

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION
May 1, 2013

The pledge of allegiance was given.

The regular meeting of the Medford Water Commission was called to order at 12:29 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

Manager Larry Rains; Attorney John Huttli; Deputy City Recorder Karen Spoons; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Geologist Bob Jones; Water Treatment Plant Supervisor Jim Stockton; Operations Superintendent Ken Johnson; TS Coordinator Kris Stitt

Guests: City of Medford Councilmembers Bob Strosser and Chris Corcoran; Ashland Public Works Director Mike Faught; Ashland Senior Engineer Pieter Smeenk; Central Point Mayor and Liaison Hank Williams; Central Point City Manager Chris Clayton; Eagle Point City Administrator Henry Lawrence

Commissioner Leigh Johnson was absent.

3. Approval or Correction of the Minutes of the Last Regular Meeting of April 17, 2013

The minutes were approved as presented.

4. Comments from Audience

- 4.1 Central Point City Manager Chris Clayton appreciated the MWC's comments pertaining to Senate Bill 644. Commissioner Anderson questioned what that was about; Manager Rains stated that he would bring this topic up under Manager/Other Staff Reports.

5. Resolutions

- 5.1 No. 1518, A RESOLUTION Authorizing the Chair to Execute an Indemnity 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 2013 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. 1518

Moved by: Mr. Dailey

Seconded by: Ms. Davis

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

Motion carried and so ordered. Resolution No. 1518 was approved.

- 5.2 No. 1519, A RESOLUTION Amending an Intergovernmental Agreement (IGA) for the Willow Lake Reservoir Monitoring Station Project, Between the City of Medford, By and Through its Board of Water Commissioners, "Commission," and Jackson County, Oregon, a Homerule Political Subdivision of the State of Oregon, By and Through its County Administrator, "County," for Additional Costs and Schedule Changes, and Authorizing the Manager to Execute any Future Amendments to Said IGA

Much of the work on the original IGA has now been completed; however, staff has identified

safety issues at the Willow Creek Monitoring Station near Butte Falls (which is below Willow Dam). Modifications to the existing IGA will give the Commission an opportunity to upgrade the station with new equipment; the County Watermaster will share in the costs and take over operation and maintenance upon completion. This resolution also will authorize the Manager to execute any future amendments to the IGA. Changes will be needed in Fiscal Year 2013-14, related to upgrading the monitoring station on the South Fork of Big Butte Creek as well as operation and maintenance adjustments for all the stations. Staff recommended approval.

Commissioner Dailey questioned future amendments; Geologist Bob Jones provided many reasons for the updates to the systems, such as safety. Mr. Dailey questioned the total amount we spend on this each year; Mr. Jones noted it has gone up and could double because the County is taking the stations over to monitor.

Motion: Approve Resolution No. 1519

Moved by: Mr. Dailey

Seconded by: Ms. Davis

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

Motion carried and so ordered. Resolution No. 1519 was approved.

- 5.3 No. 1520, A RESOLUTION Authorizing the Manager of the Medford Water Commission to Execute on Behalf of the Board of Water Commissioner 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 2014. The Commission's portion will be \$5,000 per year. Staff recommended approval.

Commissioner Anderson questioned what would we get for that; Geologist Jones stated that Steve Mason is our coordinator and listed the projects he is currently working on. At present that only provides one-third staff time and additional funding is needed for that. Other entities will bear this cost as well.

Motion: Approve Resolution No. 1520

Moved by: Ms. Davis

Seconded by: Mr. Fortier

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

Motion carried and so ordered. Resolution No. 1520 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 \$425,211.82

Moved by: Mr. Dailey

Seconded by: Mr. Fortier

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

Motion carried and so ordered.

7. Engineer's Report (E. Johnson)

- 7.1 Duff Floc/Sed Basins – Black & Veatch has submitted the technical memorandums and staff is currently reviewing them. A workshop pertaining to the construction phasing is scheduled for May 16. The Basis of Design Report will be started once the technical memorandums are reviewed, which will be after the workshop.
- 7.2 Duff Emergency Backwash – The project is on hold, staff is waiting for equipment to be manufactured and delivered.

- 7.3 Martin Control Station – The interior pedestal and the floor are poured and are curing. The block walls will start next week. Pipe entry points into the building are being worked on.
- 7.4 Water Main Project Lyman Street & Bundy Street – Five quotes for the projects were received on April 18. The low quote for Lyman Avenue is Central Valley Excavation with a quote of \$59,970 and a low quote of \$47,900 for Bundy Street. Both projects were awarded to Central Valley Excavation; a Notice to Proceed was issued on April 30. The project is currently underway with pavement cutting scheduled for this week.

Mr. Anderson questioned how the bids came in compared to our estimate; Principal Engineer Johnson noted most bids were close to the engineer's estimate and provided information on the estimates received.

- 7.5 Water Main Project Highway 62 Bypass – The pothole data and conflict exhibits have been forwarded to ODOT for review. The Texas Roadhouse specifications are currently being reviewed by ODOT. Staff is awaiting for a response from ODOT. The service line is currently behind Sportsman's Warehouse; the new line will be in front of the Texas Roadhouse Restaurant. Staff is trying to beat their opening date.
- 7.6 Low Pressure Water Issues – While there are the usual pressure variations with the startup of Duff, staff is seeing unusually lower pressure variations around the R.V. Mall. Staff is checking valves to determine the reasoning for this issue.

Mr. Anderson questioned the amount of pressure variation; Engineer Johnson stated that he is speaking about a 10 psi drop in pressure.

