

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION
May 16, 2012

The regular meeting of the Medford Water Commission was called to order at 12:17 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 Cathie Davis, Leigh Johnson

Commissioner John Dailey and Lee Fortier were absent.

Manager Larry Rains; Attorney John Hutt; Deputy City Recorder Karen Spoonts; Administrative Coordinator Betsy Martin; Finance Administrator Tessa DeLine; Public Information Coordinator Laura Hodnett; Operations Superintendent Ken Johnson; Duff/Water Treatment Plant Supervisor Jim Stockton; Water Treatment Plant Chief Operator Dan Perkins; Conservation Specialist Dave Searcy

Guests: City of Medford Councilmembers Bob Strosser and Greg Jones; Central Point Mayor and Liaison Hank Williams; Eagle Point Mayor and Liaison Bob Russell; Public Works Management Joe Strahl; Medford Parks & Recreation Department Planner Pete Young

2. Approval or Correction of the Minutes of the Last Regular Meeting of May 2, 2012
Approved.

3. Comments from Audience

- 3.1 Joe Strahl of Public Works Management questioned where we stood on the Conservation Grant IGA; Manager Rains stated that the IGA will come back to the board once approval is received from the state; Attorney Hutt agreed. Mr. Strahl would like to have a copy of the IGA; Mr. Rains to provide a copy.
 - 3.2 Mr. Strahl noted that SDCs were brought up at the last meeting; he stated that the cities he represents have been very careful to make sure that there is good documentation for the SDCs charged. He presented examples of cities required to repay SDCs and encouraged the Commission to give a thorough evaluation of the SDC methodology with the help of a consultant. Commissioner Anderson noted that this will be discussed later in the meeting.

4. Written Communications

- 4.1 Quarterly Report to Mayor and Council

The report for the third quarter of FY 2011-12 was provided; the board members agreed to its contents, the Chair will sign and staff will forward the letter and relevant attachments to the Mayor and councilmembers.

5. Public Hearings

- 5.1 Consider Resolution No. 1483, A RESOLUTION Modifying Exhibit A, Charges in Lieu of Assessment, of the Regulations Governing Water Service, for Properties Directly Benefited by the Installation of Water Mains but Not Specifically Assessed for Such Benefit, Effective July 1, 2012

Public hearing opened.

At the May 2, 2012 meeting, staff presented a study session on proposed changes to the charges in lieu of assessment. The per-lineal-foot assessments are revised on an annual basis on July 1, using the Engineering News Record's Construction Cost Index from the prior December. Staff is asking for approval to change the current rate of \$20.84 to \$21.35 per lineal foot. These charges are published as an exhibit to the Commission's Regulations Governing Water Service. Notice of the public hearing was published in the Mail Tribune and on the website. If approved, the modified charges would be effective July 1, 2012. Staff recommended approval.

No one spoke.

Public hearing closed.

Motion: Approve Resolution No. 1483

Moved by: Mr. Johnson

Seconded by: Ms. Davis

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

Motion carried and so ordered. Resolution No. 1483 was approved.

- 5.2 Consider Resolution No. 1484, A RESOLUTION Modifying Exhibit D, Charges for Special Services, of the Regulations Governing Water Service, Effective July 1, 2012

Public hearing opened.

At the May 2, 2012 meeting, staff also discussed proposed changes to the following Charges for Special Services; the Board approved proposed changes in the charges for special services; in addition, a new charge has been proposed for residential fire sprinkler service. These charges are published as an exhibit to the Commission's Regulations Governing Water Service. Notice of the public hearing was published in the Mail Tribune and on the website. If approved, the modified charges would be effective July 1, 2012. Staff recommended approval.

No one spoke.

Public hearing closed.

Motion: Approve Resolution No. 1484

Moved by: Ms. Davis

Seconded by: Mr. Johnson

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

Motion carried and so ordered. Resolution No. 1484 was approved.

6. Resolutions

- 6.1 No. 1485, A RESOLUTION Authorizing the Distribution of a Water Conservation Assistance Grant in the Amount of \$10,000.00 in the 2011-12 Fiscal Year to Facilitate the Installation of Water Conserving Landscape Components, Within the Parkway Adjacent to Phase 1 of the New Oregon Hills Park

Medford Water Commission has received a grant request from the City of Medford to assist in the design and installation of water conserving landscape components in the parkway adjacent to Phase 1 of the new Oregon Hills Park. Extending this park's sustainability theme into the adjacent parkway offers an ideal opportunity to demonstrate aesthetic water-saving potential for park strips between the street and sidewalk, an area often associated with significant water waste. The proposed parkway planting will allow professionals and homeowners to observe these landscaping techniques and how they stand up in this site, helping reinforce suggested revisions to our city landscape standards aimed at enhancing our landscapes while conserving water. The nearby East McAndrews Road bike path and walking route are extensively utilized by local residents, so should further the viewing opportunities by community members. Projects such as this, which directly focus on improved efficiency of landscape water usage, are designated as highest priority for conservation grants. Staff recommended approval of the grant request for FY 2011-12, noting that funding for planting in fall 2012 will be requested later for FY 2012-13.

