

## MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

December 1, 2010

The regular meeting of the Medford Water Commission was called to order at 12:35 p.m. on the above date at Medford City Hall Lausmann Annex, Room 151/157.

The following commissioners and staff were present:

Acting Chair Tom Hall; Commissioners Jason Anderson, Cathie Davis

Manager Larry Rains; Deputy City Recorder Karen Spoonts; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Water Quality Superintendent Bob Noelle; Operations Superintendent Ken Johnson

Guests: Medford Councilmembers Bob Strosser and Jim Kuntz; Medford City Manager Mike Dyal; Medford City Attorney John Huttli; City of Medford Deputy Fire Chief Kurt Bennett; Central Point Councilmember Kay Harrison; Central Point City Administrator Phil Messina; Karen Blair; Steve Dixon

Commissioner Leigh Johnson and Don Skundrick were absent.

2. Approval or Correction of the Minutes of the Regular Meeting of November 17, 2010  
The minutes were approved as presented.
3. Comments from Audience
  - 3.1 Karen Blair introduced herself as the newly elected councilmember for Medford City Council Ward 2.
4. Written Communications
  - 4.1 Quarterly Letter to Mayor and Council  
The quarterly letter and financial reports were presented; the Board members agreed to the content, the Chair will sign and staff will forward the letter and relevant attachments to the Mayor and councilmembers.
  - 4.2 Letter from the City of Central Point  
The Commission received a letter from Central Point City Administrator Phil Messina, dated November 16, 2010, requesting modifications to their service agreement, which the City is currently reviewing. Last week the Board agreed to move forward with the strategic plan; the issue in the letter from Central Point will not affect that. Mr. Anderson questioned the cities getting their own water rights; Mr. Rains noted that the cities are doing that but some cities are obtaining irrigation rights and changing them to municipal. Central Point will be perfecting their water rights obtained when Phase 4 of Duff I will be in place. Mr. Rains further reviewed the cities projections and their desire to lower their projection, based on growth in their own city. The other issue is the language in the contract concerning the Commission's rights and the attorney's are working on that.
5. Resolutions
  - 5.1 No. 1425, A RESOLUTION Awarding and Authorizing the Manager to Execute a Contract in the Amount of \$49,500.00 to Marquess & Associates, Inc., for Consulting Services to Design Seismic Retrofit for the 5 MG Reservoir and Clearwell at the Robert A. Duff Water Treatment Plant

At the last meeting staff discussed the project proposals and the evaluation process. A Notice of Intent to Award was issued to Marquess & Associates, Inc. on November 18; no protests were received. Staff recommended approval.

Motion: Approve Resolution No. 1425

Moved by: Mr. Anderson

Seconded by: Ms. Davis

Roll Call: Commissioners Anderson, Davis, Hall voting yes.

Motion carried and so ordered. Resolution No. 1425 was approved.

- 5.2 No. 1426, A RESOLUTION Approving Exemption from Competitive Bidding and Authorizing the Manager to Execute a Contract for Laboratory Analytical Services with Neilson Research Corporation

The Commission is required to conduct a variety of chemical and microbiological testing for water quality compliance and investigative purposes. Analysis must be performed using approved methods and accredited laboratories. Neilson Research Corporation (NRC) is the only such laboratory in the Medford area and has successfully provided analytical services since 1981. The presence of a local, accredited environmental laboratory provides great benefits and results in substantial cost savings for the Commission. A letter outlining MWC's current discount pricing was provided along with an historical summary of costs. Public notice of the proposed exemption was posted on the Commission's website; staff recommended approval.

Motion: Approve Resolution No. 1426

Moved by: Ms. Davis

Seconded by: Mr. Anderson

Mr. Anderson questioned the costs for this service; Mr. Rains noted that the costs are budgeted and Mr. Noelle clarified the figures shown in the packet noting that the MWC typically spends about \$50,000 year.

Roll Call: Commissioners Anderson, Davis and Hall voting yes.

Motion carried and so ordered. Resolution No. 1426 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 \$407,240.17

Moved by: Ms. Davis

Seconded by: Mr. Anderson

Mr. Hall questioned if the MWC was fined by RVSS; Mr. Rains stated that we were and explained the issue.

Roll Call: Commissioners Davis and Hall voting yes; Anderson recused himself from Allan Cartography, Mail Tribune and Knife River vouchers.

Motion carried and so ordered. The Allan Cartography, Mail Tribune and Knife River vouchers will be continued to the December 15, 2010 meeting for a confirmed quorum approval by Commissioners Johnson and Skundrick.

