



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

## AGENDA

11:15 a.m. LUNCH

11:45 a.m. STUDY SESSION – Invoice Cloud Extension – Paymentus (Information Technology Manager Kris Stitt and Water Resources & Customer Service Manager Julie Smitherman)

12:15 p.m. BOARD MEETING

### 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. Public Hearings

4.1 Consider Resolution No. 1902, A RESOLUTION of the City of Medford, Oregon, By and Through its Board of Water Commissioners, Modifying System Development Charges (SDCs) for Water Treatment and Transmission Facilities, to \$2,225.62 per Equivalent Residential Unit (ERU), Using the Methodology and Other Provisions Relating to Imposition and Collection of SDCs, Effective October 1, 2023

4.2 Consider Resolution No. 1903, A RESOLUTION of the City of Medford, Oregon, By and Through its Board of Water Commissioners, Modifying System Development Charges (SDCs) for the East Side High Level Area (ESHL) to \$10,420.44 per Gross Acre, Using the Methodology and Other Provisions Relating to Imposition and Collection of SDCs, Effective October 1, 2023

4.3 Consider Resolution No. 1904, A RESOLUTION of the City of Medford, Oregon, By and Through its Board of Water Commissioners, Modifying System Development Charges (SDCs) for the Southwest High Level Area (SWHL) to \$10,090.81 per Gross Acre, Using the Methodology and Other Provisions Relating to Imposition and Collection of SDCs, Effective October 1, 2023

### 5. Consent Calendar

5.1 Approval or Correction of the Minutes of the Last Regular Meeting of August 16, 2023

5.2 Quarterly Letter to Mayor and Council

### 6. Items Removed from Consent Calendar

7. **Resolution No. 1905, A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract with Paymentus for payment processing services, Not to Exceed \$1,201,500**
8. **Resolution No. 1906, A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract with N. Advanced Utilities Systems (AUS) a subsidiary of N. Harris Computer corporation for support and maintenance, Not to Exceed \$281,875**
9. **Resolution No. 1907, A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract in the Amount of \$246,040 with Central Pipeline, Inc. for the Orchard Home Waterline Extension project**
10. **Leadership Team Reports**  
Leadership Team staff will be present and may provide information: Engineering Manager Brian Runyen, Water Operations Manager Dan Perkins, Finance Manager Anna Roeder, Information Technology Manager Kris Stitt, Human Resources Manager Tanya Haakinson, Water Resources & Customer Service Manager Julie Smitherman, and General Manager Brad Taylor.
11. **Propositions and Remarks from the Commissioners**
12. **Adjourn**

<b>DATES TO REMEMBER*</b>					
<b>DATE</b>	<b>DAY</b>	<b>TYPE OF MEETING</b>	<b>STUDY SESSION TIME &amp; TOPIC</b>	<b>REGULAR MEETING</b>	<b>LOCATION</b>
9/20/23	Wed	Board Meeting	TBD - Website/BBS Modernization Project Update	12:15 p.m.	Prescott Room, Police Dept
10/04/23	Wed	Duff WTP Tour	TOUR	12:15 p.m.	Robert A. Duff Water Treatment Plant
10/18/23	Wed	Board Meeting	TBD – AMI Project Update	12:15 p.m.	Service Center
11/01/23	Wed	Board Meeting	COSA	12:15 p.m.	Prescott Room, Police Dept
11/15/23	Wed	Board Meeting	COSA	12:15 p.m.	Prescott Room, Police Dept

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

### INSTRUCTIONS FOR ATTENDING THIS MEETING VIRTUALLY



To join by computer, click the following link:

[https://us02web.zoom.us/webinar/register/WN\\_LRDSRJyeT1issXDZ0qAHBA](https://us02web.zoom.us/webinar/register/WN_LRDSRJyeT1issXDZ0qAHBA)

Meeting passcode: 528275



To join by phone, call:

(669) 900-6833

Meeting ID Number: 876 3445 6749 Meeting passcode: 528275



## Memorandum

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

**FROM:** Brian Runyen, P.E., Engineering Manager

**DATE:** Wednesday, September 6, 2023

**SUBJECT:** Item 4.1 – Resolution 1902, Modifying System Development Charges (SDC's) for Water Treatment and Transmission Facilities - Systemwide

**OBJECTIVE:** Board Approval

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### Issue

Medford Water updates its System Development Charges (SDCs) for “Water Treatment and Transmission Facilities – Systemwide” on an annual basis in order to update the cost-based charges for new customers connecting to, or requesting additional capacity to, Medford Water’s system. By establishing cost based SDCs, Medford Water attempts to have “growth pay for growth” and existing utility customers will, for the most part, be sheltered from the financial impacts of growth.

### Discussion

As presented at the April 19, 2023, Study Session, staff utilized methodologies as recommended by our consultant that included steps such as determination of system planning criteria, determination of equivalent residential units, calculation of system component costs and determination of any credits. As a result of the calculation for the SDC for Water Treatment and Transmission Facilities – Systemwide, the cost per ERU increased from \$2,053.51 to \$2,225.62.

### Financial Impact

None.

### Requested Board Action

Staff recommends approval of Resolution 1902, which modifies the SDC for Water Treatment and Transmission Facilities – Systemwide to \$2,225.62.

