



BOARD OF WATER COMMISSIONERS MINUTES

Wednesday, December 6, 2017
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 and staff present:

Chair John Dailey; Commissioners Daniel Bunn, Leigh Johnson; Bob Strosser

General 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; Big Butte Springs Operator Dennis Burg

Guests: Medford Councilmember Michael Zarosinski; Central Point Mayor Hank Williams; Central Point City Manager Chris Clayton; James Herndon; Shawn Koorn of HDR

Commissioner Jason Anderson was absent.

3. Approval or Correction of the Minutes of the Last Regular Meeting of November 15, 2017
The minutes were approved as presented.
4. Comments from the Audience
None.
5. Written Communications
 - 5.1 Quarterly Letter to the Mayor and City Council
The letter for the first quarter of Fiscal Year 2017-18 was provided, as was the financials and recent precipitation and flow data. The board members agreed to its contents and staff will present it and the attachments to the Mayor and Council.
6. Resolutions
 - 6.1 Consider Resolution No. 1659, A RESOLUTION Adopting Findings and Authorizing the Manager to Join the Oregon Water/Wastewater Agency Response Network and Execute a Mutual Aid and Assistance Agreement

The Oregon Water/Wastewater Agency Response Network (ORWARN) is composed of member utilities providing voluntary assistance to each other during an emergency incident. Joining ORWARN would establish a Mutual Aid and Assistance Program that would enable the Commission to share resources, at our discretion, during an emergency. Membership is free and utilities are under no obligation to provide aid. Staff recommended approval.

Commissioner Bunn questioned if the City takes over during an emergency; Attorney Cooper was unsure but thought so. Commissioner Strosser would like the Charter reviewed pertaining to an emergency.

Motion: Approve Resolution No. 1659

Moved by: Mr. Strosser

Seconded by: Mr. Johnson

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

Motion carried and so ordered. Resolution No. 1659 was approved.

- 6.2 No. 1660, A RESOLUTION Adopting Findings, Authorizing an Exemption from Competitive Bidding and Awarding a Contract to Harris Group Inc., for Support Services for Medford Water Commission's Supervisory Control and Data Acquisition System (SCADA)

In June 2009, Harris Group Inc. (HGI) was awarded a contract to provide SCADA software upgrade, system integration, and support services at the treatment plant. HGI has since successfully provided integration services for the hypochlorite conversion and carbon dioxide addition projects at the plant and Big Butte Springs facilities, the distribution system MOSCAD system, backwash pumps, fish screens, and other instrumentation and control enhancements at the plant. All HGI projects have been completed on-time and on-budget, their staff is highly familiar with the Commission's control system architecture and programming, and their experience makes them the logical choice for on-going SCADA support services at substantial cost savings to the Commission. Staff recommended approval.

Motion: Approve Resolution No. 1660

Moved by: Mr. Bunn

Seconded by: Mr. Strosser

Commissioner Strosser questioned the findings under option D; Duff/WTP Director Stockton stated the life expectancy is 17 years and we are doing very well with this provider. Commissioner Dailey questioned bidding the SCADA system. Principal Engineer Eric Johnson noted by using the same contractor you provide a stable platform.

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

Motion carried and so ordered. Resolution No. 1660 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 \$982,977.07

Moved by: Mr. Johnson

Seconded by: Mr. Bunn

Roll Call: Commissioners Bunn, Dailey, Johnson, and Strosser voting yes; Bunn recused himself from the Asante voucher; Johnson recused himself from the Stanley voucher.

Motion carried and so ordered.

8. Staff Reports

8.1 Engineer's Report (Principal Engineer Eric Johnson)

- a. Duff Water Treatment Plant Flocc/Sed Basins – The seismic walls are complete. Excavation for the sedimentation basin is done. Forming for the sludge hoppers is underway. Hand rail on the bridges is being installed. Electrical conduits and wires are being installed on the bridges. Work on the 48" bypass pipe continues. Basin influent flume fixes needs to be resolved. A motion from the board to approve the Manager to sign a change order was requested. The amount of the change order will be either \$49,623 or \$74,000 depending on the Board's direction.

Motion: Authorize the Manager to sign a change order in the amount of \$74,000 to repair the Basin Water Flume

Moved by: Mr. Strosser

Seconded by: Mr. Bunn

Discussed were any other areas that would require a change order; staff noted they were not any they knew of. General Manager Brad Taylor noted the bigger issue is the spending of the capital

money so we don't create a further cash flow issue.

Roll Call: Commissioners Bunn, Dailey, Johnson, and Strosser voting yes.
Motion carried and so ordered.

