

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

March 4, 2015

The pledge of allegiance was given.

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 Jason Anderson, Lee Fortier, Bob Strosser

Manager Larry Rains; City Attorney Lori Cooper; Deputy City Recorder Karen Spoonts; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Public Information Coordinator Laura Hodnett; Water Quality Director Rosie Pindilli; Operations Superintendent Ken Johnson; Duff/Water Treatment Director Jim Stockton; TS Administrator Kris Stitt

Guests: Medford Councilmember Mike Zarosinski; Central Point Mayor & Liaison Hank Williams; Central Point City Manager Chris Clayton

Commissioner John Dailey was absent.

3. Approval or Correction of the Minutes of the Last Regular Meeting of February 18, 2015
Approved as presented.

4. Comments from Audience
None

5. Resolutions

- 5.1 No. 1571, A RESOLUTION Authorizing the Manager to Execute an Agreement, By and Between the Medford Water Commission (Commission), a Chartered Municipal Water Utility of the City of Medford, Oregon, and Mahar Brothers Construction Company, LLC (Mahar), and Interpreting the Commission's Regulations Governing Water Service (Regulations), Section 21.6, System Development Charges (SDCs), to Allow "Greenway" Water SDCs for Stonegate Estates, PUD, to be Paid in Phases

At the February 4, 2015 Board meeting, staff presented an agreement between Mahar Brothers Construction, LLC, and the Commission, for phased payment of "greenway" water SDCs related to the Stonegate Estates, PUD. Medford Deputy City Attorney John Huttl reviewed the document and had advised that phased SDC payments are a permissible interpretation of the Commission's regulations, which require SDCs be "paid in full at the time the property is developed". This is the first time staff has been approached with an agreement to pay SDCs timed to development phasing. However, staff believes it is reasonable, because SDCs will be paid when impacts of development occur. This agreement provides that if the SDCs are increased before future phases are developed, then the higher SDC rate will apply. This agreement is being recorded to give notice in case the property is transferred before development occurs. If approved, staff intends to develop amendments to the Regulations to permit similar phased-SDC payments in the future. Staff recommended approval.

Motion: Approve Resolution No. 1571

Moved by: Mr. Strosser

Seconded by: Mr. Fortier

Commissioner Anderson stated that he was not at the last meeting and questioned what he missed; Manager Rains provided an update.

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

Motion carried and so ordered.

- 5.2 No. 1572, A RESOLUTION Authorizing the Manager to Execute a Contract By and Between the Medford Water Commission (Commission), a Chartered Municipal Water Utility of the City of Medford, Oregon and Vocantas, Inc. (Vocantas), for Software and Services Related to an Interactive Voice Response (IVR) System for Water Bill Payments

At the January 21, 2015 study session, staff discussed and presented a demonstration of an IVR system that would enable customers' payments and retrieval of account information over the telephone. Of the two vendors that responded, a Canadian company, Vocantas, offered a lower cost estimate and a project that would integrate well with the Commission's new software. Their system also included more features. Vocantas requires the Commission to sign their proposal, which includes indemnity and limitation-of-liability language. The Commission's Contracting and Purchasing Regulations require Board approval for all agreements containing such clauses. Vocantas has agreed to sign our contract and as a foreign contractor; they will register with the Oregon Secretary of State. Staff recommended approval.

Mr. Anderson questioned how it worked; TS Administrator Kris Stitt provided further information. Commissioner Fortier questioned what the bids were; Mr. Stitt noted the next bid was \$72,000 which is the company the City of Medford uses. Mr. Stitt further stated that Vocantas comes highly recommended. Commissioner Strosser questioned if the current calls coming in are overwhelming staff; Mr. Stitt noted that about half of the current phone calls received are phone payments; Manager Rains noted that this will lessen the load to allow staff to work on other projects and further stated that customers are requesting this type of system. Mr. Strosser noted that the last several times that he has called everyone was busy. Mr. Anderson questioned the amount of calls per month; Mr. Stitt noted that there are over 2,000 phone calls a month which steadily increases.

Motion: Approve Resolution No. 1572

Moved by: Mr. Fortier

Seconded by: Mr. Anderson

Mr. Strosser stated that his comments were an observation not a complaint. Mr. Fortier remarked that this will be bilingual.

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

Motion carried and so ordered.

6. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$841,637.52

Moved by: Mr. Anderson

Seconded by: Mr. Fortier

Commissioner Johnson questioned the \$65,000 payment for permit fees; Mr. Rains stated that the \$65,000 was for a portion of permit fees. Principal Engineer Eric Johnson remarked that there could be another \$5,000 to \$10,000 in fees yet to pay.

