

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

September 21, 2016

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 John Dailey, Bob Strosser

Manager Larry Rains, Medford City Attorney Lori Cooper; Administrative Coordinator/Acting City Recorder Yvette Finstad; Principal Engineer Eric Johnson; Finance Director Tessa DeLine; Operations Superintendent Ken Johnson; Engineering Tech. III – Inspector Lester McFall; Engineering Tech. II Juston Menteer

Guests: Central Point Mayor Hank Williams; Central Point City Manager Chris Clayton; Damian Mann; Chuck Rhine

Commissioners Jason Anderson and Lee Fortier were absent.

The pledge of allegiance was given.

3. Approval or Correction of the Minutes of the Regular Meeting of September 7, 2016

The minutes were approved as presented.

4. Comments from Audience

- 4.1 Chuck Rhine stated concern with the dismissal of former Public Information Coordinator Sara Bristol. He has always been confident that he was drinking the best water that could be consumed, and when our lead pigtail issue began, he was reassured that MWC was paying attention to the problem and dealing with it appropriately. Mr. Rhine believes she should be reinstated.

Commissioner Johnson thanked Mr. Rhine for his input; while it would be improper to discuss an employment issue, the Board does take concerns of the public seriously and it has been entered into public record.

- 4.2 Central Point City Manager Chris Clayton noted that the water service agreement for the City of Central Point will be considered by council tomorrow night; staff has recommended approval and no issues are expected.

5. Resolutions

- 5.1 No. 1611, A RESOLUTION Providing for the Collection of a Proportionate Share of the Cost of a Water Main Constructed on South Stage Road From South Pacific Highway to 725' West of South Pacific Highway, From Property Owners Benefiting Thereby at the Time of Use of the Said Water Main and Providing for the Payment of the Sums So Collected to Bernard Young, Installer of Said Water Main

Bernard Young has installed 720 feet of 12-inch ductile iron pipe on South Stage Road; approval of this resolution will allow the Commission to collect proportionate shares of the cost of the water main from property owners benefiting from the water line and provide the payment of sums back to the developer, at a rate of \$23.59 per lineal front foot until June 22, 2026. Staff recommends approval.

Commissioner Dailey inquired what their improvement plans are; HD Fowler is currently located there, they have a private fire suppression system with tanks and the owner wanted to bring them up to date in order make the property more viable for development. Commissioners and

staff discussed the equitability of the refund district rate; it is reviewed yearly but may not cover actual costs for every project. Staff has not obtained estimates in several years, and each situation is going to be different. A boring project would have to be calculated different than an apartment complex, for instance. When this comes up for review next year, the Board directed staff to make recommendations about formulating a policy based more on the cost of the specific project involved.

Motion: Approve Resolution No. 1611

Moved by: Mr. Dailey

Seconded by: Mr. Strosser

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

Motion carried and so ordered. Resolution No. 1611 was approved.

- 5.2 No. 1612, A RESOLUTION Providing for the Collection of a Proportionate Share of the Cost of Boring and Casing of a Water Main Constructed Across Central Pacific Railroad on South Stage Road, From Property Owners Benefiting Thereby at the Time of Use of the Said Boring and Casing and Providing for the Payment of the Sums So Collected to Bernard Young, Installer of Said Boring and Casing

Bernard Young has installed 80 lineal feet of 24-inch boring and casing; approval of this resolution will allow the Commission to collect proportionate shares of the cost of the boring and casing from property owners benefiting from the boring and casing and provide the payment of sums back to the developer, at a rate of \$3,128.00 per acre until June 22, 2026. Staff recommends approval.

Motion: Approve Resolution No. 1612

Moved by: Mr. Dailey

Seconded by: Mr. Strosser

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

Motion carried and so ordered. Resolution No. 1612 was approved.

- 5.3 No. 1613, A RESOLUTION Authorizing the Manager to Execute a Contract Amendment for McClure & Sons, Inc. (MSI) for Construction of the 65 MGD Flocculation/Sedimentation Basin Expansion Project at the Robert A. Duff Water Treatment Plant

A contract for MSI was previously awarded by board members for Construction of the 65 MGD Flocculation/Sedimentation Basin Expansion Project at the Robert A. Duff Water Treatment Plant. Additional work, in the amount of \$74,858.70, is required due to changes in the scope of the project as required by Medford Water Commission (MWC). The total cost of the amendment and the original contract exceeds the Manager's purchasing authority without board approval, per Resolution 1578 amending MWC's Contracting and Purchasing Regulations. Staff recommends approval.

This is the second change order for the project; a packet has been provided by staff to detail the items listed. Some items there overlooked by the designer, other items were discovered necessary after beginning construction. Legal noted that it is notoriously difficult to recover costs from designers. Even combined with the first change order, the amount is still less than half a percent of the total project cost, now at \$17,418,234.70.

Motion: Approve Resolution No. 1613

Moved by: Mr. Dailey

Seconded by: Mr. Strosser

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

Motion carried and so ordered. Resolution No. 1613 was approved.

- 5.4 No. 1614, A RESOLUTION Authorizing the Chair of the Board of Water Commissioners and the City Recorder to Execute Wholesale Water Service Agreements with the City of Jacksonville, City of Talent, and City of Eagle Point, Oregon, Each for a Five-Year Period Beginning October 1, 2016

Signed wholesale water service agreements for the City of Jacksonville, City of Talent, and City of Eagle Point have been received; the agreement for City of Phoenix has been signed but not received by MWC. In 2014, a uniform five-year water service agreement for the Other Cities and Water districts customer groups was approved, which is used as the basis for the specific details related to the provision of water service to each. Staff sat down with all of the cities and discussed peak usage; if they do not take water at our peak times and allow our reservoirs to replenish, it benefits everyone by saving on system expansion costs and reducing pressure issues. Staff recommends approval; the Chair and Recorder will need to sign both copies of the agreements.

