

## MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

April 1, 2015

The pledge of allegiance was given.

The regular meeting of the Medford Water Commission was called to order at 12:24 p.m. on the above date at the Medford City Hall Lausmann Annex, Room 151/157 with the following commissioners and staff present:

Chair Leigh Johnson; Commissioners Jason Anderson, John Dailey, Lee Fortier, Bob Strosser

Manager Larry Rains, Medford Deputy City Attorney John Huttli; Deputy City Recorder Karen Spoonts; Administrative Coordinator Betsy Martin; Administrative Specialist Yvette Finstad; Finance Administrator Tessa DeLine; Geologist Bob Jones; Operations Superintendent Ken Johnson; Duff/WTP Director Jim Stockton; Construction Administrator Andy Huffman

Guests: Medford Councilmembers Chris Corcoran and Michael Zarosinski; Central Point Mayor and Liaison Hank Williams; Central Point Assistant City Manager Chris Clayton

3. Approval or Correction of the Minutes of the Regular Meeting of March 18, 2015

The minutes were approved as presented.

4. Comments from Audience

None

5. Resolutions

- 5.1 No. 1575, A RESOLUTION Awarding and Authorizing the Manager to Execute a Contract in the Amount of \$1,319,510 with Pilot Rock Excavation, Inc., for Construction of Vilas Road, 16-Inch Water Transmission Main Improvements

Four bids were received for this project. Pilot Rock Excavation, Inc. was the low, responsive, responsible bidder. Notice of Intent to Award was issued on March 20, 2015 and no protests were received. Staff recommended approval.

Motion: Approve Resolution No. 1575

Moved by: Mr. Dailey

Seconded by: Mr. Strosser

Commissioner Anderson questioned if we used Pilot Rock Excavation before; staff noted that we have.

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

Motion carried and so ordered. Resolution No. 1575 was approved.

- 5.2 No. 1576, A RESOLUTION Authorizing the Manager of the Medford Water Commission to Execute on Behalf of the Board of Water Commissioners a Memorandum of Agreement (MOA) for the Water for Irrigation, Streams and the Economy (WISE) Project Coordinator Funding

The MOA with the WISE Project Partners will authorize funding for the coordinator position for two more years, through 2016. The Commission's portion will be \$5,000 per year. Staff recommended approval.

Motion: Approve Resolution No. 1576

Moved by: Mr. Dailey

Seconded by: Mr. Fortier

Commissioner Dailey questioned what would our ratepayers get out of an irrigation project; Manager Rains noted that this pertains to water issues which are part of our goals. Geologist Bob Jones stated that

this will improve water quality at Little Butte which should help reduce cost. He also mentioned other benefits, such as improvements for endangered species.

Roll Call: Commissioners Anderson, Dailey, Fortier, Johnson, and Strosser voting yes.  
Motion carried and so ordered. Resolution No. 1576 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 \$752,110.01

Moved by: Mr. Anderson

Seconded by: Mr. Dailey

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

7. Engineer's Report (Staff Engineer Rodney Grehn)

- 7.1 Duff Floc/Sed Basins – The bid opening was held yesterday. There were four bids; McClure & Sons, Inc. was the low bidder with a bid of \$17,336,783. The engineer's estimate was \$17,500,000 with a budgeted amount over the next four years of \$18,100,000. The Notice of Intent to Award will be issued today. Staff will bring the recommendation to award the contract to the next meeting.

The Board commented on where the bidders were from; staff noted that Knife River and Batzer both looked at the plans but opted out of the project, probably due to the size of the project.

- 7.2 Duff Raw Water Intake Pumps 1 & 2 – Pump #2 has been installed and is operational. All of the other pumps are online and operational with the exception of pump #3. Once pump #3 wiring configuration is confirmed it will be operational. The SCADA interface and painting are the only items to be completed.
- 7.3 Duff Filters 5-8 Valve Replacement – This project is complete and all valves and appurtenance are operational.
- 7.4 Vilas Road 16" Water Main Inter-tie – The bid opening for this project was held on March 19. There were four bidders; Pilot Rock Excavation was the low bidder with a bid of \$1,319,510. The engineer's estimate for the project was \$1,450,000 and the budgeted amount over two fiscal years is \$1,600,000. The Notice of Intent to Award was sent to Pilot Rock on March 20. The contract was awarded today; a pre-construction meeting is scheduled for April 9.
- 7.5 Avenue H 12" Water Main Replacement – The project was advertised on March 25, with the plans and specification available on March 27. A mandatory pre-bid meeting is scheduled for April 2. The bid opening is scheduled for April 21.

