

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

February 2, 2011

Deputy City Recorder Karen Spoonts administered oath of office to Leigh Johnson, who has been reappointed to the Board; his new term will expire 2016.

The regular meeting of the Medford Water Commission was called to order at 12:00 p.m. on the above date at Medford City Hall Lausmann Annex, Room 151/157.

The following commissioners and staff were present:

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

Manager Larry Rains; Deputy City Recorder Karen Spoonts; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Water Quality Superintendent Bob Noelle; Operations Superintendent Ken Johnson; Public Information Coordinator Laura Hodnett; Finance Administrator Tess DeLine; Geologist Bob Jones; Medford City Attorney John Hutt

Guests: Medford Councilmembers Bob Strosser and Jim Kuntz; Central Point Mayor and Board Liaison Hank Williams; Central Point Councilmember Carol Fischer; Central Point Assistant City Administrator Chris Clayton; Public Works Management representative Joe Strahl; Jacksonville Highway Water District and Elk City Water District representative John Blackhurst; Brad Martinkovich; Steve Dickson; Clark Williams; John Dailey

2. Elect Board Chair and Vice Chair for Calendar Year 2011

The Board elects officers by motion at this time of year; the term will extend from February 2, 2011 through January 31, 2012. In past practice, the Commissioner whose term is set to expire after the upcoming year serves as Chair for that calendar year. Tom Hall's term expires on January 31, 2012, and is in line to serve as Chair beginning at this meeting. Don Skundrick was in line to serve as Vice Chair for the same time period. Due to Commissioner Skundrick's resignation, the board will need to decide how they want to fill the office of Vice Chair. Staff was unable to find any rules governing the Board that would help to guide the process; it has been customary for the next in line, in this case Commissioner Anderson, to move into the officer's position.

Motion: Elect Tom Hall as Chair of the Medford Water Commission with a term ending January 31, 2012.

Moved by: Mr. Skundrick

Seconded by: Ms. Davis

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

Motion carried and so ordered.

Commissioner Hall commented on the dilemma pertaining to Vice Chair and was open to suggestions; Manager Rains suggested Jason Anderson serve as Vice Chair for one year and two years as Chair which would get the Board back to a normal schedule again. Commissioner Anderson was questioned if he would be agreeable to that; he stated he would be.

Motion: Elect Jason Anderson as Vice-Chair of the Medford Water Commission with a term ending January 31, 2012

Moved by: Mr. Hall

Seconded by: Ms. Davis

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

Motion carried and so ordered.

The meeting was turned over to Chair Tom Hall.

Commissioner Skundrick thanked Commissioner Johnson for serving as Chair the past year and for 16 years of service. Commissioner Hall commented that when he was appointed to the Board it was very rewarding to serve with many commissioners who also served for 16 years.

3. Approval or Correction of the Minutes of the Regular Meeting of January 19, 2011

The minutes were approved as presented.

4. Comments from Audience

- 4.1 Joe Strahl of PMW, stated that at the conclusion of the last meeting it was their understanding the other cities/customer groups would be invited to participate with the MWC as a advisory committee of sorts to discuss elements of the Cost of Service Study; while trying to schedule a meeting with the MWC, Manager Rains had advised that was not the direction he had received from the Commission. Mr. Strahl requested clarification from the Commission. Commissioner Anderson understood that the Board did not set up a committee or sub-committee and thought that perhaps we advise staff to continue to set up discussions with the other parties. Commissioner Davis remembered that we were going to sit down with the parties involved in order to help them further understand the rate process; she did not understand that there would be an advisory group to this board. Commissioner Johnson said that we talked about a technical group but thought that we left that as a work group with one Board member and staff available for the work group. City Attorney HuttI recommended against creating a technical group; did agree that a commissioner and staff could be available to work with them however they wanted to work. Mr. Johnson recalled it could be any board member depending on who could attend the meeting. Mr. Strahl remembered it the same way as not a liaison but an advisory committee and did provide names of those who could attend and was given to staff. He further stated that time was of importance and requested next week if possible. Mr. HuttI noted a motion would be needed and requested his attendance if any other attorneys were planned to be present; Mr. Strahl stated no other attorneys would be present.

Motion: Direct staff to meet with the other cities, entities and one MWC Board member pertaining to rate increases and methodology

Moved by: Mr. Skundrick

Seconded by: Mr. Johnson

The Board discussed those who would be attending the meeting with Mr. Strahl; Mr. Rains stated that because staff would be showing those interested the information from a computer he thought the group should be small. Mr. Hall called for the question. Ms. Davis thought that perhaps it is helpful to also assure that the other cities and entities have a clear understanding of the Commission's policies. Mr. Hall noted that modern technology is wonderful and encouraged Manager Rains to open it up to all those who wanted to attend as much as possible.

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

Motion carried and so ordered.

