

**MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION**  
**November 6, 2013**

The regular meeting of the Medford Water Commission was called to order at 12:30 p.m. on the above date at the Medford City Hall Medford Room, Room 330 with the following commissioners and staff present:

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

Manager Larry Rains; Medford Attorney John Huttli; Deputy City Recorder Karen Spoons; City Recorder Glenda Owens; Administrative Coordinator Betsy Martin; Administrative Specialist Yvette Finstad; 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

Guests: City of Medford Mayor Gary Wheeler; City of Medford Councilmembers Chris Corcoran and Dick Gordon; Ashland Public Works Director Mike Faught; Ashland Associate Engineer Pieter Smeenk; Central Point Mayor and Liaison Hank Williams; Central Point City Manager Chris Clayton; Eagle Point Mayor & Liaison Bob Russell; Eagle Point City Administrator Henry Lawrence; Phoenix Mayor & Liaison Jeff Bellah; Talent Councilmember Darby Stricker; Joe Strahl and Chris Peters of RH2 Engineering; Rogue River citizen Kent Knock; Channel 5 reporter Christine Pitawanich; Medford Mail Tribune reporter Damian Mann

Commissioner Cathie Davis was absent.

3. Approval or Correction of the Minutes of the Last Regular Meeting of October 16, 2013  
The minutes were approved as presented.
4. Comments from Audience
  - 4.1 Joe Strahl of RH2 Engineering commented that the study session was excellent.
  - 4.2 Talent Councilmember Darby Stricker commented on 10.1, "Consideration of the Other Cities' Proposal to Form a Water Cooperative" and appealed to the MWC and the City of Medford to join in discussion of forming a regional joint water cooperative. She had previously provided a Power Point presentation pertaining to Clackamas water and stated the purpose of that agreement. She thought that better communication would take place with a joint collaboration.
  - 4.3 Phoenix Mayor Jeff Bellah stated that he saw the recent article in the Medford Mail Tribune pertaining to the Medford Water Commission and the other cities and stated that he does not believe that anybody in the group started that story. Commissioner Anderson appreciated his comments. Mr. Bellah presented his views on forming a regional water agreement, that it would be beneficial to all and that they are not looking for equal representation in terms of the Medford Water Commission. Mr. Bellah requested to speak later in the meeting on the issue of the TAP line.
  - 4.4 Kent Knock, a Rogue River resident, stated that he found the study session presentation very interesting. He thought the MWC needs to become concerned about the future, growth, how they interact with conservation organizations, and that the Commissioners should be aware of restrictions or activities that you have with those organizations. He questioned what the MWC does with interaction pertaining to the funding of those organizations. Mr. Anderson stated that he is welcome to attend any meetings.
  - 4.5 Central Point Mayor Hank Williams stated that he agrees with the other mayors pertaining to the joint water agreement. He stated that in the past it has been us against you and would like everyone to be on the same side.

- 4.6 Eagle Point Mayor Bob Russell echoed what the other cities stated and would like all to work together as a team.

5. Resolutions

- 5.1 No. 1534, A RESOLUTION Authorizing the Manager to Purchase Data Management Software (WIMS) from Hach Company, for Water Quality Analysis at the Robert A. Duff Water Treatment Plant

Staff budgeted for purchase of data management software this Fiscal Year. Hach provided the lowest-cost/best-features solution with their WIMS product. This software was developed specifically for the drinking water industry and is used by many water utilities for the daily acquisition, storage, analysis, and reporting of water quality data. At \$25,267.20, this purchase is within the Manager's purchasing authority; however, it is subject to Hach's terms and conditions, which include indemnity and liability language as well as a change in the jurisdictional location for litigation purposes to the state of Colorado. Per the Commission's Contracting and Purchasing Regulations, these changes can only be approved by the board. City/Commission Attorney John HuttI has reviewed the terms and conditions; staff recommended approval.

Motion: Approve Resolution No. 1534

Moved by: Mr. Dailey

Seconded by: Mr. Fortier

Commissioner Dailey questioned if we have used this before; Water Quality Administrator Rosie Pindilli noted that she had, commented on the success of the product and stated that it is very user friendly. Mr. Dailey questioned if we currently have a software program; Ms. Pindilli noted that we currently use Excel spreadsheets to track the information. Mr. Dailey questioned the consulting component part of the product; Ms. Pindilli noted that they do come on site to install the product and the data stays here vs. at another location. Mr. Anderson questioned if City Attorney John HuttI had a chance to look on the license agreement; Mr. HuttI stated that he had and the reason why this needed to be approved by the board.

