

**MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION  
MAY 19, 2010**

The regular meeting of the Medford Water Commission was called to order at 12:36 p.m. on the above date at Medford City Hall Lausmann Annex, Room 151/157.

The following commissioners and staff were present:

Chair Leigh Johnson; Commissioners Jason Anderson, Cathie Davis, Tom Hall, Don Skundrick

Manager Larry Rains; Deputy City Recorder Karen Spoonts; Administrative Coordinator Betsy Martin; Engineer Eric Johnson; Finance Administrator Tess DeLine; Public Information Coordinator Laura Hodnett; Water Quality Superintendent Bob Noelle; Operations Superintendent Ken Johnson; Geologist Bob Jones; TS Coordinator Kris Stitt

Guests: City of Medford Manager Mike Dyal; City of Medford Attorney John Huttl; Central Point Councilmember Kay Harrison

2. Approval or Correction of the Minutes of the Last Regular Meeting of May 5, 2010  
Approved.

3. Comments from Audience

- 3.1 Medford City Manager Dyal stated that the City of Medford is ready to meet with the Board pertaining to the rate structure on the Medford Utility Bill and questioned if the Board would be available for a joint meeting with the Medford City Council on June 3. City Attorney Huttl questioned if it would be informational only; the Board discussed that as informational it would allow them time to discuss later and they would not need a quorum. The Board discussed members who would not be able to attend; the Board agreed to the June 3 meeting at 6 p.m. in the Medford Room.

- 3.2 Councilmember Strosser noted that he had a conversation with an elected official that the MWC serves who wanted to know how much does the MWC listen to outside entities. Mr. Strosser commented that they do listen and suggested he attend the MWC meetings as they are open to all entities that we serve.

4. Public Hearings

- 4.1 No. 1404, 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, 2010

Public hearing opened.

No one spoke.

Public hearing closed.

Motion: Approve Resolution No. 1404

Moved by: Ms. Davis

Seconded by: Mr. Anderson

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

Motion carried and so ordered. Resolution No. 1404 was approved.

- 4.2 No. 1405, A RESOLUTION Modifying "Exhibit D, Charges for Special Services," of the *Regulations Governing Water Service*, Effective July 1, 2010

Public hearing opened.

Central Point Councilmember Harrison noted that it is hard to make a comment as she has not seen a copy of the resolution; staff noted that is available without the narrative on the web site. Manager Rains noted that he can give a brief summary of the resolution. Councilmember Strosser questioned if the agenda packet goes to each city; staff noted that it is sent only to the liaisons. Attorney Huttl noted the public meetings law states that the agenda, not the whole packet, be sent out. Those who are interested can contact the MWC for additional information; but noted that because we are an electronic age the MWC could send out a link to the complete agenda via email. The Board agreed. Councilmember Harrison was pleased with that idea as well.

Public hearing closed.

Motion: Approve Resolution No. 1405

Moved by: Mr. Hall

Seconded by: Ms. Davis

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

Motion carried and so ordered. Resolution No. 1405 was approved.

5. Resolutions

- 5.1 No. 1406, A RESOLUTION Exempting Consulting Services for the Selection and Procurement of a Utility Management Software Package for the Medford Water Commission from the Bidding Requirements of the Commission's "Contracting and Purchasing Regulations," Pursuant to Section 3.35 – Specific Exemptions, and Awarding Contract to Accent Business Services, Inc. in the Amount of \$67,385

This resolution approved the exemption of Accent Business Services, Inc., from competitive bidding to provide consulting services for the selection and procurement of a Utility Management Software package.

In October of 2009 the Commission contracted with Accent to provide a Needs Assessment and Business Case Justification in order to evaluate our current software system. Accent presented their findings at the April 7, 2010 Board meeting. At that meeting Accent recommended procurement of a new COTS (Commercial Off the Shelf) product to replace our aging finance and customer service system and the Board agreed to moving forward with the project.

Accent has performed satisfactorily during the first phase of the project and has developed a good understanding of our business operations and our future software needs. Staff feels that if we were to switch to a new consultant at this point that we could end up having to re-create a lot of the work that has already been performed. Staff recommended that we continue to contract with Accent for the next phase of the project.

Commissioner Hall questioned what the first portion of the package was and suggested an RFP for future projects. Manager Rains noted that this was a different type of consultant request than normal and staff was unsure of how to best obtain this information and services.

