



## BOARD OF WATER COMMISSIONERS MINUTES

Wednesday, September 5, 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 12:32 p.m. on the above date at the Medford City Hall Lausmann Annex, Room 151/157 with the following commissioners, staff, and guests present:

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

General Manager Brad Taylor; City Recorder Karen Spoonts; Administrative Coordinator Yvette Finstad; Principal Engineer Eric Johnson; Finance Director Tessa DeLine; Water Meter and Controls Supervisor Ken Johnson; TS Administrator Kris Stitt; Watershed Administrator Craig Harper; Water Treatment & Quality Director Ben Klayman; TS Business Analyst Chad Glass

Attorney Mark Bartholomew; Medford Councilmember Tim D'Alessandro; Central Point Mayor Hank Williams; Deanne Woodring of Government Portfolio Advisors

3. Approval or Correction of the Minutes of the Last Regular Meeting of August 15, 2018  
The minutes were approved as presented.
4. Comments from the Audience  
None.
5. Investment Policy (Deanne Woodring, Government Portfolio Advisors)
  - 5.1 Deanne Woodring of Government Portfolio Advisors provided an update on the Commission's Investment Policy. She noted there was a typographical error in the Investment Policy dated June 20, 2018, Resolution #1676. Ms. Woodring also noted that she will be back October 17 and will begin providing quarterly reports. Commissioner Whitlock questioned her comments on what appears to be lack of direction; Ms. Woodring noted the rates have been changing, they must work within the policy of the Commission, and they have been developing the structure to move forward as funds become available. Commissioner Dailey noted there have been unprecedented rate structures.

Motion: Direct staff to prepare a resolution to correct the Investment Policy.

Moved by: Mr. Bunn

Seconded by: Mr. Whitlock

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

Motion carried and so ordered.

6. Consent Calendar
  - 6.1 No. 1682, A RESOLUTION Providing for the Collection of a Proportionate Share of the Cost of a Water Main Constructed on Nicholas Lee Way from Maple Park Drive to Katie Mae Drive from Property Owners Benefiting Thereby at the Time of Use of the Said Water Main and Providing for the Payment of the Sums so Collected to R. Horton Homes Inc., Installer of Said Water Main
  - 6.2 No. 1683, A RESOLUTION Providing for the Collection of a Proportionate Share of the Cost of a Water Main Constructed on Nicholas Way from Francine Court to 170' north of Francine Court from Property Owners Benefiting Thereby at the Time of Use of the

Said Water Main and Providing for the Payment of the Sums so Collected to R. Horton Homes Inc., Installer of Said Water Main

- 6.3 No. 1684, A RESOLUTION Authorizing the Chair and City Recorder Acting for the City of Medford By and Through its Board of Water Commissioners to Execute an Affidavit of Consent Releasing All Right and Title to and Interest in Reservation of Utility Easements to Northgate Center LLC as Described in Recorded Document No. 73-12801, No. 74-07242, and No. 2009-002338, all Official Records of Jackson County, Oregon
- 6.4 No. 1685, A RESOLUTION Awarding and Authorizing the General Manager to Execute Log Purchase Agreements for the Willow Basket Delivered Log Sale on Big Butte Springs Watershed

Motion: Approve the Consent Calendar

Moved by: Mr. Dailey

Seconded by: Mr. Bunn

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

Motion carried and so ordered. Resolutions No. 1682, 1683, 1684, and 1685 were approved.

7. Items Removed from Consent Calendar

8. Review of Vouchers

The vouchers were reviewed as presented.

9. Staff Reports

9.1 Engineer's Report (Principal Engineer Eric Johnson)

- a. Duff Water Treatment Plant Floc/Sed Basins – The plate settles for basins #3 and #4 are on site. The plate troughs and connections are scheduled to be delivered this week.
- b. Duff Maintenance Building Design – The site utility, grading and building plans are under design.
- c. Rancheria Spring RFP – MWC has received three RFP's for the Rancheria Spring upgrades. The RFP's are from Jacobs, RH2 Engineering, and Stenson Engineers Inc. Jacobs was the highest ranked proposer. Staff is working with Jacobs to develop a scope of service and cost for the project.
- d. Filter 5-8 Rehabilitation – Marquess and Associates has submitted a Scope of Service and cost for seismic analysis for the filters. The cost to perform the analysis is \$37,000. Notice to proceed has been issued.
- e. Duff WTP Electrical Backup – PEC has submitted a Scope of Service to design an electrical backup system for the Duff WTP. The cost to perform the study is \$45,000. A contract has been issued to PEC.
- f. Conservation – The second yearly tour of Duff WTP and BBS is scheduled for Thursday, September 13. The bus is almost full. A 2019 future tour is considered for elected officials.

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

- a. Technology Resource Center (TRC), MWC's contract SCADA integrator, modified the existing SCADA logic to lessen the possibility of overflow at the reservoirs. A

new program was written to turn pumps off at the pump stations when the overflow float is activated. This adds a third layer of protection to prevent overflows.

