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The meeting passcode is 292677.

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 884 4813 8429, and the meeting passcode is 292677.

## AGENDA

11:15 a.m. LUNCH

11:30 a.m. STUDY SESSION – SCADA Project Update (Senior Capital & Special Project Manager Andy Huffman and Jeff Kanyuch, Jacobs)

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.

**4. Consent Calendar**

4.1 Approval or Correction of the Minutes of the Last Regular Meeting of July 20, 2022

4.2 Resolution 1822, A RESOLUTION Authorizing the Chair of the Board of Water Commissioners to Execute an Intergovernmental Agreement by and Between Medford Water Commission and the Partner Cities of Talent, Ashland, Phoenix, Eagle Point, Central Point, and Jacksonville for Phase 1 of a Coordinated Water Rights Management and Water Sharing Plan

**5. Items Removed from Consent Calendar**

**6. Resolution 1823, A RESOLUTION Updating Medford Water Commission's Contracting and Purchasing Regulations Article II – Goods & Services, Section 2.35 Protests and Judicial Review of Contract Award and Section 2.36 Judicial Review of Other Violations**

**7. Resolution 1824, A RESOLUTION Authorizing the General Manager to Execute a Memorandum of Extension and Second Addendum to the Advanced Metering Infrastructure Agreement, and payments to Sensus USA, Inc. up to \$205,095**

**8. Resolution 1825, A RESOLUTION Authorizing the General Manager to Execute Purchase Orders in the Amount of \$585,000 to Sensus Metering Systems for Meters, Radio SmartPoints, and Advanced Metering Infrastructure for Fiscal Year 2022-2023**

9. **Resolution 1826, A RESOLUTION Authorizing the General Manager to Execute Contract Payments to Bend Mailing Services Estimated at \$200,000 Annually up to a Maximum of \$600,000 for Medford Water Commission’s Water Bill Design, Printing, and Mailing Services, Awarded October 6, 2021**
  
10. **Resolution 1827, A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract Amendment with Jacobs Engineering Group, Inc for Consulting Services for a Portion of Part B Design and Implementation of Supervisory Control and Data Acquisition (SCADA) Architecture for the Robert A. Duff Water Treatment Plant for up to \$2,800,000.00**
  
11. **Resolution 1828, A RESOLUTION Authorizing the General Manager of the Medford Water Commission to Execute on Behalf of the Board of Water Commissioners, a Revised Payment to CityCounty Insurance Services in the Amount of \$227,779.12 for Medford Water Commission's General Liability, Automotive, and Property Damage Insurance Premium for Fiscal Year 2022-2023**
  
12. **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, Interim 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.
  
13. **Propositions and Remarks from the Commissioners**
  
14. **Adjourn**

DATES TO REMEMBER *					
DATE	DAY	TYPE OF MEETING	STUDY SESSION TIME & TOPIC	REGULAR MEETING	LOCATION
08/17/22	Wed	Board Meeting	11:45am – Duff Projects Update	12:15 p.m.	Robert A. Duff Water Treatment Plant
<i>Monday, September 5, 2022 – Offices closed in observance of Labor Day holiday</i>					
09/07/22	Wed	Board Meeting	11:45am – 4Q FY 21/22 Summary Report	12:15 p.m.	Prescott Room, Police Dept.
09/21/22	Wed	Board Meeting	11:45am – Source Water Protection Plan	12:15 p.m.	Prescott Room, Police Dept.

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



## **Memorandum**

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

**FROM:** Brad Taylor, General Manager

**DATE:** August 3, 2022

**SUBJECT:** Item 4.2 – Resolution 1822, Authorizing the General Manager to Execute an IGA with Partner Cities for the Coordinated Water Rights Management and Water Sharing Plan

**OBJECTIVE:** Board approval

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### **Issue**

In early 2020, Medford Water and the Cities of Talent, Ashland, Phoenix, Eagle Point, Central Point and Jacksonville (Partner Cities) completed a joint water rights strategy related to the water rights authorizing diversion at Medford Water’s Duff Water Treatment Plant (WTP) on the Rogue River. The water rights strategy included a proposed approach to ensure orderly certification of the water rights at the Duff WTP; it also included a proposed plan for sharing water supply to meet combined short-term (Phase 1) and long-term (Phase 2) water supply needs. An intergovernmental agreement (IGA) to implement Phase 1 has been developed, and the IGA has been approved by the Partner Cities.

### **Discussion**

The results of the water rights strategy were to move forward with drafting an intergovernmental agreement (IGA) to implement Phase 1 under a set of guiding principles. These principals included the following:

- Medford Water would be (and receive compensation for being) the Managing Agency for the Partners, but will not have a fiduciary responsibility to the other Partners.
- The agreement must be consistent with the City of Medford’s January 1, 1999 City Charter.
- The agreement must ensure that Medford Water retains control of its water rights, the Duff WTP, and related infrastructure.
- The agreement should relate only to water rights associated with the Duff WTP (and not to the Big Butte Creek water rights).
- The Phase 1 IGA would provide for water sharing among the Partner Cities, and would seek commitments to develop a Phase 2 agreement. Medford Water is not bound to enter into a Phase 2 agreement.
- Medford Water could withdraw from the sharing agreement.

The IGA provides that the Partner City water sharing agreement would begin October 1, 2022, but a “dry run” is planned for May through September 2022. The IGA would renew every 5 years, consistent with the term of existing water supply agreements. The IGA has been reviewed by legal counsel (Clark Balfour of Cable Huston). The IGA is intended to be supplemental to the Treat and Transport and wholesale water agreements.

### **Financial Impact**

There is no financial impact to Medford Water.

**Requested Board Action**

Staff recommends approval of Resolution 1822, authorizing the General Manager to execute an IGA between Medford Water the Partner Cities of Talent, Ashland, Phoenix, Eagle Point, Central Point, and Jacksonville for Phase 1 of a Coordinated Water Rights Management and Water Sharing Plan.

## RESOLUTION NO. 1822

A RESOLUTION Authorizing the General Manager to Execute an Intergovernmental Agreement by and Between Medford Water Commission and the Partner Cities of Talent, Ashland, Phoenix, Eagle Point, Central Point, and Jacksonville for Phase 1 of a Coordinated Water Rights Management and Water Sharing Plan

WHEREAS, in 2020, the Board of Water Commissioners authorized the drafting of an intergovernmental agreement (IGA) for a joint water rights strategy related to the water rights authorizing diversion at the Duff Water Treatment Plant (Duff WTP) on the Rogue River; and

WHEREAS, the water rights strategy included a proposed approach to ensure orderly certification of the water rights at Duff WTP, as well as a proposed plan for sharing the water supply to meet combined short-term (Phase 1) and long-term (Phase 2) water supply needs; and

WHEREAS, Medford Water Commission (Medford Water) will function as and receive compensation for being the Managing Agency for the Partners, but will not have a fiduciary responsibility to the other Partners; and

WHEREAS, the Phase 1 IGA would provide for water sharing among the Partner Cities, and would seek commitments to develop a Phase 2 agreement, but Medford Water would not be bound to enter into a Phase 2 agreement, and can withdraw from the sharing agreement; and

WHEREAS, the agreement is consistent with the City of Medford's January 1, 1999 City Charter, ensures that Medford Water retains control of its water rights, the Duff WTP, and related infrastructure, and relates only to water rights associated with the Duff WTP (and not to the Big Butte Creek water rights); and

WHEREAS, the IGA will renew every 5 years, consistent with the term of existing water supply agreements; and

WHEREAS, the Partner Cities have agreed to the content of the intergovernmental agreement (IGA) and it has been adopted by their city councils;

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

That the General Manager is hereby authorized to execute an IGA by and between the Medford Water Commission and Partner Cities of Talent, Ashland, Phoenix, Eagle Point, Central Point, and Jacksonville for Phase 1 of a Coordinated Water Rights Management and Water Sharing Plan as set forth in the Exhibit A, attached hereto and by reference made a part hereof.

PASSED at a regular meeting of the Board of Water Commissioners and signed by me in authentication thereof this 3rd day of August 2022.

ATTEST: \_\_\_\_\_  
Yvette Finstad, Asst. Clerk of the Commission

\_\_\_\_\_  
Bob Strosser, Chair

**INTERGOVERNMENTAL AGREEMENT FOR  
A COORDINATED WATER RIGHTS MANAGEMENT AND WATER SHARING PLAN**

**I. Parties**

This Intergovernmental Agreement (IGA) is between the Medford Water Commission (MEDFORD WATER) and the Cities of Ashland, Central Point, Eagle Point, Jacksonville, Phoenix, and Talent, hereinafter PARTNERS when referred to collectively, and MEDFORD WATER, ASHLAND, CENTRAL POINT, EAGLE POINT, JACKSONVILLE, PHOENIX, and TALENT when referred to individually, and PARTNER CITIES when referring to ASHLAND, CENTRAL POINT, EAGLE POINT, JACKSONVILLE, PHOENIX, and TALENT.

**II. Recitals**

- A. The PARTNERS all own and operate water systems that supply water to their respective customers;
- B. The PARTNERS recognize the vital importance of providing a reliable source of water to all their respective customers for public health, safety, and welfare and for sustaining economic development;
- C. The PARTNERS recognize the importance of water conservation, and each take actions to conserve their water supply.
- D. The PARTNERS have invested in and each hold water right(s) that are diverted and treated at the Duff Water Treatment Plant (WTP) located on the Rogue River, and understand the importance of strategically managing those water rights;
- E. The Duff WTP, owned by MEDFORD WATER, provides treated water to the PARTNERS and is a critical regional water supply facility.
- F. The PARTNER CITIES receive water treated at the Duff WTP under Treat and Transport contracts with MEDFORD WATER. These contracts include rates of water that the PARTNER CITIES can receive from the MEDFORD WATER's water supply system during identified time periods.
- G. The PARTNERS value the important role each utility plays in meeting the water supply needs of the Rogue Valley Region;
- H. The PARTNERS entered into a cooperative agreement for developing a water rights strategy in 2019, which resulted in development of a Final Report entitled WATER RIGHTS STRATEGY FOR PARTNER WATER PROVIDERS (February 2020). The cooperative agreement and report executive summary are included in **Attachment 1**;
- I. The WATER RIGHTS STRATEGY FOR PARTNER WATER PROVIDERS recommends Phase I of the Coordinated Water Rights Management and Sharing Plan, which includes a coordinated water rights certification strategy for water rights diverted at the Duff WTP and a PARTNER CITIES water sharing framework;
- J. The WATER RIGHTS STRATEGY FOR PARTNER WATER PROVIDERS recommends a Phase II of the Coordinated Water Rights Management and Sharing Plan to continue the water rights certification strategy for water rights diverted at the Duff

WTP and a PARTNER CITIES and MEDFORD WATER water sharing framework. A separate IGA will need to be developed and approved for Phase II;

- K. The PARTNERS recognize that this IGA is related to Phase I of the Coordinated Water Rights Management and Sharing Plan; and
- L. The PARTNERS enter this agreement in a spirit of good will and mutual cooperation, understanding that entering this IGA for Phase I of a Cooperative Water Rights Management and Water Sharing Plan is intended to improve the current and long-term reliability of individual and collective water supplies and is in the highest public interest.

