

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION
April 18, 2012

The regular meeting of the Medford Water Commission was called to order at 12:34 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, Leigh Johnson

Commissioner Lee Fortier was absent.

Manager Larry Rains; Attorney John Huttli; Deputy City Recorder Karen Spoons; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Water Quality Superintendent Bob Noelle; Operations Superintendent Ken Johnson

Guests: City of Medford Councilmembers Bob Strosser and Greg Jones; Central Point Mayor and Liaison Hank Williams; Central Point Assistant City Manager Chris Clayton; Eagle Point Mayor and Liaison Bob Russell, Eagle Point City Administrator Henry Lawrence

2. Approval or Correction of the Minutes of the Last Regular Meeting of April 4, 2012

Approved.

3. Comments from Audience

3.1 Eagle Point Administrator Lawrence introduced himself and stated that he has been with the City of Eagle Point for three weeks.

3.2 Medford Councilmember Jones stated that he is the new alternate councilmember for the City of Medford.

4. Resolutions

4.1 No. 1480, A RESOLUTION Authorizing the Chair to Execute an Indemnify and Hold Harmless Agreement By and Between Rogue Valley Mall (Mall) and the City of Medford, By and Through its Board of Water Commissioners, Related to Limiting Liability to the Mall during the Medford Water Commission's (Commission's) Use of the Mall's Parking Lot Facility for Two Days Related to the Commission's 2012 Bus Tours

Staff would like to use the Mall's parking lot again this year as a staging point for the two public bus tours this summer. The Mall requires the Commission to sign a hold-harmless agreement as a condition of use of the facilities. Commission agreements that include indemnity and hold-harmless language must be approved by the Board. This type of agreement was approved last year; staff recommended approval again.

Motion: Approve Resolution No. 1480

Moved by: Mr. Dailey

Seconded by: Ms. Davis

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

Motion carried and so ordered.

4.2 No. 1481, A RESOLUTION Approving a Two-Year Exemption from Competitive Solicitation for Listed Manufacturers and Materials Used in the Water Distribution System, Pursuant to Medford Water Commission's 2011 Contracting and Purchasing Regulations, Section 2.33 (20) – Special Procurements; Contracts Exempt From Competitive Bidding – Specifications and Brand Names

This resolution approves amendments to the Commission's list of manufacturers and materials that are exempt from competitive bidding for two-year periods. A notice was published on the Commission's website; staff recommended approval.

Commissioner Dailey questioned what the differences were between the valves; Operations

Superintendent Johnson provided the differences between them.

Motion: Approve Resolution No. 1481

Moved by: Mr. Dailey

Seconded by: Mr. Johnson

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

Motion carried and so ordered.

- 4.3 No. 1482, A RESOLUTION Authorizing the Chair to Execute Indemnity and Hold Harmless Agreements By and Between Praxair, Inc. and Air Products and Chemicals, Inc., and the City of Medford, By and Through its Board of Water Commissioners, Awarding Bids and Authorizing the Manager to Purchase Water Treatment Chemicals

Bids were received for water treatment chemicals on April 10; the apparent low bidders for both carbon dioxide (Praxair) and liquid oxygen (Air Products) submitted bid modifications along with their bids, in the form of terms and conditions. In the case of carbon dioxide, a charge of \$500 was proposed to the Commission for a site inspection. Both vendors would require the Commission to sign agreements as conditions of the sale of the chemicals. Staff met with City Attorney John Hutt last Friday to discuss these issues and, subsequently, staff talked to a Praxair representative, who agreed to waive that charge. In addition, a representative from Air Products has indicated to staff verbally that the Commission would not incur any additional costs as a result of signing their agreement. Per Commission purchasing regulations, the Board must approve all agreements that contain hold-harmless language. Staff recommended approval.

Commissioner Dailey questioned if this was a new procedure; staff stated that it was not.

Motion: Approve Resolution No. 1482

Moved by: Mr. Dailey

Seconded by: Ms. Davis

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

Motion carried and so ordered.

5. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$4,212,707.38

Moved by: Mr. Johnson

Seconded by: Mr. Dailey

Roll Call: Commissioners Anderson, Dailey, Davis, and Johnson voting yes; Anderson recused himself from the Knife River voucher; Johnson recused himself from the Stanley voucher.

Motion carried and so ordered.

6. Engineer's Report

6.1 Duff Reservoir Seismic Upgrade – Landscaping restoration is under way.

6.2 Duff Floc/Sed Basins – The pre-proposal meeting was held on April 10 at Duff; nine consulting firms attended. The Quality Base Selection proposals are due May 1.

6.3 Control Stations Upgrades – Final site cleanup is done; this project is complete.

6.4 Ave G 48" Transmission Main – The 48" water main has been installed from the tie-in point at Duff to the middle of Pacific Avenue.

