

**MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION  
JANUARY 20, 2010**

The regular meeting of the Medford Water Commission was called to order at 12:40 p.m. on the above date at Medford City Hall Lausmann Annex, Room 151/157.

The following commissioners and staff were present:

Acting Chair Leigh Johnson; Commissioners Jason Anderson, Don Skundrick

Commissioner Cathie Davis and Tom Hall were absent.

Manager Larry Rains; Deputy City Recorder Karen Spoons; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Water Quality Superintendent Bob Noelle; Public Information Coordinator Laura Hodnett; Operations Superintendent Ken Johnson; Duff WTP Supervisor Jim Stockton

Guests: City of Medford Councilmember Bob Strosser and Jim Kuntz; Medford Attorney John Huttli; Medford Deputy Fire Chief Kurt Bennett

2. Approval or Correction of the Minutes of the Last Regular Meeting of January 6, 2010  
Approved.
3. Comments from Audience
  - 3.1 Deputy Fire Chief Kurt Bennett appreciated the MWC and the water that was available to fight fires.
  - 3.2 Councilmember Strosser appreciated the Board's support of the agreement with the residents of Piedmont Terrace pertaining to their water pressure. Manager Rains noted that this would be discussed later in the meeting.
4. Written Communications  
None.
5. Resolutions
  - 5.1 No. 1390, A RESOLUTION Awarding and Authorizing the Manager to Execute a Contract in the Amount of \$217,805.00, to Triad Mechanical, Inc., for the High Service Pump #3 Replacement Project

As discussed at the last meeting, five bids were received and staff recommended award to Triad Mechanical, Inc. A Notice of Intent to Award was issued on January 6, 2010; the Commission did not receive any protests during the protest period. Staff recommended approval.

Motion: Approve Resolution No. 1390

Moved by: Mr. Skundrick

Seconded by: Mr. Anderson

Commissioner Anderson questioned what this did to the budget; staff noted there will be unspent capital funds left in this fiscal year's budget.

Roll Call: Commissioners Anderson, Johnson and Skundrick voting yes.

Motion carried and so ordered. Resolution No. 1390 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 \$1,601,207.80.

Moved by: Mr. Anderson

Seconded by: Mr. Skundrick

The Board questioned the payment to Bend Mailing; staff noted it was for start-up supplies.

Roll Call: Commissioners Johnson voting yes; Anderson recused himself from C&C Tires and Knife River voucher; Sundrick recused himself from the Knife River voucher.

Motion carried and so ordered. The Knife River and C&C Tires voucher will be continued to the February 3, 2010 meeting for a confirmed quorum approval by Commissioner Davis and Hall.

7. Engineer's Report

7.1 Duff Water Treatment Plant Fish Screen – This project is winterized and will restart in spring 2010.

7.2 Duff Water Treatment Plant Operation Remodel – KSW presented the preliminary design and layout to the Board today. Upon Board approval KSW will proceed with the design phase. Staff would recommend that we continue with the project.

Commissioner Anderson questioned if the amount for this project was within the realm of reality; Staff noted that it was. Commissioner Skundrick appreciated KSW's concern with the cost of the project. The Board requested staff to investigate solar costs and energy credits and to continue with the present design project.

7.3 Jackson County Ross Lane Project – Jackson County is compiling the final plans and specification for the North Ross Lane Improvement Project and will be going out to bid the end of January. Jackson County is working with the City on some last minute revisions. Staff is meeting with the County this afternoon to see if the revisions impact the water main design.

7.4 Bullis Reservoir – Interior repairs are done. Exterior ladder and railing around the hatch are the only items left. Project should be finished this month.

7.5 Control Stations Upgrade – CH2M HILL is proceeding with the investigation and evaluation phase of the project. The preliminary design report is due the middle of March.

7.6 Avenue G 48" Transmission Main – Commissioners Hall and Johnson to meet with Staff Thursday afternoon to finalize the selection of a consultant. Staff will update the Board at the February 3 meeting prior to issuing the Notice of Intent to Award.

8. Water Quality Report

8.1 Duff Water Treatment Plant – A Request for Proposal has been advertised for Preparation of a Wetlands/Vernal Pool Delineation, Biological Assessment, Mitigation Plan and Wetlands Mitigation permit at the Robert L. Lee Water Quality Complex. The work will focus on maximizing the land area available for expansion of future production facilities. A pre-proposal meeting is scheduled tomorrow. Proposals are due on February 11.

