

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

August 18, 2010

The regular meeting of the Medford Water Commission was called to order at 12:45 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, Don Skundrick

Manager Larry Rains; Deputy City Recorder Karen Spoons; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Public Information Coordinator Laura Hodnett; Geologist Bob Jones; Operations Superintendent Ken Johnson

Guests: Medford Councilmember's Bob Strosser and Jim Kuntz; Medford City Attorney John Huttli; Medford Deputy Fire Chief Kurt Bennett; Central Point Councilmember Kay Harrison; Phoenix Councilmember Mike Stitt; Public Works Management Joe Strahl

Commissioner Leigh Johnson was absent.

2. Approval or Correction of the Minutes of the Regular Meeting of August 4, 2010  
Approved.
3. Comments from Audience
  - 3.1 Phoenix Councilmember Mike Stitt clarified his comments given at the study session pertaining to the Water Rate Structure study session and service to the surrounding cities.
  - 3.2 Medford Councilmember Bob Strosser stated that he would like to discuss the Water Conservation and Landscape Committee later in this meeting; Manager Rains noted that it would be.
4. Public Hearing
  - 4.1 Consider Resolution No. 1416, A RESOLUTION Modifying the System Development Charge for the East Side High Level Area

Public hearing opened.

No one spoke.

Public hearing closed.

At the May 5 meeting the board approved consideration of a decrease in the ESHL SDC, to \$6,399.77, at a public hearing at today's meeting. The last modification to the SDC occurred in September 2009; it was an increase. The Southwest High Level SDC will remain at its current amount this Fiscal Year. All of the SDCs are re-evaluated every spring. Staff recommended approval.

Motion: Approve Resolution No. 1416

Moved by: Mr. Skundrick

Seconded by: Ms. Davis

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

Motion carried and so ordered. Resolution No. 1416 was approved.

5. Resolutions
  - 5.1 No. 1417, A RESOLUTION Authorizing the Manager to Submit Payment to the City of Medford in the Amount of \$10,800 for the Medford Water Commission's Share of the Auditing Services Contract with Isler CPA to Perform the Fiscal Year 2009-10 Audit for the Commission

The Commission has shared a part in the city's contract for auditor services since at least 2004, along with the Medford Urban Renewal Association. The City's contract with Isler CPA expired last December. City staff presented an ordinance for council consideration, which would exempt from

competitive bidding a one-year contract with Isler CPA for the FY 2009-10 audit. The City invoices the Commission for these services after the audit has been performed. Staff made a few modifications to the text of Resolution No. 1417 prior to today's meeting, which will help clarify the intergovernmental nature of the city's agreement with Isler for auditing services. Staff recommended approval.

Motion: Approve Resolution No. 1417  
Moved by: Mr. Anderson

Seconded by: Ms. Davis

Commissioner Skundrick questioned why the City would exempt from competitive bidding a one-year contract; he further commented that we all should learn from the mistake of Enron continuing with the same auditor. City Attorney Huttel stated that the City already had a contract with them and they are in the middle of an audit for year end.

Roll Call: Commissioners Anderson, Davis, Hall and Skundrick voting yes.  
Motion carried and so ordered. Resolution No. 1417 was approved.

5.2 No. 1418, A RESOLUTION Authorizing the Manager to Engage Stoel Rives, LLP, for Legal Services Related to Implementation of the Water Rights Master Plan

The MWC requested and received an engagement letter from David Filippi of Stoel Rives, LLP, related to legal services for implementation of the Water Rights Master Plan. The MWC will need specialized legal services in order to analyze the issues and develop a strategy. The water rights consultant that produced our master plan, GSI Water Solutions, recommended Mr. Filippi. Legal services are exempt from public contracting law so we plan to engage Mr. Filippi's services by letter on an as-needed basis for this project, beginning with the initial analysis, estimated at \$5,000. Staff recommended approval.

Motion: Approve Resolution No. 1418  
Moved by: Ms. Davis

Seconded by: Mr. Skundrick

Roll Call: Commissioners Anderson, Davis, Hall and Skundrick voting yes.  
Motion carried and so ordered. Resolution No. 1418 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 \$1,739,287.40.

Moved by: Mr. Anderson

Seconded by: Ms. Davis

The board questioned payments pertaining to the check scanner and the Ford/Forest Hills Land.

Roll Call: Commissioners Anderson, Davis, Hall, and Skundrick voting yes; Anderson and Skundrick recused themselves from the Knife River voucher.

Motion carried and so ordered. The Knife River voucher will be continued to the September 1, 2010 meeting for a confirmed quorum approval from Commissioner Johnson.

7. Engineer's Report

7.1 Duff Water Treatment Plant Fish Screens – The downstream Tee screen is in service and functioning. The interior work on the downstream tower is under way. Staff expects this project to be complete in about a month.

7.2 Duff Water Treatment Plant Operation Remodel – The project is being advertised with a pre-bid meeting scheduled for August 24. Staff noted there is much interest in this project.

