

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

March 2, 2016

The pledge of allegiance was given.

The regular meeting of the Medford Water Commission was called to order at 12:28 p.m. on the above date at the Medford City Hall Lausmann Annex, Room 151/157 with the following commissioners and staff present:

Chair Leigh Johnson; Commissioners Jason Anderson, John Dailey, Lee Fortier, Bob Strosser

Manager Larry Rains, Medford City Attorney Lori Cooper; City Recorder Karen Spoons; Administrative Coordinator Yvette Finstad; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Public Information Coordinator Sara Bristol; Conservation Coordinator Laura Hodnett; Water Quality Director Rosie Pindilli; Operations Superintendent Ken Johnson; Duff/Water Treatment Plant Director Jim Stockton; Conservation Technician Dave Searcy

Guests: Medford Councilmember Michael Zarosinski; Central Point Mayor Hank Williams; Jacksonville Highway Water District (JHWD) Attorney John Blackhurst; Deanne Woodring of Government Portfolio Advisors

3. Approval or Correction of the Minutes of the Regular Meeting of February 17, 2016

The minutes were approved as presented.

4. Comments from Audience

5. Written Communications

5.1 Quarterly Letter to the Mayor and City Council

The report for the first quarter of Fiscal Year 2015-16 was provided. The board members agreed to its contents; Chair Leigh Johnson signed, and staff will forward the letter and relevant attachments to the Mayor and Councilmembers. Commissioner Dailey questioned why we are sending September of 2015; Manager Rains stated that we are just catching up.

5.2 Griffin Creek School Request

Mr. Rains stated that the Medford School District has contacted the MWC requesting to replace Griffin Creek School's irrigation water supply with water from the MWC. He stated because of insufficient well water the school receives municipal water via Resolution 1058. In replacing the irrigation water they will be able to irrigate their ball fields in a better manner. Mr. Rains stated that Resolution 1058 is silent on what the water is to be used for. Because of the lack of sufficient regular usage of MWC water at the school the MWC staff has to flush the hydrant near a MWC meter on a daily basis in order to maintain adequate water quality, particularly during warm weather periods. Using MWC water for irrigation could possibly eliminate this need for flushing, provided the district utilizes the water on a regular and more frequent basis.

Conservation Coordinator Laura Hodnett remarked their initial request was to supplement the irrigation water. Conservation Technician Dave Searcy worked with them and said it would help us as we would not have to deal with automatic flushing. Mr. Searcy stated they were requesting less water but they will have to put money into the system in order to do this. Commissioner Anderson stated this seems to be a win-win situation as they pay us for the water and we don't waste water due to flushing the hydrant. He stated Resolution 1058 can be interpreted on a case by case basis. Councilmember Strosser stated that many people around that area are requesting water. Commissioner Fortier questioned if other schools use water for watering the grounds; staff stated those in the city use potable water. Principal Engineer Eric Johnson noted there is a SDC attached to this for a gross acreage charge of approximately \$8,000 year and will cost them about \$72,000 to bring this to fruition. Commissioner Johnson

noted this has always been a silent issue not to say what the water would be used for. Commissioner Strosser stated we should be prepared for comments from the surrounding neighbors.

Motion: Grant Medford School District water to irrigate the fields at Griffin Creek School

Moved by: Mr. Dailey

Seconded by: Mr. Fortier

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

Motion carried and so ordered.

6. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$427,539.68

Moved by: Mr. Dailey

Seconded by: Mr. Anderson

Roll Call: Commissioners Anderson, Dailey, Fortier, Johnson, and Strosser voting yes; Fortier recused himself from the Rogue Shred voucher.

Motion carried and so ordered.

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

7.1 Duff Floc/Sed Basins – The first wall pour for the sedimentation basins were completed yesterday. The backfill for the settled water flume under the finished water flume is underway. The demolition in the ozone room is done and the underpinning for the shoring has started. The service water backflow device for the ozone chase water has been installed. Work continues on the electrical system.

7.2 Hwy 62 14" Water Main Reroute – Knife River Materials was the low bidder for Hwy 62 Phase 1 project. The cost for the drilled sign post is forthcoming.

7.3 City of Medford Lozier Lane Project – Jacksonville Highway Water District (JHWD) will have a board meeting on March 8, 2016. MWC is still waiting for a response from JHWD. JHWD is considering a vote on disillusion and a general election in May to vote for disillusion. Jackson County has sent a letter to JHWD instructing JHWD to relocate their water mains. Marquess and Associates has submitted the 12" water main plans to MWC for review and comment. MWC and City of Medford staff continues to coordinate on the plans and specification for the project.

JHWD and Elk City Water District Attorney John Blackhurst stated that on behalf of JHWD, he has had meetings with the City and Engineer Johnson about the Lozier Lane project. If both lines were moved it would cost \$183,000 although JHWD only has \$131,000. MWC staff says the system needs to be upgraded to a minimum of an 8" water line, which would be over \$500,000. Because of the cost they may dissolve JHWD. If they do dissolve, a surcharge will probably be imposed to pay for the shortage of project funds, and Mr. Blackhurst questioned what will that be, interest, and period of time if the MWC took over the district. He stated he will be meeting with Medford Attorney Lori Cooper and County Counsel Brett Baumann.

