

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

December 5, 2012

The regular meeting of the Medford Water Commission was called to order at 12:10 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; Finance Administrator Tessa DeLine; Geologist Bob Jones; Operations Superintendent Ken Johnson; TS Coordinator Kris Stitt; Duff Supervisor Jim Stockton

Guests: Medford Councilmembers Bob Strosser and Greg Jones; Central Point Mayor and Liaison Hank Williams; Public Works Management Joe Strahl; Eagle Point City Manager Henry Lawrence; Paul Nielson of Isler CPA; Brad Martinkovich

3. Approval or Correction of the Minutes of the Regular Meeting of November 21, 2012
The minutes were approved as resubmitted.
4. Comments from Audience
 - 4.1 Central Point Mayor Williams spoke about the recent Medford City Council and Medford Water Commission study session pertaining to billing of utility fees. He noted that the City of Central Point requested the MWC stop using the rates charged them to subsidize Medford rates; he further commented that they would like to be treated more like a partner than merely a customer. They requested meaningful discussions with the commissioners, not MWC staff.
5. Written Communications
 - 5.1 Quarterly Letter to the Mayor and City Council
The report for the first quarter for FY 2012-13 was provided. The board members agreed to its content, the Chair will sign and staff will forward the letter and relevant attachments to the Mayor and council. Commissioner Dailey questioned if the requested changes were made; Administrative Coordinator Martin stated that they were.
6. Resolutions
 - 6.1 No. 1506, A RESOLUTION Authorizing the Chair of the Board of Water Commissioners to Execute on Behalf of the Medford Water Commission an Intergovernmental Agreement By and Between the Medford Water Commission, a Chartered Municipal Water Utility of the City of Medford, Oregon, Governed By and Through its Board of Water Commissioners, Hereinafter Referred to as the "Commission", and Jackson County, Oregon, a Home Rule Political Subdivision of the State of Oregon, Acting By and Through its County Administrator, Hereinafter Referred to as the "County", for the Willow Lake Reservoir Monitoring Station Project

With the IGA, the Commission is proposing to partner with Jackson County to establish a real-time monitoring station at Willow Lake. The station will provide data that will be useful for the algae study currently underway, as well as for hydraulic flow modeling and planning purposes. The County Watermaster's office has agreed to purchase and install the equipment by January 31, 2013, and provide O&M through November 30, 2013. The County works with the Bureau of Reclamation to arrange the satellite feed to the station. Total cost to the Commission would be \$22,320.00. Staff recommended approval.

Commissioner Anderson questioned if we could not have done this with the present Willow Lake agreement; Attorney Huttli noted that because this is a one-time request both parties agreed to a separate agreement. Commissioner Dailey thought that the MWC was more

qualified to handle this type of thing and questioned why Jackson County is handling this; Geologist Jones noted that the Water Masters Office is doing this for all of the irrigation districts in the valley, and have the technical expertise, among other things. Mr. Jones further stated the reasoning for this monitoring station, noted that it will give us a complete water budget and will go on the Internet for all to view. He also noted that he will request Eagle Point Irrigation District contribute one third of the cost. The intent is to also add a station on South Fork Big Butte.

Motion: Approve Resolution No.1506

Moved by: Mr. Dailey

Seconded by: Ms. Davis

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

Motion carried and so ordered. Resolution No. 1506 was approved.

7. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$393,712.18

Moved by: Mr. Dailey

Seconded by: Mr. Fortier

Questioned was the vouchers for Bradley Excavation and Scott Bradley Backflow; Manager Rains noted that they are two different companies and that we have two year contracts with each of them.

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

Mr. Rains stated that at the last meeting we had items that were recused and they need approval by the board; Attorney Huttli confirmed and was unsure if the board had time to review this. As the voucher statement report was not available the board will review them at the next meeting.

8. Engineer's Report (E. Johnson)

8.1 Duff Water Treatment Plant Floc/Sed Basins – The project kick off meeting was held last week. Project predesign elements were discussed. Preliminary design and water quality testing continues.

8.2 Duff Water Treatment Plant Emergency Backwash – The mandatory pre-bid meeting was held on November 27. Eight general contractors and six subcontractors attended. The contractor prequalification deadline was yesterday and staff is reviewing the prequalification applications. A total of six general contractors are seeking qualifications for this project. The bid opening is scheduled December 18.

8.3 Martin Control Station – The 'Notice of Award' was sent to Slayden Construction. Slayden Construction has submitted the contracts, bonds and insurance forms; MWC will issue a 'Notice to Proceed' today. A pre-construction meeting will be scheduled in the near future.

9. Water Quality Report (Stockton)

9.1 Due to the Duff Water Treatment Plant Floc/Sed Basin work, staff is paying more attention to the river conditions; there were three inches of rain the last week of November and three inches so far in December. We have seen river fluctuations of eight feet within a 24-hour time period. Staff is ramping up monitoring of the river conditions, including basic water quality issues. All of this is to prepare for bench scale work for treatability studies that will be done throughout the winter.

