



BOARD OF WATER COMMISSIONERS MINUTES

Wednesday, September 20, 2017
Lausmann Annex Room 151/157
200 S. Ivy Street, Medford, Oregon 97501

The regular meeting of the Medford Water Commission was called to order at 12:19 p.m. on the above date at the Medford City Hall Lausmann Annex, Room 151/157 with the following commissioners and staff present:

Acting Chair Jason Anderson; Commissioners Leigh Johnson and Bob Strosser

General Manager Brad Taylor; Medford City Attorney Lori Cooper; Administrative Coordinator Yvette Finstad; Principal Engineer Eric Johnson; Finance Director Tessa DeLine; Operations Superintendent Ken Johnson; TS Administrator Kris Stitt

Guests: Central Point Mayor Hank Williams; Central Point City Manager Chris Clayton; Eagle Point City Administrator Henry Lawrence; Shawn Koorn of HDR, Inc.

Commissioners Daniel Bunn and John Dailey were absent.

3. Approval or Correction of the Minutes of the Last Regular Meeting of September 6, 2017
The minutes were approved as presented.
4. Comments from the Audience
 - 4.1 Central Point City Manager Chris Clayton thanked Commission General Manager Taylor for taking the opportunity to sit down with representatives from the other cities. It was a positive and productive meeting that will carry over to a second meeting at a later time.
5. Authorization of Vouchers
Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$533,101.82
Moved by: Mr. Johnson Seconded by: Mr. Strosser

Commissioner Johnson questioned the Union dues paid to Laborers Local 737 and if the Commission pays the dues for the employees, or deducts it from paychecks and sends a check. Finance Director DeLine noted that the amount is paid on a monthly basis, per the Union contract, but she will look into it in more detail and provide clarification.

Roll Call: Commissioners Anderson, Johnson, and Strosser voting yes; Johnson recused himself from the Stanley Security Services voucher. It will be carried over to the next meeting.
Motion carried and so ordered.

6. Engineer's Report (Principal Engineer Eric Johnson)
 - 6.1 Duff Water Treatment Plant Floc/Sed Basins – The demolition of basins 1 and 2 are complete. The settled water flume has been demolished and removed. As part of a change order earlier approved by the Board, the shoring and subgrade for the new settled water flume is being constructed. Bridge brackets are being installed in the basins, and materials deliveries continue to facilitate an increase in construction as plant production drops off. Estimated completion date is August 2018.
 - 6.2 City of Medford Lozier Lane Project – New 12" water main installation in Lozier Lane is underway. Approximately 1300 feet of 12" water main has been constructed.

- 6.3 Corrosion Study – The bench scale testing is underway and will continue for the next 2 to 4 weeks. The preliminary work for the design and construction of the pipe loops is underway. The interviews have been completed.
 - 6.4 Jackson County Table Rock Road Project – ODOT is in receipt of the final plans and specifications. The project will go to bid in October and construction is scheduled to start in January 2018.
 - 6.5 City of Medford Foothill Road – Staff is waiting on Public Works for the base drawings, which will be available in early October.
7. Operations Report (Operations Superintendent Ken Johnson)
- 7.1 The Commission received a call from a resident on the west side of Medford who shared that she had high level of lead in her blood. Data from the initial lead pig tail (LPT) investigation at the meter indicated that the service was copper; based on this finding, no pot hole was performed at that time. As a result of the information received from the resident, staff pot holed the water service on August 31 and did not find a lead pigtail. However, there was a flange-corp adapter present, indicating that a LPT was present at one time. The practice in past decades was to remove the LPT and connect copper to the existing corp. Staff came across 132 services in the investigation that had been upgraded in this manner. Elevated lead levels in blood can result from many other possible exposures.
 - 7.2 Staff has been working on finding sources of galvanized pipe to harvest for the corrosion study; a call on an unrelated issue was received from a resident that happened to have a galvanized line suiting the requirements of the study. A letter granting the Commission the right to work on private property to remove and replace the line has been drafted and sent to Legal for review.
8. Water Treatment Report (Water Treatment Director AIC)
None.
9. Finance Report (Finance Director Tessa DeLine)
- 9.1 August financial statements have gone out; Ms. DeLine noted specific items that may be of interest:

Water Revenue YTD is higher than prior YTD due to rate increases earlier this spring and the practice of including accrued water revenue beginning after August 2016.

Operating Expenses YTD compared to budget YTD are slightly higher as a result of YTD budget to date numbers not being seasonally adjusted, impacted by electricity and software maintenance. There are 3 vacant positions creating the positive variance in Labor Clearings.

Capital Expenditures are over budget YTD by \$281K, due to construction on the Floc Sed project at Duff WTP; this is expected to level out as the year progresses. The previously-scheduled Lozier Lane and Foothill Road projects may be rescheduled for the next fiscal year, and at this point, Capital Expenditures for the 17-18 fiscal year appear likely to finish below the targeted amount of \$7.6M.

Mr. Taylor explained that the vacant positions are Water Quality Director, a new Water Quality Technician position, and the Public Information Coordinator. These job duties are currently accomplished by other staff, and future internal structural changes are being considered to address these vacancies.
 - 9.2 The annual audit is scheduled for the week of October 9; results will be presented to the Board on December 20.

10. Manager/Other Staff Reports

10.1 Mr. Taylor noted that there has been a change in the schedule of study sessions; the second meeting on the topic of Master Plan CIPs will now be on October 4, instead of October 18. This means that the topic for the October 18 meeting will be a conservation update and the location will change to the Service Center.

10.2 Credit Card Processing and PCI Compliance – Mr. Taylor presented information regarding payment card industry (PCI) security standard compliance options. The required date of compliance is November 15; remaining out of compliance after that time can result in severe fines in the event of a data breach. Because of the way the Commission currently handles credit card payments, we are placed in a higher-risk category that requires significant resources. In order to reach PCI compliance, the Commission has the option to stop taking payments via credit card, to remain with the existing card processor and put additional network security and monitoring into place, or to “outsource” credit card processing to a secure cloud-based solution, which would provide enhanced security, less risk for the Commission, and additional services for our customers.

Board members and staff discussed the costs associated with each option, and whether or not this cost can be passed along to the customers that use credit cards. The Board felt that the time and resources saved would far outweigh the minor differences in costs, and gave consent to proceed with the outsourced option, which will require the approval of an exemption from competitive bidding at the next regular meeting.

11. Propositions and Remarks from the Commissioners

None.

12. Adjourn

There being no further business, this Commission meeting adjourned at 12:51 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.

Yvette Finstad
Administrative Coordinator/Acting City Recorder
Medford Water Commission