

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

December 14, 2016

The regular meeting of the Medford Water Commission was called to order at 12:26 p.m. on the above date at the Medford City Hall, Room 330 with the following Commissioners and staff present:

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

Interim Manager and Principal Engineer Eric Johnson, Medford City Attorney Lori Cooper; Deputy City Recorder Winnie Shepard; Administrative Specialist Jenny Crenshaw; Finance Director Tessa DeLine; Geologist Bob Jones; Operations Superintendent Ken Johnson; Duff/Water Treatment Plant Director Jim Stockton; TS Administrator Kris Stitt; Field Technician III Tim Huffine

Guests: Medford Councilmembers Chris Corcoran and Michael Zarosinski; Central Point Mayor Hank Williams; Eagle Point Mayor Bob Russell; Central Point City Manager Chris Clayton, Phoenix City Manager Jamie McLeod, Phoenix Public Works Director Ray Dipasaule; Damian Mann of the Mail Tribune, Dave Kanner

*Left as noted.

The pledge of allegiance was **not** given as the room did not contain a flag.

3. Approval or Correction of the Minutes of the Regular Meeting of November 16, 2016
The minutes were approved as presented.

4. Comments from Audience

- 4.1 Councilmember Chris Corcoran noted this was his last meeting. He thanked the Board and staff for their service. Commissioner Johnson thanked him for his service as well.

5. Resolutions

- 5.1 No. 1621, A Resolution Authorizing the Chair of the Board of Water Commissioners to Execute a Contract with Oregon Infrastructure Finance Authority (IFA) Related to the Disbursement of Grant Funds, in the Amount of \$30,000, to the Medford Water Commission for the Drinking Water Source Protection Project

Working in partnership with the Rogue River Watershed Council (RRWC), the Commission received a \$30,000 Drinking Water Protection grant administered by Oregon Infrastructure Finance Authority. The grant funds the development of a Water Quality Improvement Plan for Little Butte Creek; this will be led by RRWC and a contract required.

Motion: Approve Resolution No. 1621.

Moved by: John Dailey

Seconded by: Jason Anderson

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

Motion carried and so ordered. Resolution No. 1621 was approved.

- 5.2 No. 1622, A Resolution Adopting Findings, Authorizing an Exemption from Competitive Bidding, and Awarding a Contract to the Rogue River Watershed Council for Development of a Water Quality Improvement Plan for Little Butte Creek

Regarding the Drinking Water Protection grant mentioned in item 5.1, RRWC will develop a Water Quality Improvement Plan for Little Butte Creek, and therefore the Commission will need to contract with them to complete the grant services. Staff requested an exemption from competitive bidding as RRWC has a current working relationship with the parties involved, as well as the facilitation experience and knowledge of the watershed. The contract value is approximately \$25,000. Public noticed of the proposed exemption was posted on the Commission's website, office, and at the City of Medford.

Motion: Approve Resolution No. 1622.

Moved by: John Dailey

Seconded by: Bob Strosser

Roll Call: Commissioners Anderson, Dailey, Fortier, Johnson, and Strosser voting yes.
Motion carried and so ordered. Resolution No. 1622 was approved.

- 5.3 No. 1623, A Resolution Adopting Findings, Authorizing an Exemption from Competitive Bidding, and Awarding a Contract to Watershed Systems Consulting for WISE Water Rights Evaluation Coordination Services

A grant was also received by the Commission from Oregon Water Resources Department for the WISE Project Coordinator (Watershed Systems Consulting) to assist with implementation of the evaluation. Staff requested an exemption from competitive bidding to enter into contract with Watershed Systems Consulting; as the current Wise Project Coordinator, they have the extensive technical expertise and knowledge of the WISE Project and partner's necessary for these services. The contract value is approximately \$6,000. Public notice of the proposed exemption was posted on the Commission's website, office, and at the City of Medford.

Motion: Approve Resolution No. 1623.

Moved by: John Dailey

Seconded by: Lee Fortier

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

Motion carried and so ordered. Resolution No. 1623 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 \$1,130,279.97.

Moved by: John Dailey

Seconded by: Lee Fortier

Roll Call: Commissioners Anderson, Dailey, Fortier, Johnson, and Strosser voting yes; Commissioner Anderson abstaining from Asante Physician Partners; Commissioner Fortier abstaining from Rogue Disposal, Rogue Shred and Rogue Transfer; Commissioner Johnson abstained from Stanley Security.

Motion carried and so ordered.

