

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

April 15, 2015

The regular meeting of the Medford Water Commission was called to order at 12:27 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, Bob Strosser

Manager Larry Rains, Medford Deputy City Attorney John Huttli; Deputy City Recorder Karen Spoons; Administrative Coordinator Betsy Martin; Administrative Specialist Yvette Finstad; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Public Information Coordinator Laura Hodnett; Operations Superintendent Ken Johnson; Duff/WTP Director Jim Stockton; TS Administrator Kris Stitt

Guests: Central Point Mayor and Liaison Hank Williams

3. Approval or Correction of the Minutes of the Regular Meeting of April 1, 2015
The minutes were approved as presented.

4. Comments from Audience

- 4.1 Central Point Mayor Hank Williams stated that he will miss a few meetings but would like a copy of the budget when ready.

5. Resolutions

- 5.1 No. 1577, A RESOLUTION Awarding to, and Authorizing the Manager to Execute a Contract in the Amount of \$17,336,783 with, McClure and Sons, Inc., for Construction of 65 MGD Flocculation/Sedimentation Basin Expansion Project at the Robert A. Duff Water Treatment Plant

Four bids were received on this project. McClure and Sons, Inc. was the low, responsive, responsible bidder. Notice of Intent to Award was issued on April 1, 2015 and no protests were received. Manager Rains suggested the awarding of this contract be postponed to give staff time to present the expense side of the budget, how this will affect rates, and any other information the Board would like presented.

Commissioner Anderson questioned if there are procedural requirements to accept the bid; Mr. Rains noted that this will need to be directed by motion to postpone. Staff discussed the Notice of Intent to Award.

Motion: Postpone Resolution No. 1577 until the next meeting

Moved by: Mr. Dailey

Seconded by: Mr. Strosser

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

Motion carried and so ordered.

- 5.2 No. 1578, A RESOLUTION Amending Article 1.02, Authority of the Manager, and Article 1.07 Board Authority; Dollar Amount; Intergovernmental Agreements; and Liability Clauses, of the Medford Water Commission's Contracting and Purchasing Regulations

The resolution proposes two changes to the Commission's Contracting and Purchasing Regulations (Regulations), which should make the Commission's contracting and purchasing more efficient. The Regulations were adopted in Resolution No. 1456, on August 17, 2011. Since that time, the Commission has required all agreements containing hold-harmless and limitation-of-liability terms, regardless of expense level, to be approved by the Board. The rationale for requiring Board approval is that a hold-harmless or limitation-of-liability term has the potential to expose the Commission to an expense amount beyond that of the Manager's

authority. The Commissioners have consistently approved these contracts (around 15 since 2011) and thus far, the hold-harmless and limitation-of-liability terms have not been invoked, so, Board approval has been more of a formality. In recent years, an increasing number of the Commission's contracts have been impacted by these terms, and it also has come to staff's attention that most, if not all, software purchases, upgrades and downloads require the Commission to approve liability clauses. Board approval requires a two-week lead time and agenda preparation, and software upgrades frequently require a quick turnaround time. It is anticipated that approving this resolution would result in administrative staff and Board time-cost savings. The proposed amendments allow the Manager to approve contracts containing hold-harmless and limitation-of-liability clauses, when those contracts are within the overall expense authority of the Manager. Staff recommended approval.

Medford Deputy Attorney Huttli stated a recent case where hold-harmless was involved. He also provided information on what the City of Medford does. Commissioner Fortier questioned if the Manager runs them through Legal; Mr. Huttli stated that all contracts with the City are signed off by the Legal Department. Mr. Rains stated that these type of contracts occur on a daily basis; Mr. Huttli provided further information on risk and stated that this could be policy questions. Commissioner Dailey questioned what is the underlying reason why hold-harmless is added to contracts; Mr. Huttli provided further information. The Board discussed their thoughts on the hold-harmless clause; Mr. Rains stated that he would bring to the Board those contracts that he had a concern about.

Motion: Approve Resolution No. 1578

Moved by: Mr. Dailey

Seconded by: Mr. Anderson

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

Motion carried and so ordered. Resolution No. 1578 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 \$306,787.31

Commissioner Johnson questioned the payment to Corix Water Products; staff noted that this is for yolk expanders used to install meters.

Moved by: Mr. Anderson

Seconded by: Mr. Dailey

Roll Call: Commissioners Anderson, Dailey, Fortier, Johnson, and Strosser voting yes; Fortier recused himself from the Rogue Disposal and Rogue Transfer & Recycling vouchers.

Motion carried and so ordered.

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

7.1 Duff Water Treatment Plant Floc/Sed Basins – The award of the project was postponed for two weeks today. The award of the contract will be brought back to the Board at the May 6 meeting.

7.2 Duff Water Treatment Plant Raw Water Intake Pumps 1 & 2 – All five of the raw water pumps are online and operational. The nominal pumping capacity is 71 MGD with a firm capacity of 51 MGD. The pump painting is complete and only the SCADA interface is yet to be finished.

7.3 Vilas Road 16" Water Main Inter-tie – The contracts, bonds and insurance forms have been received, the Notice to Proceed will be issued. A preconstruction meeting is scheduled for May 12. The submittal review process is underway.

7.4 Avenue H 12" Water Main Replacement – The mandatory pre-bid meeting was held on April 2. There are six contractors who are prequalified to bid the project. The bid opening is scheduled for April 21.

8. Water Quality Report (Water Treatment Director Jim Stockton)
 - 8.1 Work will begin on repairs at the Big Butte Springs. Commissioning activities are in full swing and the plant should be full of water early next week. With the upcoming Floc/Sed Basin project, salvaged aluminum covers which are stored in a construction area, will need to be sold; therefore they will go to the highest bidder.
9. Finance Report (Finance Administrator Tessa DeLine)
 - 9.1 Inventory issues that have been plaguing the Finance Department have nearly come to an end; there is one report that needs to be corrected by the consultants. The final payment to the consultants should be in the next check run.
 - 9.2 Finance has been focusing on preparing the new expense budget and design and should be presented at the May 6 Board meeting.
 - 9.3 The RFP for the Agent of Record for insurance services was distributed and the RFP will close tomorrow. We should have our insurance agent selected by the end of this month.
 - 9.4 The January financial statement should be completed today and out to the Board at the end of this week.

Commissioner Anderson questioned if we have gotten any interest in the Agent of Record; Finance Administrator Tessa DeLine stated that none have been received although in the past we did not receive any interest until the 11th hour.

10. Operations Report (Operations Superintendent Ken Johnson)
 - 10.1 Operations staff took BBS #1 from ½ pipe to full pipe as Capital Hill Reservoir was not filling up. This is an annual event that is done every spring.
 - 10.2 A thank you card was received from Chevrolet thanking us for purchasing a car. This is the new car for Principal Engineer Eric Johnson.
11. Manager/Other Staff Reports
 - 11.1 Mr. Rains presented the status of the Eagle Point Irrigation District meeting. Of the two issues that were on the table both has been accomplished. They were 1) amendment to our second diversion permit which that approved and 2) reaching an agreement on how we operate Willow Lake. The agreement, which will continue until either party wishes to change the language, should be back to the Board at the next meeting.

12. Propositions and Remarks from the Commissioners
 - 12.1 None

13. Adjourn

There being no further business, this Commission meeting adjourned at 12:53 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. Spoons, MMC
Deputy City Recorder
Clerk of the Commission