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

Motion carried and so ordered. Resolution No. 1534 was approved.

6. Authorization of Vouchers

- 6.1 Continued Vouchers from the October 16, 2013 Board Meeting  
The payments to Rogue Disposal & Recycling, Rogue Transfer and Ipipe Plumbing was approved by Commissioner Dailey, who was absent from the October 16 meeting.

Out of order

7. Engineer's Report (E. Johnson)

- 7.1 Duff Water Treatment Plant Duff Floc/Sed Basins – Black & Veatch continue to work on the design for the basins. The site surveying has been done and the structural reinforcing bar testing is underway. The interim 75% preliminary plans are due November 15.
- 7.2 Duff Water Treatment Plant Emergency Backwash – The pumps, motors, and electrical have been installed and are functional. The new pumps have successfully backwashed the filters. Painting and other cleanup items remain to be done. This project should be completed by the end of November.
- 7.3 Duff Water Treatment Plant Water Intake Pumps – CH2M Hill has completed the Technical Memorandum and will start on the design of the pump and controls soon.

- 7.4 Martin Control Station – The low level 24” water transmission main realignment and the gravity 24” water transmission main realignment to the new station are complete and Crater Lake Avenue has been repaved. Two of the new pumps are installed and the third pump is scheduled to arrive this week. The existing Martin Control Station has been demolished and removed. The site grading is underway. This should be fully operational in about two months.
- 7.5 Angelcrest Pump Station – Marquess & Associates has completed the Technical Memorandum and has started on the final design of the pump and controls.
- 7.6 Highway 62 Bypass – Staff has submitted the plans, specifications and cost estimate for the Commerce Drive 10” Water Main Realignment Project to ODOT for approval. Once approved by ODOT the project will be bid and constructed. Thornton Engineering and staff are preparing the same submittal package for the 14” water main realignment in Hwy 62 and will submit to ODOT in the near future.
- 7.7 Vilas Road 16” Water Main Inter-tie - Staff has returned the proposed water main alignment in Vilas Road with comments to Marquess for redesign.

Mr. Dailey questioned if the original price of the backwash system that was in the Duff Master Plan was about four million; Principal Engineer Eric Johnson noted that it was about 2-1/2 - 4 million and that this one is about \$300,000 but will bring exact figures to the next meeting.

Mr. Anderson requested a field trip to the new Martin Control Station after it is completed.

#### 8. Finance Report (DeLine)

- 8.1 Finance is still primarily focused on the software project and will have software vendors on site next week.
- 8.2 The auditors, Isler Northwest, LLC, finished field work for our annual audit two weeks ago and all went extremely well; there were no adjusting journal entries. The annual financial report should be available the middle of next month.
- 8.3 Finance Administrator Tessa DeLine stated that she had a meeting with Umpqua Bank this morning and remarked that our rates will go up as of January 1, 2014. Staff may proceed with a banking Request for Proposal next spring.

#### 9. Operations Report (K. Johnson)

- 9.1 Last night staff was working in the area of Riverside and Manzanita when a car made it through traffic control and dropped its front tires in the trench. A tow truck pulled the car out at which point the driver drove away. Staff noted that they had approved traffic plans in place for this project.
- 9.2 Pertaining to the TAP meter, the new meter that had been sent back was reinstalled and two rounds of testing on that meter were performed by McCrometer. The testing revealed that it was under-reporting 7% and 9%. Another round of testing was done with the same results. The meter was modified temporarily to accommodate this. Ten days later the meter was acting up again; the old meter was put in.

Staff suggested an option to install a Rosemont spool meter at about \$7,500. It has a great reputation and is state of the art and accurate. The second option is the Sensus large meter which would be about \$50,000 and would require many alterations as staff is not sure of the

underground issues. He noted that two meters would be needed for this. The third option would be a 16" turbine meter at about \$50,000. Staff believed it would be in the best interest of the Commission to try the Rosemont meter. We have the option of trying it out for 90 days. Staff believed it is the meter of choice due to the technology that comes with that meter.

Commissioner Johnson noted that it is important that we provide this service and we should move ahead with Operations Superintendent Johnson's recommendation and do it quickly. Mr. Bellah stated that accuracy is important and did not care what was used. Mr. Dailey questioned how the new meter is different to the insertion type meter we previously used. Operations Superintendent Johnson noted that there is .25% accuracy with the spool meter vs. 1-2% accuracy for the insertion type meter. The traditional accuracy meters of Sensus were discussed as well.