## RESOLUTION NO. 1902

A RESOLUTION of the City of Medford, Oregon, By and Through its Board of Water Commissioners, Modifying System Development Charges (SDCs) for Water Treatment and Transmission Facilities, to \$2,225.62 per Equivalent Residential Unit (ERU), Using the Methodology and Other Provisions Relating to Imposition and Collection of SDCs, Effective October 1, 2023

WHEREAS, on July 1, 1994, Medford Water adopted Resolution Nos. 773 & 774, establishing and imposing SDCs for water treatment and transmission facilities; and

WHEREAS, Medford Water reviews SDC rates annually and revises capital project costs to reflect changes in the *Engineering News – Record* Construction Cost Index (CCI), modifications to the master facility plans, and modifications to the list of eligible projects as approved by the Board of Water Commissioners; and

WHEREAS, the SDC for Water Treatment and Transmission Facilities was last modified in September 2022; and

WHEREAS, the 2023 SDC review identified capital improvements which effectively modify the capacity of treatment plant and transmission facilities; and

WHEREAS, Staff presented a study session on the staff review on April 19, 2023; and

WHEREAS, at their September 6, 2023, meeting, the Board of Water Commissioners reviewed the calculations, and Staff's recommendation to modify the SDC for Water Treatment and Transmission Facilities from the current amounts based on the following meter sizes and weighting factors:

Meter Size	Weighting Factor	SDC Charge
5/8" x 3/4"	1	\$2,225.62
1"	1.6	\$3,560.99
1 1/2"	4.3	\$9,570.16
2"	5.7	\$12,686.03
3"	18.6	\$41,396.51

\* Meters four inches (4") and larger may be sized for combined fire and consumption demands. Applicants whose projects will require these large meters are required to pay the SDC based on the actual meter size installed. The applicant may, one year after completion of the project, ask for a review of their consumption patterns. If the maximum consumption demand is less than that which is available for the meter size installed, a reduction in the fee to the approximate meter size will be allowed. If the consumption patterns change for those customers who have qualified for a reduction in SDC fees, the Commission, City or Water District may require the payment of additional SDC fees.

WHEREAS, a public hearing to consider modification of the SDC for Water Treatment and Transmission Facilities was held on September 6, 2023, and noticed according to Oregon statutory requirements;

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

Effective October 1, 2023, the SDC to be collected for water treatment and transmission facilities, in the modified amount of \$2,225.62 per ERU, as set forth in the annual staff review, attached as Exhibit A and by reference made a part hereof, with 100 percent (100%) being a reimbursement and improvement fee, with payment due and payable at the time the improvement plans are approved for the proposed development.

PASSED by the Board of Water Commissioners and signed by me in authentication of its passage this 6th day of September 2023.

ATTEST: \_\_\_\_\_  
Amber Furu, Asst. Clerk of the Commission

\_\_\_\_\_  
Michael Smith, Chair

EXHIBIT A TO RESOLUTION 1902 - PAGE 1 OF 3

Medford Water Commission  
 System Development Charge Study  
 System Wide SDC Calculation  
 Exhibit 1

