

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

March 16, 2011

The regular meeting of the Medford Water Commission was called to order at 12:29 p.m. on the above date at Medford City Hall Lausmann Annex, Room 151/157.

The following commissioners and staff were present:

Chair Tom Hall; Commissioners Jason Anderson, Cathie Davis, Leigh Johnson; Don Skundrick

Manager Larry Rains; Deputy City Recorder Karen Spoons; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Geologist Bob Jones; Operations Superintendent Ken Johnson; Medford City Attorney John Huttl

Guests: Medford Councilmember's Bob Strosser and Jim Kuntz; Medford Finance Director Alison Chan*; Central Point Mayor and Liaison Hank Williams; Central Point Assistant City Manager Chris Clayton; Phoenix Councilmember and Liaison Stan Bartell; John Dailey

*Arrived as noted.

2. Approval or Correction of the Minutes of the Regular Meeting of March 2, 2011

The minutes were approved as presented.

3. Comments from Audience

None.

4. Resolutions

- 4.1 No. 1434, A RESOLUTION Authorizing the Chair of the Board of Water Commissioners to Execute on Behalf of the Medford Water Commission an Intergovernmental Agreement (IGA) By and Between the Medford Water Commission (Commission) and City of Medford, an Oregon Municipal Corporation (City), for the Utility Billing and Departmental Charges of the Commission and City

The City and Commission have agreed to an IGA for the purpose of determining the annual share of the utility bill costs and the annual indirect and direct costs shared between the two entities. The agreement will be for a six-year period with adjustments based on a pre-determined CPI every year. The IGA has been approved by staff and legal and will be presented to City Council on March 17 for final approval. Commission staff recommended approval.

Attorney Huttl stated that he had talked to Medford Finance Director Chan earlier in the week and stated that Medford is in support on this agreement. Commissioner Johnson questioned the six-year agreement; Mr. Huttl noted it had to do with the City's budget cycle.

Motion: Approve Resolution No. 1434

Moved by: Ms. Davis

Seconded by: Mr. Johnson

Roll Call: Commissioners Anderson, Davis, Hall, Johnson and Skundrick voting yes.

Motion carried and so ordered. Resolution No. 1434 was approved.

- 4.2 No. 1435, A RESOLUTION Authorizing the Manager to Execute a General Service Contract with Pacific Power to Allow Additional Capacity (100 KW or Less) on Medford Water Commission's Rossanley Control Station Property, Located at 1440 Ross Lane, Medford, Oregon, Described as Section 23, Township 37 South, Range 2 West, W.M.

The Commission is expanding the water pumping capacity of Rossanley Control Station (1440 Ross Lane). The increased capacity requires additional electrical power. Pacific Power requires a General Service Contract and easement in order to provide the additional electrical power. The contract benefits both parties for economy of construction and cost. Staff recommended approval.

Motion: Approve Resolution No. 1435

Moved by: Mr. Anderson

Seconded by: Ms. Davis

Roll Call: Commissioners Anderson, Davis, Hall, Johnson and Skundrick voting yes.

Motion carried and so ordered. Resolution No. 1435 was approved.

- 4.3 No. 1436, A RESOLUTION Authorizing the Chair and City Recorder Acting for the City of Medford By and Through its Board of Water Commissioners to Execute a Perpetual Right of Way Easement with PacifiCorp on a Portion of That Certain Real Property Situated in Medford, Oregon, Described as Section 23, Township 37 South, Range 2 West, W.M., Also Known as Medford Water Commission's Rossanley Control Station Property, Located at 1440 Ross Lane

As noted above, Pacific Power also requires an easement to provide the additional electrical power. Staff recommended approval.

Motion: Approve Resolution No. 1436

Moved by: Mr. Anderson

Seconded by: Ms. Davis

Roll Call: Commissioners Anderson, Davis, Hall, Johnson and Skundrick voting yes.

Motion carried and so ordered. Resolution No. 1436 was approved.

5. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$1,796,460.43

Moved by: Ms. Davis

Seconded by: Mr. Johnson

Commissioner Johnson questioned the Crater Lake Ford repair; Operations Superintendent Johnson stated that the City of Medford Service Center sometimes repairs the MWC fleet and at other times repair are done elsewhere. Commissioner Johnson also commented on the \$45 charge for keys; staff noted, as well as Commissioner Hall that keys with chips in them are expensive to have made.

Roll Call: Commissioners Anderson, Davis, Hall, Johnson, and Skundrick voting yes; Anderson and Skundrick recused themselves from the Knife River voucher.

Motion carried and so ordered.

