

## MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

October 5, 2011

The regular meeting of the Medford Water Commission was called to order at 12:26 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 Spoons; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Water Quality Superintendent Bob Noelle; Operations Superintendent Ken Johnson; Big Butte Springs Operator Dennis Burg

Guests: Medford Councilmembers Bob Strosser and Jim Kuntz; Medford City Attorney John Huttli; Central Point Mayor and Liaison Hank Williams; Central Point Assistant City Manager Chris Clayton; Central Point Councilmember Kay Harrison; Public Works Management Joe Strahl; Jeff Curl of Northwest Pipe; Brad Martinkovich; Dr. Richard Gierak of Siskiyou County Water Users Association; Dennis Schmader; Medford Mayor Gary Wheeler\*

\*Arrived as noted.

2. Approval or Correction of the Minutes of the Regular Meeting of September 7 and 21, 2011  
Approved.
3. Comments from Audience
  - 3.1 Dennis Schmader, a local citizen, expressed his concern and disapproval to the possibility of changing the pipeline standards from ductile pipe to steel pipe.
  - 3.2 Dr. Richard Gierak, a consultant for the Siskiyou County Water Users Association (SCWUA), stated that he is here to try to bring to the Board the effects that are going to happen with the removal of the four dams into not only Northern California waters but Southern Oregon waters. Under the Klamath Basin Restoration Agreement all waters earmarked for northern California and southern Oregon are included in the agreement, and they have changed the priority from water for domestic use to environmental waters. No other purposes will be allowed until the aquatic species have been met and specified. The SCWUA is attempting to form an interstate coordination council to fight these changes. Dr. Gierak is requesting the MWC join their organization; there are two lawsuits going on now. An Executive Summary of the Klamath Falls Removal Public Draft Environment Impact Study was presented. Commissioner Hall reminded the Board that this is one of their goals pertaining to water issues. Councilmember Kuntz questioned if they receive any help from the Fred Kelly grant; Dr. Gierak noted that yes they do.
  - 3.3 Brad Martinkovich presented a handout pertaining to California/Oregon Power Company (COPCO) and the possibility of the removal of dams located in Klamath and Siskiyou Counties. He noted that there is a deadline of March 12, 2012 that a final decision must be made by the Secretary of the Interior, that coupled with the approval of the electorate will determine if the dams are removed and who pays how much to do it. He would like to see the members of the Board take the initiative in researching on their own and passing a proposal to inform the water users in our district of the pending negative implications of dam removal by way of a simple written supplement in their water bills. He expressed support of Dr. Gierak in his presentation.
  - 3.4 Central Point Assistant City Manager Clayton noted that the agreement between the MWC and Central Point will be presented to their council at their upcoming meeting. Mr. Rains stated that the next Medford Water Commission board meeting will be October 19 and requested the agreement back to the Commission so that it can be signed then.
  - 3.5 Jeff Curl of N.W. Pipe Company enjoyed the study session presentation. He noted that the materials suggested in their files are all made locally and would like to give a study session

presentation on how their product is made.

- 3.6 Central Point Councilmember Harrison thanked Dr. Gierak for the information on the dams. She used to fish at Copco with her dad and thought removal of the dams would only hurt, more than help, including to the fish. Mr. Gierak noted that helicopters can only get their water to assist with forest fires at these reservoirs.

- 3.7 Medford Councilmember Kuntz agreed with Dr. Gierak's presentation.

4. Written Communications

4.1 Quarterly Report 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.

5. Resolutions

- 5.1 No. 1460, A RESOLUTION Awarding and Authorizing the Manager to Execute a Contract in the Amount of \$4,189,347.00, with Moore Excavation, Inc., for the Table Rock Rd, Kirtland Rd, Pacific Ave & Ave G 48-Inch Water Main Improvements Project

As discussed at the last meeting, 10 bids were received. The Notice of Intent to Award was issued on September 21 to the apparent responsive, responsible low bidder Moore Excavation of Portland, Oregon; no formal protests were received. Additional information requested of staff was provided at the meeting. A cost analysis was presented comparing ductile iron to steel based on a 100-year life. A recent email from John Vial of Jackson County was presented; Manager Rains noted that he did not solicit this but stated that Jackson County would not issue a permit to the MWC if they were late in getting the project done. Lastly an email from Terry Wallen of American Ductile Pipe was presented. Staff recommended award to Moore Excavation using ductile iron pipe.

