

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION
November 20, 2013

The pledge of allegiance was given.

The regular meeting of the Medford Water Commission was called to order at 12:45 p.m. on the above date at the Medford City Hall Lausmann Annex, Room 151/157 with the following commissioners and staff present:

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

Manager Larry Rains; Medford Attorney John Huttli; 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; Water Quality Administrator Rosie Pindilli; Operations Superintendent Ken Johnson; TS Coordinator Kris Stitt

Guests: City of Medford Councilmembers Bob Strosser and Chris Corcoran; Ashland Public Works Director Mike Faught; Ashland Associate Engineer Pieter Smeenk; Central Point Mayor and Liaison Hank Williams; Central Point City Manager Chris Clayton; Eagle Point Mayor & Liaison Bob Russell; Eagle Point Public Works Director Robert Miller; Phoenix Mayor & Liaison Jeff Bellah; Talent Councilmember Darby Stricker; Joe Stahl and Chris Peters of RH2 Engineering; City of Ashland employees Ron Morris, Mike Morrison and Steve Walker; Ashland Councilmember Rich Rosenthal

3. Approval or Correction of the Minutes of the Last Regular Meeting of November 6, 2013
The minutes were approved as presented.
4. Comments from Audience
 - 4.1 Central Point City Manager Chris Clayton presented handouts from the League of Oregon Cities pertaining to water. He also presented a letter from himself as Central Point City Manager pertaining to the 2013 Cost of Service Study (COSS) Focus Group and requested the Commissioners review it. He talked about the restricted parameters within the Group and stated since Commissioner Fortier attends the meetings his input could be obtained.
 - 4.2 Ashland Public Works Director Mike Faught introduced his staff.
5. Resolutions
 - 5.1 No. 1535, A RESOLUTION Authorizing the Chair of the Board of Water Commissioners to Execute on Behalf of the Medford Water Commission, an Intergovernmental Agreement (IGA) By and Between the Medford Water Commission (Commission), a Chartered Municipal Water Utility of the City of Medford, Oregon, Governed By and Through its Board of Water Commissioners, Hereinafter Referred to as the "Commission," and Jackson County, Oregon, a Home Rule Political Subdivision of the State of Oregon, Acting By and Through its County Administrator, Hereinafter Referred to as the "County," for Operation and Maintenance Services for the Medford Watershed Stream Gaging Station Network (Network), and Authorizing the Manager of the Commission to Execute Amendments to Said IGA

The Commission recently upgraded the existing stream gaging station network in the Big Butte Creek watershed to real-time, web-based monitoring stations. Stream flow and Willow Lake water levels/storage data is collected and transmitted by satellite to the Oregon Water Resources Department (OWRD) and Bureau of Reclamation (BOR) for real-time display. Jackson County will provide Operation and Maintenance for this stream gaging network per the terms and conditions of the IGA for a period of five years. This is a budgeted item; staff recommended approval.

Motion: Approve Resolution No. 1535

Moved by: Mr. Dailey

Seconded by: Mr. Johnson

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

Motion carried and so ordered. Resolution No. 1535 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 \$551,128.34

Moved by: Mr. Johnson

Seconded by: Mr. Dailey

Commissioner Johnson questioned the payment to the City of Medford; Manager Rains noted that with the new software the payment to the City of Medford is itemized much more, hence the reason it appears so different.

Roll Call: Commissioners Anderson, Dailey, Davis, Fortier, and Johnson voting yes; Anderson abstained from Big R Stores voucher; Fortier abstained from Rogue Disposal & Recycling and Rogue Transfer vouchers; Johnson abstained from Stanley Convergent Security Service voucher.

Motion carried and so ordered.

