

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION
APRIL 7, 2010

The regular meeting of the Medford Water Commission was called to order at 12:36 p.m. on the above date at Medford City Hall Lausmann Annex, Room 151/157.

The following commissioners and staff were present:

Chair Leigh Johnson; Commissioners Jason Anderson, Cathie Davis, Tom Hall, Don Skundrick

Manager Larry Rains; Deputy City Recorder Karen Spoonts; Administrative Coordinator Betsy Martin; Engineer Eric Johnson; Finance Administrator Tess DeLine; Public Information Coordinator Laura Hodnett; Water Quality Superintendent Bob Noelle; Operations Superintendent Ken Johnson; Geologist Bob Jones; Duff/WTP Supervisor Jim Stockton; T.S. Coordinator Kris Stitt

Guests: Medford Councilmember's Bob Strosser and Jim Kuntz; City of Medford Attorney John Hutt; Central Point Councilmember Kay Harrison; Eagle Point Mayor Leon Sherman; Phoenix Councilmember Mike Stitt; Medford Deputy Fire Chief Kurt Bennett; Charlotte Ann Water District Chair Steve Wilson

2. Approval or Correction of the Minutes of the Last Regular Meeting of March 17, 2010
Approved.
3. Comments from Audience
 - 3.1 Charlotte Ann Water District Chair Steve Wilson noted that he is attending for informational purposes.
 - 3.2 Phoenix Councilmember Mike Stitt, commenting about the study session just held, noted that their city went through a software change and that the process was more extensive than they considered.
 - 3.3 Central Point Councilmember Kay Harrison noted that Sabroso too is changing software and commented on the process.
4. Resolutions
 - 4.1 No. 1397, A RESOLUTION Approving a Two-Year Exemption from Competitive Bidding for the Purchase of the Coagulant Treatment Chemical Polyaluminum Chloride as Manufactured by the Listed Manufacturers from the Medford Water Commission's "Contracting and Purchasing Regulations," Pursuant to Section 3.32 – Single Manufacturer or Compatible Products

The performance of the various manufacturers' blends of PACL can be highly variable, depending on source water conditions. Evaluations consist of bench-scale and plant-scale testing to ensure that the products meet MWC's water quality standards, which can take considerable staff time. MWC has used the Kemira product exclusively since 2004 but in the interest of competitiveness was able to approve an additional PACL product this year as manufactured by Northstar Chemical, Inc. As resources permit, staff will continue to conduct evaluation trials of other PACL products, which will give MWC additional procurement options. Staff recommended approval.

Motion: Approve Resolution No. 1397

Moved by: Mr. Hall

Seconded by: Ms. Davis

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

Motion carried and so ordered. Resolution No. 1397 was approved.

- 4.2 No. 1398, A RESOLUTION Extending the Purchase of Bulk Sodium Hypochlorite and Authorizing the Manager to Purchase Water Treatment Chemicals

The 2009 solicitation document for water treatment chemicals included a provision to extend the purchase for an additional year upon mutual agreement of both parties; staff recommended extending the purchase for 15 months in order to put the procurement on a fiscal year rotation. Current provider Olin Chlor Alkali Products has agreed to an extension for that time period at a

reduced price. Based on discussions with the board last year, staff explored a cooperative purchasing agreement with the city, but apparently their contract will not be renewed with Olin at the current price. Staff believed the quote was competitive and recommended approval.

Motion: Approve Resolution No. 1398

Moved by: Mr. Anderson

Seconded by: Mr. Hall

Councilmember Anderson questioned why the price was lower; staff noted they requested the price to be dropped and that they will also allow piggybacking with the city in the future. Councilmember Hall questioned the goal of getting on the same time as the city; staff commented on the advantages.

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

Motion carried and so ordered. Resolution No. 1398 was approved.

5. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$535,825.83.

Moved by: Mr. Hall

Seconded by: Ms. Davis

The Board questioned the Costco payment pertaining to the wellness grant; staff noted this will be reimbursed by a wellness grant. Also questioned was the Bell Hardware door locks for the Service Center; Commissioner Hall stated that the door lock prices were an excellent price.

Roll Call: Commissioners Davis, Hall and Johnson voted yes; Anderson recused himself from the Knife River and Mail Tribune voucher; Skundrick recused himself from the Knife River voucher. Motion carried and so ordered.

6. Engineer's Report

- 6.1 Duff Water Treatment Plant Fish Screens – The fish screens are on site with most of the components for installation. Some demolition of existing tower facilities is under way. Staff, Triad and Black & Vetch continues to coordinate water work concerns.
- 6.2 Duff Water Treatment Plant Operation Remodel – KSW submitted 50% design review plans to MWC for staff to review. Review of the plans is under way. KSW has submitted a brief technical memorandum concerning solar feasibility. Due to size of the roof and the Duralast membrane roof material it is not economical feasibility to install PV on the Duff Roof.
- 6.3 Jackson County Project Ross Lane – Attended the pre-construction meeting yesterday; construction tentatively scheduled to start April 19.
- 6.4 Control Station Upgrades – CH2M HILL has delivered the final Basis of Design report to MWC and has started the preliminary design of the upgrades to Conrad and Rossanley Control Stations. Martin Control Station will not be improved this year. Per the report, the Martin Control Station will be demolished and a new station constructed. Staff is currently talking with ODOT about acquiring a piece of land adjacent to the existing control station to construct the new one. The Capital Budget was formulated to reflect the cost of a new control station.
- 6.5 Ave G 48" Transmission Main – Thornton Engineering is proceeding with the preliminary phase of the project, which have been submitted for review.
- 6.6 Coker Butte and Owens – City plans are with ODOT for their review.

