

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

June 1, 2016

The regular meeting of the Medford Water Commission was called to order at 12:29 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

Manager Larry Rains, Medford City Attorney Lori Cooper; City Recorder Karen Spoons; Administrative Coordinator Yvette Finstad; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Public Information Coordinator Sara Bristol; Conservation Coordinator Laura Hodnett; Geologist Bob Jones; Operations Superintendent Ken Johnson; Duff/Water Treatment Plant Director Jim Stockton; Conservation Technician Dave Searcy

Guests: Medford Councilmember Chris Corcoran; Central Point Mayor Hank Williams; Central Point City Manager Chris Clayton; Eagle Point Mayor Bob Russell

Commissioner Bob Strosser was absent.

The pledge of allegiance was given.

3. Approval or Correction of the Minutes of the Regular Meeting of May 18, 2016
The minutes were approved as presented.

4. Comments from Audience

- 4.1 Eagle Point Mayor Bob Russell stated he was pleased to be back and told the Board to keep up the good work.
- 4.2 Andy Healy, Director of HomeServe USA, would like to come back and discuss with the MWC on what they do. HomeServe is a large provider of low-cost repair plans, such as sewer and utility lines. He stated most property owners don't know they are responsible for these lines. HomeServe partners with utilities by providing an education program at no cost to the utility company. Consumers are offered a policy should something happen to their service line. This also provides a revenue source to the utility company.

Commissioner Johnson requested he schedule an appointment with staff. Conservation Coordinator Laura Hodnett noted they have had contact with them and we have put out information in the past pertaining to this service.

- 4.3 Brian Hallin, representing a group of seven in attendance, expressed concern with the Lozier Lane Project as they were part of the Jacksonville Highway Water District (JHWD). The 12" water pipe would be paid with the 320 residents and who thought they should not be paying for all of it. Commissioner Johnson noted we are doing an increase in the size of the line. Manager Rains noted the 4" line is undersized, today's standard is an 8" line, and the MWC will pay for the oversizing cost above 8". Principal Engineer Eric Johnson noted there are dual 4" lines serving them presently. The group questioned the amount of the project; Engineer Johnson stated we won't know the hard number until bids are received and they could be higher due to the high demand of projects being done. Mr. Rains further stated we won't know the actual cost until the project is complete as change orders can increase the project amount. Mr. Hallin questioned the Dr. Young property and would they be assessed as well. Engineer Johnson stated nothing has been submitted for that property. Discussed was fairness; Mr. Rains noted the Board is open to deciding or changing the policy. Another residence didn't think it was fair as they don't directly live on Lozier Lane. Engineer Johnson noted each development pays for

their portion. Staff was unsure when the JHWD would dissolve. Mr. Hallin questioned why they needed to pay for the line; Mr. Rains noted it was part of the choices they had when voting whether to dissolve or not. One option would have been for them to move the line, although it became clear that it was not an option.

Commissioner Johnson requested they keep in touch with the MWC as we will be happy to share information. He also encouraged them to bring their questions ahead of time so the Board has time to respond to their questions. Commissioner Corcoran questioned if the quote was on a bid; Engineer Johnson noted it was a guess. Commissioner Corcoran remarked that one shouldn't be shocked if the price goes up.

5. Public Hearings

- 5.1 No. 1600, A RESOLUTION Adopting the Budget for the Medford Water Commission of the City of Medford, by and through its Board of Water Commissioners, for Fiscal Year 2016-17 Commencing July 1, 2016, and Making Appropriations Thereunder

The proposed budget for Fiscal Year 2016-17 was presented at the study session on May 4. Notice of the hearing was posted at City Hall and the Commission's annex office and published on the website starting May 18. Notices were also published in the May 25 and May 29 editions of the Mail Tribune. Printed copies of the proposed budget were delivered to the Commissioners on May 3 and distributed to any interested parties. Staff recommended approval.

Public hearing opened.

It was stated that the City of Central Point presented a letter to be part of the record.

