

MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION

July 6, 2016

The pledge of allegiance was given.

The regular meeting of the Medford Water Commission was called to order at 12:27 p.m. on the above date at the Medford City Hall Lausmann Annex, Room 151/157 with the following commissioners and staff present:

Chair Leigh Johnson; Commissioners Jason Anderson, John Dailey, Lee Fortier

Manager Larry Rains, Medford City Attorney Lori Cooper; Deputy City Recorder Winnie Shepard; Administrative Coordinator Yvette Finstad; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Public Information Coordinator Sara Bristol; Geologist Bob Jones; Operations Superintendent Ken Johnson

Guests: Central Point Mayor Hank Williams; Central Point City Manager Chris Clayton, Eagle Point Mayor Bob Russell, CEO of Crown Hill Consulting Rudd Johnson; Mail Tribune Reporter Damian Mann; and NBC 5 News Anchor Kristin Hosfelt

Commissioner Bob Strosser was absent.

3. Approval or Correction of the Minutes of the Regular Meeting of June 15, 2016
The minutes were approved as presented.

4. Comments from Audience
None.

5. Written Communications

- 5.1 Letter from the City of Central Point.

Water Commission Manager Larry Rains noted a letter was received from Mayor Hank Williams on June 22 requesting more information on systems development charges; Mr. Rains noted staff is working to produce maps, which will be forwarded to Central Point.

6. Public Hearings

- 6.1 Consider Resolution No. 1600 a resolution adopting the budget for the Medford Water Commission of the City of Medford, by and through its Board of Water Commissioners, for fiscal year 2016-17 that commenced July 1, 2016, and making appropriations thereunder.

Mr. Rains explained this is a continuation of the public hearing opened at the regular meeting of June 1, 2016; the Board desired additional time to review the proposed budget. He noted a \$2 million difference in the 2016–17 budget, which consisted of increases in various items including production, materials, power, payroll, medical expenses, special projects, pump replacements/upkeep, special contracts, conservation and conservation grants, contract services, and a new employee. He outlined various increases in operating expenses as well.

Mr. Rains explained answers to questions asked by Commissioner Strosser during the previous meeting. He stated the 2015–2016 actuals are determined by reviewing the previous 12 months and pulling the most accurate numbers.

Mr. Rains spoke regarding the cost of a new finance employee, explaining that Tessa DeLine needed assistance and a person to serve as her backup.

Although the CIP budget looks understated, that is because the chance of a cash-flow shortage has decreased. Commissioner Anderson asked whether the CIP budget was higher than last

year; Mr. Rains responded no, staff had reduced expenses. Commissioner Anderson asked whether the CIP expenses included funds for major studies and personnel expenses from staff; Mr. Rains responded it did, only if they worked on the CIP.

Commissioner Dailey suggested approving the budget, but also changing the process for its creation. His impression was the budget was drafted, the Board questioned it, and then calculated numbers were provided by staff. Commissioner Dailey also recommended study sessions to be held before the budget was drafted to review the forecast, assumptions and goals.

Commissioner Johnson did not agree with approving an extra finance person at this time and preferred a 12-month waiting period.

Motion: Approve Resolution No. 1600, with the removal of a new finance position.

Moved by: Jason Anderson

Seconded by: John Dailey

Commissioner Johnson asked whether any person wished to speak on the budget. No comments received.

Public hearing closed.

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

Motion carried and so ordered. Resolution No. 1600 was approved as amended.

7. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$735,810.06.

Moved by: John Dailey

Seconded by: Lee Fortier

Roll Call: Commissioners Anderson, Dailey, Fortier and Johnson voting yes. Mr. Fortier abstained from vouchers for Dry Creek Landfill, Rogue Shred and Rogue Transfer and Recycling.

Motion carried and so ordered.

8. Engineer's Report (Principal Engineer Eric Johnson)

- 8.1 Duff Water Treatment Plant Floc/Sed Basins: The first year of the project is finished. Concrete forming, rebar setting and concrete pours continue for the sedimentation basins and the west end of the basins. The installation of the 48" pipe for the basin influent water is nearing completion, work continues on the electrical system and the construction of the metal stairs within the sludge vault is underway.
- 8.2 Highway 62: 14" Water Main Reroute: Highway construction is underway and MWC will accommodate ODOT's request to relocate the water meters.
- 8.3 Lozier Lane Project: MWC staff continues to work with Marquess and Associates on the water plans. MWC and City of Medford staff continue to coordinate on the plans and specification for the project.
- 8.4 Master Plan Update: CH2M is working on the final draft of the Water Management and Conservation Water Plan (WMCP). CH2M continues to work on the Water Distribution System Facility Plan and the Robert A. Duff Water Treatment Plant Facility Plan.
- 8.5 Corrosion Study: Black and Veatch (B and V) have submitted a preliminary scope of service for MWC to review. Comments are being gathered from staff and will be forwarded to them to incorporate into the scope of service. One concern is the cost is almost at the maximum limit for direct solicitation.

Engineer Johnson noted this project will take approximately six months to complete.

