

**MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION**  
**June 5, 2013**

The pledge of allegiance was given.

The regular meeting of the Medford Water Commission was called to order at 12:25 p.m. on the above date at the Medford Service Center, 821 N. Columbus, Medford, Oregon with the following commissioners and staff present:

Chair Jason Anderson; Commissioners John Dailey, Cathie Davis, Lee Fortier, Leigh Johnson

Manager Larry Rains; Attorney John Huttli; Deputy City Recorder Karen Spoons; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Operations Superintendent Ken Johnson; Duff/WTP Supervisor Jim Stockton

City of Medford Councilmember Chris Corcoran; Central Point Mayor and Liaison Hank Williams; Central Point City Manager Chris Clayton; Eagle Point Public Works Director Robert Miller

3. Approval or Correction of the Minutes of the Last Regular Meeting of May 15, 2013  
The minutes were approved as presented.
4. Comments from Audience
  - 4.1 Eagle Point Public Works Director Robert Miller thanked the crew of the MWC for coordinating their meter reading with them as this will help them determine water consumption.
5. Public Hearings
  - 5.1 Consider Resolution No. 1521, A RESOLUTION Adopting the Proposed Budget, as Revised May 15, 2013, for the City of Medford Board of Water Commissioners for Fiscal Year 2013-14, Commencing July 1, 2013, and Making Appropriations Thereunder

At the regular meeting held on May 15, the board approved a public hearing to consider the proposed budget as revised for FY 2013-14. Notice was posted and published on the website starting May 17, and in the May 22 and June 2 editions of the Mail Tribune. The notice included all of the fund budgets. Copies of the revised Proposed Budget were distributed to the board at the May 15 meeting. Staff recommended approval.

Public hearing opened.

Central Point Mayor Hank Williams stated that in reviewing the budget the MWC seems to be moving full speed ahead. He thought the staff raises were inappropriate, the funding of DUFF II should be paid for by current users rather than issuing bonds, and the MWC has a huge carryover in the general fund when other cities only have a 10-15% carryover.

Public hearing closed.

Motion: Approve Resolution No. 1521

Moved by: Mr. Dailey

Seconded by: Mr. Johnson

Medford Councilmember Corcoran questioned the total amount of the budget; City Attorney Huttli noted that it is in the resolution. Mr. Corcoran questioned how much was CIP; Manager Rains noted it was about 5 million.

Commissioner Anderson questioned if anyone wanted to comment on Mr. Williams comments; Commissioner Johnson stated that the board needs to have a serious study session pertaining to those entities that we serve and if they will choose to continue to be served by the Medford Water Commission. Mr. Johnson stated that when we go out for a bond measure it will be on the backs of Medford, not the

other cities. We already know we won't have enough cash when we decide to start up Duff II, therefore he would like to continue to accumulate as much cash as we can to reduce our bonding issue.

Mr. Anderson addressed the conflict of negotiations, noted that board members are involved in the negotiations, hear all concerns, and will listen and take that in to consideration.

Mr. Corcoran stated that he had similar concerns and stated that councilmembers do not micro-manage the MWC.

Roll Call: Commissioners Anderson, Dailey, Davis, Fortier, and Johnson voting yes.  
Motion carried and so ordered. Resolution No. 1521 was approved.

5.2 Consider Resolution No. 1522, A RESOLUTION Modifying Exhibit D Charges for Special Services, of the Regulations Governing Water Service, Effective July 1, 2013

At the May 15, 2013 meeting, staff presented a study session on proposed changes to the Charges for Special Services. A new charge has been proposed for an account activation fee; the other changes 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 public hearing was posted and published in the Mail Tribune and on the website. The modified charges would be effective July 1, 2013. Staff recommended approval.

Public hearing opened.

No one spoke.

Public hearing closed.

Motion: Approve Resolution No. 1522

Moved by: Mr. Dailey

Seconded by: Ms. Davis

Mr. Anderson noted there are not any significant increases.