Motion: Approve Resolution No. 1614

Moved by: Mr. Dailey

Seconded by: Mr. Strosser

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

Motion carried and so ordered. Resolution No. 1614 was approved.

- 5.5 No. 1615, A RESOLUTION Authorizing the Chair of the Board of Water Commissioners and the City Recorder to Execute Wholesale Water Service Agreements with Charlotte Ann Water District and Elk City Water District, Each for a Five-Year Period Beginning October 1, 2016

The water service agreements for the two remaining water districts that we serve have also been received. Just as with the cities, the general agreement language for both is the same with the exception of information regarding their specific connection conditions. Staff recommends approval; the Chair and Recorder will need to sign both copies of the agreements.

Motion: Approve Resolution No. 1615

Moved by: Mr. Dailey

Seconded by: Mr. Strosser

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

Motion carried and so ordered. Resolution No. 1615 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 \$447,037.84

Moved by: Mr. Dailey

Seconded by: Mr. Strosser

Commissioner Johnson questioned the payment to Neilson Research Corporation; Mr. Rains stated it was for required standard testing as well as lead testing. More information on the lead investigations will be provided during the Operations Report.

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

Motion carried and so ordered.

7. Operations Report (Operations Superintendent Ken Johnson)

7.1 With the initial investigations for pigtailed complete, the secondary investigations of 236 meters have begun (out of original 4,770) and informational doorhangers have been placed at those locations. 20 pigtailed have been located, 4 of which still need to be removed; 2 of the 20 were found when investigating leaks.

7.2 Cardinal Services is assisting in our search for temporary employees to help with the potholing; there is one applicant so far. Qualified candidates are scarce due to the surge in local construction, but we may be able to borrow experienced temps from the City of Medford if their work load slows down.

8. Engineer's Report (Principal Engineer Eric Johnson)
 - 8.1 Floc/Sed Basins – Concrete forming, rebar setting and concrete pours continue for the sedimentation basins, settled water flume and the west end of the basins. Existing basin #4 has been emptied and demolition work has started; electrical work continues. Hand rail, stairs, walkways and electrical are being finished in the sludge valve vault. Onsite manpower is being increased as the work schedule escalates. Mr. Johnson provided pictures of some new equipment and walkways for the project.
 - 8.2 Highway 62 – 14" Water Main Reroute: No activities concerning MWC facilities have occurred.
 - 8.3 City of Medford Lozier Lane Project – ODOT is currently reviewing the plans and specifications. ODOT is preparing the project for advertising and bidding.
 - 8.4 Master Plan Updates – The Water Management and Conservation Water Plan (WMCP) will be finalized and submitted to the State for review in October. Staff has a phone conference with CH2M today at 2:00 p.m. to confirm the status of the WMCP and to coordinate on the Water Distribution Master Plan reservoir strategies. CH2M continues to work towards finishing the BBS/Duff WTP Facilities Master Plan.
 - 8.5 Corrosion Study – The RFP was advertised on the 16th of September. The RFP is available on the MWC website. The Proposals are due on the 28th of October.
9. Finance Report (Finance Administrator Tessa DeLine)
 - 9.1 The annual audit is scheduled for the first two weeks of October; Finance has been busy double checking the paperwork that will be sent prior to the on-site visit.
 - 9.2 Ms. DeLine is also working on the water rate model designed by HDR; she anticipates having a draft completed for the Manager's review by mid to late October.
10. Manager/Other Staff Reports
 - 10.1 AWWA has issued a public advisory anticipating a report being released by the Environmental Working Group on hexavalent chromium (known as chromium-6). While the details of the report are not yet known, AWWA recommends that water utilities be prepared to talk about the results of their own chromium-6 monitoring. Although it is unregulated, we did test in 2013 to determine what levels we had at different sites. One example of the results was found to be 0.13 ppb, well below the maximum contaminant level recently set by California of 10 ppb.
 - 10.2 Mr. Rains expects to bring the water service agreements for City of Phoenix, City of Central Point, and City of Ashland to the next meeting.
 - 10.3 A claim from a customer regarding tire damage due to a valve can at a water line project has resurfaced; the replacement estimate is approximately \$1,000. MWC initially submitted it to our insurance and it was denied since there is no fault of ours and it was not under our ownership yet. At that point she was directed to the contractor, who also denied the claim. The Manager decided to make an exception and approve reimbursement as a demonstration of goodwill.

The Board supported the decision as the right thing to do, but agreed that it should be the contractor's responsibility.
 - 10.4 The most recent news concerning the Tiny House project has it planned for a piece of land near the southeast portion of Service Center property; this does not belong to MWC. Staff will look into the matter further and verify the information.

10.5 Oregon Water Resources Commission will hold a meeting in Medford October 13 and 14 at Inn of the Commons, if any board members are interested. More information will be provided when it becomes available.

11. Propositions and Remarks from the Commissioners

11.1 Commissioner Johnson noted that he and Rudd Johnson met with Manager Rains regarding the 360 review; it was agreed that there would be an executive session on the topic at the regular meeting of October 5 when all board members are available.

12. Adjourn

There being no further business, this Commission meeting adjourned at 1:19 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.

Yvette Finstad
Administrative Coordinator/Acting City Recorder
Medford Water Commission