### **III. Scope and Purpose**

To develop, refine and implement Phase I of a Coordinated Water Rights Management and Water Sharing Plan that includes a coordinated water rights certification strategy for water rights diverted at the Duff WTP and a PARTNER CITIES water sharing framework. This IGA does not address Phase II of a Coordinated Water Rights Management and Water Sharing Plan, which would be established in a separate IGA. Being a signatory to this IGA does not require a PARTNER to become a signatory to an IGA developed for Phase II.

### **IV. Retention of Asset Ownership**

- A. Each Partner will retain ownership of its water right(s). Nothing in this IGA will have the effect of conveying a water right to any other entity.
- B. MEDFORD WATER will retain ownership of the Duff WTP, the associated intake on the Rogue River, and all related infrastructure. Nothing in this IGA will have the effect of conveying any of MEDFORD WATER's water system to any other entity.

### **V. Water Right Certification Coordination**

- A. The PARTNERS developed a strategy for managing the timing of certification of their existing water use permits and transfers, which is described in the Water Rights Certification Strategy Table provided in **Attachment 2**. The table identifies the water rights that have been or can be certificated at the current Duff WTP capacity (70 cfs), and the permits and transfers to be certificated at each subsequent WTP capacity (100 cfs, 131 cfs, 162 cfs and 193 cfs). Except as provided in subsection D of this section, only the portion of the Water Rights Certification Strategy Table for the Duff WTP's existing capacity of 70 cfs is applicable to this IGA for Phase I of the Water Rights Management and Water Sharing Plan.
- B. The PARTNERS agree to submit claims of beneficial use (COBUs) and requests for water right certificates to the Oregon Water Resources Department (OWRD) only at times consistent with the portion of the Water Rights Certification Strategy Table for the Duff WTP's existing capacity of 70 cfs, except as provided in subsection D of this section.
- C. At least 14 days prior to submitting a COBU and request for water right certificate to OWRD, PARTNERS agree to provide the Managing Agency with written notice of their intention to file a COBU.

- D. The Water Rights Certification Strategy Table will be reviewed by the PARTNERS annually as described in Section VIII, and will be updated to reflect the issuance of water right certificates consistent with Water Rights Certification Strategy.
- E. Each PARTNER will continue to be responsible for maintaining its own water rights, which will include but is not limited to filing water use reports with OWRD, developing claims of beneficial use and requesting water right certificates, and developing water management and conservation plans.

## **VI. Water Sharing**

- A. Consistent with the PARTNER CITIES' contracts with MEDFORD WATER, each PARTNER CITY will use water under its individual water rights beginning May 1 of each year and ending September 30 of each year.
- B. By November 15 of each year, MEDFORD WATER will calculate the total volume of water used by each PARTNER CITY during the period of May 1 through September 30 based on meter readings for each city, referred to as each city's "Annual Metered Volume." The meters used to determine each PARTNER CITY'S "Annual Metered Volume" are listed in **Attachment 3**.
  - 1. The owner of each meter will ensure its meter(s) are calibrated to manufacturer standards.
  - 2. If a meter breaks or malfunctions the PARTNERS will use the best practicable information available to estimate water use.
- C. MEDFORD WATER will compare each PARTNER CITY'S Annual Metered Volume to the total volume of water authorized by each PARTNER CITY'S water rights (referred to as each PARTNER CITY'S "Total Authorized Water Volume") as shown in **Attachment 4**.
- D. The PARTNER CITIES will notify MEDFORD WATER of any changes to their Total Authorized Water Volume that occur during the May 1 through September 30 period.
- E. If a PARTNER CITY'S Annual Metered Volume exceeds its Authorized Water Volume, as provided in VI. C., MEDFORD WATER will subtract the Authorized Water Volume from the Annual Metered Volume to obtain that PARTNER CITY'S "Volume of Excess Use" for the year.
- F. If a PARTNER CITY'S Annual Metered Volume is less than that city's Authorized Water Volume, as provided in VI. C., MEDFORD WATER will subtract the Annual Metered Volume from the Authorized Water Volume to obtain that PARTNER CITY'S "Excess Water Right Volume" for the year.
- G. For each PARTNER CITY with a Volume of Excess Use, MEDFORD WATER will allocate the Volume of Excess Use equally among all PARTNER CITIES with an Excess Water Right Volume for that year. MEDFORD WATER will allocate the Volume of



Excess Use equally up to, but not in excess of, the PARTNER CITIES' Authorized Water Volumes. If equal allocation of a PARTNER CITY'S Volume of Excess Use would exceed one or more PARTNER CITY'S Authorized Water Volume, the Volume of Excess Use will be allocated equally among the PARTNER CITIES in the amount of the smallest Excess Water Right Volume. The remaining Volume of Excess Use will then be allocated equally among the remaining PARTNER CITIES with Excess Water Right Volume. This process will be repeated until the PARTNER CITY'S entire Volume of Excess Use has been allocated to other PARTNER CITIES. **Attachment 5** provides an example of the intended process.

- H. Any PARTNER CITY with a Volume of Excess Use will provide compensation to PARTNER CITIES with Excess Water Right Volume according to the volume of water allocated to that PARTNER CITY, and the Method of Cost Allocation provided in Section VII.

## **VII. Method of Cost Allocation**

- A. By March 1 of each year, each PARTNER CITY will provide to MEDFORD WATER a copy of any Statement of Account or other invoices from the U.S. Army Corps of Engineers, or annual assessment from the Medford Irrigation District and/or Rogue River Irrigation District the PARTNER CITY received in the previous year related to their water rights associated with the Duff Water Treatment Plant as described in Attachment 2.
- B. Based on the information provided in subsection A., MEDFORD WATER will calculate the following total annual costs. An example of the calculations is provided in **Attachment 6**.
1. The Total Annual Operation and Maintenance (O&M) Costs for storage space for Lost Creek Reservoir will be calculated by adding together the annual O&M costs for Ashland, Jacksonville, Phoenix, and Talent. This cost is associated with 3,892 AF of storage space in the reservoir, as shown in Table 1 of Attachment 6;
  2. The Total Annual Repair Replacement and Rehabilitation (RR&R) Costs for storage space for Lost Creek Reservoir will be calculated by adding together any annual RR&R costs for Ashland, Jacksonville, Phoenix, and Talent. This cost is associated with the 3,892 AF of storage space, as shown in Table 2 of Attachment 6.
  3. The 5-year Rolling Average RR&R Cost for storage space for Lost Creek Reservoir will be calculated by adding together the Total Annual RR&R Costs for the preceding five years and dividing by 5. This calculation is shown in Table 3 in Attachment 6.
  4. The Total Annual Assessment Costs will be calculated by adding together the annual costs charged to Central Point and Eagle Point by Medford Irrigation District and Rogue River Irrigation District. This cost is associated with the

3,123.7 AF for which the irrigation districts charge assessments, as shown in Table 4 of Attachment 6.

5. The Total Water Volume Associated with the Costs is 7,015.7 AF, which is calculated by adding 3,892 AF associated with storage space plus 3,123.7 AF associated with the irrigation districts, as shown in Table 5 of Attachment 6.

C. The Average Annual Cost Per Acre Foot will be calculated as follows.

1. Calculate the Total Annual Cost by adding together the Total Annual O&M Cost for storage space, the Five-Year Rolling Average RR&R Cost, and the Total Annual Assessment Cost.
2. Calculate the Annual Average Cost Per Acre Foot by dividing the Total Annual Cost by the Total Water Volume Associated with the Costs (7,015.7 AF), as shown in Table 5 of Attachment 6.

D. MEDFORD WATER will provide the PARTNER CITIES with the Average Annual Cost Per Acre Foot by March 30 of each year.

E. Each year after completing the calculations described in Section VI., for each PARTNER CITY with a Volume of Excess Use, MEDFORD WATER will multiply the Volume of Excess Use allocated to each PARTNER CITY (determined according to Section VI. D.) by the Average Annual Cost Per Acre Foot to obtain the “Annual Cost for Excess Use” owed to each PARTNER CITY.

F. By December 15 of each year, MEDFORD WATER will provide the PARTNER CITIES an Annual Summary Report of Water Sharing that includes the following information for the previous May through September:

1. Each PARTNER CITY’S Annual Metered Volume;
2. Each PARTNER CITY’S Authorized Water Volume;
3. Each PARTNER CITY’S Excess Water Right Volume, or Volume of Excess Use for the year; and
4. For each PARTNER CITY with a Volume of Excess Use, the volume of water allocated to each PARTNER CITY with an Excess Water Right Volume, and the associated Annual Cost for Excess Use. An example Annual Summary Report of Water Sharing is provided in **Attachment 7**.

G. By January 15 of each year, the PARTNERS will meet to review the Annual Summary Report of Water Sharing, and will work in good faith to resolve any discrepancies raised by a PARTNER CITY.

H. By February 15 of each year, each PARTNER CITY with a Volume of Excess Use shall pay the Annual Cost for Excess Use to other PARTNER CITIES as provided in the Annual Summary Report of Water Sharing.

### **VIII. Annual Meeting**

A. Medford Water will schedule an annual meeting with the PARTNERS during the month of April each year at a time and location agreeable to the PARTNERS.

- B. Each PARTNER will, to the extent possible, have at least one representative at the annual meeting.
- C. Agenda items will include, but are not limited to, the following:
  - 1. An explanation of the processes established by this IGA, as necessary.
  - 2. Estimations provided by each PARTNER CITY of the amount of water it expects to use during the upcoming period of May 1 through September 30.
  - 3. Any available estimations of water supply expected to be available during the upcoming period of May 1 through September 30
  - 4. A review of the Water Rights Certification Strategy Table (the current version is provided in Attachment 2), and a discussion of any updates to the table that are needed or any plans to certificate a water right included in the table.
  - 5. Coordination of any other activities regarding the Water Rights so that all Partners are apprised of actions by a Partner that may affect them.
  - 6. Any amendments needed to this IGA. The process for adoption of amendments is provided in Section XIV.