6. Engineer's Report

- 6.1 Duff Operation Seismic Upgrade and Remodel – The roof penetrations are done and the HVAC units have been set on the roof. Concrete on the elevator pit, footings and grade beam have been poured. The removal and replacement of windows continues, as well as electrical, plumbing and framing.
- 6.2 Duff Reservoir Seismic Upgrade – The Basis of Design Report is finished. The design phase of this project will start next week.
- 6.3 Control Station Upgrades – Ausland is working on submittals of materials and products. Electrical work for Rossanley Control Station will start soon. Pacific Power's agreement has been received; they will start their work before MWC.
- 6.4 Avenue G 48" Transmission Main – Jackson County and ODOT continue their review of the final plans. Thornton Engineering is continuing to work on the project specifications.
- 6.5 11th Street 36" Water Transmission Main – The 36" water main is currently being installed north of the railroad tracks; the project has been stopped due to rain.

- 6.6 Martin Control Station – ODOT has submitted the Bargain and Sale Agreement to MWC for review. Neathamer Surveying has started the process for the lot line adjustments. The preliminary title report has been issued by Ticor Title.
- 6.7 Brentwood Drive & Brookdale 12" Water Main – Six general contractors are pre-qualified to bid on the project. A bid opening is scheduled for March 22.

7. Water Quality Report

- 7.1 As Water Quality Superintendent Noelle was on vacation, Geologist Jones presented the Board with samples of the Best Tasting Water of the PNWS – AWWA Southern Oregon Subsection; Medford Water Commission water. A toast was given and a plaque presented to the Board for this award. The Medford Water Commission will continue to compete for the next phase of the competition.

8. Finance Report

- 8.1 Finance Administrator DeLine presented a list of approved investments from the State Treasury's Department; the current investment policy does not allow the Commission to invest in these vehicles but in banks only. The scope can be broadened if approved.

Commissioner Hall stated that this topic was brought up about a year ago and questioned where Jackson County invests their money; Commissioner Skundrick noted that they invest in pieces, some of which are on this list. Mr. Skundrick was further questioned if the County uses someone to help them pick an investment; Mr. Skundrick noted this is done in house and commented that the current Water Commission policy is too restrictive. Mr. Hall questioned if we can see Jackson County's investments; Mr. Skundrick noted that he sent it to Mr. Hall and he can share it with others as it is public information. Mr. Hall requested to see the Commission's policy and several other policies for comparison. Ms. Davis questioned what the City of Medford does; Ms. DeLine said that they have an investment advisor and that the MWC needs one as well as she is an accountant, not an investor. Manager Rains clarified the Board's request to revamp the policy, to allow staff to pool other policies and the need to hire a consultant to help with investments. He will bring back the items requested to the next meeting. Mr. Skundrick noted that Shannon Bell from Jackson County is willing to help the MWC; Medford Councilmember Strosser noted that the City should be willing to help the MWC with investments as well. Commissioner Johnson requested the information in the board packet to allow time to study the material.

9. Operations Report

- 9.1 Angelcrest Pump Station Project – Equipment malfunction caused a delay in paving; final grading will be done in the next few weeks due to rain. Fence is nearly complete.
- 9.2 Working on quote documents for Archer fencing, fencing replacement at the Service Center and a solar gate up by the springs. All are budgeted items and expect to solicit contractors by Friday.
- 9.3 City of Medford Mace Road Project - Staff will remove a hydrant and 21 services to accommodate the street improvement/storm drain project which begins next week.
- 9.4 McNeal Creek Anode Bed Site Placement – Plum Creek and a private property owner own the area where the MWC would like to move the anode beds in order to provide a more stable location. The current location is in a wetland area.
- 9.5 Cedar Links Anode Bed Replacement Project – This project is complete other than the rain kept the crew from backfilling. Commissioner Hall questioned how many anode beds are there; staff noted there is six and expect to finish up next year on replacement and rebuild on all of them.

10. Manager/Other Staff Reports

10.1 Update on the Leak Response Report

A recap of the 2010 leak letter program was provided. Letters are sent to customers with higher than normal water usage and suggest that they may have a leak that needs to be corrected. Staff is very pleased with the results of this program. No board action was required.

Operations Superintendent Johnson commented that he has a friend that received one of these letters and was very appreciative of the service from MWC.

11. Propositions and Remarks from the Commissioners

- 11.1 Commissioner Skundrick ran into Eric Overland who wanted to express appreciation to the Commission for work that they do pertaining to water quality and particular their interest is in WISE Project. His group is involved in that as well. Geologist Jones noted we got their ear, still need money to complete the WISE Project, and are looking at funding through the state. Before this project can move forward, 2-1/2 million dollars are needed, although there are lots of options to get the cost down. The final cost will be determined by the study. This is a long term project for the future of the valley and overall, there are a lot of benefits for this as a long term integrated water resource plan.

*Medford Finance Director Chan arrived.

- 11.2 The Board questioned if Medford Finance Director Chan had any input pertaining to the agreement between the City and the MWC; she noted that as said in the past, the process has been going on in excess of 20 years but not with an agreement. Medford City Council will consider this agreement tomorrow at their council meeting.

12. Adjourn

There being no further business, this Commission meeting adjourned at 1:04 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. Spoons, MMC
Deputy City Recorder
Clerk of the Commission