

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

October 3, 2012

The regular meeting of the Medford Water Commission was called to order at 12:25 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, Leigh Johnson

Manager Larry Rains, Medford City Attorney John Huttli; Deputy City Recorder Karen Spoons; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Duff Supervisor Jim Stockton; IS/CS Administrator Cheryl Casad; Customer Service Tech II Barb Henderson; TS Coordinator Kris Stitt

Guests: 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; Medford Public Works Director Cory Crebbin; Medford City Manager Eric Swanson; Medford Finance Director Alison Chan; Brad Martinkovich

*Out of sequence.

2. Approval or Correction of the Minutes of the Regular Meeting of September 19, 2012
The minutes were approved as presented.
3. Comments from Audience
 - 3.1 Eagle Point Mayor & Liaison Russell thanked staff for the tour of Big Butte Springs.
 - 3.2 Brad Martinkovich stated that he attends City Council and County Commissioner meetings and their meetings begin with the Pledge of Allegiance. He respectfully requested the board consider doing the same. Commissioner Johnson noted that we have never done this before nor has it been requested. Attorney Huttli stated that this would not be a problem; he noted the only difference between the meetings was elected vs. appointed positions. Mr. Johnson requested that they be given time to think about it.
4. Written Communications
 - 4.1 Quarterly Letter to the Mayor and City Council
The report for the fourth quarter of FY 2011-12 was presented. The board members agreed to its content, the Chair will sign and staff will forward the letter and relevant attachments to the Mayor and councilmembers.
5. Resolutions
 - 5.1 No. 1500, A RESOLUTION Authorizing the Chair and the City Recorder to Execute a Five-Year Renewal of the Water Supply Agreement Between the City of Medford, Oregon, an Oregon Municipal Corporation, Acting By and Through its Board of Water Commissioners and Cherry Lane Well Wishers, Inc., a Non-Profit Corporation

With this resolution the board will approve renewal of the water supply agreement with members of the Cherry Lane Well Wishers, which has been in effect since 1977. At present there are only five homes left in this group and all properties are now within the City. Staff recommended approval.

Commissioner Dailey questioned if they were outside city limits; Manager Rains noted that they are in City limits.

Motion: Approve Resolution No. 1500

Moved by: Mr. Johnson

Seconded by: Mr. Dailey

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

Motion carried and so ordered. Resolution No. 1500 was approved.

Commissioner Anderson questioned if the issue with the City of Medford could be handled before we go on with the rest of the meeting. The board agreed.

*Out of sequence.

11. Manager/Other Staff Reports

11.2 Utility Billing

Mr. Rains presented a utility billing briefing and stated that he has been working with Public Works Director Crebbin for over three weeks pertaining to utility questions. City staff is contemplating separating themselves from the MWC and handling the billing for their own utility fees. Because of MWC's new software conversion there are issues with sooner rather than later; the MWC software consultant and the current MWC Steering Committee staff recommended in March not to make any changes to MWC's existing programs due to the data conversion for the new software. The new software program that MWC selected does have these changes incorporated in the software to eventually use after going "live". The City would like more control over the changes. Staff reviewed all issues and responded back to Mr. Crebbin. Mr. Crebbin asked Mr. Rains what he thought about the City doing their own billing; Mr. Rains still thought the existing billing process for all related utilities should continue on with both entities sharing in the costs and perhaps staff from both entities do better in the communication area. Shortly after that a memo came out from Public Works dated September 27, 2012 recommending to the City Manager that the City should do their own utility billing. Mr. Rains noted that the City paid approximately \$450,000 of last year's billing total of \$1,200,000. If the City does split away it will take a bit for the MWC to regroup. To date, the MWC has spent approximately \$100,000 in developing City utilities in the new software which has not been charged to them. The umbrella software system that the MWC purchased was probably more of a robust system than what would have been purchased if the City utilities were not involved. The go live date is April 1, 2013. The Software Steering Committee was in attendance should the board have questions. A City Study Session is scheduled for October 11, 2012 at Noon; Mr. Rains hoped that a few board members would attend.

City Manager Swanson stated that there have been many recent changes but the bottom line is the accountability issues on billing is the primary motivation for the City. He thought the timing didn't seem right but it needed to be addressed at this time. Finance Director Chan noted that Mr. Rains is correct and this is one of the rate opportunities to do this before the MWC goes live with their new software. Mr. Anderson questioned the City's additional cost; Ms. Chan noted that it would be done by Engineering and would not cost any more than they currently spent with the MWC. Mr. Swanson agreed. The City would also pay the MWC for any costs that the MWC has incurred. Mr. Crebbin noted that they could also add their own customer service and accountability. He further stated that the City's vendor would need to have it done by April 1, 2013 and there would not be the MWC to fall back on. The IGA would not be cancelled but amended.

Mr. Anderson questioned the customer service; Mr. Crebbin noted the issues that they had concerns with, such as software not allowing features that will improve customer service such as multiple tenants and an address based account. Mr. Johnson questioned if they proceed would there be some work needed from the MWC. Ms. Chan noted that there is a certain amount of information that the City would need; there would need to be a total data download. TS Coordinator Stitt noted that the new software does have online billing as well as property based accounts and that rates could be addressed after the software is up and running. Mr. Strosser noted that the City had talked about additional billing options; Ms. Chan pointed out

options that would be available, such as flat rate fees, which if paid yearly, would receive a discount. Commissioner Davis did not want to cause issues with the MWC staff but if the City wanted to do this the MWC did not have a choice. Mr. Anderson noted that it would seem to cost more for two billings coming to the homeowner and it is nice to get one bill. Mr. Swanson noted that it is no different than getting a bill from Pacific Power and Avista; perhaps the IGA should have had specific information about billing. Ms. Chan noted that the small number of storm drain only accounts taken on by the City recently has been a test pertaining to collections for unpaid bills and, if needed, the City would put a lien on the property. Engineer Johnson noted that this is a one-way door and that the City could not come back after the software is configured. Mr. Rains agreed. Mr. Anderson appreciated the City letting the MWC know before the study session.