Joe Strahl of RH2 Engineering questioned the electronic noise in the area; Mr. Johnson noted that Rosemont is aware of this but does not believe that will be an issue. Mr. Johnson explained how the spool meter will fit inside the station and once received, should be completed in about 6-8 hours. Mr. Dailey questioned the meter that was not ours; Mr. Strahl noted that they are taking McCrometer's word that it is going to work; it is a long straight run of pipe and no electronic noise.

Back in order

#### 6.2 Consideration of Vouchers for the November 6, 2013 Board Meeting

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$865,576.04

Moved by: Mr. Johnson

Seconded by: Mr. Dailey

Mr. Anderson noted that there was a question about the check to the Department of State Lands for unclaimed property; Ms. DeLine stated that the MWC is required every year to refund customer checks that have not been cashed. Mr. Anderson questioned the length of time before they need to be refunded; Ms. DeLine stated that it is within two years.

Roll Call: Commissioners Anderson, Dailey, Fortier, and Johnson voting yes; Anderson abstained from the Big R Stores voucher.

Motion carried and so ordered.

#### 10. Manager/Other Staff Reports

##### 10.1 Consideration of the Other Cities' Proposal to Form a Water Cooperative

Per the Commissioners' request at the September 18, 2013 meeting, staff has brought this proposal back for full-board consideration. Manager Rains stated that it makes sense to maintain the status quo because 1) decision making will be by majority vote [MWC only one vote] 2) another layer of bureaucracy 3) collaboration can mean different things to different parties 4) many programs are already implemented by the Commission 5) past conflict of thoughts such as water rights 6) need for Duff II determined by analyzing yearly 7) financial and time obligations 8) grant did not stipulate that MWC would adopt the final report or join into a cooperative.

Mr. Rains also responded to the other cities stated potential benefits of the proposed regional body stating that MWC is not a regional entity and is not chartered to function as one. Its main purpose is to serve the drinking water needs of the citizens of Medford. MWC is allowed to deliver and sell MWC owned surplus water to Wholesale Other City Customers in the wintertime and deliver water owned by those same entities under a treat and transport venue

during the summertime. He noted that 1) MWC has its own conservation program and staff to assist others requesting input and information on a sharing and non-cost basis 2) MWC has already formulated a plan for our own water rights and has taken in consideration the other cities 3) MWC has a Water Rights Master Plan pertaining to future peak water demands 4) MWC, the City of Medford and Jackson County have already signed a Declaration of Cooperation pertaining to the WISE project and encourage the other cities to do so as well 5) open communication thru public MWC meetings 6) MWC will present one common agreement form that will be mandatory with all those receiving wholesale service 7) irrigation districts are not being proposed with this cooperative and the WISE group encompasses water issues such as this 8) MWC and the City of Medford are routinely involved in reviewing legislative issues pertaining to water and are involved with the Oregon Water Utilities Council.

Mr. HuttI stated that the board of Water Commissioners for the City of Medford and the City of Medford have a unique relationship that does not support joining a regional policy-making group to the extent any such group will have authority over the policy-making functions of the board. Because the board currently is apprised on a regular basis of all the issues outlined in the proposal, the cooperative approach is not necessary. When this came to the board the other cities mentioned some legal issues pertaining to the governor and state statues and individual charters including Clackamas and regional problem solving with the other cities. Regarding the Regional Problem Solving (RPS) the MWC did not sign the RPS as a regional water provider. Pertaining to the Clackamas water producers, there are many water producers and is different than our situation and one user did not participate. One entity had also been receiving water from the City of Portland but terminated and decided to come up with their own water. State statues allow for cities to join together to form water utilities. Another statute withdraws certain waters of the state from appropriation and reserves those waters to the City of Medford. Mr. HuttI also noted that the Charter provision is like a trust, where the trust assets are the City's water resources and water fund, and the beneficiaries are the inhabitants of Medford and the city of Medford. The board has control over the fund and water assets and is in the best interest to Medford; the board can only give water in surplus. He stated that the relationship between MWC and other cities is an arm's length vs. MWC and the city customers. He did not see any reasons given by the other cities as a reason to sign this agreement. The proposal presented is vague, and is not legally required. Restrictions over board policy making would be an issue.

Mr. Anderson opened it up to the board for questions.

