete pour to join the existing basins with the new basins will be done tomorrow. Elevated walkway pours will follow the walls. Electrical work continues.

8.2 City of Medford Lozier Lane Project – MWC is still waiting on a new pre-construction meeting date from ODOT.

8.3 Master Plan Updates – The Water Management and Conservation Water Plan (WMCP) is with the State for review. CH2M is currently revising the CIP portion of the Water Master Plan.

8.4 Corrosion Study – Staff has returned comments to Black and Veatch on the Scope of Service. Black and Veatch are currently incorporating the comment into the Scope of Services.

8.5 Jackson County Table Rock Road Project – MWC has received a proposal from HDR. The proposal has been returned to HDR to assign cost to the proposal.

8.6 City of Medford Foothill Road Project – MWC has been notified of the proposed Foothill Road Project from Hillcrest Road to Lone Pine Road. MWC staff will coordinate with the City to construct a 16" water main in Foothill Road per the Water Master Plan, which is in addition to the 12" water main. The estimated cost for the water project will be in the \$1,000,000 range. The projected timeline will be the next construction season. Staff noted this is in our master plan but was 3-5 years out vs. doing it in the next budget cycle.

9. Operations Report (Operations Superintendent Ken Johnson)

9.1 FlexNet Update – There has not been much progress in the past week as staff has been redirected to other pressing projects. Staff is working on creating a file that shows all M-radios and whether they have reported to the tower. Commissioner Dailey questioned if there was a set time to overlap the read day; Operations Superintendent Johnson does not have that information but they will have overlap readings and there will be multiple ways to read meters in the future.

9.2 Central Point 10" Master Meter on Vilas Road – The Central Point 10" master meter on Vilas Road was tested on December 13, 2016 and was found to not maintain accuracy. A new replacement meter should be here in three weeks. The City of Central Point has been informed

of this issue and staff is currently evaluating historical flow data to come up with an agreeable water volume to bill. The December 2016 bill will need to be reevaluated and adjusted and an estimate bill will need to be created for January 2017 and February 2017. This meter is one of three master meters for the City of Central Point. Commissioner Dailey questioned if this is the same issue we had at TAP; Operations Superintendent Johnson stated there is a difference and explained the process they have gone through. He further noted this will be a testable meter per AWWA.

- 9.3 Auto Accident – A MWC employee was involved in an accident on February 3, 2017, although the employee was not at fault. The accident was caused by an uninsured motorist who fled the scene. The employee was not injured, but he did go to the emergency room. The damage to the vehicle is around \$3,500. Witnesses did record information about the hit-and run driver who was later apprehended.
 - 9.4 MWC Vehicle – The 1987 Ford 6-yard dump truck has been red tagged as brake parts were no longer available for the dump truck. Commissioner Strosser questioned what will happen to the truck; Operations Superintendent Johnson noted it will be sold for surplus.
- 10 Finance Report (Finance Director Tessa DeLine)
- 10.1 Staff is working on the 17-18 budget as well on the cash forecast for the remainder of this year and for the 17-18 and 18-19 fiscal years.
 - 10.2 The January financial statement packet is in the process of being finalized.
 - 10.3 The Service Center inventory was completed a few weeks ago and staff continues to improve year after year. The MWC has \$769,000 booked in inventory and after the count; we were only off a couple hundred dollars.
 - 10.4 At the request of Councilmember Dailey, we will revamp Resolution 1422. Commissioner Dailey stated the resolution sets the rate of return that we charge to others. In 2010, we had established the cost of capital based on the federal fund discount rate. A much more appropriate rate would be something similar to what we used for the City of Ashland. We have a rate of return memorandum from 2010 that we can present. Resolution 1422 also puts a cap on the interest, which Commissioner Dailey thought we should remove. This topic will come back to the Board at a later date.
11. Manager/Other Staff Reports
Out of sequence
- 11.2 Pertaining to the Board's question about the water line on Foothill Road, we have three master plans. We have not had a Water Master Plan study session which will be sometime in the spring. The study session will clarify many questions.
 - 11.3 The new Utility 1 person, John Hodges, will start tomorrow.
 - 11.4 AUS is coordinating internally and will present a proposal to MWC in the near future.
 - 11.5 Staff goals are included in the Board's packet.
 - 11.6 A letter of support to help the Rogue River Valley Irrigation District project obtain a grant is included in the Board's packet. Watershed Administrator Craig Harper explained why it is important for the MWC to support this as it will improve water quality, leave water in-stream for endangered fish, hydroelectric possibilities, protect fish habitat, eliminate leakage and evaporation, and protect regional agricultural economy. Geologist Bob Jones remarked this is a