Commissioner Anderson questioned if they were at Kirtland Road; Engineer Johnson noted that we have gone down Table Rock, Kirtland, and now headed north on Pacific to "G" and will be at the corner by the end of this week. Approximately 3250' of the 48" water transmission main has been

installed; Phase 1 is almost complete. Mr. Anderson questioned how much of the project is complete; Mr. Johnson stated that it is about one-third complete. Mr. Anderson questioned if there have been any problems; Mr. Johnson noted that every day there have been challenges and elaborated on the type of issues they have been experiencing.

- 6.5 Martin Control Station – The final design is under way; the 75% Designed Plans and Specifications are to be submitted to the Medford Water Commission on April 24.

7. Water Quality Report

- 7.1 Duff Treatment Plant – Pre start up work is essentially complete. The facility is ready to operate when needed.
- 7.2 Big Butte Springs Hypochlorite – Staff is expecting to start on modifications to the system within the next few weeks.
- 7.3 Chemical bids – Chemical bids were approved and competitive prices were received. Yesterday only one bid was received for the poly-aluminum chloride coagulant chemical with pricing up about 9% from the prior year.
- 7.4 Duff Reservoir Tracer Study – A tracer study will be done which will be used for compliance documentation.

8. Finance Report

- 8.1 Today's accounts payable voucher is the largest voucher batch we've had in six years.
- 8.2 Draft Investment Policy – The draft Investment Policy went to the Oregon Short Term Fund board last week for review; two items came up during the review and Ms. DeLine presented those items pertaining to bank deposits/bank savings accounts as well as demand deposits. Questions for the board were: 1) Do you want all bank exposure in one category? (Bank advisor suggests one line) 2) Do you want to limit the total exposure to checking?

Mr. Anderson questioned what our investment advisor thoughts were; Ms. DeLine said that they thought we could meet in the middle pertaining to item 2. Mr. Dailey thought we should wait to get the final report. He did believe we should keep the bank exposure on one line and explained total exposure could be changed from 50 to 100. Ms. DeLine stated that Mr. Dailey is correct on his explanation on bank exposure.

9. Operations Report

- 9.1 Capital Hill Reservoir #3 has been drained, inspected, cleaned and will be filled this afternoon. Commissioner Anderson questioned the capacity size; Operations Superintendent Johnson noted that it is eight million gallons. Mr. Anderson questioned where the water goes; Mr. Johnson noted that the dechlorinated water goes into Lone Pine Creek.

10. Manager/Other Staff Reports

- 10.1 City of Ashland – Staff received a phone call from the City of Ashland new Public Works Director and staff engineer who questioned the future connection to TAP and the possibility of an emergency connection. Manager Rains noted that the connection has not been extended from Talent to Ashland and that an emergency connection is a different philosophy from what was originally intended from years past. They requested a meeting with the Commission on Wednesday, April 25 at 1:30 p.m. Mr. Rains requested a board member attend as well. Commissioner Johnson stated that he thought the system was designed to be a full flow system; Mr. Rains stated that he was correct. Mr. Rains further stated that Ashland has not paid any SDC fees to present, if they took the

three million gallons of water a day that was originally set aside for them there would be an SDC fee of \$3.7 million dollars. Mr. Johnson questioned if the system is designed to "turn off/on" the water; Mr. Rains noted that it is based on a draw and we are not set up that way. Mr. Anderson questioned if it is possible; Mr. Rains noted that it is. Mr. Johnson and Mr. Dailey would both try to be available for the meeting.

- 10.2 National Forest Foundation – Several years ago the Commission was approached by the National Forest Foundation requesting a Water Stewardship Fund option to be provided on the utility bill to benefit forest water sheds. At that time staff was not receptive to the idea. The Commission received a letter requesting this again. The board requested the information be emailed to them so they would have time to review their request.

- 10.3 Conservation Grant – Staff received an email from the State pertaining to the conservation grant; Public Information Coordinator Hodnett also received an email from Joe Strahl pertaining to getting their organization up and running on the grant process. Attorney Huttli noted that the grant application came in and presented topics of concern pertaining to water conservation. He contacted several attorneys representing the local cities who were not too familiar with the grant. Mr. Huttli stated that if we do receive the grant there will be some activity we need to do; we should have a more structured outline and stated that the City of Medford has Intergovernmental Agreements pertaining to grants. He noted that he would like to make this as simple as possible pertaining to meetings/agendas/minutes; would like to put the policy committee at the end of the grant process; the studying and examining is technical and shouldn't be decided by the committee; and that the some of the Cities were not listed as in-kind for staff time. He noted Adam Sussman from GSI is familiar with the grant and although it came in late it is still being considered. Mr. Dailey questioned what the process would be; Mr. Huttli explained the next steps involved. The board agreed.

11. Propositions and Remarks from the Commissioners
None

12. Adjourn
There being no further business, this Commission meeting adjourned at 1:12 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. Spoonts, MMC
Deputy City Recorder
Clerk of the Commission