

## MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

July 20, 2011

The regular meeting of the Medford Water Commission was called to order at 12:35 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 Coordinator Betsy Martin; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Water Quality Superintendent Bob Noelle; Geologist Bob Jones; Operations Superintendent Ken Johnson

Guests: Medford Councilmember's Bob Strosser and Jim Kuntz; Central Point Mayor and Liaison Hank Williams; Central Point Assistant City Manager Chris Clayton; Central Point Councilmember Kay Harrison; Eagle Point City Administrator Dave Hussell; Eagle Point Public Works Director Robert Miller; Eagle Point Counsel Joe Kellerman; Edgar Hee of Marquess & Associates; Chris Peters of Public Works Management; Attorney Rick Glick

2. Approval or Correction of the Minutes of the Regular Meeting of July 6, 2011  
Approved.

3. Comments from Audience

- 3.1 Central Point Councilmember Harrison appreciated the information presented at the study session and is interested in what is causing the algae issues.
- 3.2 Eagle Point Counsel Kellerman stated that he was asked to be here pertaining to an issue that would be discussed; Eagle Point City Administrator Hussell noted that it will probably be discussed in the Executive Session. Upon hearing that Mr. Kellerman left.
- 3.3 Central Point Mayor Williams commented on the topic of beavers at the study session and noted that when he was younger he dealt with beavers and that they are difficult to get rid of and they do tend to come back.

4. Written Communications

- 4.1 Quarterly Report to Mayor and Council  
The quarterly letter and financial reports are attached; the Chair will sign and staff will forward the letter and relevant attachments to the Mayor and councilmembers.

Commissioner Dailey questioned City of Medford water consumption figures in the report and if they were related to the closure of the Hawthorne pool. Staff stated that the water consumption figures for the pool would be on the first quarter of the board report. Medford Councilmember Strosser noted that at present there was no water in the pool.

5. Resolutions

- 5.1 No. 1453, A RESOLUTION Approving an Exemption from Competitive Bidding and Authorizing the Manager to Execute a Contract Amendment for Design Services with Marquess & Associates

Engineer Johnson presented the staff report and read the resolution. During the preliminary design phase it was discovered that due to the lack of structural strength of the reservoir walls the original design parameters that Marquess proposed could not be used for the seismic upgrade. Marquess had proposed a 'stop limit' design approach which was abandoned and alternate designs were investigated. Various designs were evaluated and the grade beam option was chosen due to minimal disruption of the operating capacity of the reservoir. The additional time to investigate and design of the grade beam has added additional costs to the design contract. The original contract awarded to Marquess was for \$49,500.00. The additional design work has cost \$20,189.00. This amount exceeds the 25% clause and requires Board approval. The inadequacies of the reservoir

walls were an unknown and were only discovered upon design calculations. Staff concurred with Marquess' request for additional compensation and recommended approval of a change order in the amount of \$20,189.00. Plans and specifications were available for review. City Attorney Huttli noted there was an error on the resolution in that it should be MWC public contracting regulations vs. Oregon public contracting regulations.

Motion: Approve Resolution No. 1453 as amended

Moved by: Mr. Anderson

Seconded by: Mr. Dailey

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

Motion carried and so ordered. Resolution No. 1453 was approved.

- 5.2 No. 1454, A RESOLUTION Approving Exhibit A, Pay Schedule, of Agreement between the Board of Water Commissioners of the City of Medford, Oregon and the Oregon and Southern Idaho District Council of Laborers, Laborers' International Union of North America, Local #121, Retroactive to July 1, 2011

Manager Rains presented the staff report noting that both Resolution 1454 and 1455 were included in the budget and approved by the Board. The resolution was read.

Motion: Approve Resolution No. 1454

Moved by: Ms. Davis

Seconded by: Mr. Dailey

Commissioner Davis questioned how many employees would this entail; Mr. Rains noted there are 16 employees with the union.

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

Motion carried and so ordered. Resolution No. 1454 was approved.

- 5.3 No. 1455, A RESOLUTION Amending Monthly Salary Rates for Medford Water Commission Employees, Retroactive to July 1, 2011

Manager Rains read the resolution.

Motion: Approve Resolution No. 1455

Moved by: Mr. Dailey

Seconded by: Ms. Davis

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

Motion carried and so ordered. Resolution No. 1455 was approved.

## 6. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$1,957,349.49

Moved by: Ms. Davis

Seconded by: Mr. Anderson

Commissioners questioned several vouchers, such as the watershed council(s), utility locates, and liability insurance payments; staff responded to their questions.

Roll Call: Commissioners Anderson, Dailey, Davis, Hall, and Johnson voting yes; Anderson recused himself from the Knife River voucher. Motion carried and so ordered.