8. Water Treatment Report (Stockton)

- 8.1 The Duff Water Treatment Plant started up on April 24; Water Treatment Plant Supervisor Jim Stockton noted that it is somewhat rare when the plant starts in April although they try to have the plant ready by April 1.

Duff/WTP Supervisor Jim Stockton presented further information requested by the board pertaining to the operating season and the annual commissioning process. There are over 5,000 individual electrical components that must talk together in order for the plant to become operational. He noted we could get it up and running within 24-48 hours in a crisis situation but would have to bypass much of the standard commissioning activities to make that happen. Regardless, any water we discharge would have to meet state and federal regulations.

9. Finance Report (DeLine)

- 9.1 Staff is focused on the software implementation process.

10. Operations Report (K. Johnson)

- 10.1 Staff is busy working on the low pressure issue and expects to resolve this in a few days.
- 10.2 Staff is waiting for the last quote pertaining to Nichols Gap fencing; quotes are coming in at the \$7,500 range. This will be the end of the fence building project.
- 10.3 Staff is working with a leasee on Vilas Road pertaining to water use which crosses two tax lots; because the other party does not have legal rights they have been instructed to sever that line; they have been cooperative through this process.
- 10.4 The cathodic protection system is finished, the spring system is activated which enhanced our

system greatly.

11. Manager/Other Staff Reports Out of sequence

- 11.2 Manager Rains responded to the board's request pertaining to the memo from Joe Strahl. SDC's do not collect funding for Duff II. He stated that an out of the box option might be collecting SDC lump sum amounts from the other cities at the time of service agreement renewals vs. collecting as we currently do although he cautioned this needed to be vetted out further and the other Cities would need to make sure they saved the money for future SDC payments to MWC when due. He stated that he believed that the current system is fair and legal.
- 11.3 The Pacific Northwest Conference will be held in Spokane, Washington on May 8-10, 2013; the American Water Works Association Annual Conference & Exposition will be held in Denver, Colorado on June 9-13, 2013. Board members were encouraged to contact Administrator Coordinator Betsy Martin should they wish to attend.
- 11.4 Mr. Rains stated that he has talked with Ashland Public Works Director Mike Faught who has agreed to coordinate further staff level discussions on emergency connection issues; Mr. Rains would then bring these issues back to the board.
- 11.5 Geologist Bob Jones stated that the Oregon Watershed Enhancement Board (OWEB) is looking for ways to reduce spending due to the loss of lottery dollars. OWEB would like to consolidate the current 62 funded councils to 45. Currently there are eight councils in the Rogue Basin and OWEB would like to reduce this to one. Mr. Jones stated that the MWC participates with three of the four watersheds and does provide funding to those councils. Staff would like to send a letter to these watersheds and suggest consolidating to one council. Staff would suggest offering double funding in order to help create this opportunity; the board agreed.
- 11.6 Pertaining to the rate study focus group, HDR had no issues working with a focus group. Staff recommended two staff, two board members (he noted that Commissioner Fortier wanted to be on this group) and one or two representatives of the other cities coalition make up the focus group. He noted that the rate study is the Commission's rate study. Commissioner Dailey questioned when the meetings would be held; Mr. Rains noted that it would be throughout the process with a total of three or four meetings throughout the summer. City Attorney Huttl noted that the Commission sets rates as stated by the Charter, not those outside the Water Commission and agreed with Mr. Rains. There is a risk that someone could say this would be subject to the public meeting law if there are two Commissioners in attendance and suggested one Commissioner attend and have an alternate, when needed. Mr. Dailey stated he would like to be that alternate. The board discussed those who could attend specifying that there would be only one Other Cities Coalition representative.
- 11.7 Because of the economic downturn certain development projects were stopped and not finalized; staff is working on one of these projects and realized it is creating water quality issues pertaining to a water line that is not our own and we have no maintenance control. Staff will bring a resolution to the board in the near future, that if a project is not fully developed and not dedicated to the MWC, that we may want to physically cut the connection. The board questioned the details of this issue; Mr. Huttl noted that until a project has been dedicated and accepted it is an issue.

- 11.8 Legislative Session – Staff noted that Senate Bill 644 is a concern for the Medford Water Commission; Mr. Rains provided information on how this bill affected them last year pertaining to large jobs and cost as an evaluation factor. Mr. Huttl noted that the City of Medford would be impacted as well and that our legislative consultant said that it has been backed off as the language is being reviewed. He further stated that “discretionary” was taken out. The board questioned who is pushing this; staff noted it was most likely larger design consultants and they would have an advantage from the smaller companies when cost cannot be used as an evaluation factor when selecting a design firm.
- 11.9 MWC and City of Medford staff discussed the costs pertaining to the utility bill separation process. Mr. Rains provided a summary memo of the total amount due to the MWC; City Council still needs to approve. Councilmember Strosser is in the process of asking questions of the breakdown. Mr. Rains stated he would be happy to provide any backup data and information needed.
- 11.10 Mr. Huttl stated that last week the City, Medford Water Commission and the State of Oregon were served with a lawsuit pertaining to the Harrington property. The new owners of the property are repeating several of the old arguments. The hearing is scheduled for next week. Mr. Dailey questioned what are their grounds for the suit; Mr. Huttl noted that they believe they are still entitled to impound the water.

Back in sequence

- 11.1 Staff Report on the Utility Management Software Upgrade Project
TS Coordinator Kris Stitt provided the monthly report on the software project; the pace has picked up with trainers and project managers currently on-site. We are continuing to test data and finding minor issues. Getting the three software systems to interface is challenging. All three vendors will be on site mid-month.
12. Propositions and Remarks from the Commissioners
None
13. 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