7. Engineer's Report (E. Johnson)

- 7.1 Duff Water Treatment Plant Duff Floc/Sed Basins – Black & Veatch have submitted the interim 75% plan which staff is currently reviewing. A meeting is scheduled with them on Friday to review staff's comments.
- 7.2 Duff Water Treatment Plant Emergency Backwash – The punch list items are being worked on and should be completed by the end of November. Per Commissioner Dailey's request the original cost for the Emergency Backwash project per the Duff Master Plan was estimated at 2.8 million dollars. After exploring an alternate design in the High Service Pump Room a redundant pump was installed adjacent to the existing pump; this design solution will only work due to the functionality of the backwash system running one pump at a time. The design cost is \$72,800 and the construction cost is \$437,245.95; the total cost is approximately \$510,000. Total estimated saving of 2.3 million from the original Master Plan scope of work and estimate.
- 7.3 Duff Water Treatment Plant Raw Water Intake Pumps – CH2M Hill has submitted Part B of the scope of services and cost for staff's review and approval. Once approved CH2M Hill will start on the design of the pump and controls.
- 7.4 Martin Control Station – The curbs, gutter and sidewalk are complete. The base rock is installed and the paving is taking place today. The third pump has been delivered and will be installed this week.
- 7.5 Angelcrest Pump Station – Marquess & Associates continues to work on the final design of the pump and controls.
- 7.6 Highway 62 Bypass – ODOT has approved the plans, specifications and cost estimate for the Commerce Drive 10" Water Main Realignment Project. The project is currently out for quotes which are due on Thursday. Thornton Engineering and staff are preparing a submittal package for the 14" water main realignment in Hwy 62 and will submit to ODOT next week.
- 7.7 Vilas Road 16" Water Main Inter-tie – Staff has returned the proposed water main alignment in Vilas Road with comments to Marquess & Associates for redesign.

7.8 31 Grape Street Project - Principal Engineer Eric Johnson presented an 1895 coupon from a cast iron pipe which showed the good coating and lining of the pipe. Mr. Johnson stated that although the pipe is 118 years old, the pipe does not need to be replaced. He explained this is in part because the water was non-aggressive and the native backfill was non-corrosive. When determining if a pipe needs to be replaced, staff evaluates the condition of a pipe, not necessarily the age of the pipe. Commissioner Johnson noted that we replaced the line by the Commons and questioned the condition of the pipe there; Principal Engineer Johnson stated that the pipe in question was replaced because the line needed to be larger due to the size of the project going in.

8. Water Treatment Report (Pindilli)

8.1 AWWA posted a Public Affairs Advisory on November 6 for the release of the first Unregulated Contaminants Monitoring Rule (UCMR3) results. This data set is not complete; data will continue to be collected through December 2015. The results for each participating Public Water System (PWS) are listed on the Environmental Protection Agency (EPA) website. There is also a Data Summary Sheet that shows the number of PWS's that had results for each contaminant. The contaminants detected for our system include vanadium, strontium, chromium 6, and chlorate. These postings usually generate inquiries, but none have been received as of yet.

Commissioner Anderson questioned what our data shows; Water Quality Administrator Rosie DeLine noted that we are required to monitor fifteen contaminants and we have hits on four as listed above. Every five years the EPA comes up with a list of potential contaminants which may come up on the regulated list. Public Information Coordinator Hodnett noted that we would need to put them on our Consumer Confidence Report (annual water quality report) as well.

8.2 WIMS – Water Information Management Software has been purchased and installation should occur within the next few weeks.

8.3 A Request for Quotation has been sent out to the contractors for the Residential Backflow Assembly Testing Services. Since the number of our backflow assemblies has grown, MWC intends to award two contracts for 2014 instead of just one. This will lighten the load for the contractors and allow for MWC to receive all test reports in a timelier manner, which are needed to complete the annual report that is required to be submitted to the State.

9. Finance Report (DeLine)

9.1 Staff is currently waiting for the year-end financial draft statement from the auditors.

9.2 Finance Department's focus has been on the July statements. There have been some challenges on what report to balance to and learning how to gather information that are not properly tied and balanced.

10. Operations Report (K. Johnson)

10.1 Low Lead Act – It is 45 days away from the official starting of the Low Lead Act. Staff is busy with the new fittings, working on quotes and getting rid of unusable inventory.

10.2 Hwy 62 Project – Crews have been busy in advance of the cutaway mains so that the 14" pipe can be installed.

10.3 The TAP meter has been ordered and may arrive by Thanksgiving. It should be installed by early December with Rosemont coming to assist.

