



## BOARD OF WATER COMMISSIONERS MINUTES

**Wednesday, August 1, 2018**

**Lausmann Annex Room 151/157**

**200 S. Ivy Street, Medford, Oregon 97501**

The regular meeting of the Medford Water Commission was called to order at 12:13 p.m. on the above date at the Medford City Hall Lausmann Annex, Room 151/157 with the following commissioners, staff, and guests present:

Acting Chair John Dailey; Commissioners Daniel Bunn, Leigh Johnson; Rick Whitlock; Commissioner Jason Anderson was absent.

General Manager Brad Taylor; City Recorder Karen Spoonts; Administrative Coordinator Yvette Finstad; Finance Director Tessa DeLine; Water Meter and Controls Supervisor Ken Johnson; TS Administrator Kris Stitt; Water Treatment & Quality Director Ben Klayman; Construction Administrator Andy Huffman

Medford Councilmember Tim D'Alessandro; Attorney Mark Bartholomew; Central Point Mayor Hank Williams; Emily Tummons of Black & Veatch

3. Approval or Correction of the Minutes of the Last Regular Meeting of July 18, 2018  
The minutes were approved as presented.
4. Comments from the Audience  
None.
5. Resolutions
  - 5.1 No. 1679, A RESOLUTION Authorizing the General Manager of the Medford Water Commission to Execute on Behalf of the Board of Water Commissioners a Payment to CityCounty Insurance Services (CIS) for the Medford Water Commission's General Liability, Automotive, Property Damage and Cyber Liability Insurance Premium for Fiscal Year 2018-2019

Information regarding MWC's annual insurance premium was presented to the board by Agent Mike Mastroni on June 20. The Fiscal Year 2018-2019 premium for general liability, automobile, property damage and cyber liability coverage from CIS is \$165,935.73, which exceeds the Manager's purchasing authority. Staff will continue to evaluate the need for additional cyber risk coverage and bring that information back at a later meeting. Staff recommended approval.

Motion: Approve Resolution No. 1679

Moved by: Mr. Bunn

Seconded by: Mr. Johnson

Commissioner Dailey questioned if there were any additional follow-up items/concerns pertaining to insurance coverage; Mr. Taylor noted only cyber security.

Roll Call: Commissioners Bunn, Dailey, Johnson, and Whitlock voting yes.

Motion carried and so ordered. Resolution No. 1679 was approved.

- 5.2 No. 1680, A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract with Don Hamann, Inc. for the Willow Basket Timber Sale

Water Treatment & Quality Director Klayman presented the staff report; the purpose of the

timber sale is for forest health and reduce the risk of fire in the watershed. A local Butte Falls logger won the bid. The sale of the harvested timber would cover the amount needed for the logging of the property and generate additional revenue. An assessment was done by a forestry consultant, best practices were included, and additional lands are scheduled in the future. A study session will be held in September pertaining to a watershed update.

Commissioner Johnson explained the history of the thinning of our watershed lands. He noted there was a tour held when he became a commissioner and there were tons of places on that land that you couldn't walk through the trees. He had asked if there was a plan for the future to prevent fires, which there was not. Within a year a plan was presented to the board. Every three to five years a select timber sale is done and the money is put in a special account.

General Manager Taylor noted a memo added to the resolution would be helpful to the board.

One bid was received for the Willow Basket Timber Sale, which is expected to generate more than \$250,000 in revenue. Part of a long-term management plan to maintain the health and diversity of our forests, this project will result in the thinning and commercial harvest of a 105-acre area near Big Butte Springs, reducing the risk of fire and disease from overcrowding and improving habitat for wildlife. Notice of Intent to Award was issued on July 24 and no protests have been received. Staff recommended approval.

Motion: Approve Resolution No. 1680

Moved by: Mr. Johnson

Seconded by: Mr. Whitlock

Commissioner Whitlock encouraged utilizing these funds, as needed, to care for the lands. Finance Director DeLine stated profits of the sale go into the General Fund and there is a line item for the maintenance of the land.

