

# MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

June 1, 2011

The regular meeting of the Medford Water Commission was called to order at 12:30 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, John Dailey, Cathie Davis, Leigh Johnson

Manager Larry Rains; Deputy City Recorder Karen Spoons; Administrative Specialist Yvette Finstad; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Geologist Bob Jones; Operations Superintendent Ken Johnson; IS/CS Administrator Cheryl Casad

Guests: Medford City Manager Mike Dyal; Medford Councilmember's Bob Strosser and Jim Kuntz; Medford Deputy Fire Chief Kurt Bennett; Central Point Mayor and Liaison Hank Williams; Central Point Councilmember Kay Harrison; Public Works Management Joe Strahl; Attorney Rick Glick; Phoenix Councilmember and Liaison Stan Bartell

2. Approval or Correction of the Minutes of the Regular Meeting of May 18, 2011  
Approved.

3. Comments from Audience  
None.

4. Written Communications

4.1 Memo from City of Medford Fire-Rescue Department

The memo confirms termination of the intergovernmental agreement with the City of Medford regarding fire hydrant inspections, which was scheduled to expire or renew at the end of June. Medford has been paying the Commission \$6,250.00 every three months for these services.

Commissioner Johnson questioned Mr. Bennett if everything is okay; Mr. Bennett noted that Medford Fire Department did a cost analysis and thought they could do it cheaper and will probably hire a few part time seasonal workers to take care of this.

4.2 Letter to the City of Central Point

At the May 4, 2011 board meeting, the Commissioners received a letter from Central Point City Manager Phil Messina regarding issues with Central Point's treat-and-transport agreement with the Commission, and recent attorney/attorney communications.

4.3 Letter from the City of Eagle Point

At the Cities and Districts meeting on May 25, 2011, the Commission received a letter from Eagle Point Mayor Bob Russell and City Administrator Dave Hussell regarding issues with Eagle Point's treat-and-transport agreement with the Commission; at the meeting, Mr. Hussell also noted that a letter will be forthcoming to Medford City Attorney John Hutt from Eagle Point Attorney Joe Kellerman.

4.4 Letter to the City of Phoenix

The Commission received a letter on April 6, 2011, from Phoenix Mayor DeBritto requesting that the Commission provide additional services, similar to those provided by the Commission to the water districts. A copy of staff's response letter, dated May 23, 2011 was provided.

5. Public Hearings

5.1 Consider Resolution No. 1447, A RESOLUTION Adopting the Budget for the City of Medford Board of Water Commissioners for Fiscal Year 2011-12, Commencing July 1, 2011, and Making Appropriations Thereunder

Staff prepared and presented study sessions to the Board on the proposed CIP and expense budgets at their March 16, and April 20, 2011 meetings. At the regular meeting held on May 18, the board approved the proposed budget as revised for FY 2011-12. The notice of budget hearing was published on the website starting May 19, and in the May 29 and 29 editions of the Mail Tribune. The notice, which contains the Water Fund, Water System Construction Fund, Future Main Replacement Fund, and Future Water Treatment Plant Fund budgets, is attached to the resolution as Exhibit A. Copies of the Proposed Budget were distributed to the board at the April 20 meeting. Staff recommended approval.

Public hearing opened.  
No one spoke.  
Public hearing closed.

Motion: Approve Resolution No. 1447

Moved by: Ms. Davis

Seconded by: Mr. Johnson

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

Motion carried and so ordered. Resolution No. 1447 was approved.

## 6. Resolutions

- 6.1 No. 1448, A RESOLUTION Awarding and Authorizing the Manager to Execute a Contract with General Credit Service, Inc., for Collections Services

The contract for these services expires at the end of June 2011. Staff solicited quotations and received responses from two local companies. General Credit Service, Inc. (GCS) quoted the highest recovery rate to the Commission. The value of this contract to the contractor could be in the range of \$70,000-75,000 per year, which exceeds the Manager's purchasing authority. Staff recommended award of the personal services contract to GCS.

Motion: Approve Resolution No. 1448

Moved by: Mr. Dailey

Seconded by: Ms. Davis

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

Commissioner Hall questioned the figures presented on the graph; Mr. Rains explained that the proposal is based on figures gained from last year.

Motion carried and so ordered. Resolution No. 1448 was approved.

- 6.2 No. 1449, A RESOLUTION Authorizing the Manager to Distribute a Water Quality Improvement Grant for the Lake Creek Ranch Water Quality and Efficiency Project Located on the McCulloch Property in the Amount of \$10,306.00

This project will convert approximately 15 acres of flood irrigation to a pod irrigation system in order to conserve and improve water quality in Little Butte Creek, a tributary to the Rogue River. Conversion to sprinkler irrigation will eliminate tailwater (run-off) returns to creek, which prevents bacteria, nutrients, sediment and warm water from entering the water. There is one other partner helping to fund this project in addition to the landowner. The total cost of the project is \$27,519.23 and the applicant (Jackson Soil and Water Conservation District) is requesting \$10,306 from the Commission. A final report will be required from the grantee. Grant funds were included in the current budget (ACCT NO. 703.5) and are available for this amount. Staff recommended approval.

Motion: Approve Resolution No. 1449

Moved by: Mr. Johnson

Seconded by: Mr. Dailey

Commissioner Dailey questioned the maintenance requirement and if they could go back to flood irrigation if the property was sold; Geologist Jones noted that the maintenance requirement would not apply to this and that yes they could go back to flood irrigation. Commissioner Johnson stated that at first he didn't have a very positive attitude about this but after reviewing this further he thought this is a really good move, is a critical part of the water shed and couldn't think of any reason why they would want to go back to flood irrigation. Mr. Jones further noted that the property owners have been working on a management plan with Jackson Soil and Water Conservation District and this will make, among other things, their property much more productive.

