



This meeting will be held in person, but you may attend virtually; see the instructions on page 2.

AGENDA

11:15 a.m. LUNCH *(In the Medford Room at City Hall, Room 330)*

11:30 a.m. STUDY SESSION – *(In the Medford Room at City Hall, Room 330)*
Source Water Protection Plan
(Water Quality & Treatment Manager Ben Klayman)

12:15 p.m. BOARD MEETING *(In Council Chambers at City Hall, Room 300)*

1. Roll Call

2. Pledge of Allegiance

3. Comments from the Audience

Comments will be limited to 4 minutes per individual, group, or organization; please state your name and organization (if applicable) when prompted.

4. Approval or Correction of the Minutes of the Last Regular Meeting of January 4, 2023

5. Resolution No. 1855, A RESOLUTION Authorizing an Exemption From Competitive Solicitation and Awarding a Contract in the Amount of \$740,000.00 to VertexOne to Purchase and Implement VXSmart Software to Upgrade Medford Water's Customer Service Website

6. Resolution No. 1856, A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract Amendment in the Amount of \$628,000.00 with Invoice Cloud for the Credit Card Processing and Processing Card Industry Compliance Solutions Contract

7. Resolution No. 1857, A RESOLUTION Authorizing the Chair to Execute an Agreement Between the Charlotte Ann Water District and the City of Medford, By and Through its Board of Water Commissioners, Providing For the 20-year Supply of Water to the Area Encompassed by the Charlotte Ann Water District, in the Event the District Successfully Dissolves

8. Leadership Team Reports

Leadership Team staff will be present and may provide information: Engineering Manager Brian Runyen, Water Meter & Controls Manager Ken Johnson, Water Maintenance Manager Lester McFall, Water Quality & Treatment Manager Ben Klayman, Finance Manager Anna Roeder, Information Technology Manager Kris Stitt, Human Resources Manager Tanya Haakinson, Customer Service & Water Efficiency Manager Julie Smitherman, and General Manager Brad Taylor.

9. Propositions and Remarks from the Commissioners

10. Adjourn

DATES TO REMEMBER*

DATE	DAY	TYPE OF MEETING	STUDY SESSION TIME & TOPIC	REGULAR MEETING	LOCATION
02/01/23	Wed.	Board Meeting	Time TBD – Water Efficiency	12:15 p.m.	Prescott Room, Police Dept.
02/15/23	Wed.	Board Meeting	Time TBD – Resiliency Backbone Discussion	12:15 p.m.	Prescott Room, Police Dept.

Monday, February 20, 2023 – Presidents' Day – Offices closed

**Meeting dates, times, and locations are subject to change.*

INSTRUCTIONS FOR ATTENDING THIS MEETING VIRTUALLY



To join by computer, click the following link:

https://us02web.zoom.us/webinar/register/WN_qs6e8fYsRFyuHV7S1kNuxQ

Meeting passcode: 688302



To join by phone, call:

(669) 900-6833

Meeting ID Number: 895 3251 0027

Meeting passcode: 688302



Memorandum

TO: Commissioners Bob Strosser, Mike Smith, John Dailey,
Jason Anderson, and David Wright

FROM: Kris Stitt, Information Technology Manager

DATE: Thursday, January 12, 2023

SUBJECT: Item 5 - Resolution 1855, Authorizing an exemption from competitive solicitation and award of contract to VertexOne for VXSmart software

OBJECTIVE: Board Approval

Issue

Authorization to enter into a contract with VertexOne in the amount not to exceed \$740,000 to purchase and implement VXSmart software to replace Medford Water's existing customer service website. This contract is exempt from competitive bidding per Section 2.33C(10) of Medford Water's Contracting and Purchasing Regulations. The total contract amount exceeds the General Managers purchasing authority and has been brought to the Board for approval.

Discussion

In 2013, Medford Water went live with a new billing and finance software system. Advanced Utility Systems (AUS) was selected as our billing software platform. This installation included a customer service website, which would allow customers to view account information and make payments on their account. The current website is running Infinity.Link 3.0, which is an older version of the software and is no longer receiving updates.

In October of 2021, Medford Water awarded a contract with Advanced Utility Systems (AUS) to purchase Infinity.Link Enterprise to replace the website (Resolution 1786). The implementation of the Infinity.Link Enterprise product failed, and the contract with AUS has been terminated for this project.

During the initial software evaluation, VXSmart was identified as our second-choice provider, which offered similar functionality to the Infinity.Link Enterprise software along with some additional conservation features that the other software did not offer.

At the time, the evaluation team felt that both software packages would be a good fit for Medford Water; however, Infinity.Link Enterprise was selected because of their ability to provide real-time integration with our billing system, and the cost was less than the VXSmart proposal.