7. Water Quality Report
 - 7.1 The Water Treatment Plant should be ready to produce water as needed. Staff expects to have an early start on water usage.
 - 7.2 Security cameras are installed and functional; cameras are currently being programmed.
 - 7.3 Geologist Bob Jones stated that the contractor for the wetlands RFP started immediately. A preapplication meeting will be held; all permitting agencies will be there which will help to determine where we might be able to go with this project.
 - 7.4 The Water Rights Master Plan is behind schedule; staff will receive and have a meeting next week.
8. Finance Report
 - 8.1 Notification of Intent to Award Contract for Banking Services
Staff discussed the results of the evaluation of proposals for banking services. Eight banks responded; four were interviewed. Major factors such as cost were discussed. Staff selected Umpqua Bank, which would provide a substantial savings of about \$34,000-\$45,000 over 2-1/2 years. The board agreed.
 - 8.2 CD Interest Rates
Per board request, staff reviewed current interest rates on CDs and did not suggest purchasing a one-year CD due to the current rates. Commissioner Hall noted we are better off today to not collect for Duff II and will bring in a spreadsheet on his calculations. A study session for rate increases was discussed; this could be added to that study session.
9. Operations Report
 - 9.1 Consider Purchase of Water Meters
(Budget Acct #365, Pg. 47) This purchase is part of the Commission's annual meter purchase from Sensus Metering Systems, the Commission's sole-source provider per Resolution No. 1300. The total cost of meters and parts will be \$141,131.30, which exceeds the Manager's purchasing limit. Staff recommended approval; the board agreed. Commissioner Hall questioned the amount of meters installed; staff reported that we need about 1,200 replacement meters each year to keep with our 22-year plan and that next year an unusual low amount of 200 new installed meters may only be needed because of development turn down.
 - 9.2 The bid opening for the Big Butte Springs Driveway Project was held on April 6; DeVore Electric and Construction had the lowest bid at \$66,021.28. This project will be brought forward at the next meeting for board approval. Staff noted that ODOT has worked with this contractor before.
 - 9.3 The City of Medford alerted the MWC of a water leak by the dog park. A steel line which has been in the ground since 1949 is showing potential problems and photos show that the pipe is failing. Staff is investigating to see the extent of the damage and will bring this back to the board should it be more extensive than 100' of pipe. Staff questioned the board if they would like to use the Main Replacement Fund to pay for this repair.
 - 9.4 A contractor was doing leak detection for a customer with either nitrogen or helium gas and forgot to shut off the valve near the meter, causing a blackflow incident. Eighteen homes were affected in the area with potential air damage. Approximately four hours of staff time was spent on this. The owner of the company has apologized and will pay any damages.
10. Manager/Other Staff Reports
 - 10.1 Public Awareness Information Release

At the March 3 meeting, staff presented a draft press release for the board to review; board members preferred to revisit the issue at this meeting. Staff presented the current water situation, which is down about 40% - 62% and discussed the amount of water to take out of the lake. The Duff intake work will be done in June; intakes can be operated in halves to help meet water needs. The board discussed conservation. Public Information Coordinator Hodnett noted we have not done a press release to use less water; last week she was contacted by a TV station and stated that the question is out there. Commissioner Anderson questioned what justifies a press release; staff noted the construction project going on at the same time is what is helping to drive this press release. Engineer Johnson explained what staff has planned pertaining to the intake project. The Board agreed to the press release; staff will send out the press release to the cities served by the MWC; then to the press.

10.2 Review Leak Response Program

Staff provided a recap of the 2009 leak letter program. Letters are sent to customers with higher than normal water usage and suggest that they may have a leak that needs to be corrected. Staff was very pleased with the results of this program.

	2007	2008	2009
Total repaired	167	162	138
Total contacted on follow up	31	45	37
Closed accounts	8	25	28
Letters remaining to be mailed in current yr.	61	37	44
Others (heat pumps, foster care, ponds, multiples, etc.)	5	13	11
Total leak letters sent	272	282	258

10.3 Consideration of Timber Sale

Staff presented information regarding a potential timber sale called Butte Salvage at the meeting. This non-budgeted revenue would net about \$180,000. Staff thought now would be a good time to sell as timber prices have spiked but are not expected to stay up. The board agreed.

11. Propositions and Remarks from the Commissioners

- 11.1 Commissioner Hall questioned if the city has come back to the MWC pertaining to the monthly billing; staff noted that they have not.

The Board adjourned to executive session at 1:18 p.m.

The Board reconvened at 1:45 p.m. with same members present.

12. Adjourn

There being no further business, this Commission meeting adjourned at 1:45 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.