

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

June 15, 2016

The regular meeting of the Medford Water Commission was called to order at 12:26 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, City Recorder Karen Spoons; Administrative Coordinator Yvette Finstad; Finance Administrator Tessa DeLine; Public Information Coordinator Sara Bristol; Conservation Coordinator Laura Hodnett; Water Quality Director Rosie Pindilli; Operations Superintendent Ken Johnson; HR/Payroll Technician II Kristin Berg; Conservation Specialist Dave Searcy

Guests: Central Point Mayor Hank Williams; Eagle Point Mayor Bob Russell

Press: Damian Mann of Medford Mail Tribune; Kristin Hosfelt of KOBI 5

The pledge of allegiance was given.

3. Approval or Correction of the Minutes of the Regular Meeting of June 1, 2016  
The minutes were approved as presented.

4. Comments from Audience

- 4.1 Doug McGeary questioned the intentions of the Medford Water Commission pertaining to the Lozier Lane Project. Commissioner Anderson questioned if he had time to sit through the meeting as that topic is on the agenda; he stated he could. Commissioner Anderson stated he will be allowed to speak later in the meeting.

5. Public Hearings

- 5.1 Consider Resolution No. 1600, A RESOLUTION Adopting the Budget for the Medford Water Commission of the City of Medford, by and through its Board of Water Commissioners, for Fiscal Year 2016-17 Commencing July 1, 2016, and Making Appropriations Thereunder

This is a continuation of the public hearing opened at the regular meeting of June 1; the Board desired time to go over recommended changes presented by staff at that time. Notice of the hearing was posted at City Hall and the Commission's Annex office, published on the website May 18 and also published in the May 25 and May 29 editions of the Mail Tribune. The notice, which includes all of the fund budgets, was attached to the resolution. Staff recommended approval.

Commissioner Anderson requested Finance Administrator Tessa DeLine go through the requested changes. Ms. DeLine presented the information. Commissioner Strosser requested the additional full time employee for the Finance Department not be added to the budget. The Board questioned the additional two million dollars in the upcoming budget; Commissioner Strosser requested Mr. Rains explain it to him; Mr. Rains stated this is the second year of the new software package and he would not know that answer at present. The Board discussed not approving this at the present time; Mr. Rains noted we do not have legal representative here to give advice although we can move forward and try to come up with an answer. The Board questioned how the rate increases could impact the budget; Mr. Rains noted it does not affect this budget.

Motion: Continue the public hearing on Resolution No. 1600 to the July 6, 2016 meeting.

Moved by: Mr. Dailey

Seconded by: Mr. Strosser

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

Motion carried and so ordered.

Commissioner Anderson requested all Board questions be forwarded to the Chair who will in turn forward them to the Manager so that he can provide answers at the next meeting.

6. Resolutions

- 6.1 No. 1603, A RESOLUTION Adopting and Authorizing the Manager to Execute the Investment Policy for the Board of Water Commissioners

The Commission re-adopts its investment policy every year in order to comply with state statutes. The policy provides guidance, diversification, effective management of financial risk and internal controls on investment decisions. There have been minimal revisions since last year's policy was adopted. Staff recommended approval.

Motion: Approve Resolution No. 1603

Moved by: Mr. Dailey

Seconded by: Mr. Fortier

Commissioner Dailey noted he went over this with the investment company and provided information on improved options as well as a higher yield on corporate bonds.

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

Motion carried and so ordered. Resolution No. 1603 was approved.

- 6.2 No. 1604, A RESOLUTION Authorizing the Manager to Execute an Agreement to Provide Workers Compensation Insurance for Medford Water Commission Employees, for Fiscal Year 2016-17

Staff solicits quotes annually for this insurance coverage; this year one quote was received from SAIF Corporation. Staff recommended approval.

HR/Payroll Technician Kristin Berg provided a staff report and stated new safety programs have been implemented. Two companies did not provide a quote due to our high claims history. In 2014-15 there were six claims.

Motion: Approve Resolution No. 1604

Moved by: Mr. Dailey

Seconded by: Mr. Strosser

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

Motion carried and so ordered. Resolution No. 1604 was approved.