Roll Call: Commissioners Anderson, Dailey, Davis, Fortier, and Johnson voting yes.  
Motion carried and so ordered. Resolution No. 1522 was approved.

5.3 Public Hearing to Consider Resolutions No. 1523, A RESOLUTION Modifying Exhibit A, Charges in Lieu of Assessment, 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, 2013

At the May 15 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 \$21.35 to \$21.91 per lineal foot. These charges are published as an exhibit to the Commission's Regulations Governing Water Service. Notice of the public hearing was posted and published in the Mail Tribune and on the website. The modified charges would be effective July 1, 2013. Staff recommended approval.

Public hearing opened.

No one spoke.

Public hearing closed.

Motion: Approve Resolution No. 1523

Moved by: Mr. Dailey

Seconded by: Mr. Fortier

Commissioner Davis questioned the \$21.35 for Blackbird Way; staff noted it was a refund district.

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

Motion carried and so ordered. Resolution No. 1523 was approved.

## 6. Resolutions

- 6.1 No. 1524, A RESOLUTION Authorizing the Chair and City Recorder to Execute a Quitclaim Deed Releasing All Right and Title to, and Interest in a Water Main Easement to Table Rock Group, an Oregon Limited Liability Company, That Certain Real Property Situated in Jackson County, Oregon, Described as a Portion of a 10-Foot Wide Easement Being More Fully Described in Document No. 2005-061617 of the Official Records of Jackson County, Oregon

The water main easements were granted to the Commission in 2005 for Amy's Kitchen. The water main configuration was redesigned and a new easement was recorded. The quit-claiming of the easements will remove an unnecessary encumbrance from the property. The property owner's surveyor has provided the necessary documents for board consideration. Staff recommended approval.

Motion: Approve Resolution No. 1524

Moved by: Mr. Johnson

Seconded by: Mr. Johnson

Mr. Dailey questioned the location of the easement; Engineer Johnson provided information on the new location noting that we are adjusting the easement to accommodate a major improvement to their electrical room, that we try to accommodate expansions such as this, and that they don't have a lot of area on their property to make improvements. Commissioner Fortier questioned the size of the line; Mr. Johnson stated that it is an 8" line that was originally built for a fire protection. Mr. Rains noted that we don't have a lot of types like this but it does happen.

Mr. Anderson abstained from voting.

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

Motion carried and so ordered. Resolution No. 1524 was approved.

- 6.2 No. 1525, A RESOLUTION Authorizing the Chair and City Recorder to Execute a Utility Agreement with the State of Oregon for an Exchange Water Main Easements, Located at Tax Lot 500, Medford, Oregon, Described as Section 7D, Township 37 South, Range 1 West, W.M., for Project OR62: Corridor Solutions Unit 2 (Medford)

The State of Oregon (ODOT) is preparing to construct highway improvements and needs additional right-of-way which encompasses an easement held by Medford Water Commission (current easement). The State of Oregon proposes to exchange the existing water main easements for an easement the State is going to obtain on tax lot 500 via a Utility Agreement. The Utility Agreement benefits both parties concerning the easements. Staff recommended approval.

Motion: Approve Resolution No. 1525  
Moved by: Ms. Davis

Seconded by: Mr. Johnson

Mr. Dailey questioned where the water line is at; Engineer Johnson stated the line is behind Sportsman's Warehouse but will be moved.

Roll Call: Commissioners Anderson, Dailey, Davis, Fortier, and Johnson voting yes.  
Motion carried and so ordered. Resolution No. 1525 was approved.

- 6.3 No. 1526, A RESOLUTION Authorizing the Chair to Execute a Purchase Order Acknowledgment Agreement By and Between Air Liquide Industrial (Air Liquide) and the City of Medford, By and Through its Board of Water Commissioners (Commission), Related to the Purchase of Carbon Dioxide for the Robert A. Duff Water Treatment Plant (Duff WTP)

Mr. Rains read the resolution and stated that because this contained a hold-harmless and/or limitations of liability clauses this required board approval.

