

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION
March 5, 2014

The pledge of allegiance was given.

The regular meeting of the Medford Water Commission was called to order at 12:29 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; Attorney John Huttli; Deputy City Recorder Karen Spoons; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Public Information Coordinator Laura Hodnett; Geologist Bob Jones; Water Quality Administrator Rosie Pindilli; Operations Superintendent Ken Johnson; HR/Payroll Specialist Kristin Berg

Guests: City of Medford Councilmembers Bob Strosser and Chris Corcoran; Ashland Public Works Director Mike Faught; Ashland Associate Engineer Pieter Smeenk; Ashland Conservation Specialist Julie Smitherman; Central Point Mayor & Liaison Hank Williams; Phoenix Mayor & Liaison Jeff Bellah; Joe Strahl of RH2 Engineering

3. Approval or Correction of the Minutes of the Last Regular Meeting of February 19, 2014
The minutes were approved as presented.

4. Comments from Audience

- 4.1 Ashland Public Works Director Mike Faught stated that Ashland City Council voted to tap into Medford's water supply in the amount of 2.13 million gallons vs. 3 million gallons. Manager Larry Rains noted he will bring the Commissioners up-to-date on this later in the meeting.

5. Resolutions

- 5.1 Resolution No. 1539, A RESOLUTION Authorizing the Manager of the Medford Water Commission to Execute a Certificate of Adopting Resolution Modifying the Commission's Flexible Benefit Plan (Plan) to Allow Employees Participating in the Flexible Spending Account (FSA) to Carry-Over up to \$500 Annually, From Their Unused FSA Amounts Beginning in the 2014 Plan Year

IRS rules recently changed to allow flexible spending plan sponsors to offer an annual carryover option of up to \$500 to participating employees. There is no cost to the Commission for this plan. Staff recommended approval.

Commissioner Dailey questioned why a resolution was needed; staff noted that it is at the request of Wage Works.

Motion: Approve Resolution No. 1539

Moved by: Mr. Dailey

Seconded by: Mr. Johnson

Commissioner Anderson requested confirmation that this is indeed employee money; Mr. Rains stated that it is.

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

Motion carried and so ordered. Resolution No. 1539 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 \$617,684.07

Moved by: Mr. Dailey

Seconded by: Mr. Johnson

Roll Call: Commissioners Anderson, Dailey, Davis, Fortier and Johnson voting yes; Anderson abstained from C&C Tires voucher; Johnson abstained from the Stanley Convergent Security Solutions voucher. Motion carried and so ordered.

7. Engineer's Report (E. Johnson)

- 7.1 Duff Water Treatment Plant Duff Flocc/Sed Basins –Black and Veatch continue to work towards the completion of the 90% plans and specification.
- 7.2 Duff Water Treatment Plant Raw Water Intake Pumps 1 & 2 – CH2M Hill and staff had a review meeting of the 90% design plan and specifications last Thursday. CH2M Hill is currently incorporating the comments into the plans. The 100% plans and specifications are due late this month.
- 7.3 Martin Control Station – The operational and maintenance manuals are complete; the final payment is being approved today. This is the last report for this project. When convenient for the Board a time and date can be set for the Commissioners to visit the station.
- 7.4 Angelcrest Pump Station – A contract was awarded to Triangle Pump & Equipment, Inc. for the project. Triangle Pump & Equipment, Inc. has submitted pump submittal forms for review and approval by staff prior to ordering the pump.
- 7.5 Highway 62 Bypass Water Main Project –A pre-bid meeting is scheduled for tomorrow at the Service Center. Currently we have about six bidders who will be attending. The bid opening is scheduled for March 25.
- 7.6 Vilas Road 16" Water Main Inter-tie –Neathamer Surveying is currently surveying proposed alignment of the 16" water main and should be done by the end of March. Marquess and Associates continue to design the 16" water main.
- 7.7 Willow Lake Dam – A visual inspection of the dam face by Big Butte Springs Operator Dennis Berg last week noted some creep of soils. A further inspection was performed yesterday by Rick Swanson of Marquess and Associates. The area in question was delineated and will be monitored for some time. The soil creep is most likely caused by the heavy rains of a few weeks ago. Principal Engineer Eric Johnson stated that the soil will be removed and new soil will be put in. The soil creep is above the water line.

Commissioner Dailey questioned how the dam is built, staff noted that it is engineered fill but there is no seepage on the dam.

Commissioner Johnson questioned the bid opening and requested the bid quotes; Principal Engineer Eric Johnson stated that he will provide those for the Board.

Mr. Anderson questioned if we could look at Martin Control Station during a study session; staff suggested the first meeting in April and the Board agreed.

8. Water Treatment Report (Pindilli)

- 8.1 The Watershed Council consolidation/merger will be selecting a consultant to assist them through the process using grant dollars from Oregon Watershed Enhancement Board (OWEB) in the amount of \$65,000. Four Request for Proposals have been received. MWC is a partner in this process; it is expected to take nine months to a year.
- 8.2 Pertaining to the Duff Removal and Fill Permit through U.S. Army Corp of Engineers (USACE)

staff is still waiting for the biological opinion (BIOP) from the Nation Marine Fisheries Service. There is a draft BIOP that is moving through the agency review and approval process.