9.2 Staff is finalizing year end data and preparation of reports for the last production year.

10. Finance Report (DeLine)

10.1 Our fire hydrant and pipeline database reconciliation projects are well under way; both should be done within the next few weeks.

10.2 New software packages are being set up; new general chart of accounts will be the next portion of the software package to be completed, which will provide historical figures.

11. Operations Report (K. Johnson)

11.1 Tonight a small crew will be working with the City of Phoenix in the cutaway on a portion of the Charlotte Ann Water District which will allow approximately 30 customers to be converted to the City of Phoenix.

11.2 The Stanford fencing project should be completed by the end of the month.

11.3 Staff is working with a consultant on the evaluation of the cathodic protection system from Capital Hill to Big Butte Springs site; they are on day three of this evaluation. Mr. Anderson questioned if it would be done by next week; Operations Superintendent Johnson noted there may be a phase two to this project depending on their recommendations; this project may take several months.

11.4 Mr. Anderson questioned if there have been any issues due to the rain; Mr. Johnson noted that some of our construction sites with steel plates need to remain in place and can be labor intensive with cold patching.

11.5 Commissioner Dailey questioned if the Phoenix line project is only a one day project; Mr. Johnson noted that it would be for us and commented on the process for the parties involved in this project. He further stated that the City of Phoenix is paying for the mechanical aspect and the Charlotte Ann Water District is paying for the notification aspect of the project. Mr. Rains noted that this is one of their projects, not a MWC project.

12. Manager/Other Staff Reports

12.1 Staff Report on the Utility Management Software Upgrade Project – TS Coordinator Stitt provided the monthly staff report on the software project. Staff has been very busy with vendors on site. Currently we are going through the last specification documents and are trying to get that finalized. Next week staff will receive help with data and processes within the new system; asset management software is being set up as well. During the holidays the vendor will give the Commission a bit of a break. Mr. Rains appreciated staff working through the software conversion and stated that the project is on schedule. Mr. Dailey questioned how pulling the City's billing will affect the project; Mr. Stitt noted that we are waiting for the outcome of tomorrow's Medford City Council Meeting but the next step would be to set up a meeting with all of the vendors to determine the course of action. Much of the set up for the City billing has been added. Mr. Rains noted that our goal would be to have a meeting with the vendor by next week.

12.2 Mr. Rains reminded the board that the Holiday Gathering will be at Four Daughters starting at 5:30 p.m.

13. Propositions and Remarks from the Commissioners

13.1 Councilmember Strosser addressed the utility billing software issue and noted that this item will be discussed at tomorrow's Medford City Council Meeting. He thanked those who attended the recent Medford City Council Study Session pertaining to this topic. He noted that it was unfortunate that staff could not come to a common decision and wasn't sure it had to be that way. He briefly talked about a third party billing process.

Mr. Anderson requested input from those commissioners who attended the study session; Mr. Dailey's assessment was that the City had their mind made up to pull from the MWC and noted that it appears to be more of a communications vs. software issue. Commissioner Johnson was sorry that this couldn't have been worked out, especially with the new software, and stated that

he did not want to give up our own billing. Commissioner Davis concurred with the study session opinion and with Mr. Johnson's thoughts on MWC's billing. Commissioner Fortier agreed as well. Mr. Dailey noted that he was persuaded by Mr. Rains presentation for the MWC to keep their own billing. Mr. Anderson questioned who presented the idea of an outside party doing both billings; Ms. Martin noted that Ms. Chan presented that option at their meetings. Mr. Anderson questioned if that meant two billings in one envelope; Mr. Strosser noted that it would be similar to what we have now but each entity would be responsible for their own billing information. Mr. Strosser also noted that while the technical capability of the system might have accommodated the City, information was not brought forward at the time even though it was requested; Ms. Davis questioned what that meant. Mr. Strosser noted that City of Medford department heads had requested information on if the new software could do certain things and they were told that although it was possible they were told no. Mr. Stitt stated the history of the meetings, and noted the meetings that Public Works had been invited to. He noted that the City did not agree with their methodology towards rates, which seemed to discourage the City. Mr. Rains also provided the history of the various meetings with the City of Medford. Mr. Strosser noted the conversations that he spoke about were directly with Manager Rains and the City. Mr. Anderson noted that at this point the meeting will be held tomorrow pertaining to this but it won't be the end of the world. He suggested letting the City do what they want to do. He questioned how long the MWC has been doing the City's billings; Mr. Rains noted it has been since the 1960s. Mr. Anderson noted that much has changed during that time and is not as easy as it used to be; we will let staff work with the City to make those changes as well as recoup some of the costs for the software package. Mr. Dailey questioned if Mr. Rains will meet with Mr. Strosser; Mr. Rains said that he would; Mr. Strosser said he will meet with Mr. Rains and the Chair.

13.2 Mr. Anderson questioned when the Water Rates Study will be done; Mr. Rains noted that staff will work on that this month. Mr. Anderson noted that he would like the issues from the other cities to be dealt with as well; Mr. Rains stated that he will add that to the agenda.

14. Adjourn

There being no further business, this Commission meeting adjourned at 12:45 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