



This meeting will be held **IN PERSON, but you may attend virtually through the following link:**

https://us02web.zoom.us/webinar/register/WN_XxGHI7SfTSGQJsAdotxXOg

The meeting passcode is 056644.

Online participants will be able to view presentation material and submit questions or comments.

You can also join by dialing in with your phone; call (669) 900-6833.

The meeting ID number is 882 8391 9781, and the meeting passcode is 056644.

AGENDA

11:40 a.m. LUNCH

11:55 a.m. STUDY SESSION – Bulk Water Sales (General Manager Brad Taylor and Meters & Controls Supervisor Ken Johnson)

12:15 p.m. BOARD MEETING (*Shall Begin at the Conclusion of the Study Session*)

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 via teleconference.

4. Public Hearings

4.1 Consider Resolution No. 1804, A RESOLUTION Prescribing and Establishing Rates for the Use and Sale of Water from the Municipal Water System of the City of Medford, Oregon, to the Water Districts and Partner Cities Customer Groups, Which Shall Become Effective Retroactive to March 1, 2022, and Thereafter, and to the Bulk Water Sales Rate, Effective June 6, 2022, or upon Completion of the Service Center Water Dispenser Modernization Project, If Later, and Repealing All Prior Rates in Conflict Herewith

5. Consent Calendar

5.1 Approval or Correction of the Minutes of the Last Regular Meeting of March 16, 2022

5.2 Authorization of Employees to Conduct Bank Transactions on Behalf of Medford Water

6. Items Removed from Consent Calendar

7. Resolution No. 1805, A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract Amendment in the Amount of \$145,000 to the Contract with Grayback Forestry, Inc. for Fuels Treatment Work in the Big Butte Springs Watershed

- 8. Resolution No. 1806, A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract with Johnny Cat, Inc. for Big Butte Springs Line Roads Crushed Rock Delivery and Chain Spread Services**
- 9. Management Reports**
 Management staff will be present and may provide information: Engineering Manager Brian Runyen, Water Meter & Controls Supervisor Ken Johnson, Water Maintenance Supervisor Lester McFall, Water Quality & Treatment Director Ben Klayman, Interim Finance Manager Anna Roeder, Information Technology Manager Kris Stitt, Human Resources Manager Tanya Haakinson, and General Manager Brad Taylor.
- 10. EXECUTIVE SESSION PER ORS 192.660(2)(f) – To consider information or records that are exempt by law from public inspection.**
- 11. Propositions and Remarks from the Commissioners**
- 12. Adjourn**

DATES TO REMEMBER*					
DATE	DAY	TYPE OF MEETING	STUDY SESSION TIME & TOPIC	REGULAR MEETING	LOCATION
04/20/22	Wed	Board Meeting	11:45am – CLAs, SDCs, & Fees	12:15 p.m.	Prescott Room, Police Dept.
05/04/22	Wed	Board Meeting	11:45am – Budget Part A	12:15 p.m.	TBD
05/18/22	Wed	Board Meeting	11:45am – Budget Part B	12:15 p.m.	TBD
<i>Monday, May 30, 2022 – Offices closed in observance of the Memorial Day Holiday</i>					

*Meeting dates, times, and locations are subject to change due to COVID-19 precautions and other circumstances.



Memorandum

TO: Commissioners Bob Strosser, Michael Smith, John Dailey, Jason Anderson, and Daniel Bunn
FROM: Anna Roeder, Interim Finance Manager
DATE: Thursday, March 31, 2022
SUBJECT: Item 4.1 – Resolution 1804, Updated District, Partner City, and Bulk Water Rates
OBJECTIVE: Board Approval

Issue

Medford Water reconsiders its Cost of Service on an annual basis in order to equitably allocate revenue requirements to the various customer classes of service. Modifications to rates for all customer groups were last approved in December 2021, taking effect March 1, 2022. An error in the COSA requires us to make modifications to water rates for Water Districts and Partner Cities (schedules 5 and 6). The COSA also outlined a modification to the Bulk Water rate.

Discussion

Further analysis determined the allocation of costs (transfer to reserves) that has not been used in prior studies due to the timing and funding of the upcoming capital improvement projects. In review, the allocation of this line item was on the revenue component. It initially appeared reasonable and reflected the reason the cost (transfer to reserves) was incurred.

