

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

October 1, 2014

The regular meeting of the Medford Water Commission was called to order at 12:28 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 Lee Fortier, Leigh Johnson

Manager Larry Rains, Deputy City Attorney Lori Cooper; Deputy City Recorder Karen Spoonts; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Public Information Coordinator Laura Hodnett; Operations Superintendent Ken Johnson; Big Butte Springs Operator Dennis Burg

Guests: Medford Councilmember Bob Strosser; Ashland Public Works Director Mike Faught; Central Point Mayor and Liaison Hank Williams; Central Point City Manager Chris Clayton; Eagle Point Mayor & Liaison Bob Russell; Eagle Point City Administrator Henry Lawrence; Phoenix Mayor & Liaison Jeff Bellah; Medford Fire Department Inspector Chase Browning; Attorney William Ferguson

Commissioner Cathie Davis and John Dailey were absent.

The pledge of allegiance was given.

3. Approval or Correction of the Minutes of the Regular Meeting of September 17, 2014

The minutes were approved as presented.

4. Comments from Audience

- 4.1 Phoenix Mayor Jeff Bellah questioned where we are at with the rate study; Manager Rains stated that we need to get the software up and running in order to get the year-end numbers for the consultant. The rate study is in Phase 2 (out of 3).

Commissioner Anderson questioned if we get too far down the line are there not notices to do; Mr. Rains stated that if that is the case we could do an intermediate rate increase as there has not been one for some time. Mr. Anderson appreciated that we are thinking about this.

- 4.2 Medford Fire Inspector Chase Browning introduced himself.

- 4.3 Central Point City Manager Chris Clayton stated that he would like to speak during the public hearing; Mr. Anderson stated that he would be given time to do so.

- 4.4 William Ferguson expressed concern with a situation at 301 W Main. The building was built about 100 years ago; the latest addition about 60 years ago. It has been two tax lots; a sewer line runs through an alley and a water service serves the whole building. OnTrack is purchasing two south pods and Southern Oregon Public Defender is purchasing the north pod. The City has located a water meter box close to the division line in the sidewalk and the fees have been paid. The outstanding issue has to do with the fire sprinkling system and whether the City will require a separation. He is told that he needs two fire meter services because of two separate tax lots which will cost about \$50,000. Mr. Ferguson requested that the MWC allow one fire service only for the two tax lots.

Mr. Rains provided clarification stating that one entity could decide not to pay their fire water service. Principal Engineer Eric Johnson provided a map showing the location and that the fees to the City would be \$20,000. Mr. Anderson questioned how the City came up with \$20,000 compared to Mr. Ferguson's remark of \$50,000; Engineer Johnson noted that it is their portion to pay as well for internal development.

Commissioner Johnson questioned if the fire system is required; Engineer Johnson noted that the requirements of the south building did not need a water sprinkling system per Chris Reising, Medford Deputy City Manager of Development Services, and that staff upholds the regulations adopted by the board. Mr. Anderson stated that it appeared that the owners had three options. Mr. Ferguson noted that a lot line adjustment was needed because a wall was not on the property line.

Mr. Anderson stated that Mr. Ferguson would have to work this out with the separate owners and that the MWC would not waive the regulations. Mr. Ferguson questioned if they should cut off the water; Mr. Anderson stated that we could not tell them what to do.

5. Public Hearing to Consider Adoption of the Medford Water Commission's Wholesale Water Service Agreement

Public hearing opened.

Several years ago, the Board and wholesale customers expressed an interest in having a uniform water service agreement. The first draft was distributed for review last November, and there have been subsequent modifications based on comments from the Board, staff and the wholesale customers. The purpose of the public hearing was to discuss the most recent version of the agreement and take comments from interested parties. Copies of the agreement and notice of the public hearing were emailed directly to representatives of the other cities and districts. The water service agreements with Jacksonville and Talent expired in June 2013; the agreement with Ashland is pending; and all other agreements are due to renewal in 2016-17.

Mr. Anderson stated that we would renew the two agreements that are expired and then get everyone on the same term; Mr. Rains noted that would happen in 2016.