8.2 Staff will be attending the public hearing and information session for the Critical Habitat Designation for the cooks desert parsley and large-flowered wooly meadowfoam scheduled for February 2.

8.3 Staff is assembling the security and communications alarm system project and hope to have that project ready to advertise by the end of the month.

8.4 Water Quality – Staff has been evaluating the water quality records, data management and reporting practices. The Commission is now submitting the routine monthly report forms to the Oregon Drinking Water Program in electronic format.

9. Finance Report

9.1 The semi-annual physical inventory conducted two weeks ago went very well. Operations Superintendent Johnson and his crew did a great job on keeping material organized and accurate.

There was a favorable adjustment of \$2,466 to inventory. This was due to measuring inconsistencies from the last inventory. Inventory accuracy was 1/5 of 1%.

- 9.2 The Local Government Investment Pool newsletter had a recent article on the fair market value of the pool's assets. As of June 30, 2009, the fair value percentage of the pool's assets was 99.11%. The reason for this devaluation is that the pool managers invested in Lehman holdings and those investments are virtually worthless. The Oregon State Treasury is currently building an allowance for these impaired securities. It may take several years for this issue to resolve. According to the State Treasury, the fair value percentage has been steadily increasing and that the pool remains a secure option for the investment of government funds. Staff will continue to monitor this situation.

Commissioner Skundrick questioned the fair value percentage; Finance Administrator DeLine noted that it was a \$188,000 devaluation.

10. Manager/Other Staff Reports

- 10.1 City Boards and Commissions Luncheon – The Commissioners were reminded to let staff know if they would be able to attend the luncheon.
- 10.2 Piedmont Terrace Water Pressure Issues – An agreement was presented to the Board pertaining to Piedmont Terrace located in Cherry Lane Estates subdivision. Commissioner Anderson questioned if the agreement needs to be recorded on each lot; City Attorney HuttI noted that there is no legal binding notice to the agreement and that if it was recorded it would need to be notarized. The Board questioned where the resistance came from pertaining to notarization; Staff noted it was the inconvenience of notarization and that it is not necessary per the legal ramifications. Councilmember Strosser noted that it wouldn't be needed from a real estate issue. Commissioner Anderson did not have a concern unless the people cannot pay. Staff noted that unless each property owner installed their own pressure reduction valve the MWC could not reinstall their service meters.

Motion: Accept the water pressure agreement with the Piedmont Terrace property owners as presented by staff and continue with the project.

Moved by: Mr. Skundrick Seconded by: Mr. Anderson

Roll Call: Commissioners Anderson, Johnson and Skundrick voting yes.

Motion carried and so ordered.

- 10.3 Pump Station – Plans are completed for the Hillcrest Pump Station exterior improvements at Hillcrest and McAndrews Road; project should be completed by the end of the fiscal year.

11. EXECUTIVE SESSION pursuant to ORS 192.660(2) to conduct deliberations with persons designated by the Council to negotiate real property transactions.

The Board adjourned to executive session at 1:00 p.m.

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The Board reconvened at 1:28 p.m. with same Board members present.

Motion: Direct Staff to meet with property owner of the proposed lot purchase and confirm acceptance of latest offer using standard industry practices relating to closing of real estate, one of which is title insurance to be paid by seller, and prepare a written Purchase and Sale Agreement to be signed by property owner and presented to the Board at the earliest future scheduled Board meeting.

Moved by: Mr. Skundrick Seconded by: Mr. Anderson

Roll Call: Commissioners Anderson, Johnson and Skundrick voting yes.

Motion carried and so ordered.

12. Propositions and Remarks from the Commissioners

12.1 Manager Rains noted that the next board meeting will be long; a normal study session covering utility billing allocation costs; the normal board meeting; and after the meeting will be a secondary study session with Eagle Point Irrigation District (EPID) for presentation by Brown & Caldwell of the proposed Willow Dam raising at Willow Lake study. The study session may extend to as late as 3 pm. There are no recommendations to raise the dam as it is too expensive. EPID and MWC may decide to use a computer model of collected data to determine the best operation/release practices on a yearly basis.

13. Adjourn

There being no further business, this Commission meeting adjourned at 1:31 p.m. The proceedings of the 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, CMC  
Deputy City Recorder  
Clerk of the Commission