

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION
February 19, 2014

The pledge of allegiance was given.

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

Chair Jason Anderson; Commissioners John Dailey, Cathie Davis, Leigh Johnson

Manager Larry Rains; Attorney John Huttli; 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 Administrator Rosie Pindilli; Operations Superintendent Ken Johnson; Duff/WTP Supervisor Jim Stockton; Big Butte Springs Operator Dennis Burg

Guests: City of Medford Councilmembers Bob Strosser and Chris Corcoran; Ashland Public Works Director Mike Faught; Central Point City Manager Chris Clayton; Eagle Point Mayor & Liaison Bob Russell

Commissioner Lee Fortier was absent.

3. Approval or Correction of the Minutes of the Last Regular Meeting of February 5, 2014

The minutes were approved as presented.

4. Comments from Audience

- 4.1 Eagle Point Mayor Bob Russell stated that their council will not meet again to discuss the water agreement until February 25 although the MWC requested a response by February 24. He noted that they would have their response for the MWC shortly thereafter. Commissioner Anderson stated that that would be acceptable.

5. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$792,347.04

Moved by: Mr. Dailey

Seconded by: Ms. Davis

Roll Call: Commissioners Anderson, Dailey, Davis, and Johnson voting yes; Anderson abstained from Big R and C&C Tires vouchers. Motion carried and so ordered.

6. Engineer's Report (E. Johnson)

- 6.1 Duff Water Treatment Plant Duff Flocc/Sed Basins – Staff and Black & Veatch had a meeting on February 13 to review the 75% plans and specifications. Black & Veatch is currently incorporating the review comments and working towards the 90% plans.
- 6.2 Duff Water Treatment Plant Raw Water Intake Pumps 1 & 2 – Staff received the 90% design plan submittal yesterday from CH2M Hill and is currently reviewing the plans.
- 6.3 Martin Control Station – Staff has received the Operation and Maintenance manuals and is checking the manuals for completeness.
- 6.4 Angelcrest Pump Station – Staff received four quotes for the Angelcrest Pump Station yesterday. A contract will be awarded to Triangle Pump & Equipment, Inc. who had the lowest quote at \$18,370.00.
- 6.5 Highway 62 Bypass Water Main Project – The bid documents are complete and the project will be advertised for bid Friday, February 21.

- 6.6 Vilas Road 16" Water Main Inter-tie – Neathammer Surveying is currently surveying the proposed alignment of the 16" water main. Marquess & Associates is currently designing the 16" water main.

Mr. Anderson stated that there were no quotes in the Board packets; Principal Engineer Eric Johnson passed out the quote tabulation for the Angelcrest Pump Station Pump #3 Replacement Project.

Mr. Anderson questioned when the Board will be able to receive a tour of the Martin Control Station; Attorney Huttli stated that for a tour all Board members could be present at the same time. Mr. Rains stated that he will schedule a time for all to attend at once. Mr. Rains also noted that the vac-on will be available for review as well.

7. Water Treatment Report (Stockton)

- 7.1 Duff/WTP Supervisor Jim Stockton stated that staff is wrapping up winter maintenance. Ozone commissioning activities are being done and gas monitors have been rebuilt. Wet testing will begin in early March.
- 7.2 Staff is working with vendors pertaining to chemical pricing; no major cost increases are expected.
- 7.3 With the recent rain we did see river fluctuation between 3-4 feet in a 24-48 hour time period but it never reached the tower. There were no record flows on the river.

8. Finance Report (DeLine)

- 8.1 Two weeks ago the MWC was notified by Deanne Woodring of Davidson Fixed Income Management that she and other key members of the Portland office left the organization and created a new firm called Government Portfolio Advisors. Shortly thereafter we were informed that Davidson Fixed Income Management agreed to assign our existing investment advisory services contract to the newly formed Government Portfolio Advisors. Staff believes that it is in our best interest to proceed with the assignment agreement because of the working relationship we have with Ms. Woodring and her staff. Attorney John Huttli has reviewed and approved of the assignment agreement. If the Board approves, staff would like to proceed with the assignment agreement.

Commissioner Dailey noted that Ms. Woodring called and explained that they had separated from Davidson as they were a specialized little shop, which is not an uncommon practice. We will be dealing with the same people that we have had in the past and it is in our best interest to do this. Mr. Anderson questioned insurance, bonding; etc. Ms. DeLine stated that she would check on this. Mr. Dailey noted that they had no access to any of our physical assets, they are strictly advisory. Ms. DeLine noted that our assets reside at U.S. Bank.

Motion: Move that we request assignment of our contract with Davidson to Government Portfolio Advisors

Moved by: Mr. Dailey

Seconded by: Ms. Davis

Roll Call: Commissioners Anderson, Dailey, Davis, and Johnson voting yes. Motion carried and so ordered.

- 8.2 Finance and other departments are still working on the software conversion process; consultants are on site and are working remotely as well. Mr. Anderson questioned what the issues are; Finance Administrator Tessa DeLine provided some concerns, such as posting transactions that do not come up with the information needed as well as balancing issues. Mr.

Rains stated that last week they had a meeting with the consultant where he requested someone from their team on site until the project is completed. Mr. Rains commented that the budget presentation will not be as detailed due to financial software issues that have not been resolved.

8.3 Ms. DeLine was pleased to report that inventory balanced for the first six months.

9. Operations Report (K. Johnson)

9.1 The vac-on truck has been received; staff will soon receive training.

9.2 Two quotes went out for upcoming work; low bids were Bartlett Tree Service for tree work around Capital Reservoir and Perrine Electric to rebuild Lone Pump #2.

10. Manager/Other Staff Reports

10.1 Bi-monthly Billing

Mr. Rains requested direction from the Board pertaining to bi-monthly billing. He stated that January is the best month to make this change and if the Board agrees, will be pursuing this on January 2016 due to the issues we are still having with the software. Mr. Dailey questioned the financial impact; Mr. Rains noted employee positions will not need to be filled and bi-monthly billing will save time as the bill will only be read every other month. Mr. Dailey questioned if customers can opt-in, opt-out; Mr. Rains noted that they cannot but wholesale customers will be read monthly. Mr. Anderson questioned the wait; Mr. Rains noted that we need history with the new software program in order to bill. Mr. Anderson questioned the months to be billed; Mr. Rains noted it would be for the two previous months. Mr. Anderson questioned why not now while the consultant is here; Mr. Rains noted that there is a lot of work in changing routes and it will cost more as it is not part of the original agreement. Ms. DeLine stated that the testing process will take months. Public Information Coordinator Laura Hodnett noted that you don't want to change to bi-monthly in the summer as that is when customers have their highest bills.

11. Propositions and Remarks from the Commissioners

None

12. Adjourn

There being no further business, this Commission meeting adjourned at 12:55 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.