Mr. Clayton thanked the Commission for taking their comments into consideration. They did receive the final agreement last week and found one more comment pertaining to Article 5 Urbanization Policy. He noted that in Central Point's case they are allowed to serve outside of the Urban Growth Boundary (UGB), such as Erickson Air Crane, and suggested a change in the agreement regarding urban reserve areas. He also requested adding a line pertaining to a water emergency and suggested the MWC talk to the Planning Department to get their perspective on the UGB.

Mr. Anderson remarked that the Board could agree to the first comments; Mr. Rains reminded the Board that Resolution 1058 states the details of where we can serve and that changes would need to be done in the resolution. He also noted that the urban reserve was originally in there and taken out because of the RPS process but fully expected that it would be added back in. Mr. Clayton stated that he was pleased that it could be placed in Resolution 1058. Pertaining to the second request Mr. Anderson noted that it pertained to water emergencies adjacent to a water line. Mr. Rains stated that it too would be found in Resolution 1058. Mr. Anderson questioned how the MWC would handle this. Mr. Clayton stated that they left that blank although it is listed in Medford's Comprehensive Plan. Mr. Rains noted that the County has to weigh in from a health perspective and we would deliberate on how it would happen. Mr. Anderson requested staff come back pertaining to both comments. Commissioner Johnson requested that if Resolution 1058 is changed that it is locked down pertaining to emergency situations. Principal Engineer Johnson stated that he gets these calls on a daily basis and he noted there are other alternatives and also questioned what is an emergency.

Mr. Bellah appreciated the Commission's interest in listening and further commented on Mr. Clayton's comments. He stated that his council endorses this.

Medford Councilmember Strosser noted his same concerns pertaining to emergencies and how Resolution 1058 has served well and not to lose control.

Ashland Public Works Director Mike Faught stated that they have an agreement with ODOT and the schools and would want that covered in the agreement; Mr. Rains noted that Resolution 1058 already covers that.

Mr. Rains reported that staff had comments pertaining to a date change in Article 12. Staff did receive a comment from Bob Stone, Charlotte Ann Water District's attorney, and Mr. Rains remarked that his comments were specific comments to them and will be dealt with when their agreement is renewed.

Eagle Point Mayor Bob Russell stated that they have not had time to review the latest version due to the League of Oregon Cities conference and requested more time to review the document. Mr. Anderson stated he would like to give Eagle Point additional time to review the agreement. Mr. Russell noted that their next council meeting is October 14. Mr. Anderson noted that most comments received from the other cities expressed the same concerns. Commissioner Fortier stated he would like to see their comments as well and that because Commissioner Dailey was very vocal he would like him to see them too.

The Board discussed the delay in approving the agreement and what would be affected; Mr. Rains noted that there were timelines with Ashland paying their SDC fees until the agreement was signed and also there were the two cities whose agreements had expired.

Eagle Point City Administrator Henry Lawrence stated that they will get an answer back to the MWC at the next meeting. Mr. Anderson noted that it will be on the agenda for the next meeting.

Public hearing closed.

Mr. Anderson stated that this item will be continued to the next meeting to adopt the agreement subject to Eagle Point's comments. He thanked all parties who have been involved in this.

6. Resolutions

6.1 No. 1557, A RESOLUTION Authorizing the Chair and City Recorder to Execute a Lease Agreement with Willie Boats, for Premises Described as Approximately 10,000 Square Feet of Property Fronting Crater Lake Highway and Further Described as Tax Lot 300 of Section 361W31D

The five-year agreement with Willie Boats expired at the end of September. The company has leased the Commission's property since 1989 for use as a parking lot. The original owner Willie Illingworth died in 2007. Staff recommended renewing the lease for another five years at the same monthly rent of \$150, with all other terms to remain as before. The property was purchased by the Commission for use as a future pump station site, which may be needed in 5-10 years. The Commission pays the property taxes. Staff recommended approval.