**SDCs For: TREATMENT PLANT AND TRANSMISSION EXPANSION - 30/45/65 MGD**

			(4,5)		(7)	(8)	(11)	(3)	(10)	(2)	(1)	
CIP/Asset #	Capacity-Increasing Project Description (Constructed Reimbursement or Future Improvement)	ital Improvement PI	Installation Year	Years in Service or Year of Estimate	Annual Average CCI for Installation Year	Original or Estimated Asset Cost (\$)	Portion Eligible (%)	WIFIA Project?	Original or Estimated SDC Cost (\$)	Present Estimated Cost (2022\$)	ERUs	Present Worth (PW) Cost per ERU (\$)
<b>I. WATER TREATMENT PLANT EXPANSION (Increase of 15 MGD TO 65 MGD = 50 MGD)</b>												
CADU26060	DUFF-HIGH SVC PUMP		1981	42	3535	54,957	100%		54,957	\$ 202,216	53,733	3.76
CADU26860	ROGUE RIVER INTAKE		1982	41	3825	184,269	100%		184,269	\$ 626,590	53,733	11.66
CADU27160	DUFF PLANT FILTERS		1983	40	4066	572,179	100%		572,179	\$ 1,830,210	53,733	34.06
CADU26300	DUFF PLANT ADDITION		1983	40	4066	300,852	100%		300,852	\$ 962,325	53,733	17.91
CADU26320	DUFF PLANT ADDITION		1983	40	4066	36,468	100%		36,468	\$ 116,650	53,733	2.17
CADU04780	COAGULATION BASINS @ DUFF		1989	34	4615	454,169	100%		454,169	\$ 1,280,115	53,733	23.82
CADU38820	DUFF HIGH SVC PUMP #5		1997	26	5826	184,171	100%		184,171	\$ 411,171	53,733	7.65
CADU38800	ROGUE INTAKE PUMP #1		1997	26	5826	237,389	100%		237,389	\$ 529,983	53,733	9.86
CADU42890	DUFF PHASE II PURIFICATION EQUIPMENT - ORIGINAL COST INCLUDES UPK		2000	23	6221	2,079,186	3%		51,990	\$ 108,698	53,733	2.02
CADU43930	DUFF PLANT PHASE III FILTER EXPANSION		2000	23	6221	1,120,269	100%		1,120,269	\$ 2,342,191	53,733	43.59
CADU43940	DUFF PLANT PHASE III FILTER EXPANSION		2000	23	6221	1,034,094	100%		1,034,094	\$ 2,162,023	53,733	40.24
CADU46370	DUFF EFFLUENT PIPING & METERING		2003	20	6695	121,564	100%		121,564	\$ 236,186	53,733	4.40
CADU46760	DUFF ELECTRICAL UPGRADE 50%		2004	19	7115	829,214	50%		414,607	\$ 757,929	53,733	14.11
CADU48331	DUFF WASH WATER LAGOON (50% SDC FUNDED)		2009	14	8575	4,279,371	50%		2,139,685	\$ 3,245,605	53,733	60.40
CADU48821	DUFF INTAKE FISH SCREENS (50% SDC FUNDED)		2010	13	8802	1,903,049	50%		951,524	\$ 1,406,018	53,733	26.17
CADU49080	DUFF HIGH SERVICE PUMP		2010	13	8802	246,067	100%		246,067	\$ 363,601	53,733	6.77
CADU50588	Duff 65 MGD (Nominal) Raw Water Pump #1 Design/Construct		2016	7	10338	817,243	25%		204,311	\$ 257,049	53,733	4.78
CADU50605	Duff 65 MGD Floc-Sed/Rapid Mixer Design - 50% expansion p	14-00009	2017	6	10737	921,852	50%		460,926	\$ 558,389	53,733	10.39
CADU50605	Duff 65 MGD Floc-Sed/Rapid Mixer Construct - 50% expansior	14-00009	2017	6	10737	10,939,309	50%		5,469,655	\$ 6,626,218	53,733	123.32
CADU50605	Duff 65 MGD Floc-Sed/Rapid Mixer Design - 50% expansion p	14-00009	2018	5	11062	531,063	50%		265,531	\$ 312,220	53,733	5.81
CADU50605	Duff 65 MGD Floc-Sed/Rapid Mixer Construct - 50% expansior	14-00009	2018	5	11062	6,301,945	50%		3,150,973	\$ 3,705,010	53,733	68.95
CADU50605	Duff 65 MGD Floc-Sed/Rapid Mixer Design - 50% expansion p	14-00009	2019	4	11281	183,553	50%		91,776	\$ 105,814	53,733	1.97
CADU50605	Duff 65 MGD Floc-Sed/Rapid Mixer Construct - 50% expansior	14-00009	2019	4	11281	2,178,158	50%		1,089,079	\$ 1,255,657	53,733	23.37
CAME48810	Rogue Intake Land		2011	12	9074	654,968	100%		654,968	\$ 938,836	53,733	17.47
CAME50543	Wetlands Mitigation Land - Duff		2015	8	10035	275,365	100%		275,365	\$ 356,899	53,733	6.64
CADU49081	Wetlands Mitigation Land - PCT		2014	9	9807	449,994	100%		449,994	\$ 596,846	53,733	11.11
CAME49180	Vernal Pool Fence		2012	11	9308	11,768	100%		11,768	\$ 16,444	53,733	0.31
CADU50935	Duff Engineered Lagoons 5-8		2021	2	12133	4,741,208	100%		4,741,208	\$ 5,082,539	53,733	94.59
CADU51101	Ozone Generators	D12	2022	1	13007	4,316,302	44%	31%	597,276	\$ 597,276	69,853	8.55
CADU51103	Duff Clear Well Baffles		2022	1	13007	579,915	100%	31%	182,379	\$ 182,379	69,853	2.61
											<b>688.47</b>	

EXHIBIT A TO RESOLUTION 1902 - PAGE 2 OF 3

Medford Water Commission  
 System Development Charge Study  
 System Wide SDC Calculation  
 Exhibit 1

