

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

July 6, 2011

The regular meeting of the Medford Water Commission was called to order at 12:45 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, John Dailey, Cathie Davis, Leigh Johnson

Manager Larry Rains; Deputy City Recorder Karen Spoonts; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Water Quality Superintendent Bob Noelle; Operations Superintendent Ken Johnson; IS/CS Administrator Cheryl Casad

Guests: Medford Councilmember's Jim Kuntz and Karen Blair; Central Point Mayor and Liaison Hank Williams; Central Point Manager Phil Messina; Central Point Assistant City Manager Chris Clayton; Central Point Councilmember Kay Harrison; Public Works Management Joe Strahl

2. Approval or Correction of the Minutes of the Regular Meeting of June 15, 2011
Approved.

3. Comments from Audience

- 3.1 Medford Councilmember and Liaison Kuntz introduced Medford Councilmember Karen Blair.

- 3.2 Central Point Councilmember Harrison stated that she had questions pertaining to the Utility Management Software study session but the software update will be worth it.

- 3.3 Central Point Manager Messina noted that he gives thanks that he does not live in Phoenix, AZ.

4. Written Communications

- 4.1 Letters from the Salvation Army and the Society of St. Vincent de Paul

Thank you letters have been received from all of the three agencies that receive annual grants from the Commission for utility bill payment assistance. The emergency assistance grants have been included in the Commission's budget since 2003 and were increased to \$3,000 per agency in 2009. The screening of applicants and disbursement of funds are handled by the agencies. The letters requested grants for Fiscal Year 2011-12.

- 4.2 E-mail with Proposed Draft Agreement from Dave Hussell of City of Eagle Point

The e-mail was received just after the June 1 board meeting and due to the Manager's absence from the June 15 meeting; it is being presented at this meeting. The Commission's legal counsel was absent from the July 6 meeting, but had requested that the board allow staff to prepare a draft response for board review at the July 20 meeting, most likely at an executive session.

Commissioner Johnson would like to expedite this and noted that this is nobody's fault that it has taken so long as people have been gone. Manager Rains explained that Dave Hussell had called and wanted to be present when discussion would take place. At the July 20 meeting all parties will be in attendance.

5. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$1,006,136.99

Moved by: Mr. Johnson

Seconded by: Ms. Davis

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

Commissioner Dailey questioned the \$9,000 statement from the Davis Wright Tremaine law firm; Manager Rains noted that this is for water rights attorney fees and pertained to more than one day of service.

6. Engineer's Report

- 6.1 Duff Operation Seismic Upgrade and Remodel – The cabinets, ceiling, lights, carpet and baseboard on the third floor is done. The second floor painting is done, the lighting and cabinets are being installed, and the bathrooms are being worked on. Sheet rock on the first floor is done and the tape and mudding is underway. The exterior stairway screening, handrail and landscaping are being installed. Ausland Builders would like to be done by the end of July.
- 6.2 Duff Reservoir Seismic Upgrade – Staff is performing the final review on the 98% plans and specification. The plans and specification will be returned to Marquess for final corrections next week and are being prepared to be advertised.
- 6.3 Control Station Upgrades – Equipment and piping continue to arrive and are being staged for both control stations.
- 6.4 Avenue G 48" Transmission Main – Staff has returned the construction specifications to Thornton Engineering for corrections and are due back to MWC this week. The plans and specifications are being prepared to be advertised.
- 6.5 Martin Control Station – The PLA's are signed and recorded. MWC now owns the future Martin Control Station site. Neathamer Surveying will finish the map and set the property corners. The RFP to design the new station is out for consultant services. The pre-proposal meeting is scheduled for July 12.
- 6.6 11th Street 36" Water Transmission Main – The Central Oregon and Pacific Railroad permit has been approved. The estimated cost for KRM to install this portion of water main is \$47,400. MWC has an IGA with Jackson County; Jackson County has a contract with KRM, so the approval is for Jackson County to have KRM install the pipe and to have MWC reimburse Jackson County. Staff recommended approval.

Commissioner Hall questioned the size of the pipe going in; staff noted it would be a 16" pipe. Central Point Assistant City Manager Clayton questioned the annual lease; Engineer Johnson noted it was zero, noted that this line has been in existence since 1959 and that this will be the same pipe but new casing. Manager Rains requested a thumbs up if the Board agreed to the installation; Commissioner Anderson abstained due to Knife River; the rest of the board agreed. Commissioner Hall noted that the pipe was too expensive.