## 7. Engineer's Report

- 7.1 Duff Operation Seismic Upgrade and Remodel – Work continues on all floors. Painting, flooring, bathroom tile, cabinets, counter tops, lighting and other items are being installed. The elevator is on

site and is being installed as well. The scheduled completion date is early August.

- 7.2 Duff Reservoir Seismic Upgrade – The plans and specifications are being presented to the Board today. The project is being advertised for bid this weekend.
- 7.3 Control Station Upgrades – Air conditioning equipment is being installed at Rossanley. The motor control center is on site and will be installed next week. There will be no activities at Conrad Pump Station until the pumping season is over.
- 7.4 Avenue G 48" Transmission Main – The construction plans and specifications are being prepared to go to the printers. The project will be presented to the Board at the August 3 meeting and then advertised for bid.
- 7.5 Martin Control Station – The pre-proposal meeting was held on July 12. Six engineering consulting companies attended. The proposals are due August 2.
- 7.6 11<sup>th</sup> Street 36" Water Transmission Main – The 16" water main was installed under the Central Oregon and Pacific Railroad tracks in 11<sup>th</sup> Street. The water main has been pressure tested and is being chlorinated. Once the water main passes all tests the water main will be put into service.

8. Water Quality Report

- 8.1 The year-to-date production chart was presented; cool weather has suspended our 24-hr/day operation but expect that to change shortly as peak days will soon be upon us.
- 8.2 Power Failure - Staff met with PP&L to discuss reliability issues with our service; PP&L has upsized the fusing at the power poles which they determined were too small and may have caused the blowouts. They may be able to install extra protective measures at our power poles as well. Discussed with PP&L is the possibility of losing service due to grid issues. The intake pump #5 has been repaired from this incident and is back in service; the cost to repair the pump was just under \$7,000. Staff continues to research other design issues.

Commissioner Hall questioned if we did lose power at Duff would we still have water coming down from Big Butte Springs; staff noted the emergency curtailment that would take place and the procedures that staff has in place for such a situation.

- 8.3 The harmful algae bloom for Lost Creek Lake has been lifted.

9. Finance Report

- 9.1 Year End & Annual Audit – Will have information for the board in the next few weeks.
- 9.2 Inventory – Inventory was only off by about \$400; an improvement over previous years.
- 9.3 Commissioner Dailey briefed the board about the investment program and the recent research done. He stated that there are not many companies that do this type of work and that we will need to do a RFP to get a broker/advisor and to set this up. He thought there should be a committee composing of a few commissioners as well as Finance Administrator DeLine and Manager Rains to initiate this. Manager Rains noted that staff can do that but suggested that the MWC go out for an RFP for an administrative consultant to advise the board, not staff, and that the contract could be for about two-three years. Staff would then be the intermediary. He further noted that within the last year we had a study session where a financial consultant gave a presentation to the board on this exact thing. The board discussed and agreed to have staff come up with names for the first step of the process and that the board would be the investment committee.

10. Operations Report

- 10.1 Operations Superintendent Johnson thanked staff for their hard work during inventory.
- 10.2 Quotes have been requested for the uniform contract by two providers.
- 10.3 Staff was at McNeal Creek to put in anodes and found that it is too wet to work on this project at the present time.

11. Manager/Other Staff Reports

- 11.1 Manager Rains stated that he was pleased with the status of the projects presented by staff and noted that there are two major design projects in the RFP process (Martin Control Station and the last phase of Duff I) and there are two major construction projects ready to go (48" Ave G water line and the reservoir); staff is "hitting the road" with our major projects not to mention the utility management software/hardware project. He noted that he is very pleased with staff.

12. Propositions and Remarks from the Commissioners

- 12.1 Commissioner Johnson questioned about an RFP for fire hydrant painting; Manager Rains noted that Operations Superintendent Johnson is working on the RFP for that. He further stated that we created a job niche for the backflow inspection and hopes to create a niche for this type of project as well.
- 12.2 Commissioner Hall attended a Town Hall meeting two nights ago with state representatives Esquivel and Bates; he noted that the biggest complaints were the excessive water bills from the City of Medford and Phoenix which, as was pointed out, were the utility fees on the statements.

13. 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 1:13 p.m.

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The Board reconvened at 1:42 p.m. with same members present.

Motion: Direct staff to prepare a revised Water Service Agreement with the City of Eagle Point pursuant to discussions held during Executive Session

Moved by: Mr. Anderson

Seconded by: Ms. Davis

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

Motion carried and so ordered.

14. Adjourn

There being no further business, this Commission meeting adjourned at 1:43 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.