**SDCs For: TREATMENT PLANT AND TRANSMISSION EXPANSION - 30/45/65 MGD**

			(4,5)		(7)	(8)	(11)	(3)	(10)	(2)	(1)		
CIP/Asset #	Capacity-Increasing Project Description (Constructed Reimbursement or Future Improvement)	Initial Improvement Pl.	Installation Year	Years in Service or Year of Estimate	Annual Average CCI for Installation Year	Original or Estimated Asset Cost (\$)	Portion Eligible (%)	WIFIA Project?	Original or Estimated SDC Cost (\$)	Present Estimated Cost (2022\$)	ERUs	Present Worth (PW) Cost per ERU (\$)	
FUTURE	Filter Addition	D10	2025	2022	13007	35,157,000	100%	31%	11,056,620	\$ 11,056,620	69,853	158.28	
	Duff Reservoir & Pump Station		2025	2022	13007	38,665,000	100%	31%	12,159,860	\$ 12,159,860	69,853	174.08	
	River Zone (Reduced Pressure Zone) Storage & Txm	R-4	2029	2022	13007	30,000,000	53%	31%	4,953,260	\$ 4,953,260	69,853	70.91	
<b>\$403.27</b>													
CONST	<b>II. DUFF WATER TREATMENT PLANT OZONE IMPROVEMENT (Increase of 25 MGD TO 65 MGD = 40 MGD)</b>												
	CADU46430	OZONE BUILDING		2003	20	6695	6,744,110	27%		1,839,793	\$ 3,574,517	42,986	83.15
	CADU46420	OZONE BUILDING		2003	20	6695	6,744,110	35%		2,341,555	\$ 4,549,385	42,986	105.83
<b>\$188.99</b>													
CONST	<b>III. ROGUE RIVER TRANSMISSION PROJECTS (Increase of 20 MGD TO 65 MGD = 45 MGD)</b>												
	CADU34060	CRATER LAKE 36 IN TRANS MAIN		1981	42	3535	1,670,351	100%		1,670,351	\$ 6,146,112	48,360	127.09
	CADU31360	5-86 36" WESTSIDE TRANS MAIN		1987	36	4406	1,564,693	100%		1,564,693	\$ 4,618,654	48,360	95.51
	CADU36060	ROSSANLEY 36" MAIN W/SIDE		1994	29	5408	1,118,669	100%		1,118,669	\$ 2,690,732	48,360	55.64
	CADU30780	CUNNINGHAM/COLUMB OVER/Z	MWC Cost Only	1994	29	5408	77,815	100%		77,815	\$ 187,168	48,360	3.87
	CADU31480	ROGUE TRANS/OVERZ/WESTFIELD	MWC Cost Only	1995	28	5471	92,240	100%		92,240	\$ 219,287	48,360	4.53
	CADU29360	30" WESTSIDE WATER LINE		1995	28	5471	260,201	100%		260,201	\$ 618,588	48,360	12.79
	CADU39360	36" WESTSIDE TRANSMISSION PHAS		1997	26	5826	1,180,711	100%		1,180,711	\$ 2,635,998	48,360	54.51
	CADU44480	STEWART MAIN REPLACEMENT 30"		2000	23	6221	293,715	30%		87,169	\$ 182,249	48,360	3.77
	CADU45500	ELK CREEK ESTATES OVERSIZING SDC	MWC Cost Only	2002	21	6538	99,317	100%		99,317	\$ 197,583	48,360	4.09
	CADU46450	LOZIER LANE EXTENSION OVERSIZING	MWC Cost Only	2003	20	6695	40,103	100%		40,103	\$ 77,916	48,360	1.61
	CADU48690	LOZIER LANE FROM CUNNINGHAM AVE TO 843'		2003	20	6695	106,257	96%		101,983	\$ 198,142	48,360	4.10
	PWDU10090	AVENUE G- TABLE ROCK-KIRTLAND-PACIFIC-11		2011	12	9074	4,648,996	100%		4,648,996	\$ 6,663,898	48,360	137.80
	PWDU10091	AVENUE G- AT 11TH STREET		2011	12	9074	23,924	100%		23,924	\$ 34,292	48,360	0.71
PWDU10092	TABLE ROCK RD- AT DUFF TREATMENT PLANT		2011	12	9074	18,797	100%		18,797	\$ 26,944	48,360	0.56	
<b>\$506.57</b>													
CONST	<b>IV. ROGUE TRANSMISSION CONTROL STATIONS (Increase of 15 MGD TO 65 MGD = 50 MGD)</b>												
	CADU26160	CONRAD PUMP STATION		1989	34	4615	\$20,917.11	100%		20,917	\$ 58,957	53,733	1.10
	CADU24460	WESTSIDE PUMP STA LAND		1993	30	5210	\$9,613.50	100%		9,614	\$ 23,998	53,733	0.45
	CADU24200	ROSSANLEY PUMP STATION		1995	28	5471	\$226,738.26	100%		226,738	\$ 539,035	53,733	10.03
	CADU36400	ROSSANLEY PUMP EQUIP		1995	28	5471	\$185,513.12	100%		185,513	\$ 441,028	53,733	8.21
	CADU26560	ROSSANLEY STA TELEMETRY		1995	28	5471	\$46,728.38	100%		46,728	\$ 111,089	53,733	2.07
	CADU43610	#2 PUMP-ROSSANLEY PUMP STATION		2000	23	6221	\$57,432.38	100%		57,432	\$ 120,076	53,733	2.23
	CADU50586	Pumps & PRV's Control Stations (82%) SDC		2014	9	9807	\$1,456,447.42	82%		1,194,287	\$ 1,584,034	53,733	29.48
	CADU50585	Martin Control Station (41%) SDC		2014	9	9807	\$1,706,440.69	41%		699,641	\$ 927,963	53,733	17.27
	PMDU50605	Vilas Rd - Table Rock Rd to Crater Lake		2016	7	10338	\$1,554,459.76	100%		1,554,460	\$ 1,955,710	53,733	36.40
<b>\$107.23</b>													

EXHIBIT A TO RESOLUTION 1902 - PAGE 3 OF 3

Medford Water Commission  
 System Development Charge Study  
 System Wide SDC Calculation  
 Exhibit 1

