

**MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION**  
**July 3, 2013**

The pledge of allegiance was given.

The regular meeting of the Medford Water Commission was called to order at 12:14 p.m. on the above date at the Medford City Hall Lausmann Annex, Room 151/157 with the following commissioners and staff present:

Acting Chair Cathie Davis; Commissioners Lee Fortier; Leigh Johnson

Manager Larry Rains; Attorney John Huttli; Deputy City Recorder Karen Spoons; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Geologist Bob Jones; Operations Superintendent Ken Johnson; Duff/WTP Supervisor Jim Stockton; TS Coordinator Kris Stitt

Guests: City of Medford Councilmembers Bob Strosser; Ashland Associate Engineer Pieter Smeenck; Central Point Mayor and Liaison Hank Williams; Central Point City Manager Chris Clayton; Phoenix Mayor & Liaison Jeff Bellah; Joe Strahl and Chris Peters of RH2 Engineering; Greg Jones; Finance Director Alison Chan; Public Works Business Manager Lorraine Peterson; Agent of Record Mike Mastroni

Commissioners Jason Anderson and John Dailey were absent.

3. Approval or Correction of the Minutes of the Last Regular Meeting of June 19, 2013

The minutes were approved as presented.

4. Comments from Audience

4.1 City Manager Chris Clayton thanked the Commission for the recent GIS meeting and noted that most cities attended.

4.2 Phoenix Mayor & Liaison Jeff Bellah spoke on behalf of the other cities stating that they are grateful for the Cost of Service Study and that Chris Peters of RH2 Engineering will be their representative for the focus group. He requested that the consultant be challenged and would like to meet with the board and the consultants before the actual study. He presented examples of questions they would like to ask, such as the rate of return and water rights. Mr. Rains noted that the rate study does not include SDCs or water rights and further clarified that all entities obtaining water from the MWC need to have water rights.

5. Presentation of Property Insurance Coverage by Agent of Record Mike Mastroni

5.1 Mr. Mastroni had not yet arrived.

6. Written Communications

6.1 Quarterly Letter to the Mayor and City Council

The report for the third quarter of FY 2012-13 was presented. The board members agreed to its contents, the Chair signed and staff will forward the letter and relevant attachments to the Mayor and councilmembers.

7. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$2,391,288.96

Moved by: Mr. Johnson

Seconded by: Mr. Fortier

Roll Call: Commissioners Davis, Fortier and Johnson voting yes; Fortier abstained from the Rogue Shred voucher. Motion carried and so ordered. The Rogue Shred voucher will be continued to the June 17, 2013 meeting for a confirmed quorum approval by Commissioners Anderson and Dailey.

8. Engineer's Report (E. Johnson)

8.1 Duff Floc/Sed Basins – Black & Veatch has submitted the rough draft of the Basis of Design

Report and staff is currently reviewing it. Part B of the Scope of Service has been approved by MWC. The cost for Part B has been submitted by Black & Veatch and was presented at today's study session. Staff requested direction on Part B of their contract.

Commissioner Fortier noted that the costs are in the normal range. Engineer Johnson stated that staff will bring a resolution to the next meeting pertaining to this.

- 8.2 Duff Emergency Backwash – The project is waiting for equipment to be manufactured and delivered. The variable speed drives are on site and are installed. The transformers will arrive by the end of this week. The estimated time for delivery for the pumps and motors is late August.
- 8.3 Martin Control Station –The roof work is continuing; the interior grating and crane have been installed.
- 8.4 Water Main Project Lyman Street & Bundy Street – The Bundy Street project has been paved and is complete.
- 8.5 Water Main Project Highway 62 Bypass – ODOT has returned the conflict list after review of the pothole data. Staff is continuing to resolve ODOT's conflict with MWC's facilities. Staff is waiting on a response from ODOT concerning the relocation of the 14" water main on Highway 62.

Commissioner Davis requested the commissioners who are not in attendance be brought up to date on this; staff noted they will send the PowerPoint presentation to them.

9. Water Treatment Report (Stockton)

- 9.1 Because June had an average daily high of 83 degrees we are on track with the water usage of historical years. Because of this staff has converted to 24-hour days.

10. Finance Report (DeLine)

- 10.1 Not available.

5. Presentation of Property Insurance Coverage by Agent of Record Mike Mastroni

- 5.1 Agent of Record Mike Mastroni presented the annual property/liability insurance review. In general rate increases went up about 17%; MWC went up about 9%. Combined ratios is going off the chart. In the general marketplace they are seeing 8-10% increases. Mr. Rains noted that HR/Payroll Specialist Kristin Berg is usually here to answer questions but is out ill today.

11. Operations Report (K. Johnson)

- 11.1 Staff concluded the on-site inspections pertaining to Phoenix issues on the mag meters. All data is being evaluated and staff will report their findings to the board.
- 11.2 There was a main break above Hedrick Middle School which flooded two homes; damage is being assessed. Commissioner Johnson questioned what violated the line; Operations Superintendent Johnson noted that there is no real explanation but the break was longitude.
- 11.3 Lone Pine Pump #2 is back in operation.

12. Manager/Other Staff Reports

- 12.1 Staff Report on the Utility Management Software Upgrade Project  
TS Coordinator Kris Stitt provided an update on the launch of the new utility management software stating that there were challenges prior to flipping the switch but staff is working with

the vendors to correct these issues and should be completed by the end of the week. No utility bills have been sent out yet. There are minor issues to work out but were anticipated. Finance/inventory has been entered. Staff will have more details at the next meeting. Mr. Rains noted that billing should be done next week. Mr. Rains stated that staff has worked long, long hours.

12.2 Code Changes – A copy of Medford Code “4.1203 Recover of Unpaid Charges; Enforcement” was presented to the board. City Attorney HuttI provided background information, noted this will come to council on July 11; and questioned what the board thought about this. The topic of turning off water for utility unpaid charges was discussed and would not change in the current code. Mr. Johnson questioned if MWC would be required to turn off water for unpaid utility bills. Public Works Business Manager Lorraine Peterson noted that the City would refer to a collection agency; Finance Director Alison Chan noted that the language was left in the code in case it was needed in the future. Ms. Davis questioned the wording “and directed”; Commissioner Strosser thought that it meant that each entity would take care of their billing. Mr. HuttI noted that council has not had this presented to them as of yet. Mr. Johnson wanted a good cooperative agreement but requested clarification before moving forward. Commissioner Fortier requested this be sent to the absent board members. Mr. Strosser requested someone from MWC attend the upcoming council meeting.

12.3 Rate Study – Because Finance is under extreme pressure with the new software conversion staff would like to move this to September 1. Mr. Rains stated that he called the consultant and they were fine with that; the board agreed.

13. Propositions and Remarks from the Commissioners

13.1 Commissioner Davis requested the Cost of Service Study be sent to the absent commissioners.

14. Adjourn

There being no further business, this Commission meeting adjourned at 12:52 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. Spoonts, MMC  
Deputy City Recorder  
Clerk of the Commission