Roll Call: Commissioners Anderson, Fortier, Johnson, and Strosser voting yes; Fortier abstained from Rogue Shred.

Motion carried and so ordered.

7. Engineer's Report (Principal Engineer Eric Johnson)

- 7.1 Duff Water Treatment Plant Duff Floc/Sed Basins – The mandatory pre-bid meeting was held

Tuesday, February 24 at the Duff Water Treatment Plant. Over 30 general contractors and subcontractors attended. The project prequalification period is currently under way.

- 7.2 Duff Water Treatment Plant Raw Water Intake Pumps 1 & 2 – The project is on hold until the new pump #2 arrives in mid-March.
 - 7.3 Duff Water Treatment Plant Filters 5-8 Valve Replacement – Medford Mechanical is installing the 24” valves; about half of the valves are installed.
 - 7.4 Vilas Road 16” Water Main Inter-tie – The mandatory pre-bid meeting was held on Thursday, February 26 at the Service Center. Nine general contractors and one supplier attended. The project prequalification period has ended and six general contractors are prequalified to bid the project. The bid opening is scheduled for March 19.
 - 7.5 Avenue H 12” Water Main Replacement – Marquess is finishing the 100% plans and cost estimates. The 100% specifications are under way. The project will be presented to the Board at the next meeting.
8. Water Treatment Report (Water Treatment Director Jim Stockton)
 - 8.1 Water Treatment Director Jim Stockton stated that the winter projects are wrapping up. Tanks were inspected; staff thought it would be a baseline inspection but it was revealed that there are workmanship issues to the interior of the tanks. Mr. Anderson questioned who did the inspection; Mr. Stockton stated that it Corrosion Companies, Inc. located in Washington, the initial install was Triad Mechanical in 2007 and the tanks came from Georgia. Mr. Rains noted that we have not had time to go out to bid and thought the total cost would be about \$15,000. Because of this the springs tanks will be inspected as well.
 - 8.2 The screen cleaning valve modification is currently in progress; turbidimeters have been installed. Other improvements made were lighting and valves.
 - 8.3 Pertaining to the modification permit, the unofficial word is that it will not be contested through the CORP. Staff would then work on the permit modification and be in place by May 2015.
 9. Finance Report (Finance Administrator Tessa DeLine)
 - 9.1 None
 10. Operations Report (Operations Superintendent Ken Johnson)
 - 10.1 Operations Superintendent Ken Johnson stated that the Best Tasting Water Contest will be held tomorrow in Central Point; the winner will continue to the next level.
 - 10.2 The Ohio Street main project will soon be under way. Staff will review the conditions, analyze, re-scope with data hopefully available by the next board meeting.
 11. Manager/Other Staff Reports
 - 11.1 Mr. Rains stated that they received a letter from Charlotte Ann Water District pertaining to delinquent payments and the late payment fees that the MWC charges; they thought they should receive the payments. Last year \$490 was collected from Charlotte Ann Water District customers. Mr. Rains provided information on the type of work that we incur because the water needed to be turned off. Discussed was the possibility of Charlotte Ann adding a late fee to the MWC billing, the software changes and cost for this, or that possibility Charlotte Ann could add this to their overhead costs. Mr. Anderson stated that he would not give them any suggestions and just tell them those are out fees; the Board agreed.

- 11.2 Mr. Rains stated that staff received a request from Jackson County Vector Control to allow them to put an insert into our billing. The MWC has inserts four times a year. Mr. Rains cautioned the Board that there are costs involved that the MWC should not be paying for; that we receive other requests and would we want to include them; and our employees would have to make sure that the inserts are included. Mr. Anderson thought J.C. Vector Control does a good job; Mr. Johnson agreed and thought perhaps we could do it once a year. City Attorney Lori Cooper noted that they would need to be a policy in place. Both Commissioners Strosser and Fortier agreed to a once a year insert. Mr. Strosser questioned if there could be an in-kind exchange. Mr. Stitt noted that we cannot separate which customers would get these inserts. Mr. Anderson noted that we are using public dollars for the benefit of the public; Mr. Johnson thought that we should try it once before we put a policy in place; the Board agreed.

Out of sequence

13. Propositions and Remarks from the Commissioners

- 13.1 Mr. Johnson noted that Bob & Debbie Russell really appreciated the flowers. He stated that he went out to Eagle Point to visit with Bob.

Back in sequence

12. Executive Session In Accordance with ORS 192.660(2)(d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations.

The Board adjourned to executive session at 1:12 p.m.

The Board reconvened at 1:55 p.m. with the same members present.

14. Adjourn

There being no further business, this Commission meeting adjourned at 1:56 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