



## BOARD OF WATER COMMISSIONERS MINUTES

**Wednesday, October 4, 2017 – 12:15 pm**

**Lausmann Annex Room 151/157**

**200 S. Ivy Street, Medford, Oregon 97501**

The regular meeting of the Medford Water Commission was called to order to 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 Leigh Johnson, Bob Strosser

Manager Brad Taylor; Medford City Attorney Lori Cooper; City Recorder Karen Spoons; Administrative Coordinator Yvette Finstad; Principal Engineer Eric Johnson; Finance Director Tessa DeLine; Operations Superintendent Ken Johnson; Duff/Water Treatment Plant Director Jim Stockton; TS Administrator Kris Stitt

Guests: Central Point Mayor Hank Williams; Central Point City Manager Chris Clayton; Phoenix Public Works Director Ray DiPasquale

3. Approval or Correction of the Minutes of the Last Regular Meeting of September 20, 2017  
The minutes were approved as presented.
4. Comments from the Audience
5. Resolutions
  - 5.1 No. 1653, A RESOLUTION Adopting Findings, Authorizing an Exemption from Competitive Solicitation and Awarding a Contract to Invoice Cloud, Inc. for Credit Card Processing and Processing Card Industry Compliance Solutions

As presented to the Board on September 20, the Commission's required date of Processing Card Industry (PCI) security standard compliance is November 15; remaining out of compliance after that time can result in fines in the event of a data breach. To reach PCI compliance, the Commission has chosen to move to cloud-based credit card processing, which would provide enhanced security, allow us to offer additional services to our customers, and save additional staff time and equipment costs. Invoice Cloud is one of only two solutions offered by the Commission's current Customer Information Service vendor, and the only one that would integrate with our website. Public notice of the proposed exemption was posted on the Commission's website and at the MWC office and the City of Medford. Invoice Cloud's proposal and billing agreement were provided and reviewed by Legal. Staff recommended approval.

Councilmember Bunn questioned the new procedure; TS Administrator Kris Stitt noted what would remain and explained how payments would kick over to Invoice Cloud.

Motion: Approve Resolution No. 1653

Moved by: Mr. Johnson

Seconded by: Mr. Strosser

Commissioner Anderson questioned the software cost; staff noted this is a software module and is priced per transaction.

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

Motion carried and so ordered. Resolution No. 1653 was approved.

5.2 No. 1654, A RESOLUTION Adopting Findings, Authorizing an Exemption from Competitive Solicitation and Awarding a Contract to Bend Mailing Services for Medford Water Commission's Water Bill Design, Printing and Mailing Services

Bend Mailing Services (BMS) has been under contract with the Commission since 2009, and continues to exceed expectations regarding their services. They have extensive knowledge of the Commission's water billing and mail requirements, specialized technical skills, expertise and resources to provide the Commission with cost effective water bill design, printing and mailing services. The current contract expires in November; staff sought approval of an exemption from competitive solicitation for a new contract period at current unit charges. Award to BMS is in the best interests of the Commission, based on BMS's proven record of professionalism, flexibility, capabilities, costs, and integration with current software. Public notice of the proposed exemption was posted on the Commission's website and at the MWC office and the City of Medford.

Commissioner Dailey questioned who owned the design of our invoice; staff noted MWC owns their own. Discussed if there were other companies that had the capability to print and mail; Principal Engineer Johnson noted there are not many who can do this. Manager Taylor noted if he was here sooner he would have had an RFP done, which would have had to be completed six months to a year sooner. City Attorney Cooper noted any contract should be looked at every ten years. Customer Service Coordinator Barb Henderson joined the meeting and noted Bend Mailing was very easy to work with and that Northwest Mail did it in the past although they folded. The board requested it be put to RFP the next time.

Motion: Approve Resolution No. 1654

Moved by: Mr. Johnson

Seconded by: Mr. Bunn

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

Motion carried and so ordered. Resolution No. 1654 was approved.

6. Authorization of Vouchers

6.1 Continued Voucher from September 20, 2017 Board Meeting

Due to an abstention at the previous meeting, the payment to Stanley Security Services was approved by Commissioner John Dailey and Daniel Bunn, who were absent from the September 20 meeting.

6.2 Consideration of Vouchers for October 4, 2017 Board Meeting

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$688,779.24

Moved by: Mr. Strosser

Seconded by: Mr. Bunn

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

Motion carried and so ordered.

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

7.1 Floc/Sed Basins – The new settled water flume is being constructed. Bridge brackets are being installed in basins #1 and #2. Forming and rebar from the baffle walks is underway. The stair at the west end of the basins is done.