Commissioner Davis questioned when this project would begin and end; Engineer Johnson noted we would start in March and that we would need to be past their fail safe point (past corner of Pacific and Ave G) by June 30. Commissioner Hall questioned length of pipe; Mr. Johnson further explained the length would be between 2000-3,000 ft and where the location of the pipe would go. Mr. Hall noted that we are looking for an equal pipe, not a lesser quality pipe and brought up cost analysis with a 3-1/2% interest. Mr. Hall also stated that he had a very heated discussion with City Attorney HuttI a week ago about the possibility of awarding the bid to the lowest bidder and asking for cost savings ideas from the vendor if they could honor our timeline as well. Mr. HuttI said that he can't find where we can legally do that as we did not advertise that up front, we did not change specs, and it doesn't fit the requirements for changes orders. Mr. Johnson noted that although March is when we put the pipe in the ground we still have to order it before that. Commissioner Dailey questioned if we had put something in the bid packet about value engineering could we have done that; Mr. HuttI noted yes and described the low seal bid process per state law and exemptions from sealed bid. Mr. HuttI noted the option the Board has on any project. Mr. Dailey questioned if that provision could be added to that bid project pertaining to value engineering. Mr. Rains noted that there could be some pros and cons but staff didn't feel at the time that there was any value engineering in this project; staff would need time to formulate this for future projects. Mr. Johnson stated the way he understood value engineering; normally jobs are higher than projected. Mr. Hall continued to question why you would not do value engineering; Mr. Johnson noted that there are standards already set but that this process does go on to a certain aspect, such as the recent remodel at Duff. Commissioner Johnson wished this would have happened over a year ago and had time to go through this topic; he is inclined to move forward and believes we need to get the contract started.

Motion: Approve Resolution No. 1460

Moved by: Mr. Johnson

Seconded by: Mr. Dailey

Roll Call: Commissioners Anderson, Dailey, Davis, and Johnson voting yes; Hall voting no.

Motion carried and so ordered. Resolution No. 1460 was approved.

- 5.2 No. 1461, A RESOLUTION Authorizing the Chair and City Recorder Acting for the City of Medford By and Through its Board of Water Commissioners to Execute a Permanent, Non-Exclusive, Right-of-Way Easement with Plum Creek Timberlands, L.P., on a Portion of That Certain Real Property Situated in Jackson County, Oregon, Described as Section 6, Township 35 South, Range 2 East of the Willamette Meridian

An easement is needed from Plum Creek Timberlands for reconstruction of the McNeil Creek cathodic protection site; the existing site was in a riparian zone. Although the easement is being given to the Commission, Plum Creek Timberlands requested an acknowledgement signature from the Commission. The easement has been reviewed by City Attorney Huttli and staff recommended approval. Mr. Huttli noted that their request pertained to having an insurance policy in place and an indemnification standard. Commissioner Anderson questioned the insurance provision; Mr. Huttli noted that the Commission does have the required insurance as requested.

Motion: Approve Resolution No. 1461

Moved by: Mr. Anderson

Seconded by: Ms. Davis

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

Motion carried and so ordered. Resolution No. 1461 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 \$281,262.29

Moved by: Mr. Johnson

Seconded by: Ms. Davis

Roll Call: Commissioners Anderson, Dailey, Davis, Hall, and Johnson voting yes; Anderson recused himself from the Asante and Knife River vouchers; Johnson recused himself from the Stanley voucher.

