



BOARD OF WATER COMMISSIONERS MINUTES

Wednesday, April 5, 2017

Lausmann Annex Room 151/157

200 S. Ivy Street., Medford, Oregon 97501

The regular meeting of the Medford Water Commission was called to order at 12:21 p.m. on the above date at the Medford City Hall Lausmann Annex, Room 151/157 with the following commissioners and staff present:

Chair John Dailey; Commissioners Jason Anderson, Daniel Bunn, Bob Strosser

Interim Manager and Principal Engineer Eric Johnson, Medford City Attorney Lori Cooper; City Recorder Karen Spoonts; Administrative Coordinator Yvette Finstad; Finance Director Tessa DeLine; Geologist Bob Jones; Operations Superintendent Ken Johnson; Duff/Water Treatment Plant Director Jim Stockton; Watershed Administrator Craig Harper; Conservation Coordinator Dave Searcy

Guests: Medford Councilmembers Michael Zarosinski and Tim D'Alessandro; Central Point Mayor Hank Williams; Central Point City Manager Chris Clayton; Eagle Point Mayor Bob Russell; Eagle Point City Administrator Henry Lawrence; Rudd Johnson of Crown Hill Consulting; Brad Taylor of Eugene Water & Electric Board

Commissioner Leigh Johnson was absent.

3. Approval or Correction of the Minutes of the Last Regular Meeting of March 15, 2017
The minutes were approved as presented.
4. Comments from the Audience
 - 4.1 Brad Taylor stated he was here to learn about the Manager position.
5. Public Hearings
 - 5.1 Consider Resolution No. 1630, A RESOLUTION Adopting Standards, Criteria and Policy Directives to be Used in Hiring the General Manager in Accordance with ORS 192.620 and 192.660(7)(d)

The proposed standards, criteria and policy directives to be used in hiring the General Manager for the Medford Water Commission must be adopted in a meeting open to the public in which the public has had the opportunity to comment. Suggestions from the Board have been incorporated, and board members will act as the Selection Committee. Staff recommended approval. Job description was formulated by Rudd Johnson of Crown Hill Consulting.

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

Motion: Approve Resolution No. 1630

Moved by: Mr. Anderson

Seconded by: Mr. Strosser

Rudd Johnson reported 25 applications were received; 16 had qualifications to proceed. The application deadline is April 7.

Roll Call: Commissioners Anderson, Bunn, Dailey, and Strosser voting yes.

Motion carried and so ordered. Resolution No. 1630 was approved.

6. Resolutions

- 6.1 No. 1631, A RESOLUTION Modifying and Establishing the Rate of Return on Investments Charged to the Outside, Other Cities, and Districts Customer Groups (OCGs) of the Medford Water Commission

This item was pulled and will be brought back to the next meeting.

- 6.2 No. 1632, A RESOLUTION Awarding and Authorizing the Manager to Execute a Contract with Black & Veatch for the Water Quality Corrosion Study

In 2016, the Commission solicited proposals for the Water Quality Corrosion Study through a Qualifications-Based Selection process and received three proposals. Negotiations with top proposer Black & Veatch were successfully concluded and discussed with the board at the last meeting; the total cost is \$789,774.00. Notice of Intent to Award was issued on March 15 and no protests were received. Staff recommended approval.

Motion: Approve Resolution No. 1632

Commissioner Anderson questioned what the costs were for the other applicants; Interim Manager Johnson noted there were no other applicants because of the process we are going through. Commissioner Strosser noted while expensive, it needs to be done.

Moved by: Mr. Strosser

Seconded by: Mr. Bunn

Roll Call: Commissioners Anderson, Bunn, Dailey, and Strosser voting yes.

Motion carried and so ordered. Resolution No. 1632 was approved.

- 6.3 No. 1633, A RESOLUTION Authorizing the Manager to Execute a Contract Amendment for GSI Water Solutions, Inc. (GSI) for Consulting Services for Permitting Related to the Duff II Water Treatment Plant

An amendment for GSI's sole source contract was previously awarded by board members for the Consulting Services for Permitting Related to the Duff II Water Treatment Plant project. An additional amendment, in the amount of \$13,208, is necessary due to additional services required to develop modeling data for the National Marine Fisheries Service and US Army Corps of Engineers. If approved, the total cost of the amendments and the original contract will be \$320,821, which exceeds the Manager's purchasing authority without board approval. Staff recommended approval.