Central Point City Manager Chris Clayton remarked his comments are in the letter and did not need to speak as long as the letter was part of the record.

Public hearing closed.

Finance Administrator Tessa DeLine provided the Commissioners with recommendations to the budget. Commissioner Anderson questioned the net effect to the budget; Ms. DeLine was unsure but could provide a draft, if interested; she noted there are increases and decreases which would affect the beginning and ending fund balance. The Board agreed to go over each change one by one.

Pertaining to water revenue, Commissioner Anderson noted \$800,000 is missing. Ms. DeLine stated they used a new model. Commissioner Dailey questioned the impact of delaying this to the next meeting. Mr. Rains noted it would need to be discussed at the next meeting. Commissioner Dailey stated he would like to continue this to the next meeting. Commissioner Anderson questioned if we need to reopen the public hearing again.

Motion: Reopen and continue the public hearing to the June 15, 2016 Medford Water Commission meeting

Moved by: Mr. Anderson

Seconded by: Mr. Dailey

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

Motion carried and so ordered.

Commissioner Anderson requested the budget be added to the MWC website; Ms. DeLine stated that she would do that and also get a copy to the City of Central Point as requested.

- 5.2 Consider Resolution No. 1601, A Resolution Modifying the Charges for Special Services, Exhibit D of the Regulations Governing Water Service, Effective July 1, 2016

At the April 20 meeting, staff presented a study session on proposed changes to the Charges for Special Services. The modifications are increases or decreases based on costs of materials, travel, labor and whether contractors or utility staff members do the work. These charges are published as an exhibit to the Commission's Regulations Governing Water Service. Notice of the hearing was posted at City Hall and the Annex, and published in the Mail Tribune and on the website. If approved, the modified charges would be effective July 1, 2016. Staff recommended approval.

Public hearing opened.

No one spoke.

Public hearing closed.

Motion: Approve Resolution No. 1601

Moved by: Mr. Dailey

Seconded by: Mr. Fortier

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

Motion carried and so ordered. Resolution No. 1601 was approved.

- 5.3 Consider Resolution No. 1602, A RESOLUTION Modifying the Charges in Lieu of Assessment, Exhibit A of the Regulations Governing Water Service, for Properties Directly Benefited by the Installation of Water Mains but Not Specifically Assessed for Such Benefit, Effective July 1, 2016

At the April 20 study session, staff also presented proposed changes to the charges in lieu of assessment. The per-lineal-foot assessments are revised on an annual basis on July 1, using the Engineering News Record's Construction Cost Index from the prior December. Staff is asking for approval to change the current rate of \$23.13 to \$23.59 per lineal foot. These charges are published as an exhibit to the Commission's Regulations Governing Water Service. Notice of the hearing was posted at City Hall and the Annex, and published in the Mail Tribune and on the website. If approved, the modified charges would be effective July 1, 2016. Staff recommended approval.

Motion: Approve Resolution No. 1602

Moved by: Mr. Dailey

Seconded by: Fortier

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

Motion carried and so ordered. Resolution No. 1602 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 \$680,726.80

Commissioner Johnson questioned the payment to Grants Pass Water Laboratory; Mr. Rains stated it was for required testing.

Moved by: Mr. Dailey

Seconded by: Mr. Fortier

Roll Call: Commissioners Anderson, Dailey, Fortier, and Johnson voting yes; Fortier recused himself from the Rogue Shred voucher.

Motion carried and so ordered.

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

7.1 Duff Water Treatment Plant Floc/Sed Basins – Concrete forming, rebar setting and concrete pours continue for the sedimentation basins and the settled water flume. The installation of the 48" pipe for the basin influent water is underway. Work continues on the electrical system. The piping in the sludge vault is nearing completion.

7.2 Highway 62: 14" Water Main Reroute – ODOT has started construction on the Highway 62 project. MWC has relocated all water facilities that were requested by ODOT. MWC Operation staff will have on-going work within the Highway 62 project with water meter adjustments.

Commissioner Dailey questioned if he was talking about the bi-pass; Engineer Johnson stated that he was.