11. Manager/Other Staff Reports

- 11.1 Harrington Status – City Attorney John Huttl stated that the Circuit Court dismissed the Harrington lawsuit case but his attorney vowed to appeal.
- 11.2 Water Rights Extension - Geologist Bob Jones stated that he and our consultant, GSI, have been working for more than two years with OWRD and ODFW on water rights extensions for three of our water rights that are still in permit form. As of Friday there were no protests received. We should be receiving our 50 year extensions for water rights at Big Butte Springs, Rogue River and our un-appropriated water in the watershed shortly. Mr. Jones noted we are probably the first and only large water utility that got through this without a protest from other agencies or groups.
- 11.3 Wetlands Mitigation for Duff – Staff has been working on the wetlands mitigation at Duff for three years but this has been in limbo with the Army Corp of Engineers due to a biological opinion on our withdrawal. Now that our extensions have been completed the next step is to contact legislators to push this forward as this has been sitting with no action for eight months.
- 11.4 MWC Website – The MWC website now has a link to hydrographic data; more information will be added to this link which will reveal lake levels, stream flows, etc.
- 11.5 Staff Report on the Utility Management Software Upgrade Project - TS Coordinator Kris Stitt provided an update noting that vendors have been on site and working on wrapping up items on the “yet to do” list. Some of the new software features are also being rolled out such as electronic billing.
- 11.6 Notification of Southern Oregon Landscape Association (SOLA) Meeting - The City of Medford adopted the new waterwise landscape code changes last June; however the provisions were not to become effective until December 1. Commission staff members have assisted with this process. For the Commissioners' information, the code changes will be presented to SOLA on November 20 at 5:00 p.m., in the Lausmann Annex Conference Room. Ms. Hodnett noted that this is a trade group that we have been involved in and this is a part of the outreach that we do. Medford Councilmember Strosser was pleased that this is brought forward. Mr. Anderson appreciated him moving this through the Planning Commission.
- 11.7 Consideration of Ashland Connection Options - At the October 16 board meeting, City of Ashland representatives Mike Faught and Pieter Smeenk gave a study session presentation regarding proposed SDC payment options for a water service connection. Neither of the two new options presented by Ashland included interest charges. The Commissioners were interested in exploring a mutually-agreed-upon interest rate strategy for the term of the purchase agreement. Mr. Faught wanted to review and report back to the board on how adding interest rates to the options would affect Ashland's water rates. The Commissioners noted the need for full-board consideration and preferred to wait and have further discussion at this meeting.

Mr. Anderson questioned if this was the only issue that was a concern; Mr. Dailey noted that it was the next step. Mr. Dailey stated that he got together with the bond people pertaining to interest rates and presented options to the board. Mr. Anderson questioned the length of term; Mr. Rains thought it was for 20 years but it was open for discussion. Mr. Anderson discussed a graduated interest rate scale; Mr. Dailey noted that average rates are figured on a graduated scale. The board continued to discuss options and a market rate of interest.

Mr. Faught appreciated the alternative and did have their representative look at this. He

questioned if a meeting could be held between a few staff members and board members. Mr. Dailey and Mr. Johnson agreed to attend along with Mr. Rains, Mr. Faught and other representatives for Ashland.

- 11.8 Consideration of the Wholesale Customer Agreements - Over the last several months, Mr. Rains and Mr. Huttli have worked on modifying the content and format of the wholesale customer agreements. The changes will result in consistent contract language, which had been requested by the board and more recently the Other Cities' customer group. The five-year service agreements with Jacksonville and Talent expired in June 2013. The new agreements were presented for review at today's study session.

Mr. Anderson suggested that a period of time be given to all wholesale customers to comment or provide input to the new agreement forms. Mr. Rains requested a date for all comments to be turned in; Mr. Anderson stated that we would give until the end of January. Staff will bring any comments received and the new agreement form back to the board the first meeting in February 2014 for final approval and/or correction.

12. Propositions and Remarks from the Commissioners
 - 12.1 None

13. Adjourn

There being no further business, this Commission meeting adjourned at 1:20 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