*Out of sequence.

6. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$380,625.72

Moved by: Mr. Dailey

Seconded by: Ms. Davis

Roll Call: Commissioners Anderson, Dailey, Davis, Fortier and Johnson voting yes; Fortier recused himself from the Rogue Disposal voucher.

Motion carried and so ordered.

7. Engineer's Report (E. Johnson)

- 7.1 Duff Flocc/Sed Basins – The project kick-off meeting is scheduled for October 11.
- 7.2 Duff Variable Frequency Drive – This project is complete and operational.
- 7.3 Duff Emergency Backwash – CH2M HILL has started on the design; the 75% plans are scheduled for review the middle of October.
- 7.4 Martin Control Station – The plans have been submitted to Building & Safety for permits. The bid specification documents are being advertised with a bid opening date of November 6.
- 7.5 Capital Hill Reservoir #3 – The roof joint repair project is underway.
- 7.6 Standards – A resolution to approve the revised Standards for Water Facilities, Standards for Fire Protection System and Standards for Backflow Prevention Assemblies will be presented at the October board meeting.

8. Water Treatment Report (Stockton)

- 8.1 All water quality staff is now located at Duff.
- 8.2 The highest September production in record was 2009. September 2012 was on an average five degrees hotter than in 2009, and in 2009 there was precipitation. In spite of that production is down from 2009 which could be due to conservation. This will be the latest that Duff has been running and should run through the third week of October.
- 8.3 Staff is continuing to coordinate with the various contractors that are working at Duff.

9. Finance Report (DeLine)

- 9.1 Finance has been working the majority of their time on software conversion.

10. Operations Report (K. Johnson)

None.

11. Manager/Other Staff Reports

- 11.3 Photos of Flooding - Fire Chief Bierwiler presented current photos of a flood due to a water line break at 8th and Fir Street. Crews were currently there.
- 11.4 Break on Bartlett – A recent 8” cast iron line break on W. Bartlett caused damage to the sidewalk; crews were successful in pushing the sidewalks down although they will need to be replaced.
- 11.5 Charlotte Ann Water District and the City of Phoenix Boundary Changes - There is a transition time when customers are moving from receiving water from Charlotte Anne Water District to the City of Phoenix. The MWC will not proceed with any changes until we receive a call from Charlotte Ann Water District. Mr. Dailey questioned if we work on the Phoenix line; Mr. Rains noted that we don't but we do all of Charlotte Ann's maintenance work as we have had an agreement with them. Eventually only a part of their customers would be annexed into the City. Mr. Johnson questioned if Charlotte Ann Water District would eventually dissolve; Mr. Rains noted that that would be up to them. Mr. Johnson noted that the MWC only goes down South Stage.
- 11.6 Promotion - Customer Service Technician II Henderson will be promoted to take on the duties of IS/CS Administrator Casad. Ms. Henderson's new title will be IS/CS Customer Service Technician III and will be effective January 1, 2013.
- 11.7 Lunch – Administrator Coordinator Martin would welcome any comments on today's lunch. Our usual caterer, Deli Down was not available. The board noted it was a very good lunch.

*Out of sequence.

- 11.1 Staff Report on the Utility Management Software Upgrade Project
TS Coordinator Stitt provided the monthly staff report on the software project. It has been very busy with good progression. The last two weeks Cogsdale has been working with Finance. The Customer Service implementation will be the next step. The first round of data conversion has been completed with lots of errors, as expected. Staff is working on online billing and will be reviewing that soon.

12. Propositions and Remarks from the Commissioners

- 12.1 Mr. Anderson would like at least one board member to attend the upcoming Medford City Council Study Session pertaining to Utility Rates. Councilmember Strosser was concerned with efficiencies, life cycle cost, and the one-way door and also requested someone from the board to attend; Mr. Anderson thanked him for informing the board. Mr. Anderson questioned Mr. Rains as to any increased cost the MWC would incur if the City is no longer a part of the billing process. Mr. Rains would work on those figures. Mr. Dailey stated that we are getting \$450,000 from the City, and questioned how many utility customers we provide billing for the City; staff noted it was approximately 28,000 customers. Mr. Dailey noted that would be \$120,000 a year just in postage. Mr. Anderson questioned if staff wanted to do the work. If the City splits away, Mr. Rains noted that it will make staff's life somewhat less involved but will cost us some. Mr. Rains noted that he has not seen the facts and figures from the City's side. Mr. Johnson noted that it seems that City staff has made the decision. Mr. Strosser noted there are a lot of unanswered questions and there are policy level questions. Councilmember Jones noted there were no previous discussions and the memo took his breath away. Mr. Dailey commented that the City seems to think that this will cost less. Mr. Johnson commented on the heat the MWC received when City utility rates were raised and that is why the billing format was changed.

As other board members were not available to attend the upcoming study session, Mr. Anderson stated that he would attend and questioned what to say. Mr. Rains noted that we heard from City staff that they will still need similar figures given to Rogue Valley Sewer

Services but we give that information for free. Mr. Anderson noted that as long as the MWC needs those numbers and generates them we still are a part of the City and would not charge for that information. Mr. Strosser stated that if there are things that the MWC has to do that does require additional funding to let them know. Mr. Rains will provide the information requested when more evaluation of a process is uncovered.

13. Adjourn

There being no further business, this Commission meeting adjourned at 1:30 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