## **IX. Designation, Tasks and Powers of Managing Agency**

- A. Medford Water shall perform the duties of the Managing Agency hereunder including but not limited to:
  - 1. Coordinating use of the Partners' Rogue River water rights at the Duff Water Treatment Plant in accordance with the terms and conditions of this Agreement.
  - 2. Schedule and convene meetings with the Partners in accordance with the terms of this Agreement and as necessary to meet the requirements of this Agreement, maintain public records in accordance with the Oregon Public Records Law and rules, policies and procedures of Medford Water, and provide administrative support.
  - 3. Provide public communications and outreach, including response to public information, media or records requests in coordination with the Partner Cities.
  - 4. Retain consultants, attorneys, auditors, accountants and other professional services to assist the Managing Agency in accordance with Managing Agency contracting rules.
  - 5. Provide the Partners and their agents with reasonable access to books and records maintained by the Managing Agency specifically related to administration of this Agreement.
  - 6. Perform ministerial and administrative tasks to implement this Agreement.
- B. The General Manager of Medford Water shall be the person authorized to act for the Managing Agency, unless the Medford Water Commission specifies otherwise.

## **X. Governance**

- A. Each Partner shall appoint a representative, elected or staff member, to receive notices, attend meetings as called and act as a liaison to the Partner's governing body. A Partner's representative shall serve at the discretion of the Partner's governing body, or the City Manager or City Administrator.

- B. The Representatives shall meet in accordance with the terms of this Agreement and as deemed necessary by the Managing Agency upon reasonable notice to carry out the terms and conditions of this Agreement.

#### **XI. Failure to Perform/Breach/Remedies**

- A. If a Partner fails to perform any obligation or term of this Agreement, (Defaulting Partner) the Managing Agency will notify the Defaulting Partner in writing and request performance and cure. If the Defaulting Partner cures the default within 30 days of notice or commences to diligently cure a default within 30 days and completes cure within a mutually agreed time, then the matter will be deemed resolved.
- B. If the default continues after notice and opportunity to cure, the Managing Agency and the Representative of the Defaulting Partner shall meet within 45 days to discuss and resolve. Other Partners (Remaining Partners) shall be apprised and may attend.
- C. If no satisfactory resolution is reached, the parties agree to mediate any disputes under ORS Chapter 36.

#### **XII. Termination and Withdrawal**

- A. A Partner may elect to withdraw from this Agreement (Withdrawing Partner) by providing written notice to the Managing Agency no later than October 1 of each year. If timely notice is given, the withdrawal shall be effective on the following May 1.
- B. The Managing Agency will provide the Remaining Partners with timely notice of the withdrawal notice.
- C. Withdrawal from this Agreement will terminate the obligation to participate in water sharing under this agreement but will not affect any pre-existing agreements that may be operative. Withdrawal shall not relieve the Withdrawing Partner of any outstanding obligations remaining unpaid.
- D. Upon withdrawal, the Managing Agency will cause the Attachments to this Agreement affected by such Partner's withdrawal to be revised and adjusted as necessary to remove the Withdrawing Partner and its water rights, Authorized Water Volumes, and associated costs identified in the Attachments. The Managing Agency may create a new Attachment for addition to this Agreement to account for change in membership to identify the Partners, and their water rights, Authorized Water Volumes, and associated costs.
- E. The Managing Agency shall provide the Partner Cities with timely copies of the new or revised Attachment(s).
- F. This Agreement shall continue after withdrawal of a Partner unless dissolved as provided in Section XV, below.

#### **XIII. Representations**

By execution of this Agreement, each Partner represents to the others that the Agreement has been approved by the governing body and that the person executing the Agreement has full authority to do so and the Agreement is binding on the Partner. Further the designated Representative of the Partner is vested with authority to act on behalf of the



If to Central Point:

City of Central Point  
Attn: City Manager  
140 S. 3<sup>rd</sup> Street  
Central Point, OR 97502

If to Eagle Point:

City of Eagle Point  
Attn: City Manager  
17 Buchanan Avenue South  
PO Box 779  
Eagle Point, OR 97524

If to Jacksonville:

Primary contact:

City of Jacksonville  
Attn: Jeff Alvis  
P.O. Box 7  
Jacksonville, OR 97530

With copies to:

City of Jacksonville  
Attn: Tony Thompson  
P.O. Box 7  
Jacksonville, OR 97530

If to Phoenix:

City of Phoenix  
Attn: City Manager  
PO Box 330  
Phoenix, OR 97535

If to Talent:

Jordan Rooklyn  
PO Box 445  
110 E Main St  
Talent, OR 97540

## **Attachment 1**

### **Cooperative Agreement and Report Executive Summary**

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### **Intergovernmental Agreement for a Coordinated Water Rights Management and Water Sharing Plan**

**COOPERATIVE AGREEMENT FOR DEVELOPING A WATER RIGHT STRATEGY FOR ACCESS TO WATER AMONG MEDFORD WATER COMMISSION, CITY OF ASHLAND, CITY OF CENTRAL POINT, CITY OF EAGLE POINT, CITY OF JACKSONVILLE, CITY OF PHOENIX, AND CITY OF TALENT**

This cooperative agreement (hereinafter "Agreement") is by and among Medford Water Commission and the Cities of Ashland, Central Point, Eagle Point, Jacksonville, Phoenix, and Talent, hereinafter PARTNERS when referred to collectively and MWC, ASHLAND, CENTRAL POINT, EAGLE POINT, JACKSONVILLE, PHOENIX, and TALENT when referred to individually.

**RECITALS**

- A. The PARTNERS all own and operate water systems that supply water to their respective customers;
- B. The PARTNERS recognize the vital importance of providing a reliable source of water to all their respective customers for public health, safety, and welfare and for sustaining economic development;
- C. The PARTNERS value the important role each utility plays in meeting the water supply needs of the Rogue Valley Region (RVR);
- D. The PARTNERS enter this agreement in a spirit of good will and mutual cooperation, with the understanding that coordinating a Water Right Strategy (WRS) will improve the current and long-term reliability of individual and collective water supplies and is in the highest public interest;
- E. The PARTNERS understand that the WRS will document the current understanding of the water rights held by the jurisdictions in the RVR, and provide options to the PARTNERS on how to move forward with securing and allocating water supplies for the RVR that may be in the best interests of the Region as a whole, but it will not bind PARTNERS to any particular direction or action; and
- F. The PARTNERS recognize that developing a WRS is the first step and that a second step of adopting a WRS would require a second IGA that would then guide the adoption, implementation, and management of the WRS moving forward. It is understood that a second step may not be possible if there is not agreement on how to move forward with the WRS.
- G. The PARTNERS are willing to fund development of a WRS.

**AGREEMENT**

The PARTNERS agree to the following:

**I. RECITALS/PURPOSE**

The above recitals are true and correct and are specifically adopted and incorporated herein as the purpose of this Agreement.

**II. DEFINITIONS**

- A. ASHLAND means City of Ashland.
- B. CENTRAL POINT means City of Central Point.
- C. EAGLE POINT means City of Eagle Point.
- D. JACKSONVILLE means City of Jacksonville.
- E. MWC means Medford Water Commission.



- F. OWRD means the Oregon Water Resources Department.
- G. PARTNERS means collectively the Medford Water Commission and the Cities of Ashland, Central Point, Eagle Point, Jacksonville, Phoenix, and Talent.
- H. PHOENIX means City of Phoenix.
- I. RVR is an abbreviation for Rogue Valley Region.
- J. STEERING COMMITTEE means a group comprised of at least a single voting representative from each of the PARTNERS. The Steering Committee function will be to oversee the implementation of this Agreement, to facilitate changes to it necessary to ensure its continued effectiveness in meeting the needs of the PARTNERS and to settle differences in interpretation of its provisions and execution.
- K. TALENT means City of Talent.
- L. WRS is an abbreviation for Water Right Strategy.

### III. RESPONSIBILITIES

#### A. The PARTNERS:

1. Agree to form a STEERING COMMITTEE.
2. Agree not to move forward with any actions to certificate water rights at the MWC Duff Water Treatment Plant intake, except as provided in III.C, until a WRS is completed, or the term of this Agreement ends.
3. Agree to pay the identified, pro-rata costs of the development of a WRS as provided in Section IV (B) of this Agreement.

#### B. MWC:

1. Agrees to award and administer a contract with GSI Water Solutions to develop a WRS as described in Section IV (A) of this Agreement.
2. Agrees to pay monthly invoices to GSI Water Solutions on behalf of the PARTNERS.

#### C. PHOENIX:

1. Agrees not to request expedited processing of its claim of beneficial use under OWRD's Reimbursement Authority Program for Permit S-47672 until a WRS is completed, or the term of this agreement ends, whichever occurs first.
2. Agrees to notify the PARTNERS within a reasonable period of time in the event that OWRD begins review of its pending claim of beneficial use for Permit S-47672.

### IV. WATER RIGHT STUDY SCOPE AND COST

- A. The draft outline of the scope of work to develop a WRS is included as Exhibit A. The PARTNERS intend to collaboratively develop and establish a final scope of work after this agreement is executed.

- B. The PARTNERS agree to share the cost of the WRS on a pro rata basis in proportion to their populations based on Portland State University's 2015 population data, as shown in Exhibit B. Exhibit B indicates preliminary costs. The total cost of the WRS is expected to be less than \$80,000. Final pro-rata cost share will be determined at the time the contract with the consultant is signed. Payments by PARTNERS will be due quarterly and must be remitted to MWC within 30 days of invoice.

V. DECISION MAKING PROCESS

- A. All decisions made under this Agreement, and during the course of the development of the WRS, shall be made through negotiations among the PARTNERS.
- B. The WRS does not bind any PARTNER(S) to any future action or direction proposed by the WRS.

VI. LIABILITY, INDEMNITY AND HOLD HARMLESS

- A. INDEMNIFICATION. To the extent allowed by the Oregon Constitution and the Oregon Revised Statutes, and not to exceed monetary limits of the Oregon Tort Claim Act, the PARTNERS agree to defend, indemnify, and hold harmless each other from claims, liability or damages, including attorney fees, arising out of error, omission or act of negligence on the part of the indemnifying party, its officers, agents, or employees in the performance of this Agreement.
- B. STATUS. In providing the services specified in this Agreement (and any associated services) the PARTNERS are public bodies and maintain their public body status as specified in ORS 30.260. The PARTNERS understand and acknowledge that each retains all immunities and privileges granted them by the Oregon Tort Claims Act and any and all other statutory rights granted as a result of their status as local public bodies.

VII. TERM AND TERMINATION

The term of the Agreement is twelve months from the last date of execution, unless the STEERING COMMITTEE members unanimously agree in writing to extend that date. Any PARTNER may agree to terminate its participation in the Agreement at any time with 15-day written notice to the other PARTNERS, provided, however, that once a contract with the selected consultant has been signed, the terminating PARTNER agrees to pay its full pro-rata share of the cost of the consultant contract to MWC.

In WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their proper officers on the dates noted below.

Brad Taylor

Brad Taylor (Jan 25, 2019) Jan 25, 2019

Brad Taylor  
General Manager  
Medford Water Commission

Kelly Madding

Kelly Madding (Feb 22, 2019) Feb 22, 2019

Kelly Madding  
City Administrator  
City of Ashland

Jeff Alvis

Jeff Alvis (Feb 25, 2019) Feb 25, 2019

Jeff Alvis  
City Administrator  
City of Jacksonville

Sandra Spelliscy

Sandra Spelliscy (Mar 18, 2019) Mar 18, 2019

Sandra Spelliscy  
City Manager  
City of Talent

christopher clayton

christopher clayton (Jan 25, 2019) Jan 25, 2019

Chris Clayton  
City Manager  
City of Central Point

Henry Lawrence

Henry Lawrence (Feb 22, 2019) Feb 22, 2019

Henry Lawrence  
City Administrator  
City of Eagle Point

Aaron Prunty

Aaron Prunty (Mar 18, 2019) Mar 18, 2019

Aaron Prunty  
City Manager  
City of Phoenix



February 7, 2020

## Executive Summary

# Water Rights Strategy for Partner Water Providers

### I. Introduction

GSI Water Solutions, Inc. (GSI) is assisting the Partner Water Providers (Partners) to develop a water rights strategy. The Partners include the Cities of Ashland, Central Point, Eagle Point, Jacksonville, Phoenix, and Talent (jointly the Partner Cities) and Medford Water Commission (MWC).<sup>1</sup> In early 2019, the Partners signed a Cooperative Agreement to develop the strategy recognizing the benefits of mutual cooperation and the vital importance of providing source water to their respective customers for public health, safety and welfare, and for sustaining economic development.

The water rights strategy focuses on the Partners' water rights and water supply associated with the MWC Duff Water Treatment Plant (Duff WTP) on the Rogue River. During the months of May through September (peak season), much of the MWC's water supply and all of the Partner Cities' water supply is treated at the Duff WTP. During this peak season period, the Partner Cities currently rely on water rights they have obtained and hold Treat and Transport agreements with the MWC.

As the Partners plan for their long-term water supply needs, it is important that they have a full understanding of the status of their water rights and develop a common strategy to protect and secure them. The water rights strategy is intended to meet those needs.

### II. Process

To develop the water rights strategy, GSI initially prepared a comprehensive water rights summary, which enabled the Partners to develop a shared understanding of the water rights at the Duff WTP. Next, GSI developed a consolidated water demand projection for each of the Partners, which included the maximum anticipated demands for the years 2030, 2040 and 2070. GSI then compared the Partners' individual and collective demands with their water rights. This evaluation showed that some of the Partners' water rights will likely provide them with sufficient supply past the year 2070, while other Partners' water rights do not provide sufficient water supply to meet current demands. The evaluation also showed that if the Partners shared their water supplies, they would have sufficient supply to meet all of their demands through 2070.

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<sup>1</sup> MWC's customers include customers within the City of Medford, White City, Elk City and Charlotte Ann Water Districts, as well as other customers served by MWC outside of its service area (Outside Customers).

### III. Goals, Interests and Priorities for Water Rights Strategy

The above-described differences between the Partners' water rights and projected water demands demonstrate the value of a strategy related to the Partner water rights at the Duff WTP. The strategy is intended to meet the following goals, interests, and priorities:

- Ensure that the water rights at the Duff WTP are strategically managed.
- Secure a long-term water supply for all Partners.
- Eliminate the need for Partners to unnecessarily purchase additional water rights.
- Retain each Partners' ownership of its existing water rights and create opportunities to obtain value for the water rights.
- Treat White City, Elk City and Charlotte Ann Water Districts, and other customers served by MWC outside of its service area (Outside Customers) equitably.

### IV. Strategic Management of **Partners' Existing** Water Rights

#### A. Reasons for Developing Coordinated Approach to Water Rights and Water Use

GSI recommends that the Partners consider developing a coordinated approach to managing their water rights and water supply. This coordination could include not only coordinated management of the water rights at the Duff WTP, but also creation of an opportunity for the Partners to share their combined water supplies. Coordination will also be necessary to strategically secure the 20 existing water rights at the Duff WTP. Additionally, if the Partners established a combined water supply, it could address the imbalances between water rights and projected water demands that have been previously described, and eliminate the need for the purchase of additional water rights to meet their individual needs. Further, establishing a combined water supply could provide the Partners with some level of supply redundancy; that is, the arrangement could enable each Partner to obtain water from more than one source of supply.

#### B. Conceptual Framework for Water Supply Sharing

GSI and the Partners considered multiple approaches to sharing water supply. Based on GSI's understanding of the Partners' goals, interests, and priorities, as well as the Partners' water supplies and demands, GSI recommended an approach that provides an opportunity to meet the Partners' near-term and long-term goals without jeopardizing any of the Partners' water rights. In addition, the Partners would pool their water rights to establish a diverse water rights portfolio.

Under the recommended option, the Partner Cities and MWC would enter into an intergovernmental agreement (IGA) to work together on regional water supply. The IGA would describe how the water rights and water supply would be shared, which would occur in two phases. Until the Duff WTP capacity was expanded to 100 cfs in approximately 2028, the Partner Cities and the Outside Customers would share their water supplies. MWC could track

each entity's water use and compare that with the entity's individual water rights to determine whether any compensation was required for use of another entity's water rights. Additionally, the Partners would follow an agreed-upon strategy to request water right certificates for their water rights.

In the second phase of this option, the MWC would modify its agreements with the Partner Cities and Outside Customers and would begin to provide them with surplus water. The water rights held by the MWC and the Partner Cities would be placed into a regional water supply pool, which would be managed by the MWC. This would result in the Partners having a diverse water supply portfolio. The Partner Cities would retain ownership of their water rights, and the IGA would include a mechanism by which any of the Partner Cities could withdraw from the group.

The MWC would compensate the Partner Cities for any Operation and Management (O&M) costs it incurred associated with contracts for stored water that was being used by the Partners. The MWC would also provide Partner Cities with compensation (based on negotiations between each Partner City and the MWC) for water rights used by the Partners. The rate the Partner Cities pay to the MWC would reflect these expenses.

## V. Summary of Recommended Option

The option recommended by GSI provides an approach to meeting the Partners' near-term and long-term water supply goals without jeopardizing any of the Partners' collective water rights. In the near term, the recommended option provides a method for the Partner Cities and MWC on behalf of the Outside Customers to initiate a shared water supply strategy. It then changes relatively quickly to reset the relationship with the MWC, which would then provide surplus water supply to the Partner Cities and Outside Customers. In addition, the Partners would pool their water rights to establish a diverse water rights portfolio. Finally, this option minimizes water rights transactions, such as extensions of time for permits and transfers, and decreases the risks associated with these transactions.

## VI. Next Steps

Establishing a water sharing agreement will require completing a series of steps or actions. The following is a brief summary of some of the actions that will be required:

- The Partners' staff communicate with their councils/boards, and seek approval to develop a scope of work to develop an IGA.
- Staff develop the scope of work for drafting the IGA, and take the scope of work to city councils/ board for approval.
- Staff develop a draft IGA.
- Staff take the draft IGA to their city councils/board for review and approval.

**Attachment 2**

**Water Rights Certification Strategy Table**

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**Intergovernmental Agreement for a Coordinated  
Water Rights Management and Water Sharing Plan**

**Water Rights Certification Strategy Table**

Action	Rate (cfs)	Development Deadline	Total Rate in Water Right Certificate Status (cfs)	
<b>Duff WTP - Existing Capacity – 70 cfs</b>				
<b>Current Status - Existing Certificates and Pending COBUs</b>				
Central Point's Certificate 93754	1.13	N/A	65.26	
Central Point's Certificate 93755	1.13	N/A		
Eagle Point's Certificate 88552	0.90	N/A		
Eagle Point's Certificate 89864	1.25	N/A		
Jacksonville's Certificate 87360	No rate (400 AF)	N/A		
MWC's Certificate 86832	60.85	N/A		
Talent's Certificate 91134	No rate (533 AF)	N/A		
Ashland's Certificate 96166	No rate (550.6 AF)	N/A		
Central Point's Transfer T-10465	1.20	10/1/2014		66.46
Eagle Point's Transfer T-10527	0.50	10/1/2013		66.96
Phoenix's Permit S-47672 (COBU on hold)	5.0 (and 400 AF)	10/1/2001	(71.96)	
<b>Transactions</b>				
Certificate Central Point's Transfer T-9900	1.846	10/1/2030	68.806	
Certificate Eagle Point's Transfer T-10614	1.15	10/1/2030	69.956	
<b>Total at this capacity</b>			<b>69.956 cfs</b>	
<b>Duff WTP Capacity – 100 cfs in approximately 2028</b>				
Certificate Jacksonville's Permit S-54974*	No rate (200 AF)	11/19/2035	69.956 cfs	
Certificate Talent's Permit S-53898*	No rate (759 AF)	10/1/2065	69.956 cfs	
Certificate Ashland's Permit S-54337*	No rate (449.4 AF)	9/7/2021 <sup>1</sup>	69.956	
Certificate Phoenix's Permit S-47672	5.0 (and 400 AF)	10/1/2001 <sup>2</sup>	74.956	
Certificate Eagle Point's Transfer T-10960	1.77	10/1/2030	76.726	
Certificate Eagle Point's Transfer T-12221	0.7	10/1/2030	77.426	
Certificate Phoenix's Permit S-52650	3.1	10/1/2030	80.526	
Partially certificate MWC's Permit S-54935 (estimated rate)	19.474	10/1/2056	100	
<b>Total at this capacity</b>			<b>100 cfs</b>	
<b>Duff WTP Capacity – 131 cfs in approximately 2036</b>				
Partially certificate MWC's Permit S-23210	31	10/1/2050	131	
<b>Total at this capacity</b>			<b>131 cfs</b>	
<b>Duff WTP Capacity – 162 cfs (TBD)</b>				
Partially certificate remainder of MWC's Permit S-23210	8.15	10/1/2050	139.15	
Partially certificate MWC's Permit S-54935 (estimated rate)	22.85	10/1/2056	162.0	
Extend MWC's Permit S-54935 as needed		10/1/2056		
<b>Total at this capacity</b>			<b>162.0 cfs</b>	
<b>Duff WTP Capacity – 193 cfs (TBD)</b>				
Certificate remainder of MWC's Permit S-54935 (estimated rate)	7.676	10/1/2056	169.676	
<b>Total at this capacity</b>			<b>169.676 cfs</b>	

<sup>1</sup> Permit extension pending at OWRD.