Geologist Jones noted the permits have been submitted. The consultant wanted to collect their own data although staff wanted to use existing data. To combine all data and format the consultant had to do extra work on it, which is costing an additional \$20,000. He noted this is driven by the CORP and National Marine Fisheries.

Motion: Approve Resolution No. 1633

Moved by: Mr. Anderson

Seconded by: Mr. Bunn

Roll Call: Commissioners Anderson, Bunn, Dailey, and Strosser voting yes.

Motion carried and so ordered. Resolution No. 1633 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 \$733,986.03

Moved by: Mr. Strosser

Seconded by: Mr. Anderson

Roll Call: Commissioners Anderson, Bunn, Dailey, and Strosser voting yes; Bunn and Anderson recused themselves from Asante Physicians Partner voucher. Ashland Physicians Partner voucher will be carried over to the next meeting.

Motion carried and so ordered.

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

- 8.1 Duff Water Treatment Plant Floc/Sed Basins – The final bridge is being set. The last two flocculates are installed. Electrical work continues for the project. April start-up schedule is underway. The basins are full of water. SCADA programming is ongoing.
- 8.2 City of Medford Lozier Lane Project - The project is underway with construction on Prune Street. Commissioner Dailey questioned the cost of eight million dollars for this project as noted in the Medford Mail Tribune; Interim Manager Johnson noted if the paper took the ODOT bid the MWC portion would be included in that price.
- 8.3 Master Plan Updates - The Water Management and Conservation Plan (WMCP) is on administrative hold pending the approval of the water right extension. Staff is currently reviewing the CIP portion of the final draft of the Plan.
- 8.4 Corrosion Study - Black and Veatch contract was approved today. Staff will proceed with obtaining contracts, insurance, business license and W-9.
- 8.5 Jackson County Table Rock Road Project - Staff is coordinating with ODOT and HDR concerning contracts. An IGA with ODOT will be required for construction of the water main.
- 8.6 City of Medford Foothill Road Project - Medford will have base plans available to MWC in the middle of April. Upon receiving the base plans MWC will start the water main design.

Commissioner Anderson questioned when Lozier Lane will be completed; Interim Manager Johnson noted it needs to be done in three phases so it won't be completed when the Foothill Road Project starts.

Commissioner Dailey questioned the Duff photo presented and why the water was present; Interim Manager Johnson noted the water is in there for testing purposes. Commissioner Dailey questioned if there were any leaks; Mr. Johnson stated there were.

9. Operations Report (Operations Superintendent Ken Johnson)

- 9.1 On Monday, March 27, a 14" line broke on Jeanette Street at 9:03 a.m. and was isolated around 9:35 a.m. In that period of time, approximately 540,000 gallons of water was discharged. After the main was isolated, staff realized that the low pressure complaints received were related to the main break. Staff began the process of repairing the main. MWC insurance company was notified soon after the main break and Service Masters was called to begin the process of remediation. The following morning two bacteriological samples were taken on Jeanette Street near the main break. Both samples came back negative. Staff sought direction from the Oregon Health Authority and followed the protocol given. Staff is currently reviewing current practices, State of Oregon OAR rules, AWWA standards, and plan future table top exercises.

It was determined that a valve at Archer Station was closed and not placed back into the open position after a test was performed. Staff plans to evaluate why secondary lines that feed this area did not maintain pressure during the main break.

Operations Superintendent Ken Johnson noted we did not need to boil water nor have we had to since he has been with the MWC. Interim Manager Johnson noted it was a tremendous loss of power and got our attention. The Board requested staff come back with the final reports.

10. Water Treatment Report (Water Treatment Director Jim Stockton)

- 10.1 Staff is still in the process of renegotiating the chemical contracts for this upcoming operating season, these are expected to be complete by the middle of the month.
- 10.2 Work continues on Phase 1 of the Supervisory Control and Data Acquisition (SCADA) Migration Project which should be complete by mid-April. We currently have the Local Area Network up and running on the new data highway with the firewall in place. One aspect of this project is that it will provide greater security for the Duff operating system so as to be less vulnerable to anyone gaining access from the outside.
- 10.3 The ozone system has been commissioned, and the balance of the systems is being commissioned this month.
- 10.4 This week we are in the process of commissioning a portion of the new flocculation and sedimentation project. Staff is training on and taking possession of approximately 60 mechanical and analytical devices to be operated, nurtured, and maintained by our staff, which is less than half of all the devices in the project. On site this week are manufacturer representatives as well as design engineer, electricians, instrumentation and control experts and the contractor's regular staff.