7. Water Quality Report

- 7.1 Duff operated 22 days in June; Superintendent Noelle presented a production history chart. Manager Rains noted that since the rains came in late spring we have had good water conditions but will mean low sales. Mr. Noelle noted this will show up in the revenue side. Duff began 24/7 operations yesterday and will probably continue to do so to the end of September.
- 7.2 Duff experienced a power failure on June 20 as one of the main PP&L fuses failed. Duff received collateral damage as the UPS failed to transfer over; we didn't have phase protection as they didn't trip out. One motor is in the process of being rebuilt because of this. Commissioner Hall questioned how long the motor had been in service; staff noted that this is the newest motor and have had for about three years. Staff is reviewing the incident and is implementing phase protection for future events. Commissioner Johnson questioned the process; Superintendent Noelle further explained the issue and noted that this is the second fuse failure in the last two years.
- 7.3 The intake dive inspection was performed on June 2; all looks well.

- 7.4 The board approved the SCADA support service to Harris Group Inc. at the last meeting and requested staff check into support service from other entities as a backup plan. The software the MWC is using is a GE package that is off the shelf and broadly supported by firms around the country. A few years ago when the MWC awarded the SCADA upgrade three firms competed for the project so staff has a number of potential contractors. Staff also has a field tech that has been trained in that software program.
- 7.5 The Willow Lake consulting is continuing and staff is pleased with the data so far. Conditions are improved; algae not as prevalent as last year. Lost Creek Lake was posted with the algae, although Chad Stuart of the U.S. Army Corps of Engineers believes the advisory may be lifted. Staff has been in contact with the Oregon Health Authority pertaining to new regulations. Manager Rains noted that Fish Lake has been posted for algae.
- 7.6 The next study session will be about water quality projects.
- 8. Finance Report
 - 8.1 Preparing for annual audit; will conduct year end physical inventory at the Service Center.
 - 8.2 Finance staff met with the City of Medford Finance Department and Isler CPA; audit fieldwork will begin September 12.
 - 8.3 Commissioner Hall questioned if we are getting any closer to investing any money; Commissioner Dailey noted that background research has been done but they have not pushed to move forward as now is not a good time to jump into the bond market. Commissioner Dailey noted that we do need to get the investment policy sent to the state treasurer to get approved and will work on that in the next few weeks. Commissioner Hall thanked him for helping with this project.
- 9. Operations Report
 - 9.1 Staff is reviewing a quote document for Service Center uniforms, rugs and other items as well as bid documents for painting of the fire hydrants.
 - 9.2 Sensus, the company that we buy meters from, have discontinued a type of meter that the MWC uses. Staff is making decisions on which type of their meters to use; more information will be provided at a future study session.
 - 9.3 Last year crews replaced some long service lines at the Brownsboro area; permit requirements have changed with Jackson County in order to match County ordinance and FEMA requirements, which have caused fees to increase. The MWC would have paid \$221 for the Type 1 application. Due to ordinance changes the MWC is now required to complete a Type 2 application which costs \$2,100. Additional cost for hiring an engineer to perform a flood plain analysis could add an additional \$2,500 to \$5,000. Staff has sent a letter to Jackson County requesting a variance for the Type 2 application or to consider the original request of completing a Type 1 application.
- 10. Manager/Other Staff Reports
 - 10.1 Consider Notice of Intent to Award for Customer and Financial Information Systems Software and Support Services for the Medford Water Commission

As requested by the board, staff presented detailed information regarding the products and services of staff's top choice from the RFP evaluation process during today's study session. Staff recommended issuing a Notice of Intent to Award to the top proposer and requested a thumbs up from the board. The notice will launch the protest period and the time for contract negotiations, which the RFP extended for 120 days. Staff expects the timeline to be shorter and will come back

with solid figures. The Board agreed.

- 10.2 The Commission received an invitation to the Rogue Valley Manor's 50th open house on July 20 from 5-8 p.m. Manager Rains would go if a board member did not attend. Commissioner Hall stated that he would be attending.
- 10.3 Oregon Ethics Law Training is scheduled to be held in Grants Pass and is open to any board member.

11. Propositions and Remarks from the Commissioners

- 11.1 Commissioner Hall noted that he wanted to give an apology to Engineer Johnson pertaining to his earlier comment on the price of the pipes.
- 11.2 Commissioner Davis requested a copy of the proposed agreement sent to Eagle Point in order to review; Commissioner Anderson would like a comparison between the two agreements and questioned if staff has a software program to do that. Manager Rains was unsure if our program could do that but has noted the changes between the two contracts and will get that information to the board.
- 11.3 Commissioner Hall noted that he will be out the first week in August.
- 11.4 Commissioner Johnson noted that during the upcoming Water Quality study session he would like information on what is causing the algae outbreak and questioned factors such as type of algae, temperature of the lakes, etc. Superintendent Noelle noted that these questions are being asked statewide and nationally and that some think this is a climate thing and you better get used to this.

12. Adjourn

There being no further business, this Commission meeting adjourned at 1:22 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. Spoonts, MMC
Deputy City Recorder
Clerk of the Commission