<sup>2</sup> COBU pending at OWRD.

\* These steps assume that certifying the “volume-only” water rights would not negatively impact the ability to certify the other Partner water rights, and all elements of seeking a certificate can be met.

AF: acre-feet; cfs: cubic feet per second; COBU: claim of beneficial use; MWC: Medford Water Commission



**Attachment 3**

**Water Meters**

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**Intergovernmental Agreement for a Coordinated  
Water Rights Management and Water Sharing Plan**

Meters and Information Source Documentation

<b>Water User</b>	<b>Meter Description</b>	<b>Source of Information</b>	<b>Notes:</b>
<b>Central Point</b>	BEALL MASTER	MWC Data Export	
<b>Central Point</b>	HOPKINS	MWC Data Export	
<b>Central Point</b>	VILAS MASTER 10"	MWC Data Export	
<b>Eagle Point</b>	AVENUE G NORTH 8"	MWC Data Export	
<b>Eagle Point</b>	AVENUE G SOUTH 6"	MWC Data Export	
<b>Eagle Point</b>	STEVENS & RILEY 4"	MWC Data Export	
<b>Eagle Point</b>	VISTA POINTE #1	MWC Data Export	
<b>Eagle Point</b>	VISTA POINTE #2	MWC Data Export	
<b>Jacksonville</b>	MADRONE/OAKGROVE 6"	MWC Data Export	
<b>Phoenix MWC</b>	Garfield St and Kings Avenue Meter	MWC Data Export	Phoenix has two connections to the MWC system, one direct connection at Garfield and Kings and the connection via TAP. This is the direct connection.
<b>Phoenix TAP</b>	TAP Master Meter on Samike Drive <i>less</i> Talent Meter	RVCOG Monthly Utility Billing Data	Phoenix TAP usage is the equal to the total from the TAP master meter at Samike, <i>less</i> what is measured at the Talent Meter on the TAP line.
<b>Talent</b>	Talent Meter at intersection Bear Creek Drive and Main Street in Phoenix <i>less</i> Ashland usage	RVCOG Monthly Utility Billing Data	Talent usage is the total of the Talent meter, <i>less</i> measured Ashland usage.
<b>Ashland</b>	Creel Road and Highway 97	RVCOG Monthly Utility Billing Data	

**Attachment 4**

**Participating Partner Cities' Authorized Water Volumes**

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**Intergovernmental Agreement for a Coordinated  
Water Rights Management and Water Sharing Plan**

Partner Cities' Authorized Water Volumes

Water Right	Authorized Water Volume				
	From Water Right (acre-feet)	Calculated from Rate (acre-feet)	Total Water Right (acre-feet)	Limitations <sup>1</sup>	Total Authorized Water Volume <sup>2</sup> (acre-feet)
<b>Ashland</b>					
Permit S-54337	449.4		449.4		
Certificate 96166	550.6		550.6		
<b>Total</b>	<b>1,000</b>		<b>1,000</b>		
<b>Central Point</b>					
Transfer T-9900	666.0		666.0		
Certificate 93754		412.4	412.4		
Certificate 93755		412.4	412.4		
Transfer T-10465	438.0		438.0		
<b>Total</b>	<b>1,104.0</b>	<b>824.8</b>	<b>1,928.8</b>		
<b>Eagle Point</b>					
Certificate 88552	321.3		321.3		
Transfer T-10527	181.5		181.5		
Transfer T-10614	273.7		273.7		
Transfer T-10960	520.3		520.3		
Certificate 89864	356.94		356.94		
Transfer T-12221	207.2		207.2		
<b>Total</b>	<b>1,860.94</b>		<b>1,860.94</b>		
<b>Jacksonville</b>					
Certificate 87360	400.0		400.0		
Permit S-54974	200.0		200.0		
<b>Total</b>	<b>600</b>		<b>600</b>		
<b>Phoenix</b>					
Permit S-47672	400	1,517 <sup>3</sup>	1,917 <sup>4</sup>		
Permit S-52650	600		600		
<b>Total</b>	<b>1,000</b>	<b>1,517</b>	<b>2,517</b>		
<b>Talent</b>					
Permit S-53898	759.0		759.0		
Certificate 91134	533.0		533.0		
<b>Total</b>	<b>1,292</b>		<b>1,292</b>		
<b>Partner Cities' Authorized Water Volumes</b>	<b>6,856.94</b>	<b>2,341.8</b>	<b>9,198.74</b>		

<sup>1</sup> Limitations on a Partner City's authorized volume of water could include regulation of their water right by the OWRD watermaster, or limitations on use provided in a final order approving their water management and conservation plan.

<sup>2</sup> Total Authorized Water Volume equals the total water right minus limitations.

<sup>3</sup> Based on 5 cfs from May 1 through September 30.

<sup>4</sup> Final authorized volume will be determined at time OWRD issues certificate for this permit.

## **Attachment 5**

### **Example Allocation of Excess Water Use**

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# **Intergovernmental Agreement for a Coordinated Water Rights Management and Water Sharing Plan**

**Example Allocation of Excess Water Use:**

- Four cities hold water rights and use water as follows. Medford Water would calculate excess water use and unused water rights as shown in the column labeled “difference”

City	Water Rights (AF)	Water Use (AF)	Difference (AF)
City A	500	1,490	-990 (excess water use)
City B	1,000	750	250 (unused water rights)
City C	1,500	1,000	500 (unused water rights)
City D	2,000	1,000	1,000 (unused water rights)

- Medford Water would calculate the compensation that City A (the only City with excess water use) would need to provide to Cities B, C and D (who had unused water rights) as follows:
  - Total excess use - 990 AF
  - Cities B, C, D – each compensated for 250 AF (up to maximum of City B’s water rights), which accounts for 750 AF
  - Remaining excess use - 240 AF
  - Cities C and D – each compensated for 120 AF (for a total of 370 AF each)

## **Attachment 6**

### **Example Calculation of Average Annual Cost per Acre-Foot**

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### **Intergovernmental Agreement for a Coordinated Water Rights Management and Water Sharing Plan**

**Table 1: Example Calculation of Total Annual O&M Costs for Storage Space (See VII.B.1. in IGA)**

Name	Application	Permit	Contracted Storage Space (AF)	Total O&M Cost (2020)
Ashland	S-85733	S-54377	1000	\$24,132.50
Jacksonville	S-80641	S-53445	400	\$9,653.00
Jacksonville	S-88088	S-54974	200	\$4,826.50
Phoenix	S-60890	S-47672	400	\$9,653.00
Phoenix	S-71996	S-52650	600	\$14,479.50
Talent	S-84029	S-53898	1292	\$31,179.19
<b>Totals</b>			<b>3,892</b>	<b>\$93,923.69</b>

**Table 2: Example Calculation of Total RR&R Costs for Storage Space (See VII.B.2. in IGA)**

Name	Application	Permit	Contracted Storage Space (AF)	Total RR&R Cost (2020)
Ashland	S-85733	S-54377	1000	\$0
Jacksonville	S-80641	S-53445	400	\$0
Jacksonville	S-88088	S-54974	200	\$0
Phoenix	S-60890	S-47672	400	\$0
Phoenix	S-71996	S-52650	600	\$0
Talent	S-84029	S-53898	1292	\$0
<b>Totals</b>			<b>3,892</b>	<b>\$0</b>

**Table 3: Example Calculation of 5-year Rolling Average RR&R Cost (See VII.B.3. in IGA)**

Year	RR&R Cost
2016	\$0.00
2017	\$0.00
2018	\$0.00
2019	\$0.00
2020	\$0.00
<b>Total</b>	<b>\$0.00</b>
<b>5-year Rolling Average (Divide Total by 5)</b>	<b>\$0.00</b>



**Table 4: Example Calculation of Total Annual Assessment Costs (See VII.B.4. in IGA)**

Holder	Type of Right	Certificate /Transfer	Maximum Rate (cfs)	Maximum Volume (AF)	Period of Use		Volume Associated with Irrigation Districts (AF)	Annual Assessment Costs (2020)
Central Point	Non-District	T-9900	1.846	666	1-Apr	1-Nov	N/A - Non-District Water Right	N/A - Non-District Water Right
Central Point	Non-District							
Central Point	Non-District							
Central Point	Non-District							
Central Point	District	93754	1.13		1-Apr	1-Oct	412.4	\$30,677.22
Central Point	District	93755	1.13		1-Apr	1-Oct	412.4	
Central Point	District	T-10465	1.2	447.6	1-Apr	1-Oct	438.0	
Central Point	District							
Central Point	District							
Central Point	District							
Eagle Point	District	88552	0.9	321.3	1-Apr	31-Oct	321.3	\$40,800.00
Eagle Point	District	T-10527	0.5	181.5	1-Apr	31-Oct	181.5	
Eagle Point	District	T-10614	1.15	273.7	1-Apr	31-Oct	273.7	
Eagle Point	District	T-10960	1.77	520.3	1-Apr	1-Oct	520.3	
Eagle Point	District				1-Apr	31-Oct		
Eagle Point	District	89864	1.25	356.94	1-Apr	31-Oct	356.94	
Eagle Point	District	T-12221	0.7	207.2	1-Apr	1-Oct	207.2	
Eagle Point	District				1-Apr	31-Oct		
<b>Totals</b>							<b>3,123.7</b>	<b>\$71,477.22</b>

**Table 5: Example Calculation of Average Annual Cost Per Acre Foot (See VII.B.5. and VII.C. in IGA)**

	<b>Annual Costs (2020)</b>	<b>Water Volumes Associated with the Costs (AF)</b>
<b>Total Annual O&amp;M Cost For Storage Space</b>	\$93,923.69	3,892
<b>5-Year Rolling Average RR&amp;R Cost for Storage Space</b>	\$0.00	
<b>Total Annual Assessment Cost from Irrigation Districts</b>	\$71,477.22	3,123.7
<b>Totals</b>	<b>\$165,400.91</b>	<b>7,015.70</b>
<b>Annual Average Cost Per Acre Foot: (Divide Total Annual Cost by the Total Water Volume Associated with the Costs)</b>		<b>\$23.58</b>

**Attachment 7**

**Example Annual Summary Report of Water Sharing  
Agreement**

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**Intergovernmental Agreement for a Coordinated  
Water Rights Management and Water Sharing Plan**