#### 7. Engineer's Report

- 7.1 Duff Water Treatment Plant Seismic Upgrade and Remodel – Ausland Construction has moved on site and demolition is scheduled to start this week. The environmental containment is being installed and the hazardous waste abatement is under way as there is a lot of lead paint on services that will be demolished.
- 7.2 Duff Water Treatment Plant Reservoir Seismic Upgrade – The contract is being awarded today; once the contracts are signed a project kick-off meeting will be scheduled.
- 7.3 Control Station Upgrades – There are five general contractors prequalified to bid on the project; the bid opening is scheduled for December 21.
- 7.4 Ave G 48" Transmission Main – Staff has reviewed the 50% design plans. A meeting is scheduled for December 2 to review and return the plans to Thornton Engineering.
- 7.5 11<sup>th</sup> Street 36" Water Transmission Main – Water main construction is scheduled to start on

December 13. Knife River is currently doing prep work.

- 7.6 Martin Control Station – ODOT is currently reviewing the proposal for the future Martin Control Station property and will respond in the near future.

Pertaining to the seismic upgrade and remodel, Mr. Hall questioned if the lead paint was actually taken off the wall. Mr. Johnson noted the procedures vary depending on the type of work to be done on the project.

8. Water Quality Report

- 8.1 High Service Pump is complete with painting finished yesterday. Testing will be done the week of December 13.
- 8.2 There is nothing new to report on Willow Lake; the Findings presented at the last meeting were shared with Jackson County in hopes of getting the advisory lifted.
- 8.3 Staff continues to review the bids received for the backflow assembly and will interview three of the contractors with a recommendation to Board at the next meeting.
- 8.4 Water Rights Master Planning GIS is moving forward with some certification of the Rogue water rights.

9. Finance Report

- 9.1 The October financial information was presented in the Commissioner's packet; revenue is down from last year but similar.
- 9.2 The MWC should be up and running within the next few weeks for credit card usage; staff will not advertise until February of next year. Mr. Anderson questioned if auto payment for credit card usage will be available; staff commented that they hope to do that in the future as well as internet credit card payments.

10. Operations Report

- 10.1 Angelcrest Pump Station – Anticipate work to start next Monday and will last two months.
- 10.2 Brownsboro Water Lines – Waiting for property owner to send back legal document for easements and to act as agent on behalf of property owner.
- 10.3 Mountain View Paving was the lowest bidder for the paving contract and Bradley Excavation for saw cutting and concrete work. These projects go out to bid every year.
- 10.4 The scrap metal bid opening will be December 7.
- 10.5 Staff ran across an unusual event where a small amount of air was in the pipeline and staff is not sure what caused this. Mr. Rains view is that there was air in the line that didn't get burped this spring.
- 10.6 Bob Noelle will be talking about toxic algae at AWWA subsection meeting December 2 which will take place in Ashland.

11. Manager/Other Staff Reports

- 11.1 Discussion of the 2010 Cost of Service Study  
A study session regarding proposed changes in the water rate structure and increases in water

rates was held November 3, 2010. Staff and MWC Board members also presented the proposed changes to the other cities and water districts at their individual council or board meetings. If the Board decides to implement the proposed changes, a public hearing will be held at the December 15 meeting. Copies of the draft study were mailed to all of the cities and districts on November 5. A public notice will be published on the website and in the *Mail Tribune*. A general consensus from the Board for staff to proceed was requested.

Staff provided additional information in response to Commissioner Hall's questions on an explanation of base/extra capacity methodology logic. Mr. Hall noted that all the cities are in one group, not separately, and questioned if Central Point was able to use less water during the peak time would they pay less per hour. Mr. Rains stated that they would not, or staff would have to break down all cities and districts. Mr. Rains noted that this is a very accurate way to determine fair share. Ms. Davis questioned if it was based on meter readings; he noted that is correct.

11.2 The MWC has specific parking available for guests attending the Board meeting; Mr. Rains invited them to use it and provided directions on location.

11.3 Staff received an email from Hank Williams, Mayor of Central Point. Five questions were on the email; staff is working on a response to the email. Mr. Rains questioned how and when the Board would like this relayed. The Board agreed to have staff respond in a timely manner.

11.4 Staff has heard from the Department of Environmental Quality pertaining to the Capital Hill Reservoir overflow; the penalty is almost \$279,000 based on the length of time the overflow has been flowing into the creek, i.e. 1997. Mr. Rains has not received any information on how they came up with this number and noted that this information will be released to the press on Friday. There is an appeal process that is rather lengthy; staff recommended that they have Legal take this over. The Board agreed and questioned if there was a firm that would fight this; Mr. Huttel will go forward with the appeal process before the next board meeting and pursue looking for a legal firm as well.

12. Propositions and Remarks from the Commissioners

12.1 Ms. Davis stated that she would not be able to attend the Christmas party but looks at this event as an opportunity to thank staff for their dedication throughout the year.

13. Adjourn

There being no further business, this Commission meeting adjourned at 1:22 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