WISE project. This project will encourage other sources to help provide financially, such as the Watershed Enhancement Board.

Motion: Direct the Board Chair to sign the letter of recommendation for Rogue River Valley Irrigation District

Moved by: Mr. Johnson

Seconded by: Mr. Strosser

Roll Call: Commissioners Anderson, Bunn, Dailey, Johnson, and Strosser voting yes.

Motion carried and so ordered.

Back in sequence

11.1 Board and Staff Goals

Every year the Board reevaluates the current Commission goals for changes or additions. In 2016 no changes were made as the Board felt the goals encompassed and fulfilled our mission statement.

Commissioner Dailey remarked that he had a conversation with Commissioner Bunn pertaining to goals. He requested Commissioners Bunn and Johnson review the goals throughout the year so that next year's goals won't be rubber stamped.

12. Propositions and Remarks from the Commissioners

12.1 Medford Water Commission Manager Search

Cindy Krebs of Alliance Resource Consulting, LLC will be on site today and tomorrow to speak with the Board and interview select staff regarding the Commission's search for a new manager. Her goal is to gather information to put together a recruitment profile.

The Board provided the following comments:

- Commissioner Bunn would like someone who has a good understanding of finance; we have good management staff in place.
- Commissioner Strosser would like someone with good administrative skills, the ability to communicate, and if possible, a background in utilities.
- Commissioner Dailey would like someone with management and leadership skills, cultural change, create a high performance, open communication in all levels, high standards and performance among staff, ample opportunities for training, uniform performances, transparent and informative, and a steward of our resources. Water quality background is important too.
- Commissioner Anderson would like a good fit, team leader, stressing the team approach, and someone to lead what we currently have in place.

Ms. Krebs questioned if there would be expected retirement turnover; the Board agreed there would be.

- Commissioner Johnson noted MWC is very unique; most other commissions are controlled by the cities themselves whereas the MWC has been managed from within. He commented about the hiring of the past manager and it will be interesting to see the finalists, their ideas and directions that we may have not thought of.

Ms. Krebs noted she is working with Tacoma who has a similar commission; the Board noted we are separate by the Charter. Commissioner Johnson noted our most valuable partnership is with the City of Medford.

Ms. Krebs questioned addressing challenges in the foreseeable future; Commissioner Anderson stated planning for the production of Duff and the challenges that will bring, such as financial and staffing. Commissioner Strosser agreed, including the work to have everything in

place. Ms. Krebs noted she looked at the budget, including the rate change, and questioned where the MWC will be financially. Commissioner Dailey noted there will be significant challenges. Commissioner Anderson noted we have not had rate changes for 3-5 years and an increase was needed just to pay the bills.

Rudd Johnson of Crown Hill Consulting noted this is the most important part of the search, as there needs to be clarity of what is needed. Ms. Krebs noted we will give weekly updates once the process has started, including issues such as salary, relocation, etc. After the application period has closed, she will present a progress report on the applicants that are the best matches. Ms. Krebs stated the application deadline is March 31 with an offer to the potential candidate the end of April to mid-May. City Attorney Cooper noted executive sessions need a process and we should adopt the description in a public session. Ms. Krebs questioned restrictions in conversation pertaining to emails; Attorney Cooper noted they can't talk to each other through emails.

*Commissioner Johnson left.

Interim Manager Johnson noted this would need to be on the agenda next Thursday.

13. The executive session was cancelled.

14. Adjourn

There being no further business, this Commission meeting adjourned at 1:44 p.m. The proceedings of the Medford 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. Spoonts, MMC
City Recorder
Clerk of the Commission