



## BOARD OF WATER COMMISSIONERS MINUTES

Wednesday, November 7, 2018  
Lausmann Annex Room 151/157  
200 S. Ivy Street, Medford, Oregon 97501

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, staff, and guests present:

Chair Jason Anderson; Commissioners John Dailey, Daniel Bunn, Leigh Johnson\* (via phone and left as noted), Rick Whitlock

General Manager Brad Taylor; City Recorder Karen Spoons; Administrative Coordinator Yvette Finstad; Principal Engineer Eric Johnson; Finance Director Tessa DeLine; Water Meter and Controls Supervisor Ken Johnson; TS Administrator Kris Stitt; Water Treatment & Quality Director Ben Klayman; Watershed Technician Arlo Todd

Attorney Mark Bartholomew; Medford Councilmember Michael Zarosinski; Central Point Mayor Hank Williams; Central Point City Manager Chris Clayton; Eagle Point Mayor Bob Russell

### 3. Comments from the Audience

### 4. Consent Calendar

4.1 Approval or Correction of the Minutes of the Last Regular Meeting of October 17, 2018

4.2 Quarterly Letter to the Mayor and City Council

4.3 Resolution No. 1694, A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract with CH2M Hill Engineers, Inc., for the Design Upgrades for Rancheria Springs Infiltration Gallery and Piping Project

Motion: Approve Consent Calendar

Moved by: Mr. Whitlock

Seconded by: Mr. Bunn

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

Motion carried and so ordered. Items 4.1, 4.2, and 4.3 were approved.

### 5. Items Removed from Consent Calendar

Commissioner Whitlock requested 4.4 and 4.5 be removed from the Consent Calendar.

4.4 Resolution No. 1695, A RESOLUTION Authorizing the Manager to Execute a Contract Amendment for McClure & Sons, Inc. (MSC) for Construction of the 65 MGD Flocculation/Sedimentation Basin Expansion Project at the Robert A. Duff Water Treatment Plant

Commissioner Whitlock requested information on the building and its use. Principal Engineer Eric Johnson noted the maintenance building resides at the Duff Water Treatment Plant site. The Maintenance Building Project was removed from the Floc Sed Project. The equipment storage area was repurposed to house the motor control center panels for the flocculators and flash mix pumps. The building will also house inventory, a restroom and a work station area. The building will outlast any metal building as it is considered an essential facilities building. Water Treatment & Quality Director Ben Klayman noted that the connex boxes that are currently used for storage are not a permanent solution.

Motion: Approve Resolution No. 1695

Moved by: Mr. Whitlock

Seconded by: Mr. Bunn

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

Motion carried and so ordered.

- 4.5 Resolution No. 1696, A RESOLUTION Adopting, and Authorizing the General Manager to Execute the Comprehensive Financial Management Policy for the Board of Water Commissioners

Commissioner Whitlock questioned the Water System Construction Fund balance of two times, if this is the industry standard, if funds are used for capital, repayment plan, and if it would be appropriate to recalibrate for the construction fund. Finance Director Tessa DeLine provided clarification and that we should recalibrate.

Staff noted funds are established by the Board. This Policy is an internal model on how we want to think about the cash. The Board requested various amendments, detailed references (to industry standards, regulations, etc.), and a rate setting policy. Staff noted our bond rating would probably be rated with the City of Medford. The Board agreed to postpone to November 21, allowing staff time to make the changes requested.

6. Review of Vouchers

The Board reviewed the vouchers; no questions were received. Finance Director Tessa DeLine stated there was a bill in the amount of \$68,000 for PP&L of last June that was never received. Approval was received from the auditor to change last year's financial statement to reflect this payment. Mr. DeLine stated to prevent this in the future, a detailed monthly balance variance will now be done. Commissioner Dailey stated this is a classic way to steal money.

7. Staff Reports

7.1 Engineer's Report (Principal Engineer Eric Johnson)

- a. Duff Water Treatment Plant Floc/Sed Basins – The installation of plate settlers for basins #4 is complete and basin #3 will be done this week. The water testing of the basin will be done next week, and the basin will be put into production.
- b. Duff Maintenance Building – With the approval of the change order, the construction of the maintenance building will move forward. Building permits from Jackson County are ready. A pre-construction meeting will be held in the near future.
- c. Rancheria Spring RFP – With the approval of the contract, design of the Rancheria Springs intake will start. A pre-design meeting with CH2M is tentatively scheduled for November 27.
- d. Corrosion Study – Black and Veatch has provided MWC with a revised Scope of Services to start preliminary design of the caustic feed system. Staff has reviewed the revised Scope of Services and is moving ahead with a no cost change order. The December 6 Corrosion Study meeting will include the kickoff meeting of this work. After the preliminary design has been completed the Board will review the process.