However, in discussion with the Partner Cities, it was noted that the method of funding using the utility-basis approach is through the annual rate of return calculation. Given this, it was determined that the analysis should be updated, and these costs should not be distributed to the Partner Cities and Districts.

The Service Center Water Dispenser Modernization Project has necessitated modification to the Bulk Water rate based on outside customer unit costs and depreciation expense. The project will upgrade the coin dispenser to a cloud-based customer application and payments with keypad access.

Financial Impact

This results in a reduction of the previously proposed rates to these two customer groups. This will result in a reduction of revenues of approximately \$250,000, and a reduction in rates for both customer groups. Given these revisions, if in the future, reserves are used to reduce the overall revenue adjustment needs, these two customer groups will not receive a credit either.

Requested Board Action

Staff recommends approval of Resolution 1804, which modifies water rates for Water Districts, Partner Cities, and Bulk Water Sales served by the Medford Water system.

RESOLUTION NO. 1804

A RESOLUTION Prescribing and Establishing Rates for the Use and Sale of Water from the Municipal Water System of the City of Medford, Oregon, to the Water Districts and Partner Cities Customer Groups, Which Shall Become Effective Retroactive to March 1, 2022, and Thereafter, and to the Bulk Water Sales Rate, Effective June 6, 2022, or upon Completion of the Service Center Water Dispenser Modernization Project, If Later, and Repealing All Prior Rates in Conflict Herewith

WHEREAS, the Commission reconsiders its Cost of Service on an annual basis in order to equitably allocate revenue requirements to the various customer classes of service; and

WHEREAS, modifications to rates for all customer groups were last approved in December 2021, taking effect March 1, 2022; and

WHEREAS, the Cost of Service outlined a future modification to the Bulk Water rate due to the Service Center water dispenser modernization; and

WHEREAS, an error in the Cost of Service analysis requires further modifications to water rates for Water Districts and Partner Cities (schedules 5 and 6);

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

SECTION 1. On the sixth day of April 2022, all rates heretofore prescribed and established for the use and sale of water from the municipal water system of the City of Medford, Oregon, to the Water Districts, Partner Cities, and Bulk Water customer groups, shall be repealed.

SECTION 2. Retroactive to the billing for water service on the 1st day of March 2022, and thereafter, the rates for the use and sale of water from the municipal water system of the City of Medford, Oregon, to the Water Districts, Partner Cities, and Bulk Water customer groups, shall be as set forth below, a copy of which is on file in the Commission office and by reference made a part hereof, and summarized non-inclusively (per 1,000 gallons) as follows, to-wit:

DISTRICTS		<u>Current</u>	<u>Proposed</u>
		<u>Rates Eff.</u>	<u>Rates</u>
		<u>March 1</u>	
Gallage Blocks:	Summer	\$0.89	\$0.80
	Winter	\$0.69	\$0.60
PARTNER CITIES		<u>Current</u>	<u>Proposed</u>
		<u>Rates Eff.</u>	<u>Rates</u>
		<u>March 1</u>	
Gallage Blocks:	Summer	\$0.99	\$0.89
	Winter	\$0.79	\$0.69

SECTION 3. Effective June 6, 2022, or upon completion of the Service Center Water Dispenser Modernization Project, if later, and thereafter, the rates for Bulk Water use and sale from the municipal water system of the City of Medford, Oregon, shall be as set forth below, a copy of which is on file in the Commission office and by reference made a part hereof, and summarized non-inclusively (per 1,000 gallons) as follows, to-wit:

BULK WATER SALES

	<u>Current</u> <u>Rates</u>	<u>Proposed</u> <u>Rates</u>
Per 1000 Gallons:	\$1.16	\$4.01

PASSED by the Board of Water Commissioners and signed by me in authentication of its passage this 6th day of April 2022.

ATTEST:

Yvette Finstad, Asst. Clerk of the Commission

Bob Strosser, Chair



Memorandum

TO: Commissioners Bob Strosser, Michael Smith, John Dailey, Jason Anderson, and Daniel Bunn
FROM: Anna Roeder, Interim Finance Manager
DATE: Wednesday, April 6, 2022
SUBJECT: Item 5.2 – Letter Authorizing Employees to Conduct Bank Transactions on Behalf of Medford Water
OBJECTIVE: Board Approval

Issue

Following the retirement of City Recorder Karen Spoons, the list of employees authorized to conduct bank transactions on behalf of Medford Water needs to be updated.

