

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

August 6, 2014

The regular meeting of the Medford Water Commission was called to order at 12:34 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

Manager Larry Rains, Deputy City Recorder Karen Spoons; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Public Information Coordinator Laura Hodnett; Geologist Bob Jones; Operations Superintendent Ken Johnson; Duff/WTP Director Jim Stockton; Big Butte Springs Operator Dennis Burg

Guests: Medford Councilmember Chris Corcoran; Ashland Public Works Director Mike Faught; Central Point Mayor and Liaison Hank Williams; Central Point City Manager Chris Clayton; City of Phoenix City Manager Steve Dahl; Medford Emergency Management Coordinator Larry Masterman

Commissioner Leigh Johnson was absent.

The pledge of allegiance was given.

3. Approval or Correction of the Minutes of the Regular Meeting of July 16, 2014

The minutes were approved as presented.

4. Comments from Audience

4.1 Ashland Public Works Director Mike Faught stated that they are working on the pumps for the TAP project to Ashland and should be able to test the water August 15. He further remarked that they appreciated the letter of intent.

4.2 Medford Councilmember Chris Corcoran stated that we have a new Fire Chief, Brian Fish. Commissioner Anderson noted that in the past a fire department representative would attend the meetings off and on and questioned the purpose of them attending; Manager Rains explained why this is important. Mr. Anderson requested Mr. Corcoran pass this along.

4.3 Phoenix City Manager Steve Dahl stated that he is in attendance pertaining to the tap meter.

5. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$947,222.53 less the CIS Trust payment of \$144,769.52

Moved by: Mr. Dailey

Seconded by: Ms. Davis

Roll Call: Commissioners Anderson, Dailey, Davis, and Fortier voting yes; Fortier recused himself from the Rogue Transfer voucher. Motion carried and so ordered.

6. Engineer's Report (Eric Johnson)

6.1 Duff Water Treatment Plant Flocc/Sed Basins – The 90% plan review meeting with Black & Veatch is scheduled this Thursday and Friday.

6.2 Duff Water Treatment Plant Raw Water Intake Pumps 1 & 2 – The equipment submittals are being reviewed and will continue for the month of August.

6.3 Angelcrest Pump Station – The pump station vibration analysis was performed on July 18. The pump and motor are operating within industrial standards. The pump station is functioning as designed. This will be the last report on the Angelcrest Pump Station.

- 6.4 Highway 62 Bypass – The 14" water main punch list items are complete. ODOT has accepted the work and the project is complete. This will be the last report on this project.
- 6.5 Vilas Road 16" Water Main Inter-tie – A design review meeting of the 50% plans was held with Marquess and Associates on July 18. Marquess and Associates will incorporate comments from staff into the plans. The 90% plans are scheduled for review later this month.
- 6.6 William Barchet – A letter was received from William Barchet who has requested a reduction in easement width from the existing 50' width to 40' width for the BBS Water Transmission Main easement. A reduction of easement width has been granted in the past for a subdivision to the north of Mr. Barchet's property. The granting of the requested reduction would be contingent upon review of the construction drawing and only for the portion of the easement within the approved subdivision. Principal Engineer Eric Johnson provided a map of the area but stated he would like to see plans of future development where none is provided. He requested direction from the Board.

Mr. Anderson questioned why the easement would be over the front yard; staff noted that the pipe is still in the right-of-way. Mr. Johnson noted that there is no formal condition to the Planning Commission. Mr. Anderson stated that as having served on the Planning Commission, he found that people don't like roads or their front yards torn up.

Medford Councilmember Corcoran questioned water main replacements, working in the right-of-way and a new policy pertaining to replacing pavement. Mr. Johnson noted that the MWC has had to do that up to half the street. Mr. Corcoran questioned if it was necessary as he is concerned with the total cost; Mr. Johnson provided comments on what is required.

Mr. Johnson stated that he will reply to Mr. Barchet that the Board is not favorable to his request.

7. Water Quality Report (Jim Stockton)

- 7.1 Duff production for July was 723 million gallons with an average daily temp of 97 degrees. Overall we may show higher production but in comparing the past ten years we are on average. Public Information Coordinator Laura Hodnett noted that nationwide we use less water due to the economy and it takes a bit to bring usage back up.
- 7.2 Water maintenance work at the Rogue intake was performed yesterday and although successful to some degree we may have to change the methodology with the CORP.
- 7.3 Last week an OSHA compliance officer stopped by and expressed concern with sky lights that don't meet code; the result will be a fix it ticket. Duff/WTP Director Jim Stockton stated that at some point we may need to appeal the numbers. The compliance officer also had issues with the lock out tag. Fines may be in the range of \$2,000-3,000. Mr. Rains noted that our goal is to have the work done before the fine arrives.