- 8.3 Our new backflow testers started testing devices this week under the new backflow program.
- 8.4 The Cross Connection Annual Summary Report is due March 31. Work continues on this report.
- 8.5 Residential survey continues in the northwest part of Medford.
- 8.6 Pertaining to the Regulatory Compliance/Sampling, the MWC received an official letter from the state stating that the Sanitary Survey is due this year. This survey is required once every three years, however we have been designated as an "outstanding performer" and our frequency has been reduced from once every three years to once every five years. The fee for the survey is \$2,400; the bill to be received in the early part of 2015.
- 8.7 The required Annual Certification Form for the polymers used for treatment has been submitted to the State.
- 8.8 Water Quality Administrator Rosie Pindilli stated that she is continuing to work with the New Data Management Software importing and entering past information as well as developing charts and reports.

Mr. Anderson questioned the residential survey and if we do that every year; Ms. Pindilli noted that it is and is done door-to-door. She provided some of the questions that are brought forth during the survey. Medford Councilmember Chris Corcoran noted that he has seen them out in his neighborhood.

9. Operations Report (K. Johnson)

- 9.1 Capital Hill – Operations Superintendent Ken Johnson stated that there was a transformer failure at Capital Hill; a small generator was used to maintain power. Because of this chlorinated water discharged into the creek. A spare transformer was temporarily placed there and a new one ordered. The Department of Environmental Quality (DEQ) was alerted; staff documented the incident as well. A letter was written to the DEQ and although this was out of our control we need to post the Oregon Emergency Response System (OERS) and a protocol needs to be followed.

Mr. Anderson questioned where the posting would be at; Mr. Johnson noted the area.

- 9.2 Bullis Reservoir – A valve was replaced successfully; the reservoir is slowly filling, sampling will be done and then it will be ready to use.

Mr. Dailey questioned if we used the water that was in the reservoir when drained; staff noted that we pump it back into the system. Mr. Anderson questioned how much does capital hold; staff noted there were twelve million gallons total at that site.

10. Manager/Other Staff Reports Out of sequence

- 10.2 Mr. Rains noted that the list of high water users is in the Board's packet.
- 10.3 The City of Ashland Council met last night; Mr. Faught presented the proposal of obtaining

supplemental water through the TAP line and the need to replace current water should there be an emergency. Ashland Council directed staff to process as 2.13 million gallons a day. Mr. Rains noted that nothing is final as the MWC Board will have the ultimate say. Two agreements will come back to the Board at the next meeting.

Ashland Public Works Director Faught noted that Ashland Council had a lengthy discussion about the amount of water needed; there would have been more of a rate increase if it was at 3 million. There will be savings due to the cost of loans; worst case scenario Ashland can get the 6 million gallons from its combined sources. Mr. Anderson questioned the term supplemental water; staff noted that Ashland calls it emergency water.

Back in sequence

10.1 Consideration of Approval – Wholesale Customer Agreement Form

At the January 15, 2014 meeting, the Board agreed to delay consideration of approval of the proposed water service agreement form until the March 5 meeting. Comments have been received from the other cities and forwarded to the Board in advance of today's meeting. No comments were received from the water districts. Mr. Rains noted that City Attorney John Huttli has been on vacation and was unsure if he had reviewed this. Staff requested direction.

Mr. Anderson questioned the need for the April 1 deadline for Ashland; Mr. Rains noted that Ashland SDC fees are based on the current rate and new rates starting April 1st would raise the fee for Ashland. Mr. Anderson noted that the service line agreement could get in line with everyone else. He stated he does not want to rush the agreement with the other cities because there is a new SDC rate out there. He further commented that we could enter into the payment document by April 1. Mr. Dailey noted the payment document is a note; he also stated that one of the cites is asking for a delay of a year for the agreement.

Mr. Faught noted that it would put them in an awkward position and would need to meet with their legal representative. He questioned if the City could extend the SDC contract. The Board agreed to give time for Mr. Huttli to review all materials.

Mr. Anderson questioned if the Board wanted to discuss the comments pertaining to the proposed changes from the other cities; Mr. Dailey requested time to review. Mr. Anderson questioned if this would be an executive session. Mr. Huttli noted that it could be as permissive vs. mandatory. Mr. Huttli noted there is a proposed definition of emergency and would prefer it be standardized. Mr. Anderson noted he did take the time to look at this and would not be opposed to look at this in a study session although he has read material pertaining to questions from the other attorneys that may cause this to be reviewed during an executive session. The Board agreed to an executive session at the next meeting. Mr. Johnson noted that it will present us an opportunity to clear up the topic.

Staff direction on the two Ashland agreements was to proceed with formulating and obtaining signatures for the first SDC payment agreement by including statements that would defer the initial SDC payment until the second water service agreement is finalized.

11. Propositions and Remarks from the Commissioners

- 11.1 Mr. Dailey would like staff to expand the scope of the Cost of Service Study for 1) spot price 2) ideas on how we might fund litigation. Mr. Corcoran stated that the City of Medford did put litigation money aside pertaining to the casino issue.

12. Adjourn

There being no further business, this Commission meeting adjourned at 1:05 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