**Table 1: Example - Volume of Water Use, Water Purchased, and Water Sold**

<b>Partner City</b>	<b>Authorized Water Volume (AF/season)</b>	<b>Annual Metered Volume (AF)</b>	<b>Volume of Excess Use/ Excess Water Right Volume (AF)</b>	<b>Water Volume Purchased (AF)</b>	<b>Water Volume Sold (AF)</b>	<b>Authorized Water Volume Remaining After Purchase/Sale (AF)</b>
<b>Central Point</b>	1928.8	2023.1	-94.4	94.4	0.0	0.0
<b>Eagle Point</b>	1860.9	1050.5	810.5	0.0	18.9	791.6
<b>Ashland</b>	1000.0	0.0	1000.0	0.0	18.9	981.1
<b>Jacksonville</b>	600.0	529.4	70.6	0.0	18.9	51.7
<b>Phoenix</b>	2,517.0	540.5	1,976.5	0.0	18.9	1,957.6
<b>Talent</b>	1292.0	559.3	732.7	0.0	18.9	713.9

**Table 2: Example - Total Cost Paid and Received by each Partner City**

	<b>Average Annual Cost (\$/AF)</b>	<b>Water Volume Purchased (AF)</b>	<b>Total Paid (\$)</b>	<b>Water Volume Sold (AF)</b>	<b>Total Received (\$)</b>
<b>Central Point</b>	\$23.58	94.4	\$2,225.13	0.0	\$0.00
<b>Eagle Point</b>	\$23.58	0.0	\$0.00	18.9	\$445.03
<b>Ashland</b>	\$23.58	0.0	\$0.00	18.9	\$445.03
<b>Jacksonville</b>	\$23.58	0.0	\$0.00	18.9	\$445.03
<b>Phoenix</b>	\$23.58	0.0	\$0.00	18.9	\$445.03
<b>Talent</b>	\$23.58	0.0	\$0.00	18.9	\$445.03
<b>Total</b>		<b>94.4</b>	<b>\$2,225.13</b>	<b>94.4</b>	<b>\$2,225.13</b>

**Table 3: Example - Matrix of Costs Paid by and to Each Partner City**

		Receives						Total Paid
		Central Point	Eagle Point	Ashland	Jacksonville	Phoenix	Talent	
Pays	Central Point		\$445.03	\$445.03	\$445.03	\$445.03	\$445.03	\$2,225.13
	Eagle Point	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Ashland	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
	Jacksonville	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
	Phoenix	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00
	Talent	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
	Total Received	\$0.00	\$445.03	\$445.03	\$445.03	\$445.03	\$445.03	



## **Memorandum**

**TO:** Commissioners Bob Strosser, Michael Smith, John Dailey, Jason Anderson, and Daniel Bunn  
**FROM:** Mark Depner, Purchasing Agent  
**DATE:** Wednesday, August 3, 2022  
**SUBJECT:** Item 6 – Resolution 1823, Amending Section 2.35 (C & D) and Section 2.36, of Medford Water’s Contracting and Purchasing Regulations  
**OBJECTIVE:** Board Approval

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### **Issue**

Medford Water’s current Purchasing and Contracting Regulations Section 2.35 (C & D) and Section 2.36 regarding Contract Award Protests and Judicial Review are outdated regarding our response to an award protest as well as the steps involved for Judicial Review. Revisions will clarify the protest response process and will follow Judicial Review steps as outlined in the current Oregon Revised Statutes 279B.415 and 279B.420.

### **Discussion**

The existing Regulations do not reflect the actual process for Medford Water’s response to a contract award protest. In addition, if the complainant wishes to pursue a Judicial Review of Medford Water’s response, the existing Regulations do not reflect the current steps for Judicial Review as stated in the Oregon Revised Statutes. Legal has reviewed and approved these revisions.

### **Financial Impact**

None.

### **Requested Board Action**

Staff recommends approval of Resolution 1823, authorizing the proposed revisions to Medford Water’s Purchasing and Contracting Regulations Section 2.35 (C & D) and Section 2.36 to clarify the award protest response process and the Judicial Review steps as stated in the Oregon Revised Statutes.

**RESOLUTION NO. 1823**

A RESOLUTION Updating Medford Water Commission's Contracting and Purchasing Regulations Article II – Goods & Services, Section 2.35 Protests and Judicial Review of Contract Award and Section 2.36 Judicial Review of Other Violations

WHEREAS, Section 2.35 (C) of the Commission’s Purchasing and Contracting Regulations addresses the Commission’s response to Contract Award Protests; and

WHEREAS, Section 2.35 (C) was updated last on August 17, 2011 and shall now be updated to reflect the current ORS 279B.415; and

WHEREAS, Section 2.35 (D) of the Commission’s Purchasing and Contracting Regulations addresses the Judicial Review process of Contract Award Protests; and

WHEREAS, Section 2.35 (D) was last updated on August 17, 2011 and shall now be updated to reflect the current ORS 279B.415; and

WHEREAS, Section 2.36 of the Commission’s Purchasing and Contracting Regulations addresses the Protest and Judicial Review of Other Violations; and

WHEREAS, Section 2.36 was last updated on August 17, 2011 and shall now be updated to reflect the current ORS 279B.420;

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

That Medford Water Commission's Contracting and Purchasing Regulations Article II – Goods & Services, Section 2.35 Protests and Judicial Review of Contract Award and Section 2.36 Judicial Review of Other Violations shall be updated to reflect current Oregon Revised Statutes as attached hereto, marked Exhibit A, and by this reference incorporated herein..

PASSED by the Board of Water Commissioners and signed by me in authentication of its passage this 3rd day of August 2022.

ATTEST: \_\_\_\_\_  
Yvette Finstad, Asst Clerk of the Commission

\_\_\_\_\_   
Bob Strosser, Chair

**2.35 Protests and Judicial Review of Contract Award.**

- (A) An Affected Person may protest the Award of a Contract, or the intent to Award a Contract, whichever occurs first, if:
- (1) The Affected Person would be eligible to be Awarded the Contract in the event that the protest was successful; and
  - (2) The reason for the protest is that:
    - (a) All lower Bids, higher ranked Proposals or other more Advantageous Offers are nonresponsive;
    - (b) The Commission failed to conduct the evaluation of Offers in accordance with the criteria or processes described in the Solicitation Document;
    - (c) The Commission abused its discretion in rejecting the Affected Person's Offer as nonresponsive; or
    - (d) The Commission's evaluation of the Offers was in violation of these Regulations, ORS Chapter 279B or ORS Chapter 279A.
- (B) Method of Protest.
- (1) Time: A Written protest of the Manager's Award shall be provided to the Manager within seven (7) Days after the Award of a Contract, or issuance of the Notice of Intent to Award the Contract, whichever occurs first. The Manager shall not consider a protest submitted after the timeline established for submitting such protest under this rule or such different time period as may be provided in the Solicitation Document or Notice of Intent to Award.
  - (2) Contents: The protest must include the following information:
    - (a) Sufficient information to identify the Award that is the subject of the protest;
    - (b) A detailed statement of all the legal and factual grounds for the protest as described in the applicable solicitation, statute or regulation;
    - (c) Evidence or supporting documentation that supports the grounds on which the protest is based;
    - (d) A description of the resulting harm to the Affected Person; and
    - (e) The relief requested.
- (C) Commission Response.



- ~~(1) At the next regularly scheduled Board meeting not less than 14 days after the date of filing, the Commission shall take the following actions:~~
- ~~(a) If the decision was timely filed and otherwise complies with this section, the Commission shall issue a decision in writing and provide that decision to the Affected Person within seven (7) business days unless a written determination is made by the Commission that circumstances exist that require a shorter time limit.~~
  - ~~(b) The Commission shall inform the Affected Person of its final decision and the reasons therefore as well as the right of the Affected Person to file a Writ of Review in Circuit Court pursuant to ORS 279B.400(4)(a).~~

[(1) The Commission shall consider and respond in writing to a protest within seven (7) business days unless the solicitation document defines a shorter time period. After the Commission issues the response to the protest in writing, the bidder or proposer may seek judicial review in the manner provided in ORS 279B.415.]

(D) Judicial Review

- (1) [The protest response by the Commission is reviewable by the Jackson County Circuit Court. To obtain review, a complainant must commence an action before the contract is executed by the Commission. In the complaint, the complainant shall state the nature of the complainant's interest, the facts showing how the complainant is adversely affected or aggrieved by the Commission's decision and the basis upon which the decision should be reversed or remanded
- (2) If injunctive relief is sought, the Court may require the person seeking a stay to post a bond in an amount sufficient to protect the Commission and the public from costs associated with delay in execution of the contract.]
- (3) The timely filing for judicial review prevents the Commission from proceeding with contract execution unless the Commission determines that there is a compelling governmental interest in proceeding or that the goods or services are urgently needed. The Commission shall set forth the reasons for its determination in writing and immediately provide them to the person who filed the challenge [as provided in ORS 279B.415(4).
- (4) The Court shall review the matter without a jury and shall consider only those grounds the complainant raised on the protest. The Court shall remand the matter to the Commission for a further decision pursuant to ORS 279B.415(6) if evidence does not exist to support the Commission's decision to proceed or the decision conflicts with the Commission's rules or statutory law.]

**2.36 ~~[Protest and]~~ Judicial Review of Other Violations.**

[(A) If the Commission allegedly violates a provision of ORS chapter 279A and a judicial remedy is not otherwise available under ORS chapter 279A, 279B or 279C, the alleged violation is subject to judicial review only as provided in ORS 279B.420.]

~~Any violation of these regulations or of ORS Chapter 279A or 279B, except 279B.270, 279B.275, 259B.280, and 279B.400 to 279B.425, for which no administrative remedy is otherwise provided by these regulations, is subject to Judicial Review pursuant to ORS~~

~~279B.420.~~

~~2.36.1 — Administrative Remedy.~~

~~2.36.1.1 — Time: In order to obtain Judicial Review under this provision, the person seeking judicial review must have given written notice to the Commission within ten (10) Days after the date on which the alleged violation occurred and in no event no later than ten (10) Days after the date of the execution of the Contract. The Commission shall not consider a protest submitted after the timeline established for submitting such protest under this rule and shall not consider a protest under this section if a right to protest is elsewhere provided by this Regulation.~~

~~2.36.1.2 — Contents: The protest must include the following information:~~

~~2.36.1.2.1 — Sufficient information to identify the Procurement or Solicitation that is the subject of the protest;~~

~~2.36.1.2.2 — A detailed statement of the alleged violation and all the legal and factual grounds for the protest;~~

~~2.36.1.2.3 — Evidence or supporting documentation that supports the grounds on which the protest is based;~~

~~2.36.1.2.4 — A description of the resulting harm to the Affected Person; and~~

~~2.36.1.2.5 — The relief requested.~~

~~(C) — Commission Response.~~

~~(1) — At the next regularly scheduled Board meeting not less than 14 days after the date of filing, the Commission shall take the following actions, as appropriate:~~

EXHIBIT A TO RESOLUTION NO. 1823

~~(2) If the decision was timely filed and otherwise complies with this section, the Commission shall issue a decision in writing and provide that decision to the Affected Person within seven (7) business days unless a written determination is made by the Commission that circumstances exist that require a shorter time limit.~~

~~(3) The Commission shall inform the Affected Person of its final decision and the reasons therefore as well as the right of the Affected Person to file a Writ of Review in Circuit Court pursuant to ORS 279B.420(5).~~

~~(D) Judicial Review~~

~~(1) The timely filing for judicial review prevents the Commission from proceeding with contract execution unless the Commission determines that there is a compelling governmental interest in proceeding or that the goods or services are urgently needed. The Commission shall set forth the reasons for its determination in writing and immediately provide them to the person who filed the challenge.~~



## Memorandum

**TO:** Commissioners Bob Strosser, Michael Smith, John Dailey, Jason Anderson, and Daniel Bunn  
**FROM:** Ken Johnson, Meters & Controls Manager-Operations  
**DATE:** Wednesday, August 3, 2022  
**SUBJECT:** Item 7 – Resolution 1824, Authorizing an Extension and Second Addendum to the Advanced Metering Infrastructure (AMI) Agreement

### Issue

Medford Water entered into the initial Sensus AMI Agreement on July 8, 2016. On May 15, 2020, an extension of the initial agreement for purpose of buildout of AMI infrastructure per initial agreement “Exhibit C” pricing was approved. That First Addendum agreement has expired, and a new agreement is required.