Motion: Approve Resolution No. 1406

Moved by: Mr. Hall

Seconded by: Mr. Skundrick

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

Motion carried and so ordered. Resolution No. 1406 was approved.

- 5.2 No. 1407, A RESOLUTION Authorizing the Chair of the Board of Water Commissioners to Execute on Behalf of the Medford Water Commission an Intergovernmental Agreement (IGA) Between the Medford Water Commission (Commission) and the Jackson County Urban Renewal Agency (Agency), for the Design and Construction of a Water Main in Eleventh Street, White City, Oregon

(FY 2010-11 Budget, Account 355) Jackson County Urban Renewal Agency is constructing the street and storm drain improvements on Eleventh Street (Eleventh Street, from Antelope Road to Avenue G). These improvements will allow the construction of the master plan 36-inch water transmission main. The IGA benefits both parties for economy of design, construction and costs under one project contract. The Agency has provided and Staff has reviewed the necessary documents for approval and signature by the Manager. Staff recommended approval of the IGA.

Engineer Johnson provided additional information, stating that MWC's Water Facility Plan has a 36"

water transmission main scheduled for design in FY 10-11 and construction in FY 11-12 for Eleventh Street. MWC's project is roughly one year behind the Agency's project. In order not to destroy a newly paved road, MWC has approached the Agency who has agreed (IGA) to allow MWC to partner with them for the construction of the water main with their project. This cooperation between agencies will result in a measurable savings to MWC of approximately \$200,000. The amount of funds budgeted for Eleventh Street in FY 10-11 is \$121,000.00. The project will cost about \$1,000,000. The amount budgeted for the Avenue G water main project for FY is \$1,824,000. About half of the funding of the Avenue G project will be shifted to the Eleventh Street project to cover the construction cost. The Avenue G project will be scaled back to allow the Eleventh Street project to go forward. The Avenue G project is a two-year project, so the future funding for Eleventh Street project will be reallocated to restore the funding of the Avenue G project in FY 11-12.

Motion: Approve Resolution No. 1407

Moved by: Mr. Skundrick

Seconded by: Ms. Davis

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

Motion carried and so ordered. Resolution No. 1407 was approved.

#### 6. Authorization of Vouchers

##### 6.1 Consideration of Vouchers for May 19, 2010 meeting

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$1,653,674.48.

Moved by: Ms. Davis

Seconded by: Mr. Skundrick

Commissioner Hall questioned if the payment for the Bullis Reservoir fence went out to bid; Staff noted they did receive three competitive bids. Commissioner Johnson questioned if a MWC truck was stuck and hence the reason for the wench out payment to Star 24 Hour Towing; staff noted that was the case.

Roll Call: Commissioners Davis, Hall, and Johnson voted yes; Anderson recused himself from the C&C Tires, Knife River and Mail Tribune vouchers; Skundrick recused himself from the Knife River voucher. Motion carried and so ordered.

##### 6.2 Continued Voucher from the May 5, 2010 meeting

The Knife River voucher was continued to the May 19, 2010 meeting for a confirmed quorum approval by Commissioner Hall who was absent May 5, 2010. Commissioner Hall reviewed and approved.

#### 7. Engineer's Report

7.1 Duff Water Treatment Plant Fish Screens – The demolition of the existing traveling screen in the upstream tower is under way. Staff, Triad and Black & Vetch continues to coordinate on water work concerns. Commissioner Skundrick questioned if the fish screen information was available for the public to see on the MWC web site; Staff noted that they were planning to do that sometime in June and that signage will be done in that area. The contractor does know that this is a high profile project. Commissioner Strosser noted that he presented the photos from the last board meeting to council and will do so again so that the public will be aware of this project.

7.2 Duff Water Treatment Plant Operation Remodel – KSW has submitted the 90% design plans. Staff is currently reviewing them.

7.3 Jackson County Project Ross Lane – The 12" water main is currently being installed in North Ross Lane.

7.4 Control Station Upgrades – Staff has returned the 50% design plans to CH2M HILL who will be incorporating staff comments and proceeding with the 90% design plans.