- b. Staff is in the process of installing new float meters at Capitol Hill Reservoir. Reservoir #2 meter has been replaced and staff is working on SCADA logic integration with TRC. The next meter to be replaced will be at Capitol Hill Reservoir #3.
  - c. Staff is evaluating quotes for the Capitol Hill Reservoir #3 roof maintenance project.
  - d. Staff solicited quotes for BBS Bridge #1; one quote was received. Reggie Devore Electric and Construction was the sole quote and has been awarded the contract. Staff anticipates maintenance work to be completed by the end of October 2018.
- 9.3 Water Treatment/Quality Report (Water Treatment/Quality Director Ben Klayman)
- a. Treatment Plant
    - Plant production at approximately 20 mgd, using two basins
    - Two basins are offline for installation of remaining plate settlers
    - Staff will investigate how new plant equipment responds to intermittent operation throughout September and into October.
    - Plan to dredge one of the sludge lagoons in the coming weeks
    - MWC will host the AWWA Southern Oregon Subsection meeting at Duff this week
  - b. Water Quality
    - 100% compliant
- 9.4 Finance Report (Finance Director Tessa DeLine)
- a. June and July financial statements are completed. Once the narrative is complete and reviewed by management, they will be shared with the Board and staff. We are still on track for the annual audit the week of September 17.
  - b. Finance is now updating the new Cost of Service Study model. It appears to be user friendly and intuitive to use. Once it is updated, the model will be sent to HDR to review. Staff is working on the first draft of a Comprehensive Financial Management Policy. This document will be shared with senior staff for their input and then brought forward to the Board for direction at the October 17 board meeting. This document assembles all the financial policies of the Commission. The purpose is to help guide us and ensure the financial stability required to meet our immediate and long-term objectives. Once the COSA and the Comprehensive Financial Management Policy document are completed, we will be able to roll out the updated ten-year financial plan.
- Commissioner Anderson questioned the 5 million that Ms. Woodring mentioned; Mr. DeLine stated it has to do with the Water Fund and liquidity for emergencies. Once the policy is complete, we will know the amounts that need to be invested for long term.
- 9.5 I.T. Report (Technical Services Administrator Kris Stitt)
- a. The finance software upgrade has started and initial testing by Cogsdale is underway. The upgrade should be up and running within the next 60 days.
  - b. TS Business Analyst Chad Glass was introduced.

10. Manager's Report

Out of sequence.

10.4 Mr. Taylor reminded the Board that the MWC picnic is September 22.

Back in sequence.

10.1 Proposed Changes to MWC's Contracting & Purchasing Regulations

Staff recommended changes to the Commission's Contracting & Purchasing Regulations, as presented via the memo in the agenda packet. Section 1.02(E) prevents the General Manager from executing a nominal amendment if the original contract alone is over \$150,000, and it is not congruent with the whole theme of 1.02, which is what the General Manager can do, versus can and cannot do. Staff proposed two options 1) Authorize and execute amendments to contracts that were originally executed in accordance with these regulations, so long as the amendment does not exceed 25% of the Manager's expenditure authority or 2) Authorize and execute amendments to contracts that were originally executed in accordance with these regulations, so long as the amendment(s) does/do not exceed either of the following: the Manager's expenditure authority or 25% of the original contract amount. Mr. Taylor preferred option 2.

Motion: Amend the Manager's expenditure authority pursuant to option 2 (authorize and execute amendments to contracts that were originally executed in accordance with these regulations, so long as the amendment(s) does/do not exceed either of the following: the Manager's expenditure authority or 25% of the original contract amount).

Moved by: Mr. Bunn

Seconded by: Mr. Dailey

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

Motion carried and so ordered.

10.2 Clarification of SCADA Support Services Contract

A Sole Source Agreement with Harris Group was approved by the Board on December 6, 2017. The agreement was a two-year contract covering Phase 2, 3, and 4 SCADA upgrades at the Duff WTP. Resolution 1660 did not contain a dollar amount for the three phases of the contracts, therefore, clarification was provided to guide the management of the contract under these three phases.

The various phases of the project were discussed, with the total for all three phases (Phase 2, 3 and 4) expected not to exceed \$300,000. Commissioner Dailey would like two vs. one project (maintenance and projects). Staff provided two options 1) No changes or 2) Motion by the Board to direct the General Manager to bring back a Resolution at the next Board meeting formalizing the clarification to Resolution 1660.

The Board requested the contract and Scope of Work come back for Board approval, and that a study session be held to discuss this further, including contracting and purchasing concerns.

The Board requested staff develop a reporting mechanism on sole source contracts within two weeks, which will help to create transparency.

10.3 Mr. Taylor requested feedback on the Consent Calendar. The Board stated enough information was provided in the agenda packet but suggested he ask again in November.

11. Propositions and Remarks from the Commissioners

12. Adjourn

There being no further business, this Commission meeting adjourned at 1:46 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