- 6.3 No. 1605, A RESOLUTION Approving Amendments to the Monthly Salary Rates for Non-Bargaining Unit Employees of the Medford Water Commission, Effective July 1, 2016

As part of the budget process, staff revised the monthly salary rates for all nonunion employees, based on the Consumer Price Indexes, Pacific Cities and US City Averages, for Urban Wage Earners and Clerical Workers. The resolution reflects a 0.7 percent cost-of-living increase. Staff recommended approval.

Motion: Approve Resolution No. 1605

Moved by: Mr. Dailey

Seconded by: Mr. Fortier

Commissioner Anderson questioned if we were following the collective bargaining group; Mr. Rains noted we were.

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

Motion carried and so ordered. Resolution No. 1605 was approved.

- 60.4 No. 1606, A RESOLUTION Approving Amendments to the Monthly Salaries of Bargaining Unit Employees of the Medford Water Commission, as Set Forth in the Agreement between the Board of Water Commissioners of the City of Medford, Oregon and the Oregon and Southern Idaho District Council of Laborers, Laborers' International Union of North America, Local #737, Effective July 1, 2016

The 2015 union contract provides for a cost-of-living increase based on the Consumer Price Indexes, Pacific Cities and US City Averages, for Urban Wage Earners and Clerical Workers. The average of the indexes was 0.7 percent. Staff recommended approval.

Motion: Approve Resolution No. 1606

Moved by: Mr. Dailey

Seconded by: Mr. Anderson

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

Motion carried and so ordered. Resolution No. 1606 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 \$397,205.04

Moved by: Mr. Dailey

Seconded by: Mr. Fortier

Commissioner Johnson questioned why we are reimbursing an employee on an item; Mr. Rains provided information on an incident where a few purses left in the street were run over.

Roll Call: Commissioners Anderson, Dailey, Fortier, Johnson, and Strosser voting yes; Anderson recused himself from the Asante voucher, Fortier recused himself from Rogue Disposal and Rogue Transfer vouchers, and Johnson recused himself from the Stanley voucher.

Motion carried and so ordered.

8. Engineer's Report (Principal Engineer Eric Johnson)  
Not available.

9. Water Quality Report (Water Quality Director Rosie Pindilli)

- 9.1 Lead results were given from a pipe experiment conducted on both Duff finished water and Big Butte Springs (BBS) water. Lead pipe, removed recently from our system in early May, was carefully handled and reconnected to a test rig by the service crew. Water was run through the pipe rig for many hours to wash out any loose metals and to condition the pipe to the source water. It was noted that disturbing the water will cause the metal to come off. Water was then stopped by closing valves at both ends. The water inside the pipe rig was then allowed to sit stagnant for six hours, which is the minimum time required by the Lead and Cooper Rule (longer times typically increase metal concentrations). At the end of the six hours, a sample was collected and delivered to Neilson Labs for analysis. The results clearly show that there was no lead in the Duff finished water and just a trace in the BBS water, but high amounts were found in the pipe samples, with the levels in BBS samples approximately double compared to the Duff samples. The samples at both locations were duplicated for confirmation. Neilson Labs performs lead and copper analysis together. It is important to note that the copper results in this test are not representative to what would leach from a copper pipe because there was minimum copper used in the pipe rig. Copper levels were surprising based on the very small amount of copper used in the pipe rig. Each pipe sample had noticeable color when compared to the source samples. The last BBS sample collected was not analyzed for lead and copper, but other metals to help determine the cause of the color. When compared to identical routine monthly samples collected on BBS source water, elevated levels of other metals (aluminum, copper, iron, lead, nickel, and zinc) were found. Iron really contributes to the color.

The document titled "The Flint Michigan Lead Crisis, Aftermath, and Ramification" is posted on the Oregon Health Authority website and was presented in the Board's packet. The document states that Oregon source waters are "naturally corrosive" which is very typical of high mountain waters and corrosion control treatment is most always needed. Ms. Pindilli stated that corrosive water has been an issue she has been trying to bring forward for several years.