Commissioner Fortier thought it was presented very clearly. Mr. Johnson noted this is his 18<sup>th</sup> year on the board; 16 years of which have been very pleasant. In the last two-three years we have run into some irritation with our customers but have spent time and money to get answers for them and to work with them. We have invited the other cities to our meetings and official letters go out to them to attend and allow them to participate. We will continue to correct any problems that there are.

Mr. Anderson opened the floor up to the other cities before more board members speak.

Mr. Bellah thought that we are not trying to override MWC decisions; this is a common sense approach about how to act more as a group of cities. Many who live in the other cities have more direct ties to those who paid for the water lines than the citizens of Medford. Pertaining to conservation, Medford uses more water. Mr. Anderson stated that was debatable as there is commercial and industrial included in those calculations and cautioned him in making that statement. Mr. Bellah noted that the other cities are forced to save water. He stated he did not like that Mr. Rains stated that we will have one standard agreement and that they are forced to

sign. Mr. Bellah stated that he cannot see why the MWC would not be involved.

Ms. Darby wanted to remind the board that what they are proposing is a discussion. She stated that they are not trying to usurp the MWC's power.

Commissioner Corcoran stated that the largest users are MWC users. He stated that this is about politics and that is why City Council was taken out of it. He questioned how much the other cities mark up their water above their cost. Mr. Corcoran found it very hard to believe that the MWC would not discuss issues coming up to the board.

Mr. Strahl echoed what Ms. Stricker said in that this is to enter into discussions.

Mr. Anderson questioned the board's decision and requested a motion.

Mr. Dailey stated that this topic has a lot of emotional baggage. The MWC needs to plan for Duff II and the board and staff are not excited to spend money before needed. Mr. Fortier noted that we are open to any suggestions although as a board we don't belong in a cooperative of this nature.

Motion: Decline to join the Cities Water Cooperative

Moved by: Mr. Johnson

Seconded by: Mr. Fortier

Mr. Anderson was unsure of the majority voting pertaining to the cooperative or the issue of additional bureaucracy but what struck him was the trust relationship between the MWC and the citizens of Medford and that is really the board's charge. We need to do what is in the best interest to the citizens of Medford and unfortunately that may not always be in the best interest of the other cities. Mr. Fortier noted that there is no reason why a staff member cannot be an advisory to another group; Mr. Anderson noted that they have and will continue to do so especially pertaining to water rights.

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

Motion carried and so ordered.

10.2 Consideration of Date for the Second Meeting in January 2014

At the last board meeting, the Commissioners decided to change the first meeting in January 2014 to January 8. The board needed to decide whether to have the second meeting on January 15 or 22; however the Annex conference room will not be available on January 22 but City Hall's Medford Room can be reserved. Mr. Anderson questioned if there was any conflict with the other board members; there was none so Mr. Rains will schedule the second meeting.

10.3 The rate study focus group meeting with the consultant, HDR, was held and went well. Mr. Anderson questioned if there was a handout; Mr. Rains noted that there was and he did send it out.

10.4 Staff received a call from Biomass pertaining to their water bills for the last year which seemed higher. It turns out there was a glitch in the old software in reading of the meters. They had been under billed by \$32,000; Mr. Rains discussed with Biomass the option to pay this back by monthly payments and they are thinking about that. The other company involved in the software glitch is the Veteran's Administration Domiciliary at about \$8,000. Mr. Dailey questioned what happened; TS Coordinator Kris Stitt noted that there was a rate change in 2012 that put them over a million gallons and the software was cutting them off for the amount over that. Mr. Dailey questioned if we have a manual audit program; Mr. Rains noted that with the new software there are additional ways to check this and we do have Customer Service

review high end users. Mr. Stitt noted that part of the issue was that it was showing the right amount of gallons but not charging the correct amount. Mr. Stitt stated that the new system will print out an Exception Report. Mr. Rains stated that staff will continue to review water accounts.

11. Propositions and Remarks from the Commissioners

11.1 Mr. Johnson commented on the article in the paper about Duff II; he stated that he could remember when we had discussion on planning out 20-50 years. While we have been preparing well he had not heard anything about building the plant so soon as noted in the paper. Mr. Rains noted that we don't have a particular year as we forecast from a water use demand graph as time moves forward. Mr. Anderson stated that if the use is up and we don't have the plant capacity to produce enough water, there is no excess water and if there is no excess water it's the outside cities who will be first not to get water.

Mr. Bellah questioned if they really think that would happen. Mr. Anderson and Mr. Rains stated that they don't want that to happen, hence the planning of Duff II.

12. Adjourn

There being no further business, this Commission meeting adjourned at 1:35 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