Mr. Anderson questioned if there were two grant requests for this amount; Mr. Rains noted that at this time it is only for the \$10,000. Public Information Coordinator Hodnett provided the location of the park. Medford Parks & Recreation Department Planner Young stated that there are many

cutting edge items to the park, such as natural features, a solar water booster, and a natural play park design. The landscape will include rock work and low water usage. The first year grant will be to finish the design of the landscaping of the park strip. The planting will occur in the fall. Mr. Anderson questioned where the grant monies come from; Ms. Hodnett noted that \$20,000 is available in the budget for grants. The completion date will be in August 2012 for this portion of the park.

Motion: Approve Resolution No. 1485

Moved by: Ms. Davis

Seconded by: Mr. Johnson

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

Motion carried and so ordered. Resolution No. 1485 was approved.

7. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$1,937,916.00

Moved by: Mr. Johnson

Seconded by: Ms. Davis

Roll Call: Commissioners Anderson, Davis, and Johnson voting yes; Anderson recused himself from the Asante and C&C Tires vouchers.

Motion carried and so ordered. The Asante and C&C Tires vouchers will be continued to the June 6, 2012 meeting for a confirmed quorum approval by Commissioners Dailey and Johnson.

8. Engineer's Report

8.1 Engineer Johnson was not in attendance as he was on location at the Avenue G 48" Water Main Project. Some of the 48" water main pipes did not meet specification; the pipe representatives from Griffin Pipe were continuing the inspection of the pipes today.

9. Water Quality Report

None.

10. Finance Report

10.1 Staff is working on the new software process as well as a new chart of accounts.

10.2 General Liability & Property Insurance – Staff does not expect much increase.

11. Operations Report

11.1 Update on Revisions to the Safe Drinking Water Act Regarding Lead-Free Requirements for Waterworks Materials

Operations Superintendent Johnson discussed recent changes to the federal regulations, which will become effective January 2014. There may be financial impacts to the Commission related to current inventory of brass materials as all brass components must meet new standards which will reduce the lead in all brass components, making current materials unusable. Current inventory is \$450,000. Staff suggested reducing, if possible, current inventory. Staff is evaluating the impact of this to the MWC as well as other agencies. Most agencies are unaware of this topic; a sharing inventory could possibly be posted on the AWWA website for purchase. This gives staff 19 months to make this happen.

Mr. Anderson questioned if this is a fire sale; staff hoped that this wouldn't be a fire sale but that we would get a good price at this time. Mr. Rains noted that this is a decision for the board and staff is trying to cut the loss as much as possible. Mr. Anderson questioned what Commissioner Johnson thought about this; Mr. Johnson did not see this changing back to the current standards. Mr. Rains requested a motion with a figure; Mr. Huttel noted that the purchasing regulations have surplus

property in the regulations up to \$150,000. Mr. Rains questioned what if someone requested \$.40 on the dollar. Mr. Anderson thought Mr. Rains could come back with offers presented.

Motion: Direct staff to sell surplus brass

Moved by: Ms. Davis

Seconded by: Mr. Johnson

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

Motion carried and so ordered.

12. Manager/Other Staff Reports

12.1 Consideration of Proposed Budget for Fiscal Year 2012-13

At study sessions held on March 21 and April 18, the board reviewed components of the proposed FY 2012-13 budget. Staff has made some minor modifications to the budget that were discussed at the meeting. The budgets for the six funds will serve as the public notice, which will be submitted for publication after the meeting.

Motion: Direct Manager to bring back a resolution to adopt the Proposed Budget, as revised, at a public hearing on June 6, 2012

Moved by: Ms. Davis

Seconded by: Mr. Johnson

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

Motion carried and so ordered.

12.2 Notification of Purchase of Water Meters

This purchase from Sensus, at \$85,482.35, was within the Manager's purchasing authority; no action by the board was needed.

12.3 Consideration of Modifications to System Development Charges

The System, and East Side and Southwest High Level SDC calculations were presented at the May 2 study session. The SDC studies will also be presented at the annual Cities & Districts Meeting, scheduled on Wednesday, May 23, at 1:30 p.m., at the Service Center. Staff recommended no increases in SDCs for FY 2012-13.

Pertaining to Mr. Strahl's comments, Mr. Rains noted that there were no increases by staff and all SDCs have been reviewed by a consultant. Mr. Anderson questioned when this had been done; Mr. Rains noted about ten years ago. Mr. Anderson requested this be reviewed again since we did make changes last year.

Motion: Approve Modifications to System Development Charges

Moved by: Mr. Johnson

Seconded by: Ms. Davis

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

Motion carried and so ordered.

12.4 The Annual Cities and Districts meeting will be Wednesday, May 23 at 1:30 p.m. at the Service Center.

The Board adjourned to executive session at 12:55 p.m.

The Board reconvened at 1:05 p.m. with the same members present.

Motion: Approve Resolution No. 1486

Moved by: Ms. Davis

Seconded by: Mr. Johnson

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

Motion carried and so ordered.

13. Propositions and Remarks from the Commissioners
None.

14. Adjourn

There being no further business, this Commission meeting adjourned at 1:09 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. Spoonts, MMC
Deputy City Recorder
Clerk of the Commission