There was another issue with lead in our water on South Pacific Highway at a dead end main. As a result of a customer complaint, Mr. Rains gave permission to flush and test a nearby hydrant on March 15, 2016. The test results came back high in iron and lead. The issue was then transferred by Mr. Rains from Water Quality to Operations that that hydrant and other hydrants be flushed. Coworkers stated that hydrants were not good sites for sampling for metals but there are few other options. Ms. Pindilli collected the repeat sample from a sample station located nearby (on the same line) on May 2, 2016. That sample came back high in lead and aluminum. This was extremely concerning. Operations were directed by Mr. Rains to flush again. This time a more thorough, unidirectional flush was performed. Another sample was taken from the sample station on June 1, 2016 and all parameters were below EPA limits. This demonstrates that unidirectional flushing can be successful in removing contaminants from distribution lines. Currently MWC does not have a unidirectional flushing program but we are trying to move towards this.

Commissioner Dailey questioned the lead levels from the test; Ms. Pindilli stated that Duff finished water was non-detect for lead. The first Duff pigtail sample was 83 parts per billion (ppb) and the second test was 74 ppb. EPA action level is 15 ppb. The BBS water at Coalmine was 0.14 ppb. The first Coalmine pigtail test sample was 183 ppb and the second test was 266 ppb. This was just to see what would leach; as a reminder there was no lead to begin with and after six hours we have it.

Commissioner Anderson questioned if this was done for the RFP, Ms. Pindilli stated that was not our intention although it could be used for part of that. Mr. Rains noted we have mentioned it to the consultant and they are interested. Staff is still working with the consultant and we should have something for the Board to see in July. Commissioner Johnson questioned how many companies we will send this to; Mr. Rains noted he only sent it to Black & Veatch and explained that they are a reputable firm and explained the rule of \$100,000 or less you can use anyone you want vs. the QBS process. Commissioner Dailey questioned if we are in charge of the Charlotte Ann Water District location where the lead issue was on South Pacific Highway; Mr. Rains noted we maintain that for them.

Operations Superintendent Ken Johnson noted it could take days or weeks to clear water after there is a disturbance. Staff also noted lead pigtails were used to make the initial tapped service bend until other piping could be used to continue to the meter. Other parts of the nation may have service lines that are lead from tap to meter. Pigtails are on our side of the meter although there could be lead on the customer's side as well.

Commissioner Johnson noted the study needs to be done quickly and we continue to search where there might be a problem. Commissioner Strosser questioned if we could get a temporary person to help with this. Mr. Rains noted we were going to come to the Board in two weeks and get a list by looking at meters. He further explained how we would look for lead pigtails. Costs could vary depending on what you find and street moratoriums. Staff explained there is information to give to customers so they can be informed. When replacing a service line at Dakota Street no pig tails were found although there was a pigtail there some time ago. If there is a galvanized line there could be a pigtail. Maps show there might be 52 galvanized lines although they will need to be verified. The Board thought that was a good place to start.

Ms. Pindilli noted utilities have until 2050 to get all lead lines out. They are stressing that all large systems have corrosion control treatment as that is the fastest fix. Commissioner Strosser

questioned the flushing program; Mr. Rains noted that was not selected by the Board and will take another contractor to get it done. That could take five years, with 2-3 additional staff. Commissioner Strosser thought there should be good communication between the Service Center and Quality Control staff.

Discussed was the RFP process and if the contract is over \$100,000 the process takes longer. Mr. Ken Johnson noted we could inform citizens on areas that are clean, others that are not. Discussed was testing sample points, which has not been tested for lead, although this was not chosen by the Board. Ms. Pindilli noted it is difficult to have that stand for six hours as water continually flows at the sampling station. Commissioner Johnson assumed all other cities are doing their own testing.

Mr. Rains questioned if the Board would like staff to test meters, develop fliers and testing on the homeowner's side during the process. The Board agreed to all of these ideas.

Commissioner Johnson questioned the problem outside of this building as mentioned in the paper. He did not get why the master meter was not tested; Mr. Rains noted there was confusion. The City did not want to test their building as they had done some testing before that and did not think they needed to do another. The second was the meter that was connected to the other building as well and would disrupt service, hence the reason to go to the fire hydrant. Commissioner Strosser noted there is more activity at the other building than the Annex on weekends.