- 4.2 Brad Martinkovich, a local citizen, questioned what the Board's position is on the proposed water park. Commissioner Hall noted they have never taken a stand on this or discussed this at all. Commissioner Anderson, speaking for himself, noted that we supply the water to the pools which leak greatly and that because of that the water park would be beneficial; he is also in favor of this because of the youth. Mr. HuttI noted that Mr. Anderson was speaking individually. Mr. HuttI noted that the MWC is bound by the Charter, the MWC has never considered this question and it would be wrong to make a uniform decision or take an official stand at this time. Mr. Martinkovich read the City Charter pertaining to the distribution of water, believed this is the MWC's responsibility, and that this is a big issue. Mr. Hall noted that the water park is not considered part of MWC's public domestic water treatment facilities or distribution system or treat and transport services. Mr. Strosser noted it is the City of Medford and City Council's decision, invited Mr. Martinkovich to attend a City Council meeting and thought that this topic is fully separate from the Charter. Mr. Johnson's individual opinion is that this is more than just a swimming pool and should have a vote of the people. He further stated that he does not want to put the MWC in the middle of a political issue and the MWC should not be and is not a political body. Mr. Strosser agreed with Mr. Johnson and stated that there are others on council who agree. Councilmember Kuntz also noted agreement that it should be a vote by the people. Mr. Martinkovich commented that in the summer we use

water from the Rogue River and questioned usage by the proposed water park. Mr. Hall thanked him and reiterated that the MWC has no official stance.

- 4.3 Clark Williams, a local citizen, questioned why the MWC has not taken a position on the proposed water park and under his eyes they are responsible according to the Medford Charter.
- 4.4 Central Point Mayor Hank Williams stated he is here to learn and to pay attention.
- 4.5 Central Point Councilmember Carol Fisher stated that she started coming to water meetings on and off when there was discussion about taking out the dams on the Rogue River, didn't understand why they are taken out and that we aren't going to live on fish.
- 4.6 John Dailey introduced himself and appreciates the water supply.
- 4.7 Steve Dickson introduced himself and was here to learn and listen and thanked the Commission.

5. Public Hearings

- 5.1 To Continue Consideration of Resolution No. 1427, A RESOLUTION Prescribing and Establishing Rates for the Use and Sale of Water From the Municipal Water System of the City of Medford, Oregon, Within and Without Said City, to Intermittent Users, and to Special Outside Customers, Repealing All Prior Rates in Conflict Herewith and Providing That the Rate Schedules as Set Forth in the 2010 Cost of Service Study Shall Become Effective With the Billings on the 1st day of March 2011 and Thereafter

A public hearing was held on December 15, 2010, regarding the proposed rate increases as set forth in the 2010 Cost of Service Study. During public testimony, representatives of the other cities requested additional time for discussion of issues that were raised. The Board held a special study session after the regular meeting on January 19, 2011 for open discussion between Board members, staff and guests. A staff report in response to several items of concern was presented to the Board. Staff recommended approval of the rate increases, effective March 1, 2011.

It is anticipated that staff and possibly one member of the Board will continue discussions with our customer groups regarding MWC methodology and policies prior to the next rate consideration scheduled for October 2011.

Three areas that the other cities customer group had concerns with are 1) return on investment 2) assumed allocation percentages and 3) other revenue sources; Mr. Rains addressed all of these. The average increase is \$7.50 per year, per customer. The proposed graph presented shows that less than a quarter percent of other cities water bills to their customers are the MWC charges.

Public hearing opened.

Mr. Strahl appreciated the Board considering their comments; they look forward to understanding the Cost of Survey Study.

Public hearing closed.

Motion: Approve Resolution No. 1427

Moved by: Mr. Skundrick

Seconded by: Mr. Johnson

Mr. Anderson question if the numbers on the top of the graph were correct; staff explained the two graphs presented. Mr. Hall questioned the rate increase pertaining to Medford vs. other cities. Mr. Rains noted that

rates were not increased last year; rate increases pertain to increased costs, the tiered rate structure change, and the conservation surcharge; Ms. Hodnett further explained the tiered process.

Roll Call: Commissioners Anderson, Davis, Hall, Johnson and Skundrick voting yes.
Motion carried and so ordered. Resolution No. 1427 was approved.

5.2 To Consider Resolution No. 1432, A RESOLUTION Authorizing Exemption from Competitive Bidding and Awarding a Contract in the Amount of \$72,700 to Northwest Biological Consulting for Consulting Services for Environmental Consulting Services

The Board awarded a contract in the amount of \$194,643 to Northwest Biological Consulting in March 2010. The contract was for consulting services related to the wetlands delineation project, a portion of which was included in the FY 2010-11 budget. The Board preferred the offsite mitigation option as presented by staff and directed staff to purchase suitable property. That property has been identified and biological assessment services are needed as soon as possible due to climatic conditions. These particular services were not included in the original scope of the project and additional expenses will be incurred that will exceed 25% of the original contract amount. Oregon law requires re-solicitation or exemption of projects that exceed the contract by that amount. Exempting the additional services from competitive bidding will save time and money. There are sufficient funds in the budget to fund this project. The public hearing was noticed on the Commission's website and in the *Mail Tribune*. Staff recommended approval.

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

Manager Rains read Resolution No. 1432 with the new changes.