Motion: Approve Resolution No. 1526  
Moved by: Mr. Dailey

Seconded by: Ms. Davis

Mr. Dailey questioned the language; City Attorney Huttli noted it is in A4 and A5 of the agreement and provided further information on those items. Mr. Fortier questioned if there was a cap on the liability; Mr. Huttli provided information on damage limitations and indemnity language as stated in the agreement. Mr. Anderson noted that basically we are buying the chemical and the terms are there as standard procedure. Mr. Huttli stated that hold-harmless agreements did need council approval at the City but are now approved on management authority.

Roll Call: Commissioners Anderson, Dailey, Davis, Fortier, and Johnson voting yes.  
Motion carried and so ordered. Resolution No. 1526 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 \$643,375.70

Moved by: Mr. Johnson

Seconded by: Mr. Dailey

Mr. Johnson questioned the \$400 for the pump stations; Mr. Rains noted they are utility charges from the City.

Roll Call: Commissioners Anderson, Dailey, Davis, Fortier and Johnson voting yes; Johnson abstained from the Stanley Security voucher. Motion carried and so ordered.

#### 8. Engineer's Report (E. Johnson)

8.1 Duff Floc/Sed Basins – The technical memorandums have been reviewed and returned to Black & Veatch. Black & Veatch have started the Basis of Design Report; the rough draft of the report is due at the end of June. Staff has also reviewed Part B, Scope of Service, for the design portion of the contract. Staff will be returning Part B to Black & Veatch; Black & Veatch will assign costs to Part B and return to MWC for review.

8.2 Duff Emergency Backwash – The project is waiting for equipment to be manufactured and delivered. The estimate time for delivery is late August.

8.3 Martin Control Station – The block walls are complete and the roof is under construction.

- 8.4 Water Main Project Lyman Street & Bundy Street – Central Valley Excavation has finished construction on the Lyman Street Project. The Bundy Street Project is underway and should be completed in two weeks.
- 8.5 Water Main Project Highway 62 Bypass – The pothole data and conflict exhibits are still under review with ODOT.
- 8.6 Water Main Project Texas Roadhouse – Johnny Cat Inc. has completed the Delta Center/Texas Roadhouse water main project.

Mr. Dailey stated that he went to look at this and questioned where the water line was located; Engineer Johnson noted it is on the east side of the restaurant and on the north side of Sportsman's Warehouse. Mr. Johnson further commented that there was joint cooperation between all parties.

9. Water Quality Report (Stockton)

- 9.1 Duff Production - The month of May did yield some moisture; we had a 200 million gallon production for May which is the highest production for the last five years. Historically we may have a 2-1/2 billion gallon production summer.
- 9.2 Duff Operations - Duff is presently operating 18-20 hours a day to meet the needs and will soon be at 24-hour/day coverage. Currently we are training a new operation staff person who is certified and the learning process is going well. Mr. Rains noted that this is the first year that we will have full seasoned operations vs. seasonal college students. Duff/WTP Supervisor Stockton noted that for the past 14-15 years we have used seasonal workers.

Mr. Anderson questioned the record high; Mr. Stockton noted that our record is somewhere between 2.5-2.8 although we need to anticipate a three billion gallon summer due to past record highs in order to have chemical needs and budgeting in place. Mr. Fortier questioned the backwash pump repair figures presented; Mr. Stockton reported those costs as \$890.

10. Finance Report (DeLine)

- 10.1 The main focus of finance has been on the new software system.
- 10.2 March financial statements are complete and should be done by the next meeting; staff is working on April's financial statements and hope to have May's completed soon.
- 10.3 Staff is conducting year end fiscal inventory early due to the software conversion; the goal is to have figures in by July 1.