- 7.3 Jackson County Project Ross Lane – The majority of the water construction is complete. The adjustment to water meters is under way.
- 7.4 Control Station Upgrades – Staff has received the 90% design plans and specifications from CH2M HILL and is currently reviewing them.
- 7.5 Ave G 48" Transmission Main – Staff has received the pre-design technical memorandum from Thornton Engineering. The technical memorandum verifies the feasibility of construction of the 48" water transmission line in Ave G. The initial construction estimate provided by CH2M HILL in the Water Master Plan for this project was \$3,648,000. CH2M HILL estimated costs were based on the November 2006 CCI. The CCI has increased by 12% since then. The construction cost estimate included in Thornton's technical memorandum is \$4,495,000; the difference in estimated cost is \$847,000. The true cost for this two-year project will not be known until the project is bid in early December.
- 7.6 11<sup>th</sup> Street 26" Water Transmission Main – The 11<sup>th</sup> Street Improvement Project with Jackson County was advertised this weekend. The initial construction estimate provided by CH2M HILL in the Water Master Plan for this project was \$625,000. The estimated construction cost for this project is \$932,000; the difference in estimated cost is \$307,000. Once again the estimated costs were based on the November 2006 CCI. Funds from the Ave G project will be shifted this FY to pay for this project and the amount needed for the Ave G project will be increased by \$1,200,000 next FY. The true cost for this project will not be known until the project is bid in late September.
- 7.7 Coker Butte and Owens – Water main construction for the Owens Drive and Coker Butte portions are ongoing. This project is about 80% complete.
- 7.8 Big Butte Springs #1 Transmission Main – Due to the fire season the repair work will be done in late September.

Commissioner Hall questioned head loss on the Duff intake tower and whether MWC can get 65 MGD through the tee screens; Engineer Johnson noted that everything is functioning as designed and that the 48-inch transmission line, currently in design phase, from the treatment plant to Avenue G and 11<sup>th</sup> Street in White City will help with this process.

#### 8. Finance Report

- 8.1 Staff is focusing on year end; the report should be available at the next board meeting.
- 8.2 Staff should have the information pertaining to credit card usage available at the next board meeting.

#### 9. Operations Report

- 9.1 Staff is abandoning a line for the City of Central Point, which should be completed tomorrow, as well as doing work for the City of Phoenix, both of which are billable items.
- 9.2 Scrap Metal – A scrap metal bid opening is planned for August 24; it is expected to come in at about \$10,000.
- 9.3 The Angelcrest Pump Station will go out to bid shortly.

#### 10. Manager/Other Staff Reports

- 10.1 Lost Creek Meeting – Geologist Jones reported that the meeting pertaining to Lost Creek was well

attended; DEQ was not there although everyone else made it including the legislators' staff. An agreement was made in principal to seek the reallocation of 10,000 acre-feet to M&I water; the Irrigation allocation would stay as-is; a portion of the carryover water would be allocated to fish. Yet to be resolved with the U.S. Army Corps of Engineers (USACE) is the risk factor of not filling the lake on a yearly basis. A working group has been formed to draft a request letter to USACE for a quick study on the carryover water. This would then have to be approved by Congress; the legislators would need consensus among stakeholders before moving forward.

10.2 Water Conservation and Landscape Committee – Councilmember Strosser remarked that there are issues pertaining to the Water Conservation and Landscape Committee that the City has set up to review current landscaping and irrigation regulations and rules pertaining to water conservation. He commented that the MWC staff needs direction from the board as to what they should be reporting to the committee. Manager Rains noted that he was going to wait until Commissioner Johnson was in attendance but Councilmember Strosser wanted to discuss this now. Councilmember Strosser read the goals of the committee at the request of the MWC; then requested the purpose be clarified. Commissioner Hall questioned if any of the MWC board had heard of these goals before; the commissioners noted that they had not. Councilmember Strosser noted that future committee meetings have been postponed until clarification is received from the board. Commissioner Hall noted that he had been to three of their meetings and noted that these meetings are a waste of time. Commissioner Hall suggested the committee focus on the 8 and 80 rule and let dry landscaping be tried, and focus on Single Family Residential (SFR) instead of commercial/industrial. He indicated that no one on the committee was able to tell him how much water would be saved with the regulation changes they were reviewing but Commissioner Hall believes it would be minimal. Councilmember Strosser noted that the City created this committee to try to be complimentary to the MWC pertaining to water conservation. Councilmember Strosser noted there needs to be clarity of purpose and a clear direction of the majority of the MWC board to their staff. Commissioner Skundrick recalled the concerns expressed previously as a way to prudently save water. He noted the intent was good; however, results may take time; the committee should keep moving forward. Commissioner Davis noted the Water Conservation Plan is not very specific but SFRs should be included in the process. She is more focused on types of landscaping material in new development but was not sure how you could require people to do conservation landscaping. Commissioner Anderson questioned if there are code requirements for SFRs; City Attorney Huttli noted there is no code requirement. Commissioner Anderson thought the existing code sections for commercial/industrial are stout and should be looked at to improve. Public Information Coordinator Laura Hodnett presented handouts to the board of the presentation that was given to Medford City Council and other information on potential water savings, as well as excerpts of committee meeting minutes; the committee has met 10 times. They have been focusing on what the City can do in such areas as planter strips. Board members and staff discussed xeriscaping, which is not as extreme as sometimes thought; she pointed out the landscape design at the new Rogue Federal Credit Union on McAndrews Road. A draft memo of recommendations to the Commission is being worked on to suggest what the MWC could do as well. She requested direction from the board. Manager Rains noted the frustration of Commissioners Hall and Johnson with this committee and requested direction for his staff as well. Commissioner Anderson requested time for the board to review the handout material and a study session for further discussion and direction to this committee. Manager Rains noted that this can be accomplished at the next study session in September.

The Board adjourned to executive session at 1:41 p.m.

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The Board reconvened at 2:00 p.m. with same members present.

Motion: Direct staff to enter into negotiations with ODOT to purchase land for a future Martin station.

Moved by: Mr. Anderson

Seconded by: Ms. Davis

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

Motion carried and so ordered.

11. Propositions and Remarks from the Commissioners

None.

12. Adjourn

There being no further business, this Commission meeting adjourned at 2:01 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