10. Finance Report (Finance Administrator Tessa DeLine)

10.1 The May financial statements will be reviewed and emailed to the Board as soon as possible.

11. Operations Report (Operations Superintendent Ken Johnson)

11.1 Last Thursday an 8" water main broke on Chestnut Street. Staff shut the flow down in about an hour. Water flooded part of a church and a claim has been filed. He noted a water main will break about once every three years and this particular pipe was about 80 years old.

Commissioner Johnson requested staff inform the Board when there is a rupture.

11.2 The Sensus agreement is back to the MWC.

11.3 Potholes on McAndrews have been repaired; the City of Medford will pay half of this repair.

11.4 DEQ is reviewing the reservoir overflow valve control issue.

12. Manager/Other Staff Reports

12.1 Water Management Conservation Plan

An update of the Water Management Conservation Plan was presented at the last regular meeting of June 1. Staff requested Board consent before moving forward. The Board agreed to the Plan.

12.2 Oregon Department of Forestry Fire Hydrant Device Request Update

At the last regular meeting of June 1, staff presented a request from the Oregon Department of Forestry (ODF) to set a hydrant device at the time of need for the purpose of supplying potable water to fire camps for drinking, showering, and cooking. Board members discussed the use of a hydrant as a source of potable water and directed staff to bring these concerns to ODF in order to find a solution that works for both parties. Operations Superintendent Ken Johnson contacted ODF on June 2. As of today, the MWC has not heard back from them.

12.3 Dissolution of Jacksonville Highway Water District

As a result of Jacksonville Highway Water District customers voting for dissolution of the district, Medford Water Commission will need to accept these patrons as Outside Customers; staff requested approval on this issue. Mr. Rains further stated that we would then charge these customers the outside rates starting July 1. He stated he would also need direction on who should approve the documentation, either the chair or manager. Staff recommended taking the month of July to determine surcharge and interest rate, and work towards a surcharge that would be added August 1. The Lozier Lane Project will be completed in about two years and we will then know the final charge.

Commissioner Dailey questioned what the rest of the system is; staff noted it is old cast iron pipe and may have pigtails. The formation of the JHWD was in the 1950's.

Motion: Accept JHWD customers as Outside Customers and allow the Manager to sign the document implementing the agreement to allow staff to charge them the outside rates starting July 1, 2016.

Moved by: Mr. Anderson

Seconded by: Mr. Strosser

Mr. McGeary questioned why the surcharge is not paid by all customers and why they have not been able to become an Outside Customer in the past. Commissioner Anderson noted it was explained with those who attended previously and this is what our policy is. He noted it was not the MWC that started this project. Mr. Rains noted JHWD has never asked the MWC to come in as long as he has been manager. He noted a third of the line is the MWC's, which MWC will pay for, the other two thirds is theirs. If they would have stayed as a district they would have had to pay for this as well as any additional improvements that were part of the JHWD.

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

Motion carried and so ordered.

12.4 Mr. Rains stated he will be attending an American Water Works Association (AWWA) conference next week.

13. Propositions and Remarks from the Commissioners

13.1 Commissioner Johnson provided information on his search for an attorney for the MWC. Commissioner Anderson would like to bring this up later in the meeting.

The Board adjourned to executive session at 1:44 p.m.

14. Executive Session in Accordance with ORS 192.660(2)(i) – To review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.

The Board reconvened at 1:56 p.m. with the same members present.

Motion: Direct staff to hire an outside consultant per the directions given at the executive session for the evaluation of the general manager.

Moved by: Mr. Anderson

Seconded by: Mr. Dailey

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

Motion carried and so ordered.

Pertaining to the conversation of hiring an attorney, Commissioner Anderson noted it was more than frustrating having no representation for a public records request. Whether we send out for an RFP or use who the City Attorney requested we as a Water Commission should have someone to call. It was agreed Commissioner Anderson will attempt to obtain an agreement by outside counsel to give MWC legal advice on an as needed basis. Mr. Rains requested a motion as he is trying to get assistance pertaining to a public records request.

Motion: Per the outcome of Commissioner Anderson's direction, authorize the manager to sign an agreement with legal counsel for future legal needs.

Moved by: Mr. Anderson

Seconded by: Mr. Dailey

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

Motion carried and so ordered.

15. Adjourn

There being no further business, this Commission meeting adjourned at 2:02 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. Spoonts, MMC  
City Recorder  
Clerk of the Commission