Unfortunately, AUS was unable to deliver a working software package in a timely matter. The project had been delayed several times, and ultimately AUS decided to halt implantation while they focused on fixing issues with the software. Because of this and other issues with the implementation, the Medford Water team has reevaluated VXSmart and we believe it would be the best choice moving forward.

The VXSmart software would replace our older customer service website and will provide our customers with a modern website and a better overall experience, as well as providing additional tools to Medford Water staff to better interact with our customers.

Some of the features of the new site include:

- Modern easy to use customer facing website
- Enhanced site reliability and security
- Tools to help customers and staff to identify leaks and view interval consumption data
- Provides robust reporting and analytics tool for staff to analyze water usage data
- Single-view integration with the payment processor (Invoice Cloud)
- Automated customer notification tools to notify customers by email, phone or text.

Financial Impact

The quote provided by VertexOne is for a 3-year term, with an approximate 3% price escalation per year.

Implementation Costs	\$ 16,500.00
Annual Subscription Fee (Year 1)	\$ 67,740.00
Annual Subscription Fee (Year 2)	\$ 69,810.00
Annual Subscription Fee (Year 3)	\$ 71,885.40
Total (First 3 Years)	\$ 225,935.40

Because of the impact changing this software can have on our customers, we are recommending that we have the option to renew this contract for two additional 3-year terms. Assuming the same 3% annual price escalation, the total over 9 years would be \$704,869.20. We are also recommending an additional 5% in contingency in the project to cover any smaller unanticipated costs. This would bring the total maximum contract to a potential of \$740,000.00.

Staff anticipates that the software would be commissioned within 6 months of the contract signing.

Requested Board Action

Staff recommends approval of Resolution 1855 to enter into a contract with VXSmart in the not to exceed amount of \$740,000 to purchase and implement a replacement customer service website.

RESOLUTION NO. 1855

A RESOLUTION Authorizing an Exemption From Competitive Solicitation and Awarding a Contract in the Amount of \$740,000.00 to VertexOne to Purchase and Implement VXSmart Software to Upgrade Medford Water’s Customer Service Website

WHEREAS, the customer service website software is utilized for customer engagement, payments, and account information, and the existing software was installed as part of a billing system upgrade in 2013; and

WHEREAS, this software is no longer supported by the vendor and lacks the functionality of a modern customer service platform; and

WHEREAS, Medford Water first attempted to implement Infinity.Link Enterprise from Advanced Utility Solutions (Resolution 1786), and the vendor was unable to provide a working product in a timely matter; and

WHEREAS, the contract awarded under Resolution 1786 has been terminated; and

WHEREAS, VXSmart was evaluated by Medford Water staff and determined to provide the same features as well as some desired data analytics capability; and

WHEREAS, the VXSmart software will replace the existing customer service website with new and supported software platform which will include additional features and enhancements and offer benefits that include improved customer experience, integrated payment capabilities, alerting, conservation advocacy, enhanced system reliability and security, and added functionality; and

WHEREAS, the cost of the contract over the initial 3-year term plus the optional two additional 3-year terms is estimated at \$740,000.00 (over 9 years, includes an additional 5% in contingency for unanticipated costs); and

WHEREAS, the value of the contract exceeds the General Manager’s authority;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF WATER COMMISSIONERS OF THE CITY OF MEDFORD, OREGON, AS FOLLOWS:

SECTION 1. That this exemption from competitive solicitation is granted under the provisions of Medford Water’s Contracting and Purchasing Regulations, Section 2.33 C (10) – Special Procurements, as discussed in the agenda item memo for the Board of Water Commissioners meeting of January 18, 2023.

SECTION 2. That a contract in the amount not to exceed \$740,000.00 is hereby awarded to VertexOne to upgrade Medford Water’s customer service website, and that the General Manager is authorized and directed to execute said contract, payments for said contract up to \$740,000.00, and any contract amendments not exceeding the General Manager’s purchasing authority or 25 percent of the original contract amount, on behalf of the Board of Water Commissioners, which contract is on file in the Office of the Commission and by reference made a part hereof, is hereby approved. This authorization exceeds the authority of the General Manager as defined in Section 1.02 of the Commission’s Contracting & Purchasing Regulations.

PASSED at a regular meeting of the Board of Water Commissioners and signed by me in authentication thereof this 18th day of January 2023.

ATTEST: _____
Yvette Finstad, Asst. Clerk of the Commission

Bob Strosser, Chair



Memorandum

TO: Commissioners Bob Strosser, Mike Smith, John Dailey, Jason Anderson, and David Wright
FROM: Kris Stitt, Information Technology Manager
DATE: Thursday, January 12, 2023
SUBJECT: Item 6 – Resolution 1856, Amendment to Resolution 1653, Invoice Cloud
OBJECTIVE: Board Approval

Issue

On October 4, 2017, resolution 1653 was approved by the board, allowing Medford Water to enter into a contract with Invoice Cloud to process electronic payments. The resolution did not specify a dollar limit on the contract however our contract tracking spreadsheet shows a limit of \$500,000. The total amount spent with Invoice Cloud is approaching that limit, and we wanted to clarify the existing resolution while amending it to cover the remaining costs of our current contract with Invoice Cloud.