Mr. Johnson questioned the taxes on the property; Mr. Anderson stated that he looked at the lease, the taxes are covered by the amount received from the lease and that this is basically a bi-month-to-bi-month lease as we can cancel at any time.

Motion: Approve Resolution No. 1557

Moved by: Mr. Johnson

Seconded by: Mr. Fortier

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

Motion carried and so ordered.

7. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$407,285.96

Moved by: Mr. Johnson

Seconded by: Mr. Fortier

Mr. Johnson questioned the fee to Oregon Government Ethics Commission of \$619.30; Finance Administrator Tessa DeLine noted that this fee is for elected officials; representatives from the other cities provided further information as well.

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

8. Engineer's Report (Eric Johnson)

- 8.1 Duff Water Treatment Plant Floc/Sed Basins – Black & Veatch continue incorporating the 90% review comments into the plans. Staff has finished the 90% specification review and returned the specification to Black & Veatch.
- 8.2 Duff Water Treatment Plant Raw Water Intake Pumps 1 & 2 – The equipment submittals continue to be reviewed, the pumps and motors have been ordered. Pacific Electrical Contractors has installed conduit banks at the Motor Control Center building and drain line at the electrical vault.
- 8.3 Vilas Road 16" Water Main Inter-tie – Staff has finished the review of the 90% plans and returned them to Marquess. The 98% plans and specifications are due from Marquess on October 10.
- 8.4 Avenue H 12" Water Main Replacement – Marquess is obtaining utility data and beginning the preliminary layout of the water main.
- 8.5 Willow Lake – The dam face has been repaired; photos were provided.

Pertaining to the study session and the dam face, Commissioner Johnson questioned if it would be to our benefit to allow the trees to grow vs. cutting them back along Willow Lake; Big Butte Springs Operator Dennis Burg noted that the issue is burrowing animals that are attracted to big trees.

9. Water Treatment Report (Jim Stockton)
Not in attendance

10. Finance Report (Tessa DeLine)

- 10.1 Software developers solved a majority of the financial issues but the inventory still has problems. Finance Administrator Tessa DeLine stated that she is concerned that the auditors will be here in three weeks although Finance has been preparing for year end and the comprehensive financial report.

Mr. Anderson noted that on the positive side there have been improvements.

11. Operations Report (Ken Johnson)

- 11.1 Operations Superintendent Johnson stated that a 24" mag meter was installed at Big Butte Springs #2 at Coal Mine Station which required months of planning. A trench box from United Rental in Portland was delivered; two small contracts were used for this as well as staff. Work was started on Monday morning and completed Tuesday morning. Mr. Anderson questioned the location; Mr. Johnson noted that it was at Coker Butte and Foothill Blvd. Mr. Johnson further stated that this is also scheduled for Big Butte Springs #1 on October 13.

12. Manager/Other Staff Reports

- 12.1 SAIF declared another dividend; the MWC received \$22,741 which was 36.2% of the premium.

- 12.2 Pertaining to the TAP release, Mr. Rains stated that he has not received all signed releases back from the other parties. Mr. Anderson questioned Administrative Coordinator Betsy Martin if we added information to this on the issue of future meter discrepancies; Ms. Martin and Deputy City Attorney Lori Cooper stated that it is not an issue.

13. Propositions and Remarks from the Commissioners

- 13.1 The Board directed staff to come back and address the City of Central Point's two comments as stated earlier. Commissioner Johnson questioned if staff was going to involve the County pertaining to the emergency measure; Mr. Rains noted that he would not but would be researching and if need to, will add to the resolution.

- 13.2 Pertaining to the Mr. Ferguson's request, Commissioner Johnson stated that the reason a regulation was created 30 or more years ago may not be applicable anymore. Mr. Anderson noted that he has a lot more compassion for issues that staff created vs. someone coming to the MWC to fix their issues. Mr. Johnson questioned if we should review the regulation. Mr. Rains stated that we can have further discussion but if they left the building the same and under one ownership there would not be any new changes required.

14. Adjourn

There being no further business, this Commission meeting adjourned at 1:29 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