

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

October 21, 2015

The regular meeting of the Medford Water Commission was called to order at 12:35 p.m. on the above date at the Medford City Hall Lausmann Annex, Room 151/157 with the following commissioners and staff present:

Chair Leigh Johnson; Commissioners Jason Anderson, John Dailey, Lee Fortier, Bob Strosser*

Manager Larry Rains, Medford Deputy City Attorney John Huttli; City Recorder Karen Spoons; Administrative Coordinator Betsy Martin; Administrative Specialist Yvette Finstad; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Public Information Coordinators Laura Hodnett and Sara Bristol; Geologist Bob Jones; Water Quality Director Rosie Pindilli; Operations Superintendent Ken Johnson

Guests: Medford Councilmembers Chris Corcoran and Mike Zarosinski; Ashland Public Works Director Mike Faught; Central Point Mayor Hank Williams; Central Point City Manager Chris Clayton; Eagle Point Mayor Bob Russell; Eagle Point City Administrator Henry Lawrence; Phoenix City Manager Steve Dahl; Talent City Manager Tom Corrigan; RH2 Engineering Joe Strahl; Shawn Koorn of HDR Consulting

*Left as noted.

3. Approval or Correction of the Minutes of the Regular Meeting of October 7, 2015
The minutes were approved as presented.

4. Comments from Audience
None

5. Public Hearings

- 5.1 Consider Resolution No. 1596, A RESOLUTION Prescribing and Establishing Rates for the Use and Sale of Water From the Municipal Water System of the City of Medford, Oregon, within and Without said City, to Intermittent Users, and to Special Outside Customers Repealing all Prior Rates in Conflict Herewith and Providing that the Modifications as Set Forth in the 2015 Cost of Service Study Shall Become Effective on January 2, 2016, and Thereafter

Consultants Tom Gould and Shawn Koorn of HDR, Inc. presented study sessions to the Board on July 1 and October 7 on their cost of service study. Additionally, they presented two workshops, which were attended by two Commissioners, staff, and representatives from the other cities, and other interested parties. At the October 7 board meeting, staff recommended Board consideration of modifications in the monthly and gallonage charges for all customer groups, based on HDR's analysis and changes that were implemented subsequent to the workshops. The new rates would be effective January 1, 2016. Notice of the public hearing was provided to all customer groups, other interested parties, as well as the general public. Staff recommended approval.

Public hearing opened.

Kathy Mitchell, representing the Jackson County Workers Benefit Council, agreed that the projects MWC is undertaking are necessary to ensure clean, potable water to all residents in southern Oregon but opposes raising the rates by 13.5% this year or 60% over the next four years. Raising rates is not an option; neither is floating bonds to fund the Commission's system upgrades. She suggested using our vast tree resources as has been done in the past and urged state elected officials to demand the federal government turn over their portion of ownership of the MWC watershed where the land can be properly managed.

Central Point Mayor Hank Williams stated that he was not satisfied with the HDR and would like the report to be looked again. He would like to get back to when the cities were treated as valued customers and partners in providing water to the residents and businesses in our valley.

Central Point City Manager Chris Clayton questioned the base rates and the volumes. He noted it is not 13.5% across the board and questioned if Manager Rains could clarify.

Public hearing closed.

Shawn Koorn of HDR Consulting noted the impact may not be exactly the same on all users as each city/district, etc. uses water differently, such as size of meter, water usage, etc.

Joe Strahl of RH2 Engineering questioned the winter rates; Mr. Koorn explained the rate differential is based on Duff II funding. Mr. Strahl questioned the 20 cent differential; Commissioner Anderson clarified how that came about.

Motion: Approve Resolution No. 1596

Moved by: Mr. Fortier

Seconded by: Mr. Strosser

Commissioner Anderson noted that he would support the motion but nothing is set in stone for future increases. He requested staff look at options. Mr. Anderson remarked on the various rates that other cities have in the state of Oregon, all higher than the MWC. Commissioner Strosser noted we do not raise rates frivolously and we have created the issue we are in now. We have tried to be as fair as we could. Commissioner Dailey noted public hearings are held yearly and will be evaluated continuously. Commissioner Fortier would like to keep the relationship open with other parties.