- b. City of Medford Lozier Lane Project – The water portion of this project for Phase 1 and 2 is complete. The final phase will start next year.
- c. Corrosion Study – The finalized Existing Information Review Technical Memorandum will be submitted by the end of December. The draft 'Bench Scale Testing TM' has been submitted for staff review. Coordination on the pipe loop construction continues. Barney and Worth have completed the media release to be published in the near future.
- d. Jackson County Table Rock Road Project – MWC has received bid tabulations from Jackson County. Knife River Materials was the successful bidder. The water portion of the project is \$228,112. MWC will reimburse Jackson County for this portion plus a prorated share of the mobilization, traffic control, and erosion control bid items. Construction is scheduled to start in January 2018.
- e. City of Medford Foothill Road Project – Public Works is submitting the draft 30% plans to ODOT for review. No construction is scheduled for FY 17/18. Right-of-way acquisition and utility relocation is scheduled for FY 18/19. Construction for this project may start in the spring of 2019. MWC will start preliminary design of the water main once base drawings are received from the City.

Commissioner Bunn requested the word "slightly" be added to the draft media release presented.

8.2 Operations Report (Operations Superintendent Ken Johnson)

- a. Crews are working on many projects, such as bill projects, installation of meters, both large and small, and hydrant inspections.
- b. Two new vehicles are being equipped to place into service.
- c. Staff is moving forward with the MMC panel replacement project at Stanford Pump Station.

8.3 Water Quality/Treatment Report (Water Quality Superintendent Jim Stockton)

- a. Work continues on the construction of the pipe loop testing station. Anticipated completion of the assembly work is late December; in early January staff anticipates starting to flow water through it for conditioning.
- b. Water Quality and Water Treatment staff are working together to catch up on cross connection and water quality flushing projects.
- c. Specifications are out to suppliers for a new uninterruptible power supply for the Duff WTP. Quotes are due late December.
- d. The annual residential backflow assembly testing and maintenance service contract has been awarded. Pricing is very reasonable.
- e. As the Duff projection year is complete, staff is working on the varied maintenance

tasks and rehabilitations or remodels of existing facility areas.

Commissioner Bunn questioned the amount we charge for backflow devices; Mr. Stockton provided the information but noted not everyone has a backflow device.

8.4 Finance Report (Finance Director Tessa DeLine)

- a. The RFP for banking services is nearing completion. Banks will be contacted this week to inform them that the RFP will be out of delivery before the end of this month. Advertising will be done on the website in case any non-local banks are interested in applying.
- b. Finance is currently working on the month end close for November. Statements should be to the Board by the end of next week. Staff has identified a potential problem that involved labor rate tables that has been partially corrected.
- c. The audit has been completed and the comprehensive Annual Report is under review by Isler CPA, who is still on track for a December 20 presentation.

The Board questioned if the RFP was for local banks, staff agreed. It was requested that staff question what the City of Medford is doing for banking services. It was noted that Finance Director Alison Chan's last day with the City is today.

9. Manager's Report

9.1 Cost of Service Study

Mr. Taylor noted O&M budgeting is an area that has not be addressed well while he has been here.

At the last meeting's Study Session, the Board was presented with rate alternatives based upon financial policies and long term rate impacts. Board and staff agreed on a scenario that holds O&M costs at 2018 levels for two years, pushes and levels out planned capital projects, and uses Future Main Replacement Fund monies for capital funding of distribution capital projects. This scenario does the best job of hitting the Commission's goals, and a refined version was presented by Shawn Koorn of HDR.

Additional rate study considerations were: sno-birds, irrigation accounts, and bulk water rates. Recommendations:

- For snow-birds customers, it was recommended to charge a monthly fixed charge and consumption if water is used. The Board agreed.
- For dedicated irrigation accounts, it was recommended to charge customers a monthly fixed charge and consumption if water is used. The Board agreed, and if the customer wants to have their water disconnected they may do so with a fee.
- For bulk water rates, it was recommended to establish a tiered approach. Commissioner Strosser expressed his concern with those who do not pay SDC fees but obtain cheap water. Jim Herndon provided information on bulk water needed for his property on Cherry Street. The Board wanted to make services available but Commissioner Dailey stated if you are a large water consumer you're going to have to pay more. Central Point City Manager Chris Clayton provided information on what are their Council's thoughts.

10. Propositions and Remarks from the Commissioners

None.

11. Executive Session in Accordance with ORS 192.660(2)(f) – To Consider Information or Records That Are Exempt by Law from Public Inspection

The meeting moved to the Executive Session at 2:03 p.m.

The meeting reconvened with the same Commissioners present at 2:35 p.m.

12. Adjourn

There being no further business, this Commission meeting adjourned at 2:36 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