11. Operations Report (K. Johnson)

- 11.1 Three quotes were received for the Lone Pine Pump Station project; Perrine Industrial Electricians, Inc. was the low quote at \$8,900. The pump is being rebuilt at this time.
- 11.2 Nichols Gap Fence should be completed by this week.
- 11.3 The City of Medford Public Works Department has a Public Works Day which takes place at different elementary schools; this year the event was at Abraham Lincoln Elementary. The MWC has been participating in this event for three years.

Mr. Anderson questioned which grades attended the events; Operations Superintendent

Johnson noted that all elementary grades attended.

## 12. Manager/Other Staff Reports

### 12.1 Staff Report on the Utility Management Software Upgrade Project

TS Coordinator Kris Stitt provided the monthly report on the software project stating that the MWC will go live in three weeks. The utility billing is being double checked by staff. Software representatives are on site and will be for about four weeks after we go live. Finance is working with Cogsdale who will be on site to assist as needed. Due to the complexity of the software, Asset Management will scale back on the initial roll out but will add more features as we move along. Mr. Johnson questioned if we will have less than we currently have; Mr. Stitt noted that it will be more than current as now is paper. The transition will start on Friday, June 28; the goal is to be ready to go on Monday. Staff expects some bumps in the road.

Mr. Rains noted that there will be some employees working on that weekend. Mr. Rains questioned the board if we could stop processing payments on Friday, June 28. He talked about putting out the information in the paper and the web site. Mr. Dailey questioned if this would be the water bills; Mr. Rains noted that it would be the utility and water payments. Mr. Fortier questioned if the city is ready to go live with their portion; Mr. Stitt noted they are ready as well. The Commission discussed accepting cash and credit cards with the concern being credit cards. Staff noted that we would not cut off any water service during this time. Mr. Anderson noted that we didn't use to accept credit card payments anyway.

### 12.2 Dates to Remember

Mr. Rains noted that there are a few study sessions that have moved to different dates. He questioned if there would be enough board members available for the July 3 meeting; Mr. Anderson, Ms. Davis, and Mr. Fortier stated they would be there; Mr. Johnson was unsure; Mr. Dailey would be out of town.

### 12.3 Notification of Award of Emergency Contracts

The Manager awarded two emergency repair services contracts to Perrine Electric for repair of the Backwash Pump and Raw Water Pump #5 at the Duff Treatment Plant. The repairs were necessary in order to avoid disruption of water service. Costs of the Raw Water Pump repair were estimated at \$7,099.

## 13. Propositions and Remarks from the Commissioners

13.1 Commissioner Davis noted that Medford City Council will have two public hearings tomorrow pertaining to landscaping and questioned what they are about; Mr. Rains noted that MWC will be there and these are items that have been discussed.

13.2 Ms. Davis noted that she will not be able to attend the next MWC meeting.

13.3 Mr. Johnson reported that he received a letter and phone call from concerned citizens pertaining to the letter sent out from the City regarding the City utility billing process. One person stated their utility fee will go up \$4,300, the other \$2,800. He explained to them that they needed to contact the City and also forwarded the citizen letter to Mr. Rains. Mr. Fortier stated he received one phone call as well. Mr. Huttli questioned if Mr. Rains had forwarded that information to the City; Mr. Rains stated that he had not but will do so. Mr. Corcoran noted that the utility restructuring will have a significant impact on coffee stands; Mr. Johnson noted that it was not a coffee stand but a 20-year established retail business. Mr. Corcoran appreciated Mr. Johnson's comments and noted that there may be areas in the City's calculation that need to be changed. Mr. Johnson further stated that this person also had a second business which might increase those fees even higher. Mr. Stitt noted that MWC Customer Service Department

does receive and forward these calls to the City of Medford.

14. Adjourn

There being no further business, this Commission meeting adjourned at 1:19 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. Spoons, MMC  
Deputy City Recorder  
Clerk of the Commission