7.3 Lozier Lane Project – MWC staff continues to work with Marquess and Associates on the water plans. MWC and City of Medford staff continues to coordinate on the plans and the specification for the project. Engineer Johnson noted that if there wasn't a surcharge it would go back to the County.

Commissioner Dailey questioned if he had talked to Mr. Hallin before; Engineer Johnson noted that staff has. Commissioner Fortier questioned the assets JHWD has; Engineer Johnson provided information on the storm drain, the dual 4" lines, and crank shafts, He further stated Jackson County would not allow the crank shafts. Mr. Rains noted there is a missing step as MWC must take on the JHWD via ordinance.

7.4 Master Plan Updates – CH2M has submitted a full rough draft of Water Management and Conservation Water Plan (WMCP), which staff is currently reviewing. CH2M continues to work on the Water Distribution System Facility Plan and the Robert A. Duff Water Treatment Plan Facility Plan. A phone conference will take place Friday for the last two plans.

8. Water Treatment Report (Water Treatment Plan Director Jim Stockton)

8.1 Duff went into service on May 9. Production for the month of May was not a record, but an average high. The plant will go 24-hour a day starting tomorrow, mostly due to weather. Crater High School recently brought classes to tour the plant. The water dive inspection at the Rogue intake will be scheduled in preparation for cleaning.

9. Finance Report (Finance Administrator Tessa DeLine)

9.1 Staff is focused on a few items; the budget analysis memo and created a water revenue projection model.

9.2 The Investment Policy has been updated; Ms. DeLine would like to meet with Mr. Rains, Commissioner Dailey and Deane Woodring of Government Portfolio. Commissioner Dailey requested the changes sent to him before scheduling a meeting.

10. Operations Report (Operations Superintendent Ken Johnson)

No report given.

11. Manager/Other Staff Reports

11.1 Landscape Maintenance of MWC Facilities and Watchman Duties Contract

Staff requested direction from the Board regarding a unique long-term agreement with Spencer Dahlgren, who maintains landscaping at MWC sites and lives in an MWC-owned home at the Capital Hill Reservoir site, where he also performs duties as watchman. Mr. Dahlgren has worked for the Commission since 1985 and has lived in the Commission-owned home since that time.

Operations Superintendent Ken Johnson stated that the original contract was from 2006. The Board discussed the competitive quoting process and how much we pay him; staff noted it is \$1,500 a month. Commissioner Johnson noted that he keeps the place immaculate. Commissioner Dailey liked the idea that someone liked there at the facility. City Attorney Cooper questioned if it was in his signing authority; Mr. Rains noted it was.

11.2 Oregon Department of Forestry Fire Hydrant Device Usage

The Oregon Department of Forestry (ODF) has requested that the Commission agree in advance to set a hydrant device at the time of need for the purpose of supplying water to fire camps that may be established during the upcoming fire season. These camps use potable water for drinking, showering, and cooking. The ODF request is contrary to the Commission's regulations, staff requested direction.

Operations Superintendent Johnson provided additional information stating that ODF would need to pay after the fact, they don't like the coin operated machines, therefore staff requested the board approve this. Commissioner Johnson would like to do anything to help with fires. Johnson noted they want to work the logistics out to the camps. Commissioner Johnson questioned if we would have an employee come in after hours to do this; Operations Superintendent Johnson noted they would. Discussed was the amount of contractors they would have to get water and it makes it much easier to have the MMWC have an agreement with ODF. Engineer Johnson noted a hydrant is not potable water but the coin dispensary is. Discussed was what the water would be used for, such as showers, drinking, etc. Commissioner Johnson questioned why they could not get their water from the coin operator. Staff noted there were seven trucks there yesterday. Discussed was the use of the hydrant and rust in the barrel. The Board asked staff to bring their concerns to ODF and possibly bring forth a release.

12. Propositions and Remarks from the Commissioners
None.

13. Adjourn

There being no further business, this Commission meeting adjourned at 1:38 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