Commissioner Dailey questioned if we are using any portion of the newly completed project; Mr. Stockton noted we are but it is a hybrid version. Commissioner Anderson questioned when we would be ready to produce water; Mr. Stockton noted by the end of this month.

11. Finance Report (Finance Director Tessa DeLine)

- 11.1 The draft 2017-18 annual budget is nearing completion. The draft will be distributed to staff this week for further review. Staff is working on the March financial statements.
- 11.2 The annual budget is scheduled to be presented at the May 17 study session.

Commissioner Anderson questioned if we are going to do things a little different in the budget; Commissioner Dailey stated he hopes so and is reviewing the process.

12. Quarterly Watershed Report (Watershed Administrator Craig Harper)

Out of sequence

- 12.2 Projects and activities staff has been working on since January are:

- Water rights
- Manage the MWC vernal pool preserve and implement the mitigation plan
- Forest management
- Partnering with agencies and others on many projects, such as the watershed protection and restoration

- 12.3 HB 3421 – Rachel Rancier, Legislative Coordinator for Oregon Water Resource Development (OWRD) have offered amendments to the bill which are:

- Reduce the scope of the legislation so it's not applicable statewide
- Make it only for areas such as Big Butte Creek that are withdrawn from future appropriation

Since the bill was just introduced last week the League of Oregon Cities does not have a recommendation on it. Mr. Rancier said "It would provide a solution to the Carey Pond issue, if they qualify." It was written to address that issue. The legislation would establish priority dates, so MWC's water rights would not necessarily be harmed. No opinion was

given on how we should respond.

Shavon Haynes, Jackson County Watermaster, said it creates a way for people who didn't take advantage of the "pond amnesty" in the 1990's to have another opportunity to get water rights for their ponds. It also creates a priority date, and has instream water considerations. It has a provision for concerned agency review and would be subject to a water rights call if senior water rights are being injured. It requires fish passage and ponds to be equipped with headgates and other controls. Many historic-use ponds don't meet this requirement. The ponds don't require an actual water right permit or water right certificate, but they will have priority dates associated with the date the owner files an application to register the pond.

Commissioner Strosser questioned if Larry Menteer had been consulted, Mr. Harper stated he has not talked to him. Commissioner Dailey questioned if we are inclined to support it. Mr. Jones noted it is a solution to the problem. The ponds must have been in existence, and this registers the pond. You would not get water rights for signing up. Mr. Harper will keep the Board advised as information comes forward. The proposed house bill will be sent to the Commissioners.

Back in sequence

12.1 Letter of Support for Rogue Source Water Protection Partnership Grant

The Oregon Health Authority (OHA) is requesting grant applications from drinking water systems for Drinking Water Source Protection projects. Rogue Source Water Protection Partnership, a proposed regional project with Grants Pass as the lead applicant and MWC as co-applicant, will establish a strong coalition with other municipal and private water provider partners to increase the effectiveness of source water protection. This partnership will also serve as a catalyst for future cooperation, and will increase the pace of restoration, conservation and water quality protection in the Rogue Valley. Although no match is required for the OHA grant, our participation will contribute between \$2,000 and \$5,000 in staff time to the project. A letter of support for the project and grant summary was needed to be approved by the board members.

Motion: Direct staff to provide a letter of support and grant summary for the Rogue Source Water Protection Partnership Grant

Moved by: Mr. Strosser

Seconded by: Mr. Anderson

Roll Call: Commissioners Anderson, Bunn, Dailey, and Strosser voting yes.

Motion carried and so ordered.

13. Interim Manager/Other Staff Reports

13.1 Recurring Payments - MWC is still awaiting word from AUS pertaining to recurring payments on credit cards.

13.2 WaterSense - The WaterSense labeling program, which has never been funded in the federal general budget, is in grave danger of losing its funding. Because the WaterSense program has never been congressionally authorized, it does not have its own budget line item, and has been funded at the discretion of the EPA Administrator. WaterSense would like the Interim Manager to sign a letter of support which would request continued funding for the WaterSense program for the remainder of FY 17-18. The Board agreed.

13.3 The National Mayor's Challenge for Water Conservation is currently going on and staff encouraged everyone to participate.

14. Propositions and Remarks from the Commissioners

14.1 Commissioner Strosser will be out of the area from May 13 to the end of May.

14.2 Paving has been corrected in front of 20 Jeanette Street.

15. Adjourn

There being no further business, this Commission meeting adjourned at 1:20 p.m. The proceedings of the Medford 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
City Recorder
Clerk of the Commission