7.2 City of Medford Lozier Lane Project – New 12" water main installation in Lozier Lane is underway. Approximately 1500 feet of 12" water main has been constructed. Phase 2B is being tested this week, Phase 2C is under construction towards Prune Street.

7.3 Corrosion Study – The bench scale testing will be completed this week. Galvanized

water service pipe has been harvested and sent to Virginia Tech for scale analysis. Barney and Worth are working on questions for an online survey. The online survey will have a link posted on MWC web site to access the survey. The survey will be available to the public in November. A work shop is scheduled for October 31 with Black and Veatch to go over the bench scale testing results and review the next steps for the Corrosion Study. Black and Veatch will attend the November 1 board meeting and give an update to the board.

- 7.4 Jackson County Table Rock Road Project – The project is scheduled to go to bid this month via ODOT. Construction is scheduled to start in January 2018.
- 7.5 City of Medford Foothill Road Project – Staff is waiting on Public Works for the base drawing, which will be available in early October. Commissioner Dailey questioned what we have in the road; staff noted we have something north of Foothill.
- 7.6 Dan Thomas – Staff met with Dan Thomas concerning a 108 unit apartment project located on Almond Street in east Medford. The item of discussion was whether the 1910 4" cast iron water main was eligible to receive funding from the 100 Year Water Main Replacement Fund. Staff informed Mr. Thomas that the decision would be a board decision since no formal guidelines for funding projects have been established. Mr. Thomas stated he would write a letter to the Manager to take to the Board so his request can be taken under consideration.
8. Operations Report (Operations Superintendent Ken Johnson)
  - 8.1 Repair of BBS-1 Cla Val at Coal Mine Station – Repair is scheduled for October 11. Staff will attempt to repair under pressure; if not successful, water will have to be turned out of BBS-1 line to lower pressure at the Cla Val for repairs.
  - 8.2 2018 Ford F250 with Service Body Tie Quote – Per MWC purchasing regulations, lots shall be drawn to determine award as two companies, Butler Ford and Landmark Ford, came in with the same quote. A coin was tossed and Butler Ford won.
9. Water Treatment Report (Water Treatment Director Jim Stockton)
  - 9.1 Production for the month of September was 301.32 MG (10 MGD average). The five year average is 382 MG. The record for September was set back in 2009 at 475 MG. Temperatures ranged from 66 F high day to 105 F high day.
  - 9.2 With production tapering off, staff is transitioning back to a more routine schedule. The plant is manned 10 hours/day, seven days/week. We anticipate production will be discontinued by mid-October. Annual maintenance work has begun in approximately one third of the filters.
  - 9.3 Sludge was removed from lagoon #1 on September 29. With the cool and wet season coming, this is the last time we will be able to get sludge out before spring.
  - 9.4 City of Phoenix Public Works Director Ray DiPasquale questioned if MWC receives any notice when Ashland uses the tap line; Water Treatment Director Jim Stockton was unsure if the formal notice was ever made. Manager Taylor noted they can talk about it at the All Cities meeting. Mr. DiPasquale was not sure when the TAP line is turned on or if he needs to tell the MWC. Discussed was the installment plan with Ashland and if Ashland could use more water than they have paid for. The board requested a report.
10. Finance Report (Finance Director Tessa DeLine)

- 10.1 The annual audit is next week. Staff is wrapping up the last of the information requests by the auditors. In the meantime, staff is working on preparing the comprehensive annual financial report that the board will receive in the latter part of December.
- 10.2 The Cost of Service Study is underway, which is currently with HDR for review. The Study options will be available for the board to review in the next few weeks.
- 10.3 The Long Term Financial Plan is also in the hands of HDR. Staff will be revisiting that project sometime in the near future.
11. Manager/Other Staff Reports – Manager Brad Taylor
  - 11.1 A detailed Capital Plan will come back to the board at a later time.
  - 11.2 Pertaining to the 100 Year Water Main Replacement Fund, Mr. Taylor stated there needs to be a matrix on whether a pipe is replaced. Staff will develop a policy on how we interface with private development and bring it to the board for their approval. The board agreed. Commissioner Johnson noted the one time the fund was used was for Lithia.
  - 11.3 The All Cities meeting is next Monday. There has been good participation with other managers.
  - 11.4 Mr. Taylor stated he met with the Chair and Vice Chair and would like to meet with two board members at a time right after board meetings. The board agreed.
12. Propositions and Remarks from the Commissioners
  - 12.1 Commissioner Strosser noted Ashland Public Works Director Mike Faught has retired; Paula Brown will be replacing him.
  - 12.2 Commissioner Dailey will not be in attendance for the next meeting; Commissioner Bunn stated he may miss as well. Mr. Taylor noted the meeting will be held at the Service Center.
13. Adjourn

There being no further business, this Commission meeting adjourned at 1:15 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