Motion: Approve amended Resolution No. 1432

Moved by: Ms. Davis

Seconded by: Mr. Johnson

Mr. Johnson expressed his concern with exempt bidding and noted that we need to be careful to not exclude legitimate bidders. Mr. Anderson questioned when this project would be completed; Geologist Jones stated that most work will be done before June as we want the permit submitted before then. Mr. Hall questioned if we made an offer contingent on this; Mr. Rains noted that we have and they have accepted.

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

Motion carried and so ordered. Resolution No.1432 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 \$483,439.47.

Payments the Board questioned were the Bear Creek Watershed Council, BLM, and Crater Lake Ford. Staff was requested to check out other options before choosing a specific vendor on certain items.

Moved by: Mr. Skundrick

Seconded by: Ms. Davis

Roll Call: Commissioners Davis, Hall, Johnson, and voting yes; Anderson recused himself from C&C Tires and Knife River vouchers; Skundrick recused himself from Knife River voucher.

Motion carried and so ordered.

7. Engineer's Report

- 7.1 Duff Operation Seismic Upgrade and Remodel – The exterior demolition is complete. The seismic piers are installed. The seismic grade beams are being formed. The original backfill used for the building is sand even though the plans say gravel, thereby creating issues. The sand has no bearing strength. Helical anchors are being installed to correct this existing condition. The helical anchors will be tied to the grade beams.
- 7.2 Duff Reservoir Seismic Upgrade – Marquess is proceeding with the preliminary design phase and has submitted the structural analyses for review.
- 7.3 Control Station Upgrades – A preconstruction meeting was held on January 28. The project is now under way and Ausland is working submittals.
- 7.4 Avenue G 48" Transmission Main – Staff, Thornton Engineering, Jackson County and ODOT are all working together to final the plan. Thornton Engineering is also working on the project specifications. A meeting is scheduled later today to go over plans.
- 7.5 11th Street 36" Water Transmission Main – Approximately 2,000 feet of the 36" water main has been installed. The 36" water main is at the south side of the railroad crossing and will proceed once the boring is complete.
- 7.6 Martin Control Station – MWC is working with ODOT, Planning Department and the Public Works Department concerning drive locations. There is a major stumbling point with ODOT on concerns with the City restricting ODOT; therefore staff is working with the City to get their approval.
- 7.7 Brentwood Drive & Brookdale 12" Water Main – Plans and specifications are ready to be advertised for bid. The project will be advertised on February 9.

8. Water Quality Report

- 8.1 The High Service Pump #3 start-up scheduled at Duff will be Thursday and Friday; staff will coordinate with the Service Center pertaining to the distribution of water from the facility.
- 8.2 The Water Treatment Plant SCADA software upgrade should be wrapped up by the end of the month.
- 8.3 Staff will perform recommended chromium monitoring as discussed at the last meeting. Neilson Research is gearing up to be the only laboratory in the state to be accredited for chromium testing.
- 8.4 Staff is continuing to monitor issues including Willow Lake, which some expect to be a long term issue. A number of entities are interested in Willow Lake, such as Jackson County Parks, Oregon Department of Environmental Quality and the Oregon Department of Fish & Wildlife. Staff has scheduled discussions with them and hopes to bring forth recommendations on how to move forward with monitoring plans.
- 8.5 Staff is also working on the Stage 2 Disinfection Byproducts Rule compliance planning and is due to comply with that in October 2012. Staff will be performing preliminary monitoring and compliance protocol.

Mr. Johnson questioned the algae outbreak and thought it was a source on one lake but it has spread to many lakes. Many of the lower lakes don't seem to be impacted. Mr. Noelle believes it is due to enhanced monitoring and increased awareness. Historically the issue has been around awhile, even though not identified. Last year it could have been because Willow Lake filled late. Mr.

Jones noted this is an issue statewide with Emigrant Lake, Diamond Lake and most of the reservoirs having issues pertaining to algae. He agreed that this is more of an awareness and we will continue to see it more in most reservoirs. With new regulations in place we need to deal with it.

9. Finance Report

9.1 Last month the semi-annual physical inventory was complete; after inventory count there was only a \$131 discrepancy, 1/10 of 1%.

9.2 The December Financial Statement will be in the next board packet.

10. Operations Report

10.1 Staff has performed maintenance/replacements on seven fire hydrants due to cast iron pipes that break.

10.2 Meter replacement program is on-going on the east side.

10.3 Weed spraying is finished for the season.

10.4 Staff met with the owners pertaining to the cathodic protection at Cedar Links; staff will rebuild the anode bed.

10.5 Staff is procuring an easement at McNeal Creek for an anode bed and rectifier side.

11. Manager/Other Staff Reports

11.1 Staff met with DEQ pertaining to the penalty received for runoff into Lone Pine Creek, pointing out that 1) the MWC thought they were following the rules as put to them 2) the MWC thought the runoff flowed into a storm drainage creek and 3) the MWC tested below that area which tested zero for chlorine. The DEQ took input and noted that the MWC would hear from them in a few weeks. Mr. Hall questioned if our attorney from Portland was there; Mr. Rains noted that we were represented from the attorney in Portland and Mr. Huttl was there as well.

12. Propositions and Remarks from the Commissioners

None.

13. Adjourn

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