Commissioner Anderson asked why MWC staff couldn't save the \$100,000 expense and conduct the work themselves. In addition, he noted the Board would not receive the data they specifically requested for 12 months. Commissioner Anderson suggested moving forward now to receive the information quicker. Engineer Johnson explained that a third party was recommended for analysis and that he had requested the information to update the Board on the process. Commissioner Anderson would prefer to request an RFQ using a QBS process and come back with a proposal for the study.

Commissioner Johnson agreed with Commissioner Anderson and thanked Engineer Johnson for gathering the information provided to the Board. Mr. Rains requested the inclusion of a couple commissioners on the review panel. Commissioner Fortier volunteered to serve and Commissioners Dailey and Anderson both agreed to serve as alternates on the panel. Commissioner Dailey also recommended the inclusion of Water Quality Director Rosie Pindilli in future conversations about this project.

9. Water Treatment Report (Water Treatment Director Jim Stockton)

9.1 A dive inspection was conducted at the intake on June 17. It revealed a small degree of encroachment by sediments compared to last year. However no dredging is necessary.

9.2 June was the second-highest month on record, with 692 million gallons produced.

9.3 Oregon Ozone Coalition officially submitted a petition to change a rule in the current drinking water regulations, eliminating the requirement for inactivation of viruses downstream of filtration, if required disinfection can be achieved through the use of ozonation upstream of filtration. This rule change will result in a reduction of both capital and long-term operational costs, and improvement of overall water quality. Water Treatment Director Jim Stockton requested Board approval of a support letter to the Oregon Health Coalition. He believed the ozone credit would eliminate the need to partition the reservoir. Commissioner Dailey clarified the letter would support MWC's use of ozone as a disinfectant; Mr. Stockton noted Oregon is the only state that does not credit ozone for disinfection, but believed the state will adopt its use. No Commissioners objected to the letter.

10. Finance Report (Finance Administrator Tessa DeLine)

10.1 Finance is focused on closing the fiscal year, preparing the year-end financial statements and preparing for the September audit.

11. Operations Report (Operations Superintendent Ken Johnson)

11.1 After working with Sensus to find a solution to the iPERL water meter issue, a mutual agreement has been reached. The agreement was provided to Commissioners; staff requested authorization for the Manager to sign.

Operations Superintendent Ken Johnson noted previous issues with iPERL meters. The company offered to provide infrastructure at no cost to help resolve the problems and drafted a settlement and release agreement as well as an advanced metering agreement. Superintendent Johnson reviewed various aspects of the agreements.

Commissioner Dailey voiced his concerns with contracting with one company for an extended period of time; Superintendent Johnson explained that it was difficult to switch companies as the equipment did not co-mingle and agreed with moving forward because it provided \$70,000 in infrastructure for free. Commissioners agreed to proceed with the agreement.

11.2 Superintendent Johnson provided an update on the Chestnut Street main break. CIS Insurance found that Medford Water Commission was not at fault, but they cover mitigation expenses

regardless of fault, including the initial cleanup. This cost was \$11,959.02, which he believed CIS already paid to the church. Commissioner Johnson asked staff to keep on top of that project.

11.3 Superintendent Johnson has been working to obtain estimates for painters to paint hydrants. He received one response from a person who has no experience. The cost was \$36.65 per hydrant, which is less than normally spent. He planned to move forward with that painter.

11.4 Staff examined 1,762 out of the estimated 5,000 meters for lead pigtails in the past two weeks. Staff's goal is to investigate by digging five to ten potholes each week as well as removal of any pigtails. The investigation should be completed in a few weeks.

12. Manager/Other Staff Reports

12.1 Letter to Oregon Drinking Water Protection Program
MWC received a letter from the Oregon Health Department recommending posting the previous and current investigation on our website. Approximately 75 calls have been received.

12.2 The public request for information requested by Mail Tribune and KOBI has been delivered.

The Board adjourned to executive session at 1:36 p.m.

The Board reconvened at 2:05 p.m. with the same Commissioners present, Manager Larry Rains, City Attorney Lori Cooper, Deputy City Recorder Winnie Shepard

CEO of Crown Hill Consulting Rudd Johnson; Mail Tribune Reporter Damian Mann; and NBC 5 News Anchor Kristin Hofelt

12. Propositions and Remarks from the Commissioners

12.1 None.

Motion: Enter into a contract with Crown Hill Consulting to conduct a 360 degree performance evaluation of Water Commission Manager Larry Rains, for a total cost of not more than \$20,000.

Moved by: Jason Anderson

Seconded by: John Dailey

Roll call: Commissioners Anderson, Dailey, Fortier and Johnson voting yes.

Commissioner Anderson spoke directly to Mr. Rains explaining that a review process would be taking place and requested he direct staff to participate honestly in the process. CEO of Crown Hill Consulting Rudd Johnson and Water Commission Manager Larry Rains met each other.

13. Adjourn

There being no further business, this Commission meeting adjourned at 2:09 p.m. The proceedings of the Medford 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.

Winnie Shepard
Deputy City Recorder