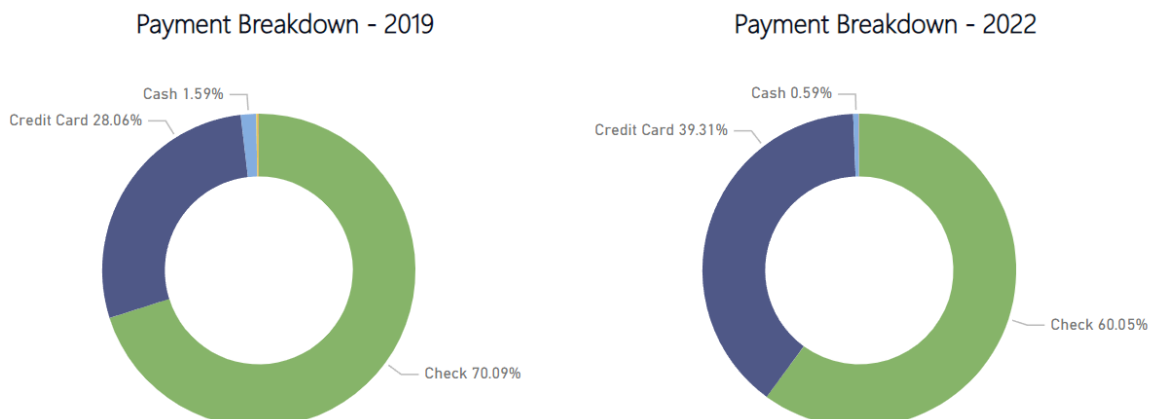
Discussion

Prior to migrating to Invoice Cloud, Medford Water was processing credit card and ACH (check) payments internally. This required us to store and process credit card and check information for our customers, which was a security risk and made it difficult to maintain Processing Card Industry (PCI) compliance.

Moving to Invoice Cloud mitigated many of our PCI issues as well as allowing us to offer additional payment options that were previously unavailable, such as customer service website integration, recurring credit card payments, and scheduled payments, among others.

Medford Water is also utilizing Invoice Cloud to allow customers to sign up for paperless billing through their integration with our customer service website. Customers who are enrolled in paperless billing can have billing notifications sent to them by email or text instead of receiving a mailed bill.

There has been an overall increase in the adoption of electronic payments in the past few years; the graphs below show a breakdown by payment types for 2019 and 2022.



Financial Impact

Invoice Cloud charges a flat transactional fee for their services depending on the type of service utilized. Many of the fees come from one of these transactions:

Credit / Debit Card Payment:	\$ 0.55 per transaction
e-Check / ACH Payment:	\$ 0.40 per transaction
Paperless billing:	\$ 0.15 per transaction (per billing cycle)

These fees do not include the credit card processing charges that are assessed by the credit card companies (Visa, Master Card, etc.). Those fees are passed onto Medford Water through our credit card processor Chase Bank. Invoice Cloud is providing the payment gateway that is used to process payments, as well as the services that allow our customers to manage their online payments.

Resolution 1653 allowed for the extension of the Invoice Cloud contract for one additional 3-year term; this second term will expire in October of this year. We are anticipating that we will return to the Board in the coming months to either enter into a new agreement with Invoice Cloud or switch to another provider, however, we wanted to amend the existing resolution to include the estimated costs needed to cover the remainder of this contract.

The current resolution does not identify a dollar amount limit however our internal contract tracking spreadsheet shows a contract limit of \$500,000. As of January 9, 2023, Medford Water has spent a total of \$484,000 with Invoice Cloud and we are nearing the limits specified in our files.

Based on our current rate of spending, we are anticipating that there will be an additional \$144,000 needed to cover the remainder of the contract. This will bring the total estimated cost to \$628,000.

Requested Board Action

Staff recommends approval of resolution 1855, amending resolution 1653 to include a not to exceed amount of \$628,000 to cover the remaining costs of the contract.



Memorandum

TO: Commissioners Bob Strosser, Mike Smith, John Dailey,
Jason Anderson, and David Wright

FROM: Brad Taylor, General Manager

DATE: Thursday, January 12, 2023

SUBJECT: Item 7 – Resolution 1857, CAWD Dissolution Agreement

OBJECTIVE: Board Approval

Materials for this item are pending, predicated upon discussion at the Charlotte Ann Water District meeting on Thursday, January 12, 2023, and will be provided ahead of the meeting of the Board of Water Commissioners on January 18, 2023, if it is appropriate for the item to move forward at that time.