

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

MARCH 17, 2010

The regular meeting of the Medford Water Commission was called to order at 12:40 p.m. on the above date at Medford City Hall Lausmann Annex, Room 151/157.

The following commissioners and staff were present:

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

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

Guests: Medford Councilmember's Bob Strosser and Jim Kuntz; City of Medford Attorney John Hutt; Central Point Councilmember Kay Harrison; Eagle Point Mayor Leon Sherman; Phoenix Councilmember Mike Stitt

Commissioner Jason Anderson was absent.

### 2. Approval or Correction of the Minutes of the Last Regular Meeting of March 3, 2010

Approved.

### 3. Comments from Audience

3.1 Phoenix Councilmember Mike Stitt is working with the City of Talent on a water rate study; conservation is the theme and should be completed by May.

3.2 Central Point Councilmember Kay Harrison stated that Central Point has adopted a water tiered rate change based on water usage and conservation.

### 4. Resolutions

4.1 No. 1395, A RESOLUTION Awarding and Authorizing the Manager to Execute a Contract in the Amount of \$194,643.00 with Northwest Biological Consulting, for Consulting Services for Preparation of a Wetlands/Vernal Pool Delineation, Biological Assessment, Mitigation Plan & Wetlands Mitigation Permit for the Robert L. Lee Water Quality Complex

As discussed at the last meeting, five proposals were received and staff recommended award to Northwest Biological Consulting. The total project cost exceeded FY 2009-10's allocated budget for Task 1; the remainder would be budgeted in future years. A Notice of Intent to Award was issued on March 3, 2010; the Commission did not receive any protests during the protest period. Staff recommended approval.

Motion: Approve Resolution No. 1395

Moved by: Mr. Hall

Seconded by: Mr. Skundrick

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

Motion carried and so ordered. Resolution No. 1395 was approved.

4.2 No. 1396, A RESOLUTION Awarding and Authorizing the Manager to Execute a Contract in the Amount of \$35,911.00, to Acme West Co., Inc., for the Hillcrest Pump Station Site Improvements Project, CIP 36-09 (321)

As discussed at the last meeting, five bids were received and staff recommended award to Acme West Co., Inc., as low responsive, responsible bidder. A Notice of Intent to Award was issued on March 4, 2010; the Commission did not receive any protests during the protest period. Staff recommended approval.

Motion: Approve Resolution No. 1396

Moved by: Ms. Davis

Seconded by: Mr. Skundrick

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

Motion carried and so ordered. Resolution No. 1396 was approved.

5. Authorization of Vouchers

5.1 Continued Vouchers from the March 3, 2010 Board Meeting

Vouchers related to Knife River and C&C Tires from this meeting were approved by Commissioner Leigh Johnson, who was absent from the March 3, 2010 meeting. Commissioner Johnson signed approval for those payments.

5.2 Consideration of Vouchers for March 17, 2010 Board Meeting

Board members considered payment of bills presented at this meeting.

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$1,811,241.26.

Moved by: Mr. Hall

Seconded by: Ms. Davis

The Board questioned CDW Government, Inc. for a software subscription; Forestry Suppliers for tree planting for this year; Groundwater Solutions for water rights consulting; and Sticker Dude pertaining to competitively priced of which staff noted it was not competitively solicited but will make an effort to call other vendors.

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

6. Engineer's Report

6.1 Duff Water Treatment Plant Fish Screens – Staff, Triad and Black & Vetch continue to coordinate water work concerns. Minor work on electrical and mechanical work continues in the SCS building. The pre-extension meeting was moved to June 1, allowing the project to start earlier in June. Commissioner Hall questioned if Triad Mechanical is on site; Engineer Johnson noted that they are and are addressing concerns and challenges.

6.2 Duff Water Treatment Plant Operation Remodel – KSW continues working on the design phase of the project.

6.3 Jackson County Project Ross Lane – Jackson County held the bid opening for Ross Lane project. Kogap was the lowest bidder with a bid of \$3,868,328.50. MWC portion is approximately \$601,000.00, which is lower than expected. The capital budget was changed to this number.

6.4 Bullis Reservoir – Hatch railing is installed and the project is complete. Fence work will be done soon.

6.5 Control Station Upgrades – Staff and CH2M HILL met on March 11 to review the preliminary design report. CH2M HILL is making the final edits to the design report and once done will proceed with design of the control stations.

6.6 Ave G 48" Transmission Main – Staff met with Thornton Engineering on March 4 for the project kick off meeting. Thornton Engineering is proceeding with the preliminary investigate phase of the project.

6.7 Coker Butte and Owens – The City has finalized plans and specifications and has forwarded to ODOT for review. This should go out to bid early April.

- 6.8 Bond – Cherry Lane Estates Water Pressure Issue – The water main is complete and in use. Councilmember Strosser noted that the homeowners are very happy; MWC's crew did the work and did not need to go out to bid.

Commissioner Johnson questioned the Martin Station and noted that there were several cars parked there; staff noted that we own very little property at the station and where the cars were parked is not MWC property. Staff has plans to discuss with ODOT and will bring this back on future reports. Commissioner Hall noted this was the property that ODOT had for sale with a huge price tag.