**SDCs For: TREATMENT PLANT AND TRANSMISSION EXPANSION - 30/45/65 MGD**

			(4,5)		(7)	(8)	(11)	(3)	(10)	(2)	(1)		
CIP/Asset #	Capacity-Increasing Project Description (Constructed Reimbursement or Future Improvement)	Initial Improvement PI	Installation Year	Years in Service or Year of Estimate	Annual Average CCI for Installation Year	Original or Estimated Asset Cost (\$)	Portion Eligible (%)	WIFIA Project?	Original or Estimated SDC Cost (\$)	Present Estimated Cost (2022\$)	ERUs	Present Worth (PW) Cost per ERU (\$)	
FUTURE	<b>FUTURE TRANSMISSION PROJECTS</b>												
		Crater Lake Ave - South of Martin Control Station 16" Transmis	PL-7	2028	2022	13007	6,700,000	100%		6,700,000	\$ 6,700,000	69,853	95.92
		Table Rock Rd Transmission Main PL-1	PL-1	2025	2022	13007	27,400,000	100%	31%	8,617,100	\$ 8,617,100	69,853	123.36
		Merriman Rd Txm Main (Conrad Control Station Feeder)	PL-9	2030	2022	13007	6,710,000	100%	31%	2,110,246	\$ 2,110,246	69,853	30.21
	Spring Street Pipeline		2032	2022	13007	5,700,000	100%		5,700,000	\$ 5,700,000	69,853	81.60	
												<b>\$331.09</b>	
											<b>Constructed</b>	\$1,491.26	
											<b>Future</b>	734.36	
											<b>GRAND TOTAL</b>	<b>\$2,225.62</b>	

- (1) 2022 Average Rate: ENR Construction Cost Index (CCI) 13007 Reimbursed (44)
- (2) Equivalent Residential Units, ERUs = MGD Increase/Maximum Day Demand per ERU  
 Maximum Day Demand per ERU = 931 gal/day (Calculation made per formula pg 13-14 of 2009 SDC Study)
- (3) Since replacement of increased capacity SDC project facilities is not allowed to be again funded with SDCs, depreciation is not used as a factor in these costs. Calculated Existing \$2,225.62  
Existing \$2,053.51
- (4) Current Year 2023
- (5) Year of Estimates 2022
- (6) Year 2017 max day= 58.97 mgd, BBS produces 26.4 mgd, Plant production = 32.57 mgd  
 Ultimate Future Plant production equaling 65 mgd minus Plant production of 25 mgd equals 40 mgd of additional capacity
- (7) The estimated costs for FUTURE projects are based on yearly updated 10-Yr Plan, Water Distribution System, and WTP Facility Plan figures
- (8) The original costs for CONSTRUCTED projects are total percentage, or (if noted) proportional, reimbursement (buy-in) values ALL of which provide additional capacity
- (9) MWC reimbursement DOES NOT include interest over time on the actual expended costs, and SDC calculations DO NOT include State allowed costs for SDC studies, program administration, and/or program accounting
- (10) Future projects only pay as you go included in the SDC. (\$39,158,705/121,246,796 = 32.3%). Biosolids handling is 100% pay as you go.
- (11) ENR-CCI 2020 Sept 11,499  
ENR CCI 2021 April 11,849  
Index Change 1.03  
Existing updated to April \$2,116.01  
Calculated Updated to April \$2,293.36  
Dollar Difference \$177.35

Sources Category	Estimated Dollar	Funding	%
1. WIFIA Loan (cannot exceed 49% of eligible costs)	\$96,788,310	\$96,788,310	47%
2. Revenue Bonds	\$45,000,000	45,000,000	22%
3. SRF Loan	\$0	\$0	
4. Borrower Cash	65,048,741.37	65,048,741	31%
5. Previously Incurred Eligible Costs*		0	
6. Other (please specify) <a href="#">Click or tap here to enter</a>			
<b>TOTAL SOURCES</b>	<b>\$206,837,051</b>	<b>\$206,837,051</b>	

Updated April 2023

NOTE: Existing filter rebuilds, disinfection upgrades, electrical upgrades, intake upgrades, lagoon upgrades, and earthquake hardening are not part of SDCs and do not provide additional capacities.





## Memorandum

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

**FROM:** Brian Runyen, P.E., Engineering Manager

**DATE:** Wednesday, September 6, 2023

**SUBJECT:** Item 4.2 – Resolution 1903, Modifying System Development Charges (SDC's) for East Side High Level

**OBJECTIVE:** Board Approval

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### Issue

Medford Water updates its System Development Charges (SDCs) for the “East Side High Level System” on an annual basis in order to update the cost-based charges for new customers connecting to, or requesting additional capacity to, Medford Water’s system. By establishing cost based SDCs, Medford Water attempts to have “growth pay for growth” and existing utility customers will, for the most part, be sheltered from the financial impacts of growth.

### Discussion

As presented at the April 19, 2023, Study Session, staff utilized methodologies as recommended by our consultant that included steps such as determination of system planning criteria, determination of equivalent residential units, calculation of system component costs and determination of any credits. As a result of the calculation for the SDC for East Side High Level, the cost per ERU (Acre) increased from \$9,539.42 to \$10,420.44.

### Financial Impact

None.

### Requested Board Action

Staff recommends approval of Resolution 1903, which modifies the SDC for the East Side High Level System to \$10,420.44 per acre.