8. Finance Report (Tessa DeLine)

- 8.1 Finance Administrator Tessa DeLine stated that staff is working on the year-end financial statement and preparing for the audit.
- 8.2 There are still issues with the new software which the vendor needs to resolve.
- 8.3 CIS Insurance – Ms. DeLine stated that she talked to City of Medford Risk Manager Bonnie Huard at the request of the Board. A letter from Ms. Huard was provided to the Board; Ms. DeLine provided a graph showing the cost of insurance for the past 10 years and stated that we have experienced a soft market for the last ten years and it will probably go up. Mr. Corcoran questioned if it is based on any claims; Ms. DeLine noted that there are claims. Agent of Record

Mr. Mastroni could come to a meeting to talk about the issue of self-insured; Mr. Anderson noted that Bonnie's letter does not recommend being self-insured as the MWC is not big enough and it would entail extra staff although he did request a comparison on insurance for next year. Ms. DeLine noted that next year we need to go out to bid for an agent of record.

Motion: Authorize the Manager and the Recorder to issue payment for CIS Trust in the amount of \$144,769.52

Moved by: Mr. Fortier

Seconded by: Mr. Dailey

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

Motion carried and so ordered.

9. Operations Report (Ken Johnson)

9.1 Mr. Anderson questioned how the software affects the Service Center; Operations Superintendent Ken Johnson noted that they are putting data in although Ms. DeLine stated that there is an interface message with lots of error messages.

9.2 Over the weekend the forest service requested hydrant service at the airport; Mr. Johnson stated he agreed to it but two hydrant devices were needed. A local contractor also needed water for the command center at TouVelle Park. Mr. Johnson requested direction from the Board.

Mr. Dailey questioned if they pay for the water; Mr. Johnson noted that they do and explained how they pay. Mr. Rains stated that this was not inside customers; it's a noble cause but we are tweaking our regulations. The Board discussed emergency needs to fight fires; it was stated that they probably used 100,000 gallons of water and paid \$10.00/day. The Board agreed to stay with status quo.

9.3 Phoenix Tax Meter

At the request of the Board, five alternatives were presented by staff:

- Per letter from Phoenix Mayor Bellah received May 21, 2014; honor the City of Phoenix request to refund overage of 13.5% from 2002 to 2013. Staff compiled monthly metered sales from February 2002 to December 2013 and matched monthly charge for 1000/gal units of water and then calculated 13.5% overage. Reimbursement amount would be \$306,024.36.
- Begin overage calculation on February 2009 (based on flow comparison test results in February 2009 proving meter to be accurate). Reimbursement amount would be \$134,305.08.
- Begin overage calculation on February 2009 (based on flow comparison test results in February 2009 proving meter to be accurate) but use only "summer" high flow months from February 2009 to December 2013. Reimbursement amount would be \$87,886.32.
- Beginning in February 2009 used a monthly prorated method of calculating overage on all metered water sold. Reimbursement amount would be \$65,738.84.
- Beginning in February 2009 used a monthly prorated method of calculating overage on metered water sold but using only "summer" high flow months from February 2009 to December 2013. Reimbursement amount would be \$45,023.05.

As of yesterday no data has been received from TAP. Mr. Anderson questioned the summer months and why do we consider the meter inaccuracy only an issue at that time; Mr. Rains noted that testing showed that the small flows seemed to be accurate. Mr. Dailey questioned what caused the meter to fail; staff noted that we do not know but in 2009 the meter was

reading correctly at low flows. Mr. Dailey questioned the error on the big pumps; Mr. Johnson stated that we have no data to prove one way or the other. Mr. Dailey questioned what Mr. Johnson thought would be fair as there is no clear answer. Mr. Johnson stated that "alternate 5" would be best as it is on a prorated method and we don't know what month it failed. The Board questioned high flows/low flows to TAP. The Board requested the calculation of high flow months from 2002 on; Mr. Johnson noted that he could get that number shortly. Phoenix City Manager Steve Dahl was agreeable with waiting two weeks for the answer. The Board requested Mr. Johnson come back with this calculation in two weeks.

10. Manager/Other Staff Reports

10.1 Alliance for Water Efficiency Correspondence – Correspondence was received requesting written opposition to federal funding being used for efficient toilet replacement programs. The Board agreed.

11. Propositions and Remarks from the Commissioners

None

12. Adjourn

There being no further business, this Commission meeting adjourned at 1:31 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. Spoons, MMC
Deputy City Recorder
Clerk of the Commission