Roll Call: Commissioners Bunn, Dailey, Johnson, and Whitlock voting yes.

Motion carried and so ordered. Resolution No. 1680 was approved.

5.3 No. 1681, A RESOLUTION Authorizing the General Manager to Execute a Contract Amendment for GSI Water Solutions, Inc. (GSI) for Consulting Services for Permitting Related to the Duff II Water Treatment Plant

Amendments for this sole source contract were previously awarded by board members in 2016 and 2017 (Original contract was for \$220,000 and it was amended in 2016 for an additional 87,613. It was amended again in 2017 for an additional \$13,208). An additional amendment, in the amount of \$50,000, is necessary due to additional services required in the permit application process. GSI coordinated the permit application and preparation of the biological assessment for expansion of the Duff Treatment Plant (Duff II). The permit application process has reached a crucial stage, and this change order will allow the Commission to use GSI as the coordinator for our consultant team and to address water rights issues in the permitting process. If approved, the total cost of the amendments and the original contract will be approximately \$370,821, which exceeds the General Manager's purchasing authority without board approval. Staff recommended approval.

At the next board meeting, staff will have additional information, as they will be meeting in Eugene with the regulators in person.

Motion: Approve Resolution No. 1681

Moved by: Mr. Whitlock

Seconded by: Mr. Bunn

Commissioner Whitlock questioned if the original contract exceeded the General Manager's authority or did the cumulative change orders. Mr. Taylor clarified that his approval authority allows him to approve contract amendments not exceeding \$150,000, but not over 25% of the original contract amount. In addition, board approval is required when the total of **all** amendments and the original contract exceed \$150,000. Commissioner Whitlock thought we should change the process; Mr. Taylor agreed. Mr. Dailey disagreed.

Mr. Taylor stated the permit is for the ability to construct a withdrawal point on the Rogue River that adds capacity to the existing withdrawal point on the Rogue River (actual intake structure). This will be used in the future; but the permit does has a shelf life. Mr. Taylor would not recommend pulling the permit out of the process. Commissioner Dailey thought the permitting process is all over the board and would like a study session on the permitting requirements, strategy and sequence. Mr. Taylor noted that what water we have for this valley is being jeopardized by this permit process, which is received from the Army Corps of Engineers. That's why we need a consultant team around us; staff is concerned about a permit condition that could limit access to water from the Rogue River during July and August for water withdrawn above 100 cubic feet per second.

Roll Call: Commissioners Bunn, Dailey, Johnson, and Whitlock voting yes.

Motion carried and so ordered. Resolution No. 1681 was approved.

6. Review of Vouchers

The board reviewed the vouchers; no questions were received.

7. Staff Reports

7.1 Operations Report (Water Meter & Controls Supervisor Ken Johnson)

- a. Both Highland and Lone Pine 3 Reservoirs were cleaned and inspected on July 17, 2018. Little to no sediments were detected on the east side reservoirs. Divers were instructed to look for a leak at the Highland Reservoir as staff discovered a small amount of water (1/4 gallon/minute) coming from the inspection manhole underdrain. The diver was unable to find a leak. This fall, staff will perform a test to help better understand where the leak is coming from and what future actions may be necessary to stop the leak. Overall the two reservoirs are in good to excellent shape.
- b. On July 15, east Medford was hit with a severe localized electrical storm and intermittent heavy rainfall. The storm caused numerous minor electrical problems to Commission's east side facilities as well as knocking out the level sensor at Hillcrest #1 Reservoir.

The failed level sensor sent a false low-level signal to the Stanford Pump Station thus telling the pumps to continue to run. Staff was on site at Hillcrest Reservoir trouble shooting the level sensor and noticed the reservoir overflowing. The pumps at Stanford Pump Station were promptly shut off. Staff determined that the duration of the overflow was 10 minutes and the volume of overflow water was estimated at 20,000 gallons. This water overflowed into the upper reaches of Lazy Creek, which at the same time received heavy runoff from the local storm drain network. After the event, the creek was checked for chlorine residual and none was present. Staff reported the incident to the DEQ.