Sensus has provided a Second Addendum to the AMI Agreement which maintains the same terms and conditions of the First Addendum other than providing an updated annual pricing for two cloud-based software packages.

### Discussion

Sensus provides Medford Water with two cloud-based Software as a Service (SaaS) software packages to manage and maintain the AMI system. This includes the Regional Network Interface (RNI) platform which is used to manage, troubleshoot, and maintain the AMI infrastructure and Sensus Analytics which provides a web portal utilized by Medford Water staff for billing AMI accounts as well as for viewing and analyzing interval consumption data.

### Financial Impact

Over the 5-year term, the total amount for annual fees for RNI/SaaS and Sensus Analytical Essentials equals \$205,095, to be expensed annually based on pricing listed in the Second Addendum of the AMI Agreement and as shown in table below. The annual fee is based on how many end points are reporting to AMI system:

	Smart Points Year 6	Smart Points Year 7	Smart Points Year 8	Smart Points Year 9	Smart Points Year 10	TOTAL
	15,000	18,000	20,000	23,000	25,000	
Annual RNI SaaS Fee	\$ 18,386	\$ 22,724	\$ 26,007	\$ 27,974	\$ 28,813	
Sensus Analytics Essential-Water	\$ 11,530	\$ 14,054	\$ 15,971	\$ 18,748	\$ 20,888	
	\$ 29,916	\$ 36,778	\$ 41,978	\$ 46,722	\$ 49,701	

### Requested Board Action

Staff recommends approval of Resolution 1824, allowing the General Manager to execute a Memorandum of Extension and Second Addendum to the AMI Agreement, and payments to Sensus USA, Inc.



**MEMORANDUM OF EXTENSION AND SECOND ADDENDUM TO THE AMI AGREEMENT**

(“Second Addendum”)

This Second Addendum is made this \_\_\_ day of \_\_\_\_\_ 2022 (“Effective Date”), by and between Sensus USA Inc., a corporation of the State of Delaware with offices at 637 Davis Drive, Morrisville, NC 27560 USA (“Sensus”), and Medford Water Commission, (“Customer”).

WHEREAS, Customer entered into an AMI Agreement with Sensus on July 8, 2016 (“Original Agreement”); and

WHEREAS, Customer and Sensus subsequently modified the Original Agreement in accordance with a Memorandum of Extension and First Addendum on May 15, 2020 to document a mutually agreed upon Extension of the Original Agreement. Collectively, the Original Agreement and the First Addendum are hereby referred to as the “Agreement”; and

WHEREAS, the parties desire to memorialize a second Extension of the Agreement in writing;

WHEREAS, the parties wish to include applicable pricing for the second Extension in Exhibit C of the Agreement; and

WHEREAS, the parties desire to amend the Agreement to include applicable insurance requirements.

NOW THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth in this Second Addendum, the parties hereto mutually covenant and agree as follows:

1. **Defined Terms.** Any terms used in this Second Addendum as defined terms, and which are not defined herein, shall have the meanings given to those terms in the Agreement.
2. **Memorandum of Extension.** Upon expiration of the Extension, the parties constructively entered into a second Extension (defined below) of the Agreement, as confirmed by this Second Addendum. As such, the Agreement is extended for an additional five (5) years. For clarity and avoidance of doubt, the language found in the second paragraph on the first page of the Agreement is amended in its entirety to reflect the following:
  - a. This Agreement shall commence on the Effective Date and continue for an initial term of twelve (12) months (“Initial Term”). At the end of the Initial Term, with the written notice to, and approval from Sensus, Customer may extend the term of this Agreement for up to two (2) additional terms of five (5) years (each a “Renewal”). The Initial Term (together with any Extension) is referred to herein as the “Term.”
3. **Pricing.** The pricing table below is added to the pricing listed in Section 2 (SaaS) in Exhibit C of the Agreement. For clarity and avoidance of doubt, the payment terms and notes within Exhibit C of the Agreement remain unchanged therein and continue to be applicable between the parties

SaaS:

	Total Cumulative SmartPoints at the end of YEAR 6	Total Cumulative SmartPoints at the end of YEAR 7	Total Cumulative SmartPoints at the end of YEAR 8	Total Cumulative SmartPoints at the end of YEAR 9	Total Cumulative SmartPoints at the end of YEAR 10
<b>Total</b>	<b>15,000</b>	<b>18,000</b>	<b>20,000</b>	<b>23,000</b>	<b>25,000</b>

	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Description	PRICE	PRICE	PRICE	PRICE	PRICE
Annual RNI SaaS Fee	\$ 18,386	\$ 22,724	\$ 26,007	\$ 27,974	\$ 28,813
Sensus Analytics Essential - Water	\$ 11,530	\$ 14,054	\$ 15,971	\$ 18,748	\$ 20,888

4. **Insurance Requirements.** Sensus shall maintain the following insurance coverage requirements during the Term of the Agreement:

- a. **Commercial General Liability Insurance** on an “occurrence” policy form covering bodily injury and property damage, products/completed operations, personal & advertising injury, and blanket contractual liability. Such insurance coverages shall be primary and non-contributory and provide limits of at least \$1,000,000 per occurrence and a general aggregate of \$2,000,000. The Customer and its officers, employees, and agents while acting within the scope of their duties shall be named as additional Insured by endorsement.
- b. **Commercial Automobile Liability Insurance** for bodily injury and property damage covering owned, non-owned, rented, and hired autos. Such insurance shall provide a combined single limit per accident of \$1,000,000.
- c. **Workers Compensation Insurance** meeting statutory requirements of Oregon Workers Compensation Law must be provided (and any sub-contractor Sensus may use) for any subject workers, as well as employer’s liability insurance with limit of \$500,000.
- d. Sensus shall submit certificates of insurance for all policies listed above upon Customer’s request. Certificate of Insurance must include additional insured endorsement for general liability insurance. Certificate Holder (and additional insured for general liability) shall be shown as: Medford Water Commission, 200 S. Ivy Street – Rm 177, Medford, OR 97501.
- e. Sensus will provide thirty (30) days written notice prior to cancellation of, material change to, exhaustion of aggregate limits of, or intent not to renew any insurance policy for coverage required herein. Sensus shall itself provide the written notice in the event that its insurance companies will not or do not provide such notice. Failure to maintain proper insurance and/or provide timely notification of a change in coverage is grounds for potential immediate termination of the Agreement.
- f. Notwithstanding insurance requirements stated above, or any modifications made thereto, in no case shall the presence or absence of any insurance coverage, or any insurance policy limit, provision, term, or condition reduce the obligations of Sensus for

liability granted generally by law or specifically in the terms of the Agreement. In no case shall Customer be responsible for any amount of Sensus' self-insurance, or any retention, deductible, or coinsurance amount required by Sensus' insurance policies.

- 5. **Entire Agreement.** The Agreement, as amended by this Second Addendum, constitutes and contains the entire understanding and agreement of the parties. To the extent that the provisions of this Second Addendum are inconsistent with the Agreement, the terms of this Second Addendum shall control. Except as expressly amended or modified in this Second Addendum, all other terms and conditions of the Agreement shall remain in full force and effect and this Second Addendum shall be binding upon the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Second Addendum to be signed by their respective officers, authorized as of the day and year written above.

**Sensus USA Inc.**

**Customer: Medford Water Commission**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_





## **Memorandum**

**TO:** Commissioners Bob Strosser, Michael Smith, John Dailey, Jason Anderson, and Daniel Bunn  
**FROM:** Ken Johnson, Meters & Controls Manager-Operations  
**DATE:** Wednesday, August 3, 2022  
**SUBJECT:** Item 8 – Resolution 1825, Authorizing the General Manager to execute purchase orders to Sensus Metering Systems  
**OBJECTIVE:** Board Approval

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### **Issue**

Purchase of water meters of various sizes, radio SmartPoints via quote #33375 from Sensus Metering Systems over multiple purchases in FY 22-23 exceed the General Manager's authorized limit of \$150,000.

### **Discussion**

Purchases exceeding the General Manager purchasing authority are required to be approved by the Board, and in each of the past five years, a resolution to authorize the General Manager to execute purchase order(s) to Sensus Metering Systems for water meters, radio SmartPoints, and AMI Infrastructure have been presented.

Staff requests that the General Manager again be granted authority to approve purchases throughout the fiscal year that added together exceed the General Manager's authorized limit of \$150,000.

### **Financial Impact**

\$585,000 stock and inventory purchases; to be expensed over time (as issued) to various work orders or CIP's.

### **Requested Board Action**

Staff recommends approval of the Resolution 1825, allowing the General Manager to execute purchase order(s) to Sensus Metering Systems in the amount of \$585,000.

**RESOLUTION NO. 1825**

A RESOLUTION Authorizing the General Manager to Execute Purchase Orders in the Amount of \$585,000 to Sensus Metering Systems for Meters, Radio SmartPoints, and Advanced Metering Infrastructure for Fiscal Year 2022-2023

WHEREAS, Medford Water Commission (Medford Water) budgets and purchases meters, radio SmartPoints, and Advanced Metering Infrastructure (AMI) for the distribution system annually; and

WHEREAS, Medford Water will prepare multiple orders from Sensus Metering Systems throughout fiscal year 2022-2023 for inventory purchases; and

WHEREAS, the combined amount of the multiple purchase orders, \$585,000, exceeds the General Manager's authority pursuant to Medford Water Commission's Contracting and Purchasing Regulations, Section 1.02;

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

That the General Manager is hereby authorized and directed to execute purchase order(s) to Sensus Metering Systems for FY22-23 in the total amount of \$585,000. This authorization exceeds the authority of the General Manager as defined in Section 1.02 of the Contracting & Purchasing Regulations.