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

7.1 Duff Water Treatment Plant Floc/Sed Basins: Concrete forming, rebar setting and concrete pours continue for the joining of the existing basins to the new sedimentation basins. Handrail installation and elevated walkway construction continue. The interior seismic walls are done. The flocculation bridges are being set. The electrical work continues.

7.2 Highway 62 14" Water Main Reroute: No activities concerning MWC facilities have occurred.

7.3 Lozier Lane Project: The bid results are in, the costs break down between MWC and JVHWD is being done.

7.4 Master Plan Updates: The Water Management and Conservation Water Plan (WMCP) have been submitted to the State for review. CH2M is done the BBS/Duff WTP Facilities Master Plan. A rough draft the Water Distribution Master Plan was submitted to MWC and a meeting with CH2M is scheduled for tomorrow.

7.5 Corrosion Study: The review team has scored the proposals. Black and Veatch was the highest scoring consultant. The review team is currently formulating a scope of services for Black and Veatch. The other two consultants were CH2M and West/Yost.

7.6 Jackson County Table Rock Road Project: MWC received revised schedule from the Jackson County Road Department. The water plans are due for submittal to ODOT in late April 2017.

8. Operations Report (Operations Superintendent Ken Johnson)

8.1 Lead Pigtail Investigation: Updated investigation information regarding lead pigtails was distributed. Operations have completed 307 out of the 320 potholes on the list. The two found on Central Avenue were removed. Two more were found: one on Hillcrest and one on West Jackson.

- 8.2 Copper Services: During the past six months, Operations has potholed 39 of ½ inch sized copper services when they were near other potholed locations. It is possible that these copper services may include a lead pigtail, but after inspecting 39 of them no leaded pigtails have been found.

Staff recommends discontinuing potholing these ½ copper services as no lead pigtails have been found. However, the copper services could be replaced as road construction occurs.

Ken Johnson noted 27 out of 34 of the old-style straight stops have also been inspected and no leaded pigtails. Old-style straight stops were threaded and straight inline, not up and turning.

The Board discussed whether or not to continue inspections. If three or four inspections occurred per month, it would take one to two years to review all 90.

Commissioner Fortier questioned the impact of the Lozier Lane project on Operations; Eric Johnson responded it will have large impact and Operations will be tied up for some time.

Ken Johnson noted meter setter/risers may contain leaded pigtails. He recommended adding these to the inspection list. Engineering is creating a map indicating all lead pigtail locations to determine clusters or trends and perhaps additional pothole locations.

Commissioner Fortier requested that the Board be informed of every leaded pigtail found. Commissioner Dailey recommended a study session once per year. Eric Johnson noted a study session is scheduled for January and annual updates can be scheduled.

9. Water Treatment Report (Water Treatment Director Jim Stockton)

- 9.1 Plant staff will be completing winter maintenance tasks over the next four to five months to prepare to bring a portion of the plant online with part of the new structures.

9.2 A recirculation and water softening system project is underway to handle the degradation of sodium hypochlorite. Sodium hypochlorite is necessary if the plant is required to serve as an emergency backup to the springs. During the natural breakdown of sodium hypochlorite, chlorate and perchlorate are created as byproducts. Both of these may be regulated as contaminants in the future. A 5-6% dilution of the hypochlorite with softened water, greatly reduces the byproduct formation. We have purchased the equipment to accomplish the project and staff has nearly completed installation.

9.3 Staff is replacing some of the analyzers and making improvements to the raw water analyzer station.

9.4 Next week the plant is expecting 32,000 cubic feet of filter anthracite to top up the filters. The installation is anticipated for January or February, 2017.

9.5 A meeting is set for December 15 to launch the design and integration work associated with the new PLC for floc/sed project as well as the SCADA migration project on the existing control system.

9.6 Duff's server room, which houses backup equipment for the MWC system and Duff, has been unable to maintain adequate cooling capacity during warmer weather. Because the existing multi-head system is inadequate, staff is compiling price quotes for a dedicated system.

10 Finance Report (Finance Director Tessa DeLine)

10.1 Finance is currently wrapping up November statements, which will include a narrative.

10.2 The comprehensive annual financial report is being reviewed by Isler CPA. It will be forwarded electronically before the next Board meeting.

11. Interim Manager/Other Staff Reports

11.1 Customer Service Tech II: Two new Customer Service Tech II positions have been hired and will start on December 16, 2016. They replace Marci Calhoun and Tiffany Koontz.

