

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION
April 20, 2011

The regular meeting of the Medford Water Commission was called to order at 12:38 p.m. on the above date at Medford City Hall Lausmann Annex, Room 151/157.

Deputy City Recorder administered oath of office to newly appointed Commissioner John Dailey; he will fill the unexpired term on Don Skundrick. The last day of that term is January 31, 2013.

The following commissioners and staff were present:

Chair Tom Hall; Commissioners Jason Anderson, John Dailey, Leigh Johnson

Manager Larry Rains; Deputy City Recorder Karen Spoons; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Public Information Coordinator Laura Hodnett; Geologist Bob Jones; Water Quality Superintendent Bob Noelle; Operations Superintendent Ken Johnson; Medford City Attorney John Hutt

Guests: Medford Councilmember Bob Strosser; Central Point Mayor and Liaison Hank Williams; Central Point Manager Phil Messina; Phoenix Councilmember and Liaison Stan Bartell; Talent City Manager and Liaison Jay Henry; Public Works Management Joe Strahl and Chris Peters; Karen Dailey

Commissioner Cathie Davis was absent.

2. Approval or Correction of the Minutes of the Regular Meeting of April 6, 2011
The minutes were approved with the change under 10.8 of "Oregon Water Works Association budget" to "Oregon Water Resources Department's budget".
3. Comments from Audience
 - 3.1 Joe Strahl of Public Works Management, representing the four cities of Eagle Point, Central Point, Talent, and Phoenix, formed a Cities Water Coalition to provide input to the Water Commission and work with them on mutual concerns, such as the planned increase in water rates. They provided testimony at the public hearing that the cities would agree with the understanding that the MWC would hear from the other cities pertaining to a cost of service study. They asked for a discussion and were told that Manager Rains needed to get the Commission's approval to have a study group meeting. Today they received a letter that indicated future meetings have been cancelled and are not sure why. Manager Rains noted he just sent that letter and explained why they cancelled the last meeting as it wasn't needed and the next meeting would be at the Annual Cities Meeting. Public Works Management Chris Peters noted that everything has not been covered. Mr. Strahl's only question was did staff have the Commission's authority to cancel the study group meeting. City Attorney Hutt noted as point of order that the simple direction was for the manager to work with the cities and not an official subcommittee of the Commission and that there would be one member of the board attending. Commissioner Hall agreed but that we would meet with them if needed. Commissioner Anderson questioned what Mr. Strahl wanted; Mr. Strahl requested additional study group meetings with the MWC and a Commissioner there as well. A letter was presented from Central Point Mayor Hank Williams. Ms. Peters was disappointed with the financial results and the email received a week later from Mr. Rains, which gave her a feeling of dishonesty. Mr. Strahl is not looking for an answer today but wanted time for the Commission to read the letter. Mr. Rains reiterated the process and expressed his apology for the lack of understanding; he requested direction from the Board and a board member at the work study session. Commissioner Johnson wanted to continue with open communication and conversation between both parties and will try to be present at one of these meetings. Commissioner Anderson agreed with Commissioner Johnson's comments, was disappointed to hear the outcome, and is looking for the issues and options. Commissioner Dailey thought there was breakdown in communication and the interpretation of the wording in technical issues and was not sure how much knowledge he would bring to the meeting should he attend. Commissioner Hall's understanding was that they would meet for a few times and that the group was doing exactly what he thought would happen. It was noted that the next meeting would be Tuesday at 10am. Commissioner Johnson would try to be

there; Commissioner Hall or Commissioner Anderson will attend if needed. Commissioner Hall stated we will have as many meetings as needed and a commissioner available if possible.

4. Written Communications

4.1 Letter from the City of Phoenix

On April 6, 2011, the Commission received a request letter from Phoenix Mayor Carlos DeBritto on behalf of the Phoenix Council. They are interested in receiving services similar to those currently provided by MWC to the water districts.