Roll Call: Commissioners Anderson, Dailey, Davis, Hall, and Johnson voting yes.  
Motion carried and so ordered. Resolution No.1449 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 \$387,543.38

Moved by: Mr. Johnson

Seconded by: Ms. Davis

Roll Call: Commissioners Anderson, Dailey, Davis, Hall, and Johnson voting yes; Anderson recused himself from the Knife River, Mail Tribune, and Rabbitoy Fence vouchers; Hall recused himself from the Rogue Community College voucher. Motion carried and so ordered.

#### 8. Engineer's Report

- 8.1 Duff Operation Seismic Upgrade and Remodel – Third floor sheet rocking is done. The texture is sprayed on the walls and painting is under way. Framing is complete on the first and second floors. Insulation of third floor ceiling and second floor wall is done. Sheet rocking on the second floor is under way. Exterior brick in-fill is complete. The exterior stairway is under construction. The compressor room and air receiver room are being worked on. Expected completion date is late August.
- 8.2 Duff Reservoir Seismic Upgrade – Staff has returned the 90% design plans to Marquess for revisions. The 98% plans and specifications are due back to MWC on June 13.
- 8.3 Control Station Upgrades – The electrical vaults for Rossanley and Conrad Control Stations are installed. The PP&L electrical tie over at Rossanley is scheduled for Friday. The air conditioning unit and roof ventilators have been delivered.
- 8.4 Avenue G 48" Transmission Main – Staff has returned the construction specifications to Thornton Engineering for corrections. The 100% plans and specifications are due back to MWC by the end of June.
- 8.5 Martin Control Station – Staff is waiting on the Planning Department comments concerning the property line adjustments.
- 8.6 Brentwood Drive & Brookdale 12" Water Main – The water main installation is complete. Final cleanup is under way.
- 8.7 11<sup>th</sup> Street 36" Water Transmission Main – The portion of existing 16" steel water main between Ave F and Ave G is being abandoned. The Central Oregon and Pacific Railroad permit has been prepared and submitted to them for review and approval.

#### 9. Water Quality Report

- 9.1 Duff Treatment Plant is fully commissioned and ready to meet demands.

- 9.2 As mentioned above, the remodel project is progressing. All treatment systems are in place and with high water levels we will have high quality water coming down the river.
  - 9.3 As mentioned at the last meeting, the MWC did not win the best tasting water at the Boise conference but it was quite an honor to win the regional conference.
  - 9.4 The Willow Lake study is underway; the first profile was done on Tuesday, May 24 and will be scheduled every two weeks. Three nutrient sets have been done. Staff remains active in support work and in getting the information completed.
  - 9.5 The upcoming water quality monitoring of regulated EPA contaminants as well as chromium 6 will begin shortly.
10. Finance Report
    - 10.1 Working on month end; meanwhile gearing up for the fiscal year end.
    - 10.2 Next week support staff will attend an audit planning meeting with the City and Isler CPA.
    - 10.3 Investing – Commissioner Hall questioned about what we found out from others about investing the Commission’s money; Ms. DeLine and Commissioner Dailey met with the City and other entities to discuss this. This item will be brought back to the board at a later day as they are still waiting to receive and review a few investment policies. They commented that the MWC will probably piggyback with the City. Ms. DeLine noted that the City is making 1% on their investments which isn’t that much higher than the MWC; Commissioner Dailey noted that we can extend the terms out and get a higher rate. Commissioner Johnson questioned if anyone has talked to Shannon Bell at the County; Ms. DeLine and Commissioner Dailey both noted that they talked to her and noted the County is looking at extending their term in order to get a higher rate of return.
  11. Operations Report
    - 11.1 Archer fence has been completed.
    - 11.2 Ten staff members worked from 5 a.m. to midnight on Big Butte Springs #2 where a couplet came apart and we were losing 100 gallons/minute of water. Operations Superintendent Johnson believed that the pipe was damaged due to rocks and the steep hillside. Medford Fabrication was hired to assist in the repair. He further described the process to turn on the water at McNeal Creek and presented photos.
    - 11.3 Commissioner Davis noted that she was concerned with fencing going up at the Archer site but the fencing looks great and the project has been done well.
  12. Manager/Other Staff Reports
    - 12.1 Mr. Rains noted that he will be out for two weeks to attend an ACE conference as well as a week of vacation; Principal Engineer Johnson will be in charge and will handle the next board meeting.
  13. Propositions and Remarks from the Commissioners  
None.
  14. Executive Session in Accordance with ORS 192.660(2)(f) – To consider Information or Records that are Exempt by Law from Public Inspection; and ORS 192.660(2)(h) – To consult with Counsel Concerning the Legal Rights and Duties of a Public Body with Regard to Current Litigation or Litigation Likely to be Filed

The Board adjourned to executive session at 12:54 p.m.

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The Board reconvened at 1:37 p.m. with same members present except Jason Anderson.

The Board directed staff to make it a priority to contact the City of Central Point to move the agreement along and to schedule a study session sometime in the month in August or September to cover the four topics (policy items) brought up at the Annual Cities & Districts Meeting on May 25, 2011 that would affect the entire Water Commission. The four policy items are 1) return on investment rate 2) depreciation charge in rates 3) joint customer facility percentage assumptions in figuring rates and 4) bonding vs. SDC's vs. rate surcharges to pay for future Duff II. Commissioner Johnson requested that the meeting be held in August or early September as he will be not be at the second meeting in September.

15. Adjourn

There being no further business, this Commission meeting adjourned at 1:38 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. Spoonts, MMC  
Deputy City Recorder  
Clerk of the Commission