7. Water Quality Report

- 7.1 Staff is not anticipating starting the water treatment plant early; although a dry spring could change that. The plant could be operational within 24-36 hours notice.
- 7.2 Currently the pump station is behind schedule on the approval process; staff is engaging with Triad Mechanical to delay removing functional pumping equipment for the majority of our operating season. This will delay the project but staff believes it is the best option. Commissioner Skundrick questioned what the issue was; staff noted it is a supplier issue with Triad pertaining to the pump. Staff noted there is no scope of work increase although not addressed with Triad.
- 7.3 Plant security and installation system is nearly complete and progressing on schedule. The software programming will get done in conjunction with the intake.
- 7.4 Staff has updated the figures on the number of people the MWC serves, as of January 1 we had 27,938 water service connections that serve 91,050 people. If other cities are included it is 131,238.

8. Finance Report

- 8.1 Utility Bill Bankruptcy Costs  
Finance Administrator Tessa DeLine informed the Board on current handling of utility bill delinquencies due to bankruptcies and proposed changes in order to share the costs with the City of Medford. The MWC has been writing off 100% of the bankruptcy costs and before informing the City, wanted direction from the Board on this issue. Councilmember Strosser questioned the process and the communication; City Attorney HuttI noted none are surplus assets. Staff noted that if the MWC received any money back the City would get a portion back as well. The Board requested staff pursue current year bankruptcy costs with the City; the Board thanked Ms. DeLine for finding and pursuing this error.
- 8.2 Last month during the balancing the MWC was off by \$100,000; staff discovered the computer dropped a number and we shorted the City by \$100,000. Similar problems have been noted on inventory. The new software program previously discussed with the Board would solve this issue.
- 8.3 Joint Banking RFP – Eight banks participated. Interviews to be done in coming weeks.
- 8.4 Staff continues to monitor accounts; the MWC is under budget in all categories. Saving accounts are performing poorly.

9. Operations Report

- 9.1 Cherry Lane Reservoir Project – Landscaping will be done at this reservoir; \$8,500 was projected for this project. Staff will pick the most responsive quote for landscaping.

- 9.2 Staff requested direction on a large amount of surplus fittings that are not used any longer. The Board discussed the cost vs. the actual cost expected to receive. The Board suggested salvage; staff noted it needed to be budgeted as there is no account for inventory loss.
- 9.3 There is a service line leak in the Brownsboro area that serves two homes, in which the meters are not close to the transmission line. Staff will be working on this to take care of the leak and relocation of meters in the future.

10. Manager/Other Staff Reports

- 10.1 Report from Bob Jones on the National RC&D Council Conference in Washington, D.C. Geologist Bob Jones just returned from the annual leadership forum and reported to the board on the activities of the Resource Conservation & Development Council; Jones is a past president of the regional association and past national board member; he has been a member since 1999. He currently serves as Treasurer of the Southwest Oregon RC&D Council; the councils are authorized and receive support from the U.S. Department of Agriculture.

Geologist Jones spoke of the forum and training he attended. The WISE project may be dropped as congress expects funding to be tough for any project. He noted that similar projects are being received for eastern Oregon. Commissioner Skundrick questioned if we had any delegation who could attend a MWC meeting. Commissioner Johnson thought it would be a good idea to write a letter of invitation and would like to expose them to the WISE project as well as the water at Lost Creek Lake. Staff to write a draft letter to be signed by all commissioners.

10.2 Big Butte Springs Summer Tours

Staff is in the process of scheduling this summer's tours of the water facilities; the tentative dates are June 9 and July 1. Staff would like input on who the Commission would like to invite. Suggestions are the League of Oregon Women (who have requested a tour) and the Chamber. Councilmember Kuntz suggested our federal representatives.

- 10.3 Staff met with the Eagle Point Irrigation District (EPID); the new person in charge is Dave Ford. Discussed was a plan through May to not drop the lake past 1,500 ft., not to draw out of the lake until we meet at the end of May, EPID pumps to start April 8 or 15, the MWC to stay at 1-1/2 pipes, and EPID to use 14 day rotations. Every day that we have to operate the treatment plant will cost the MWC about \$4,000/day, which will be on demand. It was noted that this issue comes up about once every decade due to shortage of water.

- 10.4 The board directed staff to come back on April 7 pertaining to any media information on water usage/shortages. Commissioners Johnson and Skundrick both expressed their concern with not notifying the public sooner. Commissioner Hall questioned what we could do to conserve water today. Commissioner Skundrick said he would want to know sooner rather than later and the public to be made aware, not as a scare tactic. Commissioner Hall noted that we were hoping that we would get more water in March and it was stated at the last meeting that snow pack measured at Mt. Ashland was not that bad.

- 10.5 Oregon Water Utilities Council – The 2010 session was focused on policy issues; the March revenue forecast included a 406 million dollar shortfall. Employers will see an increase in PERS rate, and a jobless recovery. Items before the senate were discussed, such as House Bill 3602.

11. Propositions and Remarks from the Commissioners

- 11.1 Commissioner Skundrick thanked staff for the flowers pertaining to the passing of his mom.

12. Adjourn

There being no further business, this Commission meeting adjourned at 1:50 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, CMC  
Deputy City Recorder  
Clerk of the Commission