Phoenix would still own their infrastructure and would like to negotiate a contract by October. Mr. Rains noted that staffing levels would not cover this; maintenance, billing, plan approval, mapping, etc. would have to be increased. The standards between the cities are probably not the same, such as copper or PVC fittings. Billing, such as sewer, street, could be an issue and City Charter. Mr. Huttl will provide a formal response and get back to the board. Commissioner Hall questioned what was in this for the citizens of Medford and that our first customers are the citizens of Medford. Mr. Huttl said that legally that is one of the charges in the Charter. Commissioner Daily questioned what the Charter entails; Mr. Huttl explained.

5. Resolutions

5.1 No. 1441, A RESOLUTION Authorizing the Manager to Execute an Extension of Time on the Agreement with Jackson County, Oregon, for Recreational Use of Medford Water Commission's Willow Creek Reservoir Lands

Staff is in the process of drawing up a new agreement with Jackson County but needs extra time to work out the details. The current agreement expires this month. Staff recommended approval.

Commissioner Johnson questioned if Geologist Jones is negotiating with them; Mr. Jones stated that he is. This agreement was from 20 years ago and they needed to address items that are not clear. The flavor of the agreement is positive.

Motion: Approve Resolution No. 1441

Moved by: Mr. Dailey

Seconded by: Mr. Anderson

Roll Call: Commissioners Anderson, Dailey, Hall, Johnson voting yes.

Motion carried and so ordered. Resolution No. 1441 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 \$1,828,200.58

Moved by: Mr. Johnson

Seconded by: Mr. Dailey

Commissioner Johnson questioned if the lunches are raised substantially; Administrative Coordinator Martin noted that more people were in attendance at the last meeting, hence the reason for the higher invoice.

Roll Call: Commissioners Anderson, Dailey, Hall, Johnson voting yes; Anderson recused himself from the C&C Tire and Knife River voucher. Motion carried and so ordered.

7. Engineer's Report

7.1 Duff Operation Seismic Upgrade and Remodel – The concrete work and window replacement is complete. Electrical, plumbing and framing continue. The Control Room has been restored to operational conditions. The third floor is ready for sheetrock. Staff had a successful walk through with the Jackson County Building Department and Fire District #3 concerning fire and safety.

- 7.2 Duff Reservoir Seismic Upgrade – Marquess is working on the design plans. The 70% design plans are due on April 25.
- 7.3 Control Station Upgrades – Ausland is working on submittals of materials and products. Electrical work for Rossanley Control Station will start soon. Pressure reducing valves are being scheduled for installation. PP&L contracts and fees are being completed.
- 7.4 Avenue G 48" Transmission Main – Coordination continues with Jackson County and ODOT pertaining to schedules and road work. Construction specifications have been submitted to staff for review.
- 7.5 Martin Control Station – The legal descriptions and exhibit have been reviewed by ODOT. ODOT has returned the Bid Form and Interim Sales Agreement for signature and cash deposit of \$20,000. Once the PLA's are approved and signed by both parties, the balance in funds will be submitted to ODOT and the sale will be final.
- 7.6 Brentwood Drive & Brookdale 12" Water Main – Waiting on signed contract from Pilot Rock Excavation. A preconstruction meeting will be scheduled once contracts are signed.
- 7.7 11th Street 36" Water Transmission Main – The 36" water main installation is complete and tie-in at Ave G. The pressure test, chlorination and bacteria testing were all successful and the 36" transmission main is in service.

The existing 16" steel water main in Ave G north of the railroad has been very problematic over the last few weeks with many leaks. It appears that the 55-year old water main has deteriorated due to the corrosive soils, improper bedding and recent construction activities. Staff has coordinated with JCURA, HEA, KRM and Bill's Backhoe for a cost to replace this section of water main. The estimated cost to replace 1375' of the 16" water main is \$220,000. Another section of 16" water main that should be replaced is the section between Murphy Plywood to north of the railroad tracks, estimated at \$40,000. The remaining section of the 16" water main south to Antelope Road will be observed during the road construction.

