

**MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION**  
**March 21, 2012**

The regular meeting of the Medford Water Commission was called to order at 12:30 p.m. on the above date at the Medford City Hall Lausmann Annex, Room 151/157 with the following commissioners and staff present:

Acting Chair Cathie Davis; Commissioners John Dailey, Lee Fortier, Leigh Johnson

Commissioner Jason Anderson was absent.

Manager Larry Rains; Attorney John HuttI; Deputy City Recorder Karen Spoons; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Public Information Coordinator Laura Hodnett; Water Quality Superintendent Bob Noelle; Operations Superintendent Ken Johnson

Guests: City of Medford Councilmember Jim Kuntz; Central Point Mayor & Liaison Hank Williams; Eagle Point Principal Planner Mike Upston; Eagle Point Mayor & Liaison Bob Russell; Eagle Point Public Works Director Robert Miller; Medford Deputy Fire Chief Justin Bates; Public Works Management Joe Strahl

2. Approval or Correction of the Minutes of the Last Regular Meeting of March 7, 2012  
Will be approved at the next meeting.
3. Comments from Audience
  - 3.1 Eagle Point Public Works Director Robert Miller introduced Mike Upston, Principal Planner for Eagle Point and alternate for the proposed Water Conservation Grant Technical Committee.
4. Written Communications
  - 4.1 Quarterly Letter to Mayor and Council  
The quarterly letter for the second quarter of FY 2011-12 was provided; the board members agreed to the contents, the Chair will sign and staff will forward the letter and relevant attachments to the Mayor and councilmembers.

Motion: Direct staff to send quarterly letter to Mayor and Council.

Moved by: Mr. Fortier

Seconded by: Mr. Dailey

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

Motion carried and so ordered.

- 4.2 Letter Regarding the Water Conservation Grant Through Oregon Water Resources  
A letter was received from Joe Strahl of Public Works Management on the grant status application, which the MWC jointly applied for with the other cities, for review and consideration. The letter is requesting budgeting for \$50,000 for the matching grant as well as two board members to be on their Policy Committee and Laura Hodnett to be on the Technical Committee. Commissioner Dailey questioned the total amount of the grant; staff noted it was \$100,000 to be matched with \$50,000 cash and \$50,000 worth of in-kind work. Staff believed this is a worthy goal towards promoting wise use of water, water conservation programs and program bonding of the other cities.

Joe Strahl, Public Works Management, updated the Commission on the purpose of the grant and that the grant will be recommended to the Water Resources Department. If the grant is approved, the meetings would start in June or July. The committee(s) can then determine what other groups may be needed as things move along. The goal is to prolong the need for additional water rights and projects pertaining to the use of more water.

City Attorney HuttI questioned if this is contingent on the grant being issued to us; Mr. Strahl noted that last fall all parties involved discussed meeting together for conservation issues. Mr. Rains noted the \$50,000 cash match can be placed in the MWC budget as previously discussed if directed so by the Board; at present the board needs to consider who would serve on the committee as noted

above and concur with the goals as brought forth. Mr. Huttli questioned Mr. Stahl pertaining to the committee; Mr. Stahl noted these would be working committees similar to the Regional Problem Solving Committee (RPS). Mr. Huttli noted that the RPS is a noticed meeting. Mr. Huttli stated he would like to talk with Mr. Rains as well as the legal representatives of the other cities before this moves forward. Mr. Rains stated that the committees are not MWC committees; Mr. Huttli understood but would like to wait for clarification. Mr. Fortier questioned public involvement; Mr. Strahl provided clarification.

5. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$1,836,302.94.

Mr. Johnson questioned the payment to Jackson County Development Services; staff stated this is the Brownsboro services application fee for working in a flood plain.

Moved by: Mr. Johnson

Seconded by: Mr. Dailey

Roll Call: Commissioners Dailey, Davis, Fortier, and Johnson voting yes; Fortier recused himself from the Rogue Disposal & Recycling and Rogue Transfer & Recycling vouchers.

Motion carried and so ordered.