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

Motion carried and so ordered. Resolution No. 1596 was approved.

6. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$446,976.33.

Moved by: Mr. Dailey

Seconded by: Mr. Anderson

Commissioner Johnson questioned the container for wet storage; Mr. Rains noted that renting a storage unit would cost more than purchasing one. Principal Engineer Eric Johnson explained what the storage unit would be used for.

Roll Call: Commissioners Anderson, Dailey, Fortier, Johnson, and Strosser voting yes; Anderson recused himself from the Asante and C&C vouchers; Fortier recused himself from the Rogue Disposal voucher.

Motion carried and so ordered.

7. Engineer's Report (Principal Engineer Eric Johnson)

- 7.1 Duff Water Treatment Plant Floc/Sed Basins – The first pour of the sludge vault wall is complete. The second pour of the sludge vault wall is scheduled for Thursday. Headwall structure to outlet pipes in the ponds will also be poured Thursday. The manholes and all underground pipes west of the existing basins have been installed.
- 7.2 Highway 62: 14" Water Main Reroute – OBEC is finishing the redesign of the sign post base.
- 7.3 City of Medford Project: Lozier Lane – The City of Medford Public Works Department has sent a letter to Jacksonville Highway Water District (JHWD). JHWD is in receipt of the letter and requested MWC staff and Public Works staff to attend the JHWD meeting of November 10.

Staff will be attending the meeting. MWC staff is coordinating with Marquess and Associates on the water design of MWC's portion of the project.

7.4 Master Plan Updates – The project kickoff meeting was held yesterday. Compiling of data per CH2M request for the Master Plan continues.

8. Water Quality Report (Water Quality Director Rosie Pindilli)

8.1 Regulatory Compliance Update Round 2 – Round 2 monitoring under the EPA Long Term 2 Enhanced Surface Water Treatment Rule for Schedule 2 Systems has begun. The purpose of the rule is to evaluate cryptosporidium (crypto) risk. Ozone is one of the best available treatments for crypto; chlorine is not effective in destroying it.

* Commissioner Bob Strosser left.

Dates of the compliance were reported. The first required sample was collected on October 12, 2015 and delivered to the Grants Pass Water Lab for analysis. This required testing will cost the MWC \$6,000 for two years. If we were required to monitor Big Butte Springs, the cost could increase by up to \$84,000 over two years, depending on which individual springs Oregon Health Authority would require to be monitored. As of now, no crypto monitoring is required of Big Butte Springs.

Commissioner Anderson questioned testing; Water Quality Director Rosie Pindilli noted that it is for the Rogue River intake only and that they will be posted on the website. Commissioner Anderson requested a report at the next meeting.

8.2 On October 8, 2015 American Water Works Association released a public affairs advisory in response to news articles in the New York Times and other media regarding lead in drinking water in Flint, Michigan. The purpose was to advise water utilities to be prepared to answer questions associated with lead in drinking water. MWC did not receive any inquiries.

9. Finance Report (Finance Administrator Tessa DeLine)

9.1 Staff has been focusing on the annual audit as staff is not as far along as we should be. Field work has been postponed for one week. Commissioner Johnson appreciated Finance Administrator Tessa DeLine and the work staff has done pertaining to the software upgrade.

10. Operations Report (Operations Superintendent Ken Johnson)

10.1 Marquess and Associates are working on the evaluation reports pertaining to the three bridges at Big Butte Springs.

10.2 Crews are finishing seasonal work.

10.3 Former Field Technician Jeff Statchwick left the MWC and now works for EWEB.

11. Manager/Other Staff Reports

11.1 Manager Rains reported on the letter received from City Manager Chris Clayton of the City of Central Point which covers items that Central Point and the Other Cities would like discussion on. The last item on the list, Water Rights, was covered during today's study session.

11.2 The MWC received a dividend of \$17,727 from SAIF.

12. Propositions and Remarks from the Commissioners

None

13. Adjourn

There being no further business, this Commission meeting adjourned at 12:58 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