**RESOLUTION NO. 1903**

A RESOLUTION of the City of Medford, Oregon, By and Through its Board of Water Commissioners, Modifying System Development Charges (SDCs) for the East Side High Level Area (ESHL) to \$10,420.44 per Gross Acre, Using the Methodology and Other Provisions Relating to Imposition and Collection of SDCs, Effective October 1, 2023

WHEREAS, Medford Water has provided excess transmission, distribution, storage and pumping capacity in this east side high level area (ESHL); and

WHEREAS, in 1986, Medford Water established an SDC for the ESHL area (Resolution No. 577); and

WHEREAS, Medford Water reviews SDC rates annually and revises capital project costs to reflect changes in the *Engineering News – Record* Construction Cost Index (CCI), modifications to the master facility plans, and modifications to the list of eligible projects as approved by the Board of Water Commissioners; and

WHEREAS, the ESHL SDC was last modified in September 2022; and

WHEREAS, Staff presented a study session on the staff review on April 19, 2023; and

WHEREAS, at their September 6, 2023, meeting, the Board of Water Commissioners reviewed the calculations, attached as Exhibit A, and Staff’s recommendation to consider modifying the ESHL SDC to \$10,420.44 per gross acre; and

WHEREAS, a public hearing to consider modification of the ESHL SDC was held on Wednesday, September 6, 2023, and noticed according to Oregon statutory requirements;

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

Effective October 1, 2023, the SDC to be collected on all property receiving service, either directly or indirectly, from the ESHL system will be in the modified amount of \$10,420.44 per gross acre or part thereof, as set forth in the annual staff review, attached as Exhibit A and by reference made a part hereof, with 100 percent (100%) being a reimbursement and improvement fee, with payment due and payable at the time the improvement plans are approved for the proposed development.

PASSED by the Board of Water Commissioners and signed by me in authentication of its passage this 6th day of September 2023.

ATTEST: \_\_\_\_\_  
Amber Furu, Asst. Clerk of the Commission  
Michael Smith, Chair