6. Engineer's Report

- 6.1 Duff Reservoir Seismic Upgrade – Final site cleanup is under way; punch list items are being worked on.
- 6.2 Duff Floc/Sed Basins – The qualification base selection Request for Proposal is being prepared to be advertised.
- 6.3 Control Stations Upgrades – Final site cleanup is under way and punch list items are being worked on. A full operational startup will be performed in June or July when the water demand increases.
- 6.4 Ave G 48" Transmission Main – The 48" water main has been installed from the tie-in point at Duff Water Treatment Plant (WTP) to south of the WTP driveway. Approximately 350' of the 48" water transmission main has been installed.
- 6.5 Martin Control Station – The final design is underway; the 75% design plans and specifications are to be submitted to MWC for review by April 2.

Commissioner Fortier questioned the 48" transmission work; Engineer Johnson noted that the delay seems to be caused from the area the contractor is working at; the pace should pick up once they get to Kirkland Road.

7. Water Quality Report

- 7.1 Duff Treatment Plant – Staff has commenced the pre start up activity.
- 7.2 Backwash Pump – Will begin tuning the motor beginning tomorrow to be sure there is good reliability.
- 7.3 PP&L – Completed reliability upgrades on the main service connection on the power pole. Commissioner Dailey questioned if that would fix the breaker issuer; Water Quality Superintendent Noelle believes that the fusing should solve the problem.
- 7.4 Big Butte Springs Hypochlorite – Staff is moving forward with the system improvements and

beginning to secure materials; hope to start this sometime next month.

7.5 Best Tasting Water Contest – Is scheduled for tomorrow.

8. Finance Report

8.1 Review of Draft Investment Policy

The board reviewed the draft of the new Medford Water Commission Investment Policy prior to sending to the Oregon State Treasurer for approval. Commissioner Dailey presented highlights of the policy such as goals set by policy. He noted that the Board of Medford Water Commissioners will function as the Investment Committee to provide guidance to the Investment Officer and monitor investment policy compliance. Deanne Woodring of Davidson Fixed Income Management joined the meeting by phone and stated that the MWC is allowed to establish their own risk parameters; by state law the Commission is allowed to go up to 35% in corporate holdings; her recommendation was to reduce that exposure and the policy will use limited corporates in the investment portfolio. Mr. Dailey noted that everything in this complies with the statutes and goes beyond that in a number of cases. Ms. Woodring addressed the risk of the portfolio and accountability. After this is submitted to the Oregon State Treasurer Office for their comments and review, it then goes to the Oregon Short Term Investment Board for review; if there are any issues to address that will come back to the board. She noted that this is the first policy to come through the Oregon Short Term Investment Board using this format as the Treasurer's Office just came out with this form. Mr. Dailey stated that once it comes back it will be adopted by the board. Mr. Rains questioned if they were requesting board input; Mr. Dailey stated they were. Ms. DeLine also stated that staff will be working on an Internal Controls Policy that would be at staff level. The Board agreed to send the new Investment Policy to the Oregon State Treasurer.

Ms. DeLine stated that there are investment guide books available for the board.

9. Operations Report

9.1 Crews will be at the Commons project working on moving hydrants and taping for future hydrants in that area. Crews are also working at Alba Village as well as the Ave G 48" transmission main.

9.2 Capital Hill Reservoir 3 – Crews are at the first stage of evaluation and cleaning; in April crews will drain, inspect, and find out the status of that reservoir.

9.4 The tower at the Capital Hill site will be moved; construction of the tower at the new location will start next week.

10. Manager/Other Staff Reports

10.1 Update on the Leak Response Program

Mr. Rains provided a recap of the 2011 leak letter program. Letters are sent to customers with higher than normal water usage, suggesting that they may have a leak that needs to be corrected. This item was provided for information only and no board action was required. Mr. Dailey questioned the "closed accounts" pertaining to leaks; Mr. Rains thought they were closed accounts associated with leak concerns and ensuing leak letters that were sent.

10.2 Public Information Coordinator Hodnett presented a National Mayor's Challenge for Water, a fun program to highlight saving water and requested approval from the board. The board agreed to forward this to Mayor Wheeler for consideration.

11. Propositions and Remarks from the Commissioners

11.1 Mr. Johnson thanked the Fire Department and both mayors for coming today; hopefully we will continue to encourage more attendance with community partners.

12. Adjourn

There being no further business, this Commission meeting adjourned at 1:11 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. Spoons, MMC  
Deputy City Recorder  
Clerk of the Commission