PASSED at a regular meeting of the Board of Water Commissioners and signed by me in authentication thereof this 3rd day of August 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:** Julie Smitherman, Customer Service and Water Efficiency Manager

**DATE:** Wednesday, August 3, 2022

**SUBJECT:** Item 9 – Resolution 1826, Authorizing the General Manager to approve payments up to a maximum of \$600,000 for the current contract with Bend Mailing Services

**OBJECTIVE:** Board Approval

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### Issue

In October 2021, the Board approved resolution 1789, authorizing the General Manager to execute a sole source one-year contract with Bend Mailing Service with the option for two, one-year extensions. However, the resolution did not clearly authorize the General Manager to approve costs up to \$600,000.

### Discussion

While we are currently in the first year of the contract and have two more one-year extensions available, the cost of each year's billing is estimated at \$200,000. The new resolution includes language that clearly defines the General Manager's ability to approve invoices up to \$600,000 over the term of contract.

### Financial Impact

The anticipated annual cost is approximately \$200,000, which has already been included in the budget.

### Requested Board Action

Staff recommends approval of Resolution 1826, authorizing the General Manager to approve annual payments estimated at \$200,000 up to a maximum of \$600,000 over the term of the agreement (3 years).

**RESOLUTION NO. 1826**

A RESOLUTION Authorizing the General Manager to Execute Contract Payments to Bend Mailing Services Estimated at \$200,000 Annually up to a Maximum of \$600,000 for Medford Water Commission’s Water Bill Design, Printing, and Mailing Services, Awarded October 6, 2021

WHEREAS, after a Request for Proposal solicitation process in 2009, Medford Water Commission (Medford Water) entered into a two-year contract with Bend Mailing Services (BMS), for utility bill design, printing, and mailing services, which was extended an additional two years; and

WHEREAS, in October 2013, said contract was exempted from competitive solicitation and awarded to BMS under the same terms and conditions and later also extended for an additional two years; and

WHEREAS, in October 2017, an exemption from competitive solicitation was authorized and awarded to BMS under the same terms and conditions and later also extended for an additional two years; and

WHEREAS, in October 2021, an exemption from competitive solicitation was authorized and awarded to BMS as a one-year contract with the option for two, one-year extensions (Resolution 1789); and

WHEREAS, the cost of each year’s billing is estimated at \$200,000, and Resolution 1789 did not clearly authorize the General Manager to approve costs for the full term of the contract, up to \$600,000;

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

That the General Manager is hereby authorized and directed to execute contract payments to Bend Mailing Services estimated at \$200,000 annually, up to a maximum of \$600,000, on behalf of the Board of Water Commissioners, for Water Bill Design, Printing, and Mailing Services, awarded October 6, 2021, which contract is on file 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 Contracting & Purchasing Regulations.

PASSED by the Board of Water Commissioners and signed by me in authentication of its passage this 3rd day of August 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:** Andy Huffman, Senior Capital & Special Projects Manager

**DATE:** Wednesday, July 27, 2022

**SUBJECT:** Item 10 – Resolution 1827, Authorizing the General Manager to Execute a Contract Amendment with Jacobs for SCADA Architecture for Duff WTP

**OBJECTIVE:** Board Approval

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### **Issue**

Aging and substandard SCADA hardware and software at the Duff WTP require replacement prior to the commissioning of the new filters, reservoir, and finished water pump station (WIFIA program). The time windows to accomplish this significant effort is finite and these activities need to advance in a timely manner.

### **Discussion**

Part A of the SCADA Project was authorized by Resolution 1797 on January 5<sup>th</sup>, 2022, for the amount of \$510,773.00. The project included Master Planning and Evaluation of existing SCADA and Communications, Standards, Implementation Schedule, Cost Analysis, and Project Definition, and a Basis of Design Report.

Work within the Master Planning portion of the SCADA Project has advanced to a point where selections regarding SCADA hardware and software have been made. This work has moved ahead to position Medford Water to make informed selections and avoid stranded assets. The 65 MGD Expansion at Duff will introduce new process components to operations which need to be integrated with existing functions at the Duff WTP.

It is critical the conversion of these elements is complete prior to commissioning of new process elements to provide plant staff time to become familiar with the new SCADA system prior to introduction of the new elements.

Historically, Medford Water has contracted programming and configuration of new and existing SCADA hardware and software separately from construction contracts. This provides a method to control the quality and consistency of the work being provided relating to SCADA. The new process elements will be provided in conjunction with the existing plant reprogramming to benefit from the synergy of that implementation and to avoid the inherent contractor markup to the work being provided under a construction contract.

The scoped work under this contract amendment will include the development of SCADA programming standards which will apply to the reconfiguration of the entire distribution system SCADA platform as well. It also covers programming, configuration, and deployment of the Operational Technologies (OT) systems.

## **Financial Impact**

The Part A contract with Jacobs has had \$181,227.16 billed against the \$510,773 in Fiscal Year 21/22. The project scope is on track to stay within the contracted amount and to be completed by June 30, 2023. Part B (a portion of the overall Part B) will be spent over multiple years concurrent with Duff 65 mgd Expansion.

There is \$1,582,482.00 allocated in the 10 yr. CIP budget for the SCADA Upgrade. The 10 yr. CIP budget will be rearranged to accommodate the recalibrated cost impacts.

## **Requested Board Action**

Staff recommends approval of Resolution 1827, authorizing the General Manager to execute a Consulting Services Contract Amendment with Jacobs Engineering in the amount of \$2,800,000.00 for a portion of Part B.

**RESOLUTION NO. 1827**

A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract Amendment with Jacobs Engineering Group, Inc for Consulting Services for a Portion of Part B Design and Implementation of Supervisory Control and Data Acquisition (SCADA) Architecture for the Robert A. Duff Water Treatment Plant for up to \$2,800,000.00

WHEREAS, Medford Water Commission (Medford Water) solicited proposals for Consulting Services for SCADA Architecture Master Planning, Design, & Implementation Consulting Services for Medford Water Commission (CIP-22-00353) through a Request for Proposals based on the Qualification Based Selection process; and

WHEREAS, Part A of the SCADA Project was authorized by Resolution 1797 on January 5th, 2022, which included Master Planning and Evaluation of existing SCADA and Communications, Standards, Implementation Schedule, Cost Analysis, and Project Definition, and a Basis of Design Report; and

WHEREAS, Jacobs Engineering Group, Inc., has submitted a Scope of Work, Schedule, and Budget for a portion of Part B of the project and is qualified and agreeable to render the services specified therein; and

WHEREAS, the value of the contract amendment, estimated at \$2,800,000.00 exceeds the 25% of the original contract amount and 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 amendment in the amount of \$2,800,000.00 for a portion of Part B Design and Implementation of Supervisory Control and Data Acquisition (SCADA) Architecture for the Robert A. Duff Water Treatment Plant (CIP-22-00353) is hereby awarded to Jacobs Engineering Group, Inc.

SECTION 2. That the General Manager is hereby authorized and directed to execute Part B of 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 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 3rd day of August 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:** Thursday, July 28, 2022

**SUBJECT:** Item 11 – Resolution 1828, Authorizing the General Manager to Execute a Revised Payment to CIS for General Liability, Automotive, and Property Damage Insurance for Fiscal Year 2022-2023

**OBJECTIVE:** Board Approval

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### **Issue**

Resolution 1817 authorized the General Manager to direct and execute a payment in the amount of \$208,641.67 to CIS for Medford Water's general liability, automotive, and property damage insurance for Fiscal Year 2022-2023. That premium has been revised to \$227,779.12 for Fiscal Year 2022-2023, which exceeds the General Manager's purchasing authority without board approval.

### **Discussion**

When calculating the savings in our insurance premium by increasing our deductible to \$50K (from \$20K for liability and \$25K for property), PayneWest used what they thought were the gross property premium totals to apply our multiline discounts. Instead, those CIS premium totals were the net premiums with discounts already applied. The result is a corrected premium total to pay of \$227,779.12 instead of the \$208,641.67 originally presented. With industry wide cost increases in the last year, our new premium was projected to be \$265,569.66 for the same coverage we had in Fiscal Year 2021-2022. By increasing our deductibles to \$50K, we are still able to reduce this cost by \$37,790.54.

### **Financial Impact**

The Fiscal Year 2022-2023 premium for general liability, automotive, and property damage from CIS is \$227,779.12. This premium cost, along with the new Evolve cyber liability coverage premium, remains under the budgeted amount.

### **Requested Board Action**

Approval of Resolution 1828, authorizing the General Manager to execute a revised payment of \$227,779.12 to CIS for Medford Water's general liability, automotive, and property damage insurance premium for Fiscal Year 2022-23.



**RESOLUTION NO. 1828**

A RESOLUTION Authorizing the General Manager of the Medford Water Commission to Execute on Behalf of the Board of Water Commissioners, a Revised Payment to CityCounty Insurance Services in the Amount of \$227,779.12 for Medford Water Commission's General Liability, Automotive, and Property Damage Insurance Premium for Fiscal Year 2022-2023

WHEREAS, the Board of Water Commissioners approved a payment to CityCounty Insurance Services (CIS) in the amount of \$208,641.67 for Medford Water Commission's (Medford Water's) general liability, automotive, and property damage insurance premium for Fiscal Year 2022-2023 on June 15, 2022 (Resolution 1817); and

WHEREAS, corrections to gross property premium totals have been made, and the cost of the premium for general liability, automotive, and property damage insurance from CityCounty Insurance Services (CIS) for Fiscal Year 2022-2023 has been revised from \$208,641.67 to \$227,779.12; and

WHEREAS, this amount exceeds the General Manager's authority;

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

The General Manager is hereby authorized and directed to execute on behalf of the Board of Water Commissioners a payment in the amount of \$227,779.12 to CIS for Medford Water's general liability, automotive, and property damage insurance, superseding the payment authorized by Resolution 1817. This authorization exceeds the authority of the General Manager as defined in Section 1.02 of the Contracting & Purchasing Regulations.

PASSED by the Board of Water Commissioners and signed by me in authentication of its passage this 3rd day of August 2022.

ATTEST: \_\_\_\_\_  
Yvette Finstad, Asst. Clerk of the Commission

\_\_\_\_\_  
Bob Strosser, Chair