- 7.5 Ave G 48" Transmission Main – Thornton Engineering is finishing the pre-design technical memorandum, which is due this week.
  - 7.6 Coker Butte and Owens – MWC is waiting to attend the pre-construction meeting once it is scheduled by the City.
  - 7.7 Big Butte Springs #1 Transmission Main – MWC has received the technical memorandum from the geotechnical engineer and will proceed with the repair in the near future. Commissioner Hall questioned how it would be done; Engineer Johnson explained the process that will be used noting that the road itself is 15% grade so the rock will hold. Project will be on hold as the roads to the site are too muddy at present.
8. Water Quality Report
- 8.1 The 2010 operating season is officially on with production starting on May 6. The plant has operated 11 days due to the reduced Big Butte Springs flow. Commissioner Hall questioned how much has been taken out of Big Butte Springs; staff explained that only 19.8 mgd of a possible 26.4 mgd is being brought to town.
  - 8.2 High Service Pump #3 Replacement Project - Project is progressing; motor is on site as well as other components. Opportunities to install are limited; staff is looking at September.
  - 8.3 The Willow Lake Harmful Algae Bloom - Staff is communicating with Jackson County Parks; a water sample may be done tomorrow. Staff will be collecting baseline data as well.
  - 8.4 Water Quality Grant Program - Geologist Jones noted that the committee reviewed two grants and approved both, a \$20,000 irrigation improvement project as well as a \$5,000 storm water project. The Board will have the opportunity to approve by resolution at the next meeting. Commissioner Anderson questioned if they were matching grants; Staff noted that they were and that progress reports will be provided.
9. Finance Report
- 9.1 Utility Bill Discount – There is a 3-1/2% early payment discount if paying your yearly utility bill early; Finance Administrator DeLine noted that this is in excess of what we earn. There are slightly over 300 customers who are taking advantage of this. Currently the MWC absorbs the 3-1/2% discount. Staff requested direction on 1) if the Board would like to continue the discount, and if so, 2) how to handle the sharing of the discount discrepancy with the City. The Board liked the discount, did not want to offer it sometimes and not offer it at other times depending on the interest rates and stated that the City should pay their share of the revenue. The Board and Councilmember Strosser suggested staff present this information to the City before the joint study session.
10. Operations Report
- 10.1 Hillcrest Pump Station – Photos were shown of the wall and fence; should be completed in 10 days.
  - 10.2 Big Butte Springs Driveway – Very successful; expects to pave early next week, weather permitting.
  - 10.3 Cherry Lane Reservoir – Expected to be finished today.
  - 10.4 Rancheria Generator – Preliminary wiring is being done by Staff; expect to be completed the first part of June. Commissioner Hall questioned if we had licensed electrician on staff; Operations Superintendent Johnson stated that we do.

11. Manager/Other Staff Reports

11.1 Consider Approval of the Proposed Budget as Revised May 19, 2010

At study sessions held on March 17 and April 21, the Board reviewed components of the proposed 2010-11 Fiscal Year budget. Staff has made some modifications to the budget which were discussed. The Water Fund, Water System Construction Fund, Future Main Replacement Fund, and Future Water Treatment Plant Fund pages of the budget document serve as the public notice, which will be submitted for publication after the meeting. Staff recommended the Board make a motion to direct the Manager to bring back a resolution to adopt the Proposed Budget, as revised, at a public hearing on June 2, 2010. Commissioner Hall questioned why we did not receive bids for the timber sale; Staff noted the comments heard such as the difficulty getting to the timber as well as the price.

Motion: Direct Manager to bring back a resolution to adopt the Proposed Budget, as revised, with a public hearing on June 2, 2010.

Moved by: Mr. Skundrick

Seconded by: Ms. Davis

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

Motion carried and so ordered.

11.2 Consider Draft Letter Regarding Lost Creek Water Re-Allocation

On August 19, 2009, the Board approved sending a letter for federal representatives. To date, the Commission has not received any replies. At the last meeting the Board directed Staff to draft another letter on this topic to send to congressional representatives; a copy was presented to the Board for review. The Board approved of the letter as presented.

11.3 Notice of Final Warning

The Board had requested that a letter be created with the assistance of the City Attorney pertaining to the intent to shut off water for excessive water consumption as discussed at the last Board meeting. The Board reviewed the letter and agreed to the content.

11.4 American Waterworks Convention

The next American Waterworks Convention is June 20-24; Manager Rains questioned if any Board member was interested in attending; none were at this time.

11.5 Important Upcoming Study Session Dates to Remember

June 2 – Water Rights Update

June 16 – Irrigation Districts

July 21 – Water Rate Structure

August 18 – Financial/Budget Form Revision

12. Propositions and Remarks from the Commissioners

12.1 Commission Skundrick noted that he will not be present for the next two meetings.

13. Adjourn

There being no further business, this Commission meeting adjourned at 1:27 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.