

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION
February 16, 2011

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

The following commissioners and staff were present:

Chair Tom Hall; Commissioners Jason Anderson, Cathie Davis, Leigh Johnson*, Don Skundrick

Manager Larry Rains; Deputy City Recorder Karen Spoons; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Water Quality Superintendent Bob Noelle; Operations Superintendent Ken Johnson; T.S. Coordinator Kris Stitt; Customer Service Administrator Cheryl Casad; Medford City Attorney John Huttli

Guests: Medford Councilmember Bob Strosser; Central Point Mayor and Board Liaison Hank Williams; Eagle Point Mayor and Board Liaison Bob Russell; Eagle Point City Administrator David Hussell; Phoenix Council Liaison Stan Bartell

*Left as noted.

2. Approval or Correction of the Minutes of the Regular Meeting of February 2, 2011
The minutes were approved as presented.

3. Comments from Audience

- 3.1 Eagle Point City Administrator David Hussell stated that he was thrilled to be here and part of the partnership. Pertaining to the study session on software solicitation, he can appreciate where the MWC is coming from and noted that this is a huge commitment on the part of staff and their time involved in the conversion. Speaking on experience from their city, he stated that once it is done it is wonderful.

- 3.2 Medford City Councilmember Bob Strosser stated that the Water Conservation Site Development Committee is back up and meeting. They will bring all future recommendations to council and the MWC before any final approval.

- 3.3 Phoenix Council Liaison Stan Bartell commented that Phoenix is going through a water rate study and he was curious on the bills received for water and their relationship to TAP, etc.

4. Written Communications

- 4.1 Quarterly Letter to Mayor and Council

The quarterly letter and financial reports were presented; the Board members agreed to the content, the Chair will sign and staff will forward the letter and relevant attachments to the Mayor and councilmembers.

Motion: Approve quarterly letter to Mayor and Council

Moved by: Ms. Davis

Seconded by: Mr. Johnson

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

Motion carried and so ordered.

5. Resolutions

- 5.1 No. 1433, 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 Access Easement, Building Easement, and Water Line and Well Easement to Victor P. Olson, on that Certain Real Property Situated in Jackson County, Oregon, Described as 362W13 Tax Lot 800 of the Official Records of Jackson County, Oregon, Also Known as the Future Duff II Rogue River Raw Water Intake Site

Pursuant to the purchase agreement between the Commission and Victor P. Olson for the purchase of 362W13 Tax Lot 800, the Commission agreed to allow easements for access and encroachments of existing improvements into and across Tax Lot 800. The existing encroachments are for a building, water line and well. These improvements/encroachments currently serve the lots

to the west of Tax Lot 800, owned by Victor P. Olson. The proposed improvements and access will not adversely effect the operation or maintenance of Tax Lot 800. Staff has provided the necessary documents for approval and signature by the Board and recommended approval of the easements to Mr. Olson.

Motion: Approve Resolution No. 1433

Moved by: Mr. Anderson

Seconded by: Ms. Davis

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

Motion carried and so ordered. Resolution No. 1433 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 \$1,769,794.11

Moved by: Mr. Johnson

Seconded by: Mr. Anderson

The Board questioned the late payment to Acme West as well as the purchase of one roll of duct tape; staff noted the late payment to Acme West was an error on Acme West's part and the purchase of one roll of duct tape was needed at DUFF, which was much cheaper to go to a store in that vicinity than to drive to the Service Center.

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

Motion carried and so ordered.

7. Engineer's Report

- 7.1 Duff Operation Seismic Upgrade and Remodel – Plumbing and HVAC rough in; roof penetration underway. The air receiver is being relocated. The interior concrete wall is being formed. Stud wall framing is underway. Window replacements have started. Work on the elevator is continuing. Photos were presented to the Board pertaining to the upgrade and remodel.
- 7.2 Duff Reservoir Seismic Upgrade – Marquess is finishing the Basis of Design Report and will be submitting the report for review.
- 7.3 Control Station Upgrades – The project is now under way and Ausland is working on submittals of material and products.
- 7.4 Avenue G 48" Transmission Main – The final plans have been resubmitted to Jackson County and ODOT for approval. Thornton Engineering is continuing to work on the project specifications.
- 7.5 11th Street 36" Water Transmission Main – The boring under the railroad crossing is under way and will take another week to complete. Once the bore is complete the installation of the 36" water main will resume.
- 7.6 Martin Control Station – ODOT has tentatively agreed to option "B" of a shared driveway between the properties and will proceed with the sale once MWC concurs with them. Commissioner Hall questioned what was the agreed upon price with ODOT; staff noted the price of \$200,000 was agreed upon once the easement issues were settled.
- 7.7 Brentwood Drive & Brookdale 12" Water Main – The project is being advertised for bid. There is a pre-bid meeting on February 22 and a bid opening on March 22.

8. Water Quality Report

- 8.1 The Duff Water Treatment High Service Pump start-up was successful and the pump ran very well.