In the coming weeks staff will work with SCADA to create a new layer of control to automatically turn off all pumps pumping to a reservoir(s) when a mechanical "overflow float" triggers a "overflow alarm". This will be added to all of our reservoirs.

- c. MWC received a phone call from a customer pleased with the work performed by employee John Hodge pertaining to his assistance with a leak at their home.

Pertaining to the failed level sensor, Commissioner Whitlock questioned if it could have been seen at Duff Water Treatment Plant (by the operator). Water Meter & Controls Supervisor Johnson stated those working at Duff noted there was trouble obtaining data from the reservoir, but they are not distribution operators. Commissioner Dailey stated there was an unaccounted water report the board used to see; staff stated it can be provided. An annual statistical report is done as part of a regulatory requirement and this information will be provided to the board in the future.

7.2 Water Quality/Treatment Report (Water Treatment & Quality Director Ben Klayman)

- a. Jim Stockton's retirement was celebrated yesterday. Mr. Klayman appreciated the three month overlap of working together.
- b. The new rule put in place by the Oregon Health Authority requiring additional cyanotoxin monitoring for public water systems drawing from surface waters is now in effect. MWC collected the first sample under the new rule, and the results showed that cyanotoxins were not detected in the Rogue River at our Duff intake.
- c. MWC has hired a new watershed and water quality technician.

7.3 Finance Report (Finance Director Tessa DeLine)

- a. Staff is currently working towards wrapping up year-end financial statements. Once completed, focus will be on preparing the Cost of Service Study. Staff is working with HDR to design a less complicated COSA model, one that is easier for members of staff to manage and operate.
- b. The semi-annual inventory was conducted last month at the Service Center. As a result, we had a net inventory adjustment of less than \$50 for an inventory valuation of approximately \$950,000.
- c. A \$2M bond matured last week. Staff is moving the proceeds to the Local Government Investment Pool until they meet with Deanne Woodring of Government Portfolio Advisors next month. Staff wants to establish additional guidelines and controls as it relates to investment decisions. Ms. Woodring will attend the September 5 Board meeting.

7.4 I.T. Report (Technical Services Administrator Kris Stitt)

- a. Staff is getting closer to wrapping up our migration over to Invoice Cloud. There was an issue last week with approximately 510 autopay customers, causing us to be unable to process their payments for about a week. Staff called each of those customers to let them know what happened. Customers understood and many expressed appreciation for the phone call. Payments were able to be processed today.
- b. There will be a kickoff meeting next week to start the upgrade process of our finance system from Microsoft Dynamics GP 2010 to version 2016, or possibly 2018. This should take about two months to complete.
- c. The largest project this coming year will be upgrading our billing system from CIS Infinity Version 3 to Version 4. The Scope of Work documents from the vendor have arrived and will be reviewed.

- d. As mentioned at the last meeting, the Technology Services Business Analyst position has been filled.

8. Manager's Report

8.1 A joint MWC and Council meeting is tentatively scheduled for October 25 at 6:00 pm. Commissioner Bunn will be unavailable and Commissioner Whitlock may not be able to attend either, but both agreed to hold the meeting without them. Mr. Taylor noted Commissioner Anderson could attend. Commissioners Dailey and Johnson will look at their schedule. Mr. Taylor would like to make this an annual exercise. He noted the first topic would be the space planning assessment and the second, if there is time, would be on Resolution 1058 regarding water service between city limits and the UGB.

8.2 The picnic set for August 18 may be moved to September 22 if we still have smoke in the valley.

9. Propositions and Remarks from the Commissioners  
None.

10. Adjourn

There being no further business, this Commission meeting adjourned at 1:07 p.m. The proceedings of the Medford 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  
City Recorder  
Clerk of the Commission