8. Water Treatment Report (Water Treatment Director Jim Stockton)

- 8.1 Issues pertaining to the recent inspection of the Duff tank have been resolved as of this week.
- 8.2 Staff continues to work on the issues that have been revealed at Big Butte Springs; staff is pleased with the workmanship of the contractor.
- 8.3 Commissioning activities are in full swing; the ozone system and generator work should be wrapped up today. Staff will hold off on wet testing the plant until we are closer to start-up. Water Treatment Director Jim Stockton further elaborated on the items that they are working on to prepare for start-up.
- 8.4 Staff had applied for a modification to our nationwide permit for in-water maintenance activity at the river and staff has received the acceptance from the CORP. We can budget for this in-water work under the fish screens to be done this summer.

9. Finance Report (Finance Administrator Tessa DeLine)

9.1 The inventory problems with the finance software are nearly complete. Some problems were found this morning during testing but the consultants are working on it.

9.2 Finance will have the RFP for the agent of record for insurance services out by the end of this week; the agent of record contract will be for three years and up to three one-year extensions. Staff expects to have the contract awarded by the end of April. Staff is also working on the RFP for banking services and hopes to have this out to banking and credit unions by the beginning of May and would like to have the contract awarded no later than early June.

9.3 Staff is heavily focused in preparing the annual budget and the financial statements.

Mr. Dailey questioned if the bank provides the payment processing service; Finance Administrator Tessa DeLine noted that we have a separate contract for that but would like to look at that and the concept of a lock box.

10. Operations Report (Operations Superintendent Ken Johnson)

10.1 Capital Hill Reservoir #2 has passed inspection; both Reservoir #1 and #2 are done. Three reservoirs have been inspected and staff hopes to keep this track record up.

10.2 Solicited quotes for paving has just gone out and are due back tomorrow for an up to \$50,000 contract.

10.3 Bradley Excavation received a contract for saw cutting concrete.

11. Manager/Other Staff Reports

11.1 Mr. Rains stated that the Eagle Point Irrigation District (EPID) meeting where Commissioners Leigh Johnson and Bob Strosser attended was very successful. Oregon Water Resource was not in attendance by phone. The MWC applied to the Oregon Water Resource Department for a second diversion permit amendment for a Big Butte Springs water right. This meeting was to inform them of this permit amendment and discussion took place on their water right water for power generation. The Board discussed the second diversion; Mr. Rains suggested we not make a call for seniority over their power generation water right of 100 cfs when it is used in the wintertime or non-irrigation season by the Eagle Point Irrigation District.

Mr. Anderson questioned the thoughts of the consultant and the giving up of rights; Mr. Rains noted that we have a good relationship with EPID and we work together on many issues. He noted that we don't need the cfs in the wintertime and our consultant was in agreement. Mr. Johnson, being in attendance at the meeting, noted these are very legitimate questions and he agreed to the overall thinking.

Also discussed was our annual agreement to use Willow Lake to supplement their needs. There has not been a signed agreement for the last few years although everyone agreed we should have one. The old agreement we had was worded very well. Geologist Bob Jones will work with them pertaining to implementing an agreement again. Mr. Anderson questioned if this would be a perpetual automatic year-to-year agreement; Mr. Rains stated that it would.

All agreed to have a yearly work session meeting with EPID around this time.

11.2 The 2014 Medford Fire Department Annual Report was presented.

11.3 Direction on Salary and Grade Changes

Mr. Anderson questioned the salary changes regarding steps and grades; Mr. Rains provided clarification. The Board discussed and directed budgeting for the pay grade changes. Medford

Deputy City Attorney John Huttl noted that there are two more steps (final budget approval and a salary change resolution) before any salary changes would be finally approved, which would give the Board time to think on this.

12. Propositions and Remarks from the Commissioners

12.1 Mr. Strosser noted that he received correspondence and a phone call pertaining to the MWC and expressed concern with this coming to his personal email. He brought up the idea of a dedicated email address for the Commissioners. The Board discussed; Mr. Huttl noted that it would be easier if each had their own computer. The Board did not think a computer was necessary. Mr. Rains suggested that staff investigate and bring back recommendations to the Board.

13. Adjourn

There being no further business, this Commission meeting adjourned at 1:05 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  
Deputy City Recorder  
Clerk of the Commission