## 7. Engineer's Report

- 7.1 Duff Operation Seismic Upgrade and Remodel – Punch list items are almost complete. All punch list items to be complete by October 14.
- 7.2 Duff Reservoir Seismic Upgrade – The product is under way; submittals are being reviewed and excavation is scheduled for next week.
- 7.3 Duff Filters 13-16, Redundant Backwash System and Yard Piping Project – Staff is reviewing the proposals. Engineer Johnson requested a date and time to review the proposal with Commissioners Dailey and Hall; it was agreed to meet Wednesday, October 12 at 3:00 p.m.
- 7.4 Control Station Upgrades – The pump and motor has been installed at Rossanley Pump Station; the project is complete with the exception of punch list items. Work has started at Conrad Pump Station; the roof, electrical, piping and pump work is all under way.
- 7.5 Ave G Transmission Main – The project was awarded today; once contracts, bonds and insurance forms are received a preconstruction meeting will be scheduled.
- 7.6 Martin Control Station – A project kick-off meeting is scheduled with OBEC on October 11.

8. Water Quality Report

- 8.1 Water Quality Superintendent Noelle reported on the September production history and the monthly production history for Duff. He noted that it has been a long time since we had a lower production year. With the rains just received the Duff production season seems to have ended.
- 8.2 The Duff wetlands permit application to DSL and CORP was completed several weeks ago; a copy was available to review. Mr. Rains noted that Bob Jones is bird-dogging this and is calling every week to make sure this gets pushed through; there is a deadline that they are looking at pertaining to mitigation property.

9. Finance Report

- 9.1 The year end audit appears to be finished; no draft statements have been received from the auditor.
- 9.2 A CD at Umpqua Bank has matured; proceeds from the CD will go into the money market account where it will earn more interest. Another CD will mature next week; staff will probably place those funds into the money market account to earn the highest interest.
- 9.3 Staff and Mr. Dailey will meet tomorrow with Terry McCall of Portfolio Services for Government, LLC to discuss drafting an RFP for investment services.
- 9.4 Commissioner Hall noted that we will be down about half a million dollars in revenue; the good news is that we had lower pumping and treatment costs so we are only down about \$150,000 which is better than we thought.

10. Operations Report

- 10.1 Operations Superintendent Johnson noted that the Medford Fire Department has hired crews to test fire hydrants; there were a few minor repairs needed so far.
- 10.2 Crews have been working on the meter change out program, repairing leaks and air valve maintenance.
- 10.3 The Aramark contract should be signed shortly.
- 10.4 C&C Constructors will be awarded the Willow Lake Dam Project where there is a failing concrete structure. This project should begin in the next few weeks.

11. Manager/Other Staff Reports

- 11.1 Central Point Agreement - Staff will present this at the October 19 meeting.
- 11.2 Eagle Point Agreement – Staff and Commissioners Hall and Johnson met with the City of Eagle Point pertaining to their agreement; a good discussion took place and issues have been worked out. This agreement will be presented to their council and back to the MWC for the October 19 meeting.
- 11.3 Rate study – Staff is putting numbers together and will provide options to the Board at the next meeting; the Board can then direct staff on what option they want.

12. Propositions and Remarks from the Commissioners

- 12.1 Mr. Johnson was very happy with the outcome of the meeting with Eagle Point where they were able to clear up issues. The MWC agreed to work on a 'Letter of Intent' pertaining to future catastrophic supply events; Mr. Rains will be working on that letter. He further stated that the MWC is not trying to be a regional facility but will serve in the best way that we can. Mr. Hall noted that it was one of the best meetings that he has attended and that they now understand our Charter. They

questioned if we would really shut down their water if there was an emergency; Mr. Hall stated that according to our Charter we could do that but we need to find a way that this would not be the case.

\*Mayor Wheeler arrived.

12.2 Commissioner Anderson recognized Mayor Wheeler who just arrived; Mr. Wheeler noted that he just attended a RPS meeting and was sorry he missed most of the meeting. Mr. Hall noted that he had asked Mayor Wheeler to attend the meeting.

13. Adjourn

There being no further business, this Commission meeting adjourned at 1:20 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