**SDCs For: EAST SIDE HIGH LEVEL SYSTEM**

CIP/Asset #	Capacity-Increasing Project Description (Constructed Reimbursement or Future Improvement)	CIP Plan #	Installation Year	(4,5) Years in Service or Year of Estimate	Annual Average CCI for Installation Year	(6) Original or Estimated Asset Cost (\$)	(7) Portion Eligible (%)	(3) Original or Estimated SDC Cost (\$)	(10) Present Estimated Cost (2022 \$)	(2) Acres	(1) Present Worth (PW) Cost per ACRE (\$)
<b>PRESSURE ZONE 1 - 4</b>											
CAES07720	Lone Pine Foothill 2 Res Site	Lone Pine #2 Reservoir Land	1979	44	3003	21,427	100%	21,427	92,822	2,722	34.10
CAES07700	Lone Pine Booster #1 Site	Lone Pine Pump Station Land	1988	35	4519	6,815	100%	6,815	19,612	2,722	7.21
PMME13720	Easement-Hillcrest Rd To Tamarack Dr		1991	32	4835	19,103	28%	5,322	14,317	2,722	5.26
PMME14380	Easement - Murryhill Terr To 500'S	Oversizing Mwc Costs Only	1995	28	5471	15,000	100%	15,000	35,660	2,722	13.10
PMES21900	Hillcrest-400'E-Fairview - 544'W Of Foothill	Mwc Costs Only	1995	28	5471	10,233	100%	10,233	24,327	2,722	8.94
PMME23160	Innsbruck Ridge - Murryhill Terr To 590' N	Oversizing Mwc Costs Only	1995	28	5471	2,059	100%	2,059	4,895	2,722	1.80
PMME30320	Murryhill Terr - Innsbruck Ridge To 100' S	Oversizing Mwc Costs Only	1995	28	5471	302	100%	302	718	2,722	0.26
CAME20360	Oregon Hills Iv	Oversizing Oregon Hills Iv	1995	28	5471	8,400	100%	8,400	19,970	2,722	7.34
PMME41760	Tamarack, Innsbruck North	Oversizing Mwc Costs Only	1995	28	5471	5,700	100%	5,700	13,551	2,722	4.98
PMME41800	Tamarack, Innsbruck North	Oversizing Mwc Costs Only	1995	28	5471	3,904	100%	3,904	9,281	2,722	3.41
CAES37820	Eastside Res Site Z-#3	Lone Pine #3 Reservoir Land	1996	27	5620	56,853	100%	56,853	131,580	2,722	48.34
CAES39350	Hillcrest Pump Sta #3 Pump Upg	Hillcrest Pump Station Upgrade	1996	27	5620	26,919	100%	26,919	62,301	2,722	22.89
CAES39340	Standford Pump Stat Pump Upgra	Standford Pump Station Upgrade	1996	27	5620	26,599	100%	26,599	61,560	2,722	22.62
CAES40900	Angelcrest Upgrade No 3 Pump	Angelcrest Pump Station Upgrade	1997	26	5826	16,203	100%	16,203	36,174	2,722	13.29
CAES39300	Eastside Reservoir Z/#4 Cherry	Cherry Lane Reservoir	1997	26	5826	746,059	100%	746,059	1,665,615	2,722	611.91
PMES07990	Fordyce/Cherry Lane Oversizing	Cherry Lane - 445 East Of Orchard View	2002	21	6538	17,744	29%	5,086	10,118	2,722	3.72
PMES38970	Fordyce/Cherry Lane Oversizing	Southview Terrace - Mary Bee Lane To 187' E	2002	21	6538	4,579	29%	1,312	2,611	2,722	0.96
PMES37822	Fordyce/Cherry Lane Oversizing	Mary Bee Lane - Southview Terrace To 590' N	2002	21	6538	14,310	29%	4,102	8,160	2,722	3.00
PMES13990	Fordyce/Cherry Lane Oversizing	Easement - Mariposa Terrace To Mary Bee Ln	2002	21	6538	20,606	29%	5,906	11,750	2,722	4.32
PMME05272	85-06 Bordeaux Ave Whitney Terrace To 255' Nor	Vista Pointe Phases 2-6 Oversizing	2006	17	7751	9,120	31%	2,836	4,759	2,722	1.75
PMME10936	85-06 Deer Ridge Vista Pt Dr To 200' North	Vista Pointe Phases 2-6 Oversizing	2006	17	7751	8,599	31%	2,673	4,486	2,722	1.65
PMME43335	85-06 Vista Pt Dr-Deer Ridge To 60' East	Vista Pointe Phases 2-6 Oversizing	2006	17	7751	2,329	31%	724	1,215	2,722	0.45
PMME44071	85-06 Whitney Terrace Bordeaux Ave To 65' East	Vista Pointe Phases 2-6 Oversizing	2006	17	7751	2,188	31%	680	1,141	2,722	0.42
PMES28549	94-06 Mcphearson Ln 155' N Of Park Ridge Dr To	Vista Pointe 16" Main, Mwc Costs Only	2006	17	7751	38,420	100%	38,420	64,470	2,722	23.68
CAES47330	Lone Pine Pump Station	Lone Pine Pump Station	2006	17	7751	868,331	100%	868,331	1,457,096	2,722	535.30
CAES47400	Lone Pine Reservoir #2	Lone Pine #2 Reservoir	2006	17	7751	1,708,523	100%	1,708,523	2,866,971	2,722	1,053.26
CAES47410	Lone Pine Reservoir #3	Lone Pine #3 Reservoir	2006	17	7751	1,711,357	100%	1,711,357	2,871,727	2,722	1,055.01
PMME15825	Easement - Vista Pt Dr 300'N Of Fawnhill		2006	17	7751	23,233	100%	23,233	38,986	2,722	14.32
PMME43336	Vista Pointe Dr 100'E Of Deer Ridge	Vista Pointe, Deer Ridge East	2006	17	7751	167,607	10%	16,888	28,339	2,722	10.41
PMES50803	72-07 Lone Pine Lakeview Village 16" Oversize	Oversizing Mwc Costs Only	2007	16	7967	7,473	100%	7,473	12,200	2,722	4.48
PMES50804	72-07 Lone Pine Lakeview Village 16" Oversize	Oversizing Mwc Costs Only	2007	16	7967	2,232	100%	2,232	3,643	2,722	1.34
PMME50002	Falcon Rdg Ter & Mcpherson Ln Acrs Lone	Oversizing East Terrace	2007	16	7967	413,805	35%	145,383	237,343	2,722	87.19
PMME50001	N End Of Bordeaux Ave Acrs Pp&L Prop	Oversizing East Terrace	2007	16	7967	237,506	19%	44,974	73,422	2,722	26.97
PMME50221	500'S Of Monterey Dr & 3398'W Of Cherry	Norman Oversize	2008	15	8311	42,996	18%	7,780	12,176	2,722	4.47
PMME50296	Annapolis Dr - 485' W Admiral	Fordyce Water Users 16" Oversize	2009	14	8575	82,593	27%	22,142	33,586	2,722	12.34
PMME50297	Annapolis Dr - Normil Terrace, Then 122'	Fordyce Water Users 16" Oversize	2009	14	8575	33,255	27%	8,915	13,523	2,722	4.97
PMME50280	East Terrace Estates Subdivision - Admiral		2009	14	8575	26,331	31%	8,274	12,551	2,722	4.61
PMME50283	East Terrace Estates Subdivision - Admiral		2009	14	8575	28,821	46%	13,345	20,243	2,722	7.44
PMME50281	East Terrace Estates Subdivision - Annapolis		2009	14	8575	11,240	31%	3,532	5,357	2,722	1.97
PMME50284	East Terrace Estates Subdivision - Annapolis		2009	14	8575	42,884	46%	19,857	30,121	2,722	11.07
PMME50279	East Terrace Estates Subdivision -Cadett		2009	14	8575	12,733	31%	4,001	6,069	2,722	2.23
PMME50282	East Terrace Estates Subdivision -Cadett		2009	14	8575	13,369	46%	6,190	9,390	2,722	3.45
CAES48130	Land - Cherry Lane Chrissy Park	Cherry Lane #2 & #3 Reservoir Property	2009	14	8575	300,000	100%	300,000	455,058	2,722	167.18
PMES50499	Summerfield 11B		2013	10	9547	26,052	32%	8,410	11,458	2,722	4.21
PMES50500	Summerfield 11B		2013	10	9547	3,245	32%	1,047	1,427	2,722	0.52
PMES50480	Summerfield Phase 11A		2013	10	9547	31,440	26%	8,043	10,958	2,722	4.03