- 11.2 Retirements: Marci and Rich Calhoun retired on November 30, 2016. Brian Davidson replaced Rich Calhoun as Utility Supervisor. Marty Harrison submitted a letter of retirement, effective January 31, 2017. His position will be filled in house and a new Utility I position will be hired.
- 11.3 Recurring Payments: MWC is still awaiting a response from AUS (the customer service software vendor) on the software capability for accommodating recurring payments.
- 11.4 City of Ashland: MWC is waiting on two executed contracts from the City of Ashland.
- 11.5 P.I.C. Position: Position requirements are being reviewed and modified before the advertising begins next week. We should have someone hired by March 1, 2017.
- 11.6 Schroeder Law Letter: During the December 21 Board meeting, Watershed Administrator Craig Harper will outline staff's concerns regarding the pond.

Mr. Harper presented a PowerPoint regarding the November 7 letter from Schroeder Law Offices, representing Sabrina Carey. Ms. Carey owns a 10-acre property with an unpermitted, two-acre pond. Mr. Harper indicated the property's location on a map, noting it is near McNeil Creek and there are several other ponds in the area. Ms. Carey would like to obtain a water use permit for municipal storage. She notes the pond is beneficial for emergency firefighting, wildlife habitat and serves as additional source of water for municipal needs.

Mr. Harper noted the potential problems with issuing the water use permit, including: setting a precedent, weakening the legislative withdrawal process, difficulty using the water stored in the pond, monitoring difficulty and the regulation expense. He explained an agreement would cost about \$10,000, with an additional \$500 per year for the mandatory annual inspection.

Commissioner Dailey agreed that the MWC shouldn't make an exception. However, there are other ponds in the area that haven't been inspected. He stated we have a property owner who was trying to do the right thing, and she shouldn't be singled out.

Geologist Bob Jones explained there were two amnesty programs for ponds and water rights through the legislature, which are now expired. He noted the water master doesn't search for illegal ponds and that inspections are conducted as complaints are reported. He clarified the MWC owns the water rights for that basin.

The Board discussed the issue. Commissioner Johnson asked whether the ponds in the area had outlets; Mr. Harper answered that most of them do. Commissioner Dailey recommended enforcement of all ponds in the area, stating it should be easy to locate all ponds and enforce for everyone or do something else. It was noted the issue was not caused by the MWC and perhaps was a lack of due diligence during the property's purchase. Commissioner Strosser recommended notifying the local real estate association of the problems occurring in the area.

Commissioner Johnson stated the topic would be revisited next week when Ms. Carey and her attorney will present.

- 11.7 Cost of Service Study: The City/District meeting regarding the Cost of Service Study was held on December 5, 2016. The cities appreciated the ability to participate in the process. The mandatory seven-day public advertisement was placed in the Mail Tribune. The Cost of Service Study and rate changes will be included on the December 21, 2016 agenda.
 - 11.8 Project GoGo: MWC received a letter from Oregon Business regarding a partnering with Project GoGo on a water main. He has not received additional information. Commissioner Johnson requested moving this item to the next meeting, due to time constraints.
12. Propositions and Remarks from the Commissioners
 - 12.1 Interim General Manager

Motion: Direct staff to set the salary of the Interim General Manager at \$140,000 per year. The salary shall be paid retroactively to October 19, 2016 and be paid until a new General Manager takes office.

Moved by: John Dailey

Seconded by: Bob Strosser

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

Motion carried and so ordered.

- 12.2 Rudd Johnson from Crown Hill Consulting: Rudd Johnson provided preliminary search firm information regarding the new Water Commission Director. He outlined the preferences provided and noted five firms were being considered: Alliance Resource Consulting, Avery Associates, Nehrer & Associates, Prothman and Associates, and Ralph Anderson & Associates. He outlined the details of the firms, their fee structure, and the agencies' work in various employment situations. Rudd Johnson noted that Nehrer & Associates was very difficult to contact.

*Commissioner Fortier left the meeting.

Rudd Johnson noted his recommendation in descending order: a tie between Alliance Resource Management and Ralph Anderson & Associates, then Avery Associates followed by Prothman and Associates. He noted his reservation regarding Nehrer & Associates as he experienced difficulty receiving calls back.

Commissioners Anderson recommended whittling the list to three and then making a decision. Eric Johnson noted that sample contracts would be sent for review. Commissioners Anderson and Dailey will meet with Rudd Johnson to determine the top three firms and make a recommendation to the Board.

- 12.3 Commissioner Fortier is leaving the Board on January 31, 2016. Commissioner Strosser intends to stay, if it is not a conflict of interest with his new position on as a County Commissioner. City Attorney Lori Cooper noted that she will look into the issue to determine possible conflicts of interest.

13. Adjourn

There being no further business, this Commission meeting adjourned at 1:38 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.

Winnie Shepard
Deputy City Recorder