7.2 Operations Report (Water Meter & Controls Supervisor Ken Johnson)

- a. City of Medford had a project where our water line was in the way. MWC crews were getting ready to install a water crankshaft and started a shut down. Once the valve was shut off, staff moved to the next and found that it had already been shut off. This put us into an immediate boil water notice as we had a depressurized main with customer

services lines still open, so a possible backflow issue existed. Following the State Regulations and our business process, all affected customers were noticed, a public notice was issued, and the Oregon Health Authority was notified. The following day, samples passed and the boil water notice was lifted. A debriefing followed to find solutions to correct this from happening again.

- b. The contractor is waiting for mortar to complete the restoration of the Capital Hill Reservoir Roof Project. Staff is considering options for further protection of roof joints.

7.3 Water Treatment/Quality Report (Water Treatment/Quality Director Ben Klayman)

a. Gauging stations and OWRD support

- The Jackson County Watermaster operates and maintains eight streamflow gauging stations (on Big Butte Creek) and one water quality gauging station (on Little Butte Creek) that support MWC operations.
- MWC recently made a payment of \$6,000 to support the Little Butte Creek Station, total payments in 2018 for all gauging stations support is approximately \$23,000.
- In addition to benefiting us, other water users (including EPID, other irrigation districts, and local jurisdictions) benefit and also provide financial support to the O&M of the stations.
- Our IGA with the Watermaster is up for renewal at the end of the month, and is anticipated to renew for another five-year term.

b. Vernal Pool fund

- The original permit required a “dedicated fund” and was created in 2012.
- Consultant Terra Science is working with staff to redefine long term requirements of the permitting agencies for maintenance and preservation of the vernal pool mitigation site.
- Mr. Klayman recently met with the Distribution Operations Department to discuss the fall and winter operations.
- On November 16 Dan Perkins was promoted to Water Treatment Plant Supervisor.

c. Watershed

- Arlo Todd was hired as our Watershed/Water Quality Technician.
- Demolition of the structures on two of our life estate properties has begun; no lead, drugs or heat tanks were found.
- Commercial thinning at Willow Basket will be completed in two-three weeks.

d. Water Quality is 100% compliant.

7.4 Finance Report (Finance Director Tessa DeLine)

- a. Calculations for the COSA are nearing completion. We will be presenting three different scenarios at the November 21, 2018 Board meeting. Once direction has been given, staff will work on the 10-year financial plan.

- b. Staff is waiting on draft year-end financial statements from the audit.

7.5 I.T. Report (Technical Services Administrator Kris Stitt)

- a. T.S. Administrator Kris Stitt and three other staff members attended the Advanced Utilities Systems user’s conference last week in Chicago. The conference provided the ability to learn about the new version of the billing software, network and share information. Approximately 200 attended the event.

- b. Cyber insurance coverage will be presented to the Board on November 21.

Commissioner Whitlock questioned when the Board should look at the Corrosion Study as he thought it should be done before we start spending substantial amounts of money; Commissioner Anderson agreed. Mr. Klayman noted the final results were presented by Black & Veatch at a study session. Commissioner Whitlock was interested in more of a policy decision. Mr. Johnson noted the third quarter information should be available soon and can be brought back as a staff report. Commissioner Whitlock noted this could be a good kickoff for the public.

8. Manager's Report

8.1 Mr. Taylor presented the first version of the quarterly report.

\*Commissioner Johnson left the meeting at 1:27 p.m.

9. Propositions and Remarks from the Commissioners

9.1 Commissioner Anderson stated a meeting with General Manager Brad Taylor was held where goals for next year, including a 10-year plan, rewriting the general manager job description, and staff salaries were discussed.

9.2 Commissioner Whitlock stated that he may not be at the November 21 meeting but if needed, could participate by phone.

10. Adjourn

There being no further business, this Commission meeting adjourned at 1:43 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  
City Recorder  
Clerk of the Commission