- 8.2 Software has been ordered for SCADA and will be installed in April.
- 8.3 Traces of chromium-6 have been found in Grants Pass raw water and drinking water. The question is whether the minute amounts present a health hazard and, if so, what can be done about it. The Environmental Protection Agency, which last month recommended testing for hexavalent chromium (chromium-6), can't answer that question. That leaves Grants Pass in a position of not knowing what the test results mean and with no prescribed course of action other than to continue testing. Medford Water Commission is still planning on monitoring. The Board questioned who did the testing for Grants Pass; Mr. Noelle noted that Montgomery Watson Labs performed the testing.
- 8.4 Staff continues to work on research and monitoring for Willow Lake as well as preparing some things for budget on that.
- 8.5 Geologist Jones is working on the wetlands mitigation project where ferry shrimp has been identified on several of the properties. Mr. Noelle stated that the endangered species needed to be on the property in order for it to be a successful piece of property for the Medford Water Commission.

*Leigh Johnson left.

9. Finance Report

- 9.1 As of December 2010 revenue is down from last year; interest is down with CD rates as low as .15%. Staff is currently preparing the budget for 2011-12; with another year of slow recovery staff is prepared to keep spending costs low. Commissioner Skundrick complimented staff for keeping costs down and appreciated them taking the board's direction seriously.

10. Operations Report

- 10.1 The Angelcrest Pump Station project is ready to have the curb and gutter poured today or tomorrow. Fence holes have been dug. Because this is a small contractor they have a limited amount of people working on this project.
- 10.2 Staff is researching replacement of mag meters and commented that the information from the flow of springs needs to be extremely accurate.
- 10.3 This morning an unusual event occurred where Butte Springs dropped the level of water due to a hydrant that failed in Eagle Point; our SCADA system provided a wealth of information and the first call staff made pertaining to this was the right call.
- 10.4 Operations Superintendent Johnson is working with Manager Rains on researching fire hydrant inspection costs.

11. Manager/Other Staff Reports

- 11.1 Consider Approval of Board Goals for Fiscal Year 2011-12
After the February 2, 2011 goals session, staff prepared a draft of the Board Goals for review with the changes requested by the Board; this document will be published in the annual budget. Staff asked for comments from the Board. Commissioner Davis liked the way the first two paragraphs are split up; Commissioner Skundrick commented about the legislative issues on the second paragraph. The Board agreed to the new wording and format as presented.
- 11.2 Staff presented an outline of the Work Group Study Session for the Cost of Service Study to be held on February 23, April 27, June 29 and August 31, 2011 from 1:30 p.m. - 3:30 p.m. The first meeting

will cover the first table and each meeting will continue through the tables. Manager Rains requested a board member attend each meeting; Commissioner Hall stated he will be available for the first meeting.

- 11.3 Manager Rains reiterated the need for meter upgrades at the Big Butte Springs as previously mentioned by Operations Superintendent Johnson.
 - 11.4 Manager Rains and Fire Chief Bierwiler are working together on an IGA to extend the current contract pertaining to the maintenance of fire hydrants. The current contract will expire July, which was authorized approximately two years ago. Staff proposed to add an additional \$5,000 to help cover the cost of ISO inspections.
 - 11.5 Several months ago staff noted that they are working with the City pertaining to an agreement on utility billing rates and indirect costs. The agreement has been forwarded to Mr. HuttI who has read and made minor corrections. Staff would like to bring this to the MWC Board on March 16 and to Medford City Council on March 17. The six-year agreement is scheduled to be implemented on July 1, 2011 with automatic inflation costs attached. Mr. Skundrick questioned why six years; Mr. Rains noted that this was the request of Medford Finance Director Chan based on their budget cycle. Councilmember Strosser appreciated the hard work put forth by all involved.
 - 11.6 Staff is working with Medford Finance Director Chan to review auditing consultants as the MWC and the City use the same agreement. The MWC is highly suggesting that we stay with the same auditor because of the new change for software. Ms. Chan will ask City Council if they would approve an extension of one-two years to the current agreement and that staff is pleased with the services of Isler. Mr. Hall questioned if that would help that much; Mr. Rains noted that it might be difficult to work through a new auditor during a new software transition.
 - 11.7 One of our long time employees, Utility Coordinator Del Hanson, will retire on February 28, although MWC will keep him on for a few months for transition. There will be a retirement party in the Lasumann Annex Room 151 on March 1 at 3 p.m.
12. Propositions and Remarks from the Commissioners
 - 12.1 Commissioner Hall commented that he wanted to make sure one of the Board members would be attending the Water Wise Site Development Committee. Councilmember Strosser noted that there are no policy makers on the committee. Mr. Hall understood and noted that in the past Commissioner Johnson attended. The Board questioned what day it would be; staff to advise once announced.
 - 12.2 Commissioner Hall commented that both Manager Rains and he talked to a customer who was concerned about the water park; Mr. Rains stated that maybe the MWC should also monitor private pools as well at which time the customer calmed down.
 13. Adjourn

There being no further business, this Commission meeting adjourned at 1:07 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.