Discussion

The General Manager routinely arranges for or processes the duties of issuing checks, transferring funds, purchasing, redeeming of investments, management of retainage accounts, opening and closing accounts, authorizing online administrators, authorizing other signers, entering all commercial credit obligations, and the pledging of collateral on behalf of Medford Water. The financial institutions used as the designated qualified depositories of this municipal corporation, are authorized to honor the issuance of checks, transfer of funds, purchases, and redeeming of investments, management of retainage accounts, opening and closing of accounts, authorizing online administrators, authorization of other signers, entering into all commercial credit obligations, and the pledging of collateral on behalf of Medford Water. Our policy requires dual signatures for the above banking activities.

Resolution 1662 (signed April 2018) authorized the General Manager and the City of Medford Recorder to be signors on said accounts. The Chair and Vice Chair are authorized to sign and deliver a new letter of authorization each time the identities of the General Manager and/or the City of Medford Recorder changes, revoking the authority of the prior General Manager and/or Recorder, and providing such authority to their successors in those positions. The attached letter updates the City of Medford Recorder to Winnie Shepard.

Financial Impact

n/a

Requested Board Action

Approve contents of the letter to U.S. Bank, updating the authorization of employees to conduct bank transactions on behalf of Medford Water.



April 6, 2022

U.S. Bank, Portland Main Complex
Attn: Samantha N. Doiron, Assistant Vice President
555 S.W. Oak St.
Portland, OR 97204

Re: Authorization of employees to conduct business on behalf of Medford Water

Dear Samantha:

This letter is a formal authorization for Brad Taylor, General Manager, and Winnie Shepard, City of Medford Recorder, to honor the issuance of checks, transfer of funds, purchases, and redeeming of investments, management of retainage accounts, opening and closing of accounts, authorizing online administrators, entering into all commercial credit obligations, and the pledging of collateral on behalf of Medford Water, for the City of Medford Water Commission qualified depositories, as required by Resolution 1662 (passed April 4th, 2018).

The authorization of Winnie Shepard supersedes that of Karen Spoons, the former City Recorder (the prior authorization of Brad Taylor remains unchanged). Please be advised that Medford Water's policy requires dual signatures for the above banking activities. If you have any questions, please call Interim Finance Manager Anna Roeder at (541) 774-2434.

Sincerely,

Bob Strosser, Chair
Board of Medford Water Commissioners

Michael Smith, Vice Chair
Board of Medford Water Commissioners



Memorandum

TO: Commissioners Bob Strosser, Michael Smith, John Dailey, Jason Anderson, and Daniel Bunn

FROM: Ben Klayman; Director Water Quality and Treatment

DATE: Thursday, March 31, 2022

SUBJECT: Item 7 – Resolution 1805, Authorization to Execute a Contract Amendment to Grayback Forestry Contract

OBJECTIVE: Board Approval

Issue

In November of 2020, Medford Water entered into a contract with Grayback Forestry, Inc. for fuels treatment work in the watershed. This contract is in need of a change order to finish up work planned for this Spring.

Discussion

The original contract was issued for \$150,000 and was intended to cover three years' worth of fuels treatment work based upon projections for work at the time. Since the time the contract was awarded, Medford Water has further prioritized fire risk reduction work in our watershed; the importance of which was highlighted by the S. Obenchain fire which burned to within 3 miles of our Springs source and infrastructure. In addition to accelerating non-commercial thinning, Medford Water took advantage of favorable market conditions last Fall to increase the size of a commercial harvest. This resulted in additional work for Grayback Forestry to cleanup the fuels (slash) left on the ground after the harvest. The acceleration of both commercial and non-commercial thinning has contributed to a favorable reduction in fire risk to the Medford Watershed, while leaving the Grayback Forestry contract without enough funds to last for the intended period.

A new competitive solicitation process is currently being developed to support a long-term contract for future fuels reduction work in our watershed which is anticipated to be in place by the Fall of 2022. However, there is an immediate need for work to be conducted under this contract this Spring to remove fuels prior to the upcoming fire season. Grayback Forestry has submitted a quote for the work which exceeds the value of their current contract by \$145,000. Grayback Forestry has done outstanding work for Medford Water over the life of the contract.