Total budget for the 11th Street Project is \$1,129,000; to date spent is \$903,088.37; remaining on construction contract is about \$113,000, with about 110,000 left over in the budget.

The 36" transmission line is for transportation water, not domestic services or fire services. If the 36" transmission main is used for services and fire hydrants when White City incorporates, then MWC will be serving customers in White City. If any of the items needs to be worked on, the 36" transmission main would then need to be shut down and the water flow in the system would be reduced. With future water demands increasing this would impact system capacity. Parts are six weeks out for the 36" transmission line. KRM will be constructing cement treated sub-base in the next week or two. Four options were presented; staff recommended option 2.

Options:

- Replace the 16" water main from north of the railroad tracks to Ave G at \$220,000 and add portion under railroad tracks if permit is obtained for an additional \$40,000 plus.
- Replace a portion of the 16" water main from north of the railroad tracks to Ave F about \$115,000 and add portion under railroad tracks if permit is obtained for an additional \$40,000 plus.
- Abandon the 16" water main and tie services, fire hydrants and Ave F to 36" transmission line. Cost unknown.
- Maintain existing conditions and fix leaks as they occur. Cost and detriment to new road

unknown.

Commissioner Hall questioned why there are two lines; Principal Engineer Johnson explained the two types of lines and noted that it is the distribution line that is leaking. Manager Rains noted that there are certain times why we tap lines but we try to keep them free. Commissioner Hall questioned how many lines come off of this; Mr. Johnson stated four hydrants and one customer but is a backbone loop for the industry in the area. Commissioner Hall does not see us hooking up more people in that area. Commissioner Daily questioned why not just cut it off; Mr. Johnson noted that you wouldn't want to cut it off; the number of leaks were discussed and the reasons behind this. Mr. Johnson's recommendation is to replace a portion of the line for about \$150-160,000; the Board agreed. Mr. Johnson will request a new updated price.

8. Water Quality Report

- 8.1 An increase in water demand will be needed to complete the final start up work for water production; presently using 18 million gallons of water a day.
- 8.2 Construction nearly complete and remodel work going well.
- 8.3 Intake dive inspection delayed because of high water.
- 8.4 The SCADA Software update will remain scheduled for mid-May.
- 8.5 Water outlook for the year is excellent.
- 8.6 A short update on chromium-6 was presented. The MWC has always had a proactive approach and staff thought we should proceed with the testing. Commissioner Dailey questioned how reliable is the testing; W.Q. Superintendent Noelle noted that the EPA does not have a validated procedure for testing. Mr. Rains noted that we wanted the board to be aware; staff perspective is that they are going forward unless they hear otherwise.
- 8.7 Continuing to work on the research and monitoring plans for Willow Lake; a presentation will be given at the next meeting.
- 8.8 Mr. Noelle will be in attendance at the Boise Best Tasting Water contest.

9. Finance Report

- 9.1 Finance Administrator DeLine requested direction pertaining to the investment policy. Commissioner Hall commented on the amount of interest we have made in the past vs. now and hoped Commissioner Daily would like to look at this. Commissioner Daily agreed to take on the assignment and will work with Ms. DeLine on investing.

10. Operations Report

- 10.1 The Angelcrest Pump Station Project is nearly complete; the asphalt testing did not meet the compaction testing. The contractor will need to remove the asphalt or provide maintenance funds to cover this should it need to be replaced. Operations Superintendent Johnson noted that they will hold off on paying until the next meeting.
- 10.2 Cedar Links Anode Bed – Backfilled and seeded, project is complete.
- 10.3 McNeal Creek – Have a meeting tomorrow with a surveyor to scope out an easement for an anode bed on two pieces of private property owned by Plum Creek and the Hammonds.

