

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

February 17, 2016

Commissioner Leigh Johnson was sworn into office.

The pledge of allegiance was given.

The regular meeting of the Medford Water Commission was called to order at 12:23 p.m. on the above date at the Medford City Hall Lausmann Annex, Room 151/157 with the following Commissioners and staff present:

Chair Leigh Johnson; Commissioners Jason Anderson, John Dailey, Lee Fortier and Bob Strosser

Manager Larry Rains, Medford City Attorney Lori Cooper; City Recorder Karen Spoons; Deputy City Recorder Winnie Shepard; Administrative Coordinator Yvette Finstad; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Public Information Coordinator Sara Bristol; Conservation Coordinator Laura Hodnett; Operations Superintendent Ken Johnson

Guests: Central Point Mayor Hank Williams; Central Point City Manager Chris Clayton; Phoenix City Manager Steve Dahl

3. Approval or Correction of the Minutes of the Regular Meeting of February 3, 2016
The minutes were approved as presented.

4. Comments from Audience
None.

5. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$630,028.03.

Moved by: John Dailey

Seconded by: Jason Anderson

Commissioner Johnson noted an abstention on the Rogue Disposal payment by Commissioner Fortier.

Roll Call: Commissioners Anderson, Dailey, Fortier, Johnson and Strosser voting yes; Commissioner Fortier abstaining from the Rogue Disposal payment.

Motion carried and so ordered.

6. Engineer's Report (Principal Engineer Eric Johnson)

- 6.1 Duff Water Treatment Plant Floc/Sed Basins: Four sections of the settled water flume are complete. Settled water flume under the existing finished water flume walls are formed and will be poured February 18. Demolition of the ozone floor is complete. Work continues on the electrical system; the incidental plumbing for chemical feed system is complete.

- 6.2 Water Main Projects Highway 62: The Highway 62 Phase 1 bid opening was held February 11, 2016. OBEC Consulting Engineers is tallying the bids for the Oregon Department of Transportation (ODOT). The cost for the drilled sign post is forthcoming.

- 6.3 City of Medford (COM) Lozier Lane Project: Medford Water Commission (MWC) is awaiting a decision from Jacksonville Highway Water District (JHWD). Marquess and Associates is proceeding with the design of the 12" water main from West Main to Stewart Avenue and Lozier Lane. MWC staff and COM staff are coordinating the plans and the specifications for the project. They also met with JHWD and their Attorney John Blackhurst on Friday, February 12, 2016. JHWD is considering a vote on the dissolution and possibly proceeding to a general election vote of the ratepayers for dissolution, but the earliest that could occur is May.

Commissioner Dailey asked whether COM could compel JHWD to install the new pipe; Principal Engineer Eric Johnson explained the County would have to make such a request via COM. The project is convoluted, because the funding came via the County, but the County approached the City to work the project. However, ODOT continues to administer the project. Pursuant to Oregon law, when improvements are made to streets, facilities must be moved. If not, the County could abate said waterline. City Attorney Lori Cooper clarified "abate" meant a lien could be placed on the properties that will benefit from the waterline installation. Commissioner Dailey asked if the liens would impact the residents on only that street; Mr. Eric Johnson responded that it would impact everyone in the district.

Commissioner Anderson questioned what would occur if MWC did nothing; Mr. Johnson responded the line would probably still be built, but he assumed a lawsuit would be filed to force JHWD to pay the cost. Ms. Cooper noted MWC didn't have to replace the pipes, but in the future they will fail and need to be replaced.

Mr. Eric Johnson explained that if JHWD dissolves, the County would be required to provide those residents with water pursuant to Oregon law. He speculated that because the County does not provide water services, the issue would be returned to MWC. If we did not replace the waterline, MWC would move forward to complete the project from West Main to Meadows. Everything else would be left to the County or someone else to complete.

Manager Larry Rains stated the pipe would most likely be replaced, regardless of whether it was an 8 inch or 12 inch pipe. JHWD would most likely pay for the 8 inch pipe and MWC would probably pay the additional cost for oversizing. He recommended incorporating JHWD into the MWC, as has been done with other districts that have dissolved. The district's residents would be considered outside customers and MWC could include a surcharge to repay expenses incurred by replacing the pipe.

Mr. Eric Johnson noted there were some estimates made for the surcharge, ranging from \$5 to \$15 dollars per month. Their attorney requested that MWC provide a figure for the surcharge, but a "hard number" cannot be determined until the project is complete.

Commissioner Dailey asked if the County could begin the waterline project. Mr. Rains responded the County has the authority, but the City would most likely have to front the funding in the interim. After the project is complete, a determination of who pays what can occur.

Mr. Eric Johnson wasn't clear if Medford could legally proceed on the project, because it wasn't in our jurisdiction. Ms. Cooper explained that action would need to take place to prevent trespassing issues.

Commissioner Dailey noted the Board is uncomfortable with this situation and may or may not be inclined to take on servicing this area. Ms. Cooper noted JHWD was advised of the dates and times of the MWC meetings and were invited to today's public meeting. Mr. Rains noted this project started over a year ago.

Commissioner Anderson asked how many residences were in the district; Mr. Rains estimated 340-350 houses.

- 6.4 Master Plan Update: CH2M continues to work on the Master Plans; the next review meeting is tentatively scheduled for next week.

Commissioner Anderson asked about the budget for the Floc/Sed Basin budget, and noted a payment of \$250,000; Mr. Johnson responded MWC is within budget.

7. Water Quality Report (Water Quality Director Rosie Pindilli)
None.

8. Finance Report (Finance Administrator Tessa DeLine)

8.1 Finance staff continues to prepare the 2016-2017 annual budget and is working on various housekeeping details, including cleaning up and/or inactivating general ledger account numbers.

8.2 The contract with Government Portfolio Advisors has been signed and should be received shortly. Deanne Woodring of Government Portfolio Advisors will attend the next study session to discuss the overall financial market and how their firm can assist with MWC's liquidity needs.

9. Operations Report (Operations Superintendent Ken Johnson)

9.1 Safety Committee presented injury prevention trainings to the staff in operations and at the Duff Treatment plant.

9.2 Crews are actively working on valve maintenance; replacing the Hersey brand compound meters due to a lead issue as well as lack of replacement parts. Staff's goal is to replace 10 per year.

Commissioner Dailey asked for an update on meters that were running backward. Operations Superintendent Ken Johnson explained that representatives from Sensus would be visiting on February 25 and 26 to discuss this issue and their plan. Staff has reviewed multiple meters and approximately three out of every 200 are found to be intermittently running backward. Mr. Eric Johnson explained that there are exception reports run repeatedly by staff to determine these types of problems with meters.

Mr. Rains explained that because meters run backward intermittently, it has been difficult to determine which and if meters were running backwards.

10. Manager/Other Staff Reports

- 10.1 Mr. Rains reminded the Board of the retirement party for Geologist Bob Jones, which will be held Friday February 26, 2016 at 6:00 p.m. at the Inn at the Commons.

11. Propositions and Remarks from the Commissioners

- 11.1 None.

12. Adjourn

There being no further business, this meeting adjourned at 12:48 p.m. The proceedings of the MWC 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.

Winnie Shepard

Deputy City Recorder