Commissioner Dailey questioned how this would fit the schedule; Engineer Johnson noted more than likely it will delay the project two-three months. Commissioner Dailey questioned how we get the district's savings to offset the cost to upgrade; Engineer Johnson noted it would be done by agreement. Commissioner Anderson questioned if we could get possible surcharge information they need before their next district meeting. Mr. Blackhurst stated it might be too soon to receive that. Mentioned was a previous agreement form between MWC and Kings Highway District. Engineer Johnson stated we will not know the final cost until the project is bid and completed. Staff provided information on how rates are determined and would recommend a 10 year agreement. Commissioner Anderson noted we will have a \$369,000 shortfall and would this fall on all JHWD customers. Ms. Cooper noted there is room for the Board to make a policy decision on that according to law but would have to look at what the MWC Board policy

will be pertaining to this particular issue. The basic cost of the 8" line should be paid by JHWD customers; anything above that would be paid by MWC. Mr. Blackhurst noted those who live in the district but not that particular area won't be happy either, although Mr. Rains noted it is ALL their water district. The Board discussed the length of payment to be either 10 or 20 years. Staff will prepare rough monthly surcharge costs for ALL district customers for both 10 and 20 year scenarios to be presented back to the Board at the next meeting.

- 7.4 Master Plan Updates – MWC staff had a meeting with CH2M yesterday. Water production values, BBS flows, Capital Reservoir flows, population projections and modeling issues were discussed and resolved. The first rough draft of the Water Conservation and Water Management Plan is due late March.
8. Water Treatment Report (Water Treatment Plant Director Jim Stockton)
  - 8.1 The winter season maintenance project is wrapping up and the annual winter servicing has been completed. The balance of the pump components have arrived and staff is working with the contractor for installation. One of the two coagulant fiberglass tanks was inspected and the report came back good. Scheduled maintenance will follow.
  - 8.2 Ozone will be commissioned the first of March.
9. Finance Report (Finance Administrator Tessa DeLine)
  - 9.1 Staff is focused on the 2016-17 annual budget and financial statements. The budget drafts will be forwarded to Mr. Rains soon.
  - 9.2 The semi-annual physical inventory was completed at the Service Center; the net inventory adjustment was less than \$500.
10. Operations Report (Operations Superintendent Ken Johnson)
  - 10.1 Staff met with two representatives of Sensus who reported they had a 3% failure rate for meters manufactured in 2014. We received about 1,300 of those meters; staff questioned what Sensus will do about it. Operations Superintendent Ken Johnson noted the meter issue, moisture penetrating the meter body, has been resolved. Sensus presented a proposal that they will provide a single fixed based system to read 98% of our meters from the Capital Hill reservoir site with new technology that can detect meter reading discrepancies immediately. We would receive a credit for any discovered bad meters; and the fixed based system would monitor any other meters that are failing or operating properly for a period of six to twelve months. If the Commission decided to keep the system Sensus would leave in place the physical infrastructure and NOT charge the \$130,000 initial cost they have put forward to install the new system or software. The fixed based system is what staff has always set as a future goal and would eventually, when our 22-year meter replacement plan was complete, budget for. The Commission would need to provide the location, thinking Capital Hill communications tower already in place; challenges would need to be addressed, such as approval by the City of Medford. Staff noted they have checked with the City and this location would not interfere with public safety. The other two locations Sensus proposed would not have read as high of a percentage of meters as Capital Hill. Staff suggested to the Board that this proposition is a WIN situation for the MWC. Upon purchase, the annual fee would be approximately \$12,000 year and would increase over time to ultimately around \$50,000 in twelve or so more years with the installation of more radio read meters. These costs would be paid even if the MWC did the system on its own.

Commissioner Johnson questioned if we are paying a yearly fee now; Mr. Rains noted we are not as we were not going to add this system until later years. There is a good chance we could read all meters from this location. Mr. Rains noted their problem with the I-pearl meters was moisture related and thought this was a step MWC could not afford to pass up. Mr. Rains also

stated Sensus has a shut off/trickle valve type meter nearing market sale that we could use in the future as needed. The Board agreed to proceed with the plan as outlined.

11. Manager/Other Staff Reports

11.1 Mr. Rains noted staff attended a peak hour work group meeting that the other cities had formed. The next meeting will be April 11 and he would like one or two board members to attend. Mr. Rains stated Shawn Koorn from HDR will be attending as well. More information will be provided when that meeting gets closer.

11.2 The next MWC meeting will be on March 16, 2016 at the Duff Water Treatment Plant.

12. Propositions and Remarks from the Commissioners

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. Spoons, MMC  
City Recorder  
Clerk of the Commission