Financial Impact

The cost of these contract services has already been included in the FY21-22 and FY22-23 budgets.

Requested Action

Staff recommends approval of Resolution 1805, authorizing the General Manager to execute a contract amendment to the Grayback Forestry, Inc. contract in the amount of \$145,000.

RESOLUTION NO. 1805

A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract Amendment in the Amount of \$145,000 to the Contract with Grayback Forestry, Inc. for Fuels Treatment Work in the Big Butte Springs Watershed

WHEREAS, Medford Water entered into a contract with Grayback Forestry, Inc. for fuels treatment work in the watershed in November 2020; and

WHEREAS, the original \$150,000 contract was intended to cover three years of fuels treatment work based upon initial projections; and

WHEREAS, Medford Water has further prioritized fire risk reduction work in our watershed, and the acceleration of both commercial and non-commercial thinning has contributed to a favorable reduction in fire risk to the watershed and resulted in an immediate need for additional cleanup of fuels work to be conducted under this contract; and

WHEREAS, Grayback Forestry, Inc. has submitted a quote for the additional work which exceeds the value of their current contract by \$145,000, and is qualified and agreeable to render the additional work needed; and

WHEREAS, the total cost of the amendment and the original contract exceeds the General Manager's purchasing authority without board approval;

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

SECTION 1. That a contract amendment in the amount of \$145,000 is authorized for Grayback Forestry, Inc. for additional fuels treatment work in the watershed.

SECTION 2. That the General Manager is hereby authorized and directed to execute said contract amendment, payments for said contract amendment, and the original contract, up to \$295,000, with Grayback Forestry, Inc.

PASSED at a regular meeting of the Board of Water Commissioners and signed by me in authentication thereof this 6th day of April 2022.

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

Bob Strosser, Chair



Memorandum

TO: Commissioners Jason Anderson, Bob Strosser, Daniel Bunn, John Dailey, and Mike Smith

FROM: Lester McFall Operations Supervisor

DATE: Thursday, March 31, 2022

SUBJECT: Item 8 – Resolution 1806, Awarding and Authorizing a Contract for BBS Line Roads Crushed Rock Delivery and Spread Services

OBJECTIVE: Board Approval

Issue

Following wildfire damage in 2020, Medford Water seeks to bring Big Butte Springs pipeline access roads back to pre-fire conditions to ensure safe access for line patrol and maintenance.

Discussion

To bring our roads back to pre-fire conditions on BBS 1 and BBS 2, from the entry point on Brophy Road to approximately 5 miles Northeast toward Butte Falls on both pipelines, Medford Water solicited proposals for 1½" minus crushed rock delivery and chain spread services through a Request for Bids process. Estimated total cost is approximately \$200,000; FEMA will cover 75% of this amount.

Financial Impact

FEMA will be reimbursing us after completions at a rate of 75% of the total spent on project. The remaining cost will be covered through budget variance.

Requested Board Action

Staff recommends approval of Resolution 1806, Awarding and Authorizing the General Manager to Execute a Contract with Johnny Cat, Inc. for Big Butte Springs Line Roads Crushed Rock Delivery and Chain Spread Services.

RESOLUTION NO. 1806

A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract with Johnny Cat, Inc. for Big Butte Springs Line Roads Crushed Rock Delivery and Chain Spread Services

WHEREAS, following wildfire damage in 2020, Medford Water seeks to bring Big Butte Springs pipeline access roads back to pre-fire conditions to ensure safe access for line patrol and maintenance; and

WHEREAS, Medford Water solicited proposals for Big Butte Springs Line Roads Crushed Rock Delivery and Chain Spread Services through a Request for Bids process; and

WHEREAS, a Notice of Intent to Award was issued to Johnny Cat, Inc. on March 28, 2022, and no protests of the award were received; and

WHEREAS, Johnny Cat, Inc. is qualified and agreeable to render the services specified therein; and

WHEREAS, the value of the contract, estimated at \$200,000, 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 a contract in the amount of up to \$200,000 for Big Butte Springs Line Roads Crushed Rock Delivery and Chain Spread Services is hereby awarded to Johnny Cat, Inc.

SECTION 2. That the General Manager is hereby authorized and directed to execute said contract 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 6th day of April 2022.

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

Bob Strosser, Chair