CONSTRUCTED

**SDCs For: EAST SIDE HIGH LEVEL SYSTEM**

CIP/Asset #	Capacity-Increasing Project Description (Constructed Reimbursement or Future Improvement)	CIP Plan #	Installation Year	(4,5)		(6)	(7)	(3)	(10)	(2)	(1)
				Years in Service or Year of Estimate	Annual Average CCI for Installation Year						
PMES50481	Summerfield Phase 11A		2013	10	9547	2,520	26%	645	878	2,722	0.32
PMES50491	Summerfield Phase 12B & 6		2013	10	9547	1,734	32%	559	762	2,722	0.28
PMES50490	Summerfield Phases 12B & 6		2013	10	9547	14,484	32%	4,670	6,362	2,722	2.34
CAES50587	Angelcrest Pump Station Upgrade (33%)		2014	9	9807	106,567	33%	35,167	46,644	2,722	17.14
CASE50549	Innsbruck Ridge Phase 1 & 2		2016	7	10338	62,001	33%	20,593	25,908	2,722	9.52
CAES50550	Murray Hill Terrace - In Easement		2016	7	10338	20,277	33%	6,766	8,513	2,722	3.13
CAES50551	Murray Hill Terrace - In Easement		2016	7	10338	487	33%	163	205	2,722	0.08
PMES50658	Stanford Ave - Creek View Dr To 78'S		2016	7	10338	6,999	22%	1,570	1,975	2,722	0.73
PMES50657	Stanford Ave - Morgans Way To	Creek View Dr	2016	7	10338	50,248	22%	11,271	14,180	2,722	5.21
PMES50656	Stanford Ave - Sherwood Park To	Morgans Way	2016	7	10338	45,043	22%	10,103	12,711	2,722	4.67
PMME50764	Stonegate Estates Phase 2B Oversizing		2017	6	10737	43,286	28%	12,072	14,625	2,722	5.37
PMME50765	Stonegate Estates Phase 2B Oversizing		2017	6	10737	16,883	28%	4,709	5,704	2,722	2.10
PMES50810	Lone Oak Dr & Michael Park Dr		2018	5	11062	53,058	17%	8,834	10,387	2,722	3.82
PMES50811	Lone Oak Dr & Michael Park Dr		2018	5	11062	53,058	2%	1,141	1,342	2,722	0.49
PMES50846	Summerfield Phase 17 & 22A		2018	5	11062	30,014	7%	2,053	2,414	2,722	0.89
PMES50846	Summerfield Phase 17 & 22A		2018	5	11062	30,014	13%	3,906	4,592	2,722	1.69
PMES51000	Stonegate Phase 2C		2020	3	11466	93,304	20%	18,714	21,230	2,722	7.80
PMES51001	Stonegate Phase 2C		2020	3	11466	93,304	1%	1,390	1,576	2,722	0.58
CAES50906	Lone Pine PS Upgrade - Pump Installation		2020	3	11466	94,071	100%	94,071	106,716	2,722	39.20
CAES50897	Stanford Pump Station		2020	3	11466	273,280	22%	60,122	68,203	2,722	25.06
PMES51048	Horse Arena Ph 2 - Juanipero Way SE from	existing 12" main to Wrangler St	2021	2	12133	54,762	34%	18,528	19,862	2,722	7.30
PMES51049	Horse Arena Ph 2 - Wrangleer St From	Juanipero Way to Arena Dr	2021	2	12133	11,976	34%	4,049	4,340	2,722	1.59
PMES51050	Horse Arena Ph 2 - Arena Dr from	Wrangler St to Packhorse St then S to	2021	2	12133	56,909	34%	19,254	20,640	2,722	7.58
PMES51086	Southview Terrace - NE from existing 8"	main at Southview & Mary Bee to 12" main	2021	2	12133	60,045	100%	60,045	64,368	2,722	23.65
PMES51082	Summerfield Ph19 & 22D - Shamrock DR E	from existing main at Shamrock	2021	2	12133	169,885	8%	14,403	15,440	2,722	5.67
PMES51112	Normil Terrace - Normil Terrace 300' E of N Foothill	to existing main at Normil Terrace	2021	2	12133	365,778	100%	365,778	392,111	2,722	144.05

**SDCs For: EAST SIDE HIGH LEVEL SYSTEM**

<b>SDCs For: EAST SIDE HIGH LEVEL SYSTEM</b>												
CIP/Asset #	Capacity-Increasing Project Description (Constructed Reimbursement or Future Improvement)	CIP Plan #	Installation Year	(4,5) Years in Service or Year of Estimate	Annual Average CCI for Installation Year	(6) Original or Estimated Asset Cost (\$)	(7) Portion Eligible (%)	(3) Original or Estimated SDC Cost (\$)	(10) Present Estimated Cost (2022 \$)	(2) Acres	(1) Present Worth (PW) Cost per ACRE (\$)	
											4,182.38	
FUTURE	Foot Hill Rd - Lone Pine Extension to Zone 1	PL-3a	2025	2022	13007	4,000,000	75%	3,000,000	3,000,000	2,722	1,102.13	
	Calle Vista - Zone 1 Connection	PL-4	2033	2022	13007	3,700,000	100%	3,700,000	3,700,000	2,722	1,359.29	
	Zone 3 Pump Station		2031	2022	13007	2,270,000	100%	2,270,000	2,270,000	2,722	833.95	
	Zone 1 Pump Station		2028	2022	13007	2,560,000	100%	2,560,000	2,560,000	2,722	940.48	
	Zone 2 / Barnett Pump Station & Transmission		2025	2022	13007	5,450,000	100%	5,450,000	5,450,000	2,722	2,002.20	
												6,238.06
											Constructed \$ 4,182.38	
											Future \$ 6,238.06	
											<b>GRAND TOTAL \$ 10,420.44</b>	
(1)	2022 Average Rate: ENR Construction Cost Index (CCI)		13007			Reimbursed (57)						
(2)	Equivalent Residential Units, ERUs = Gross acres											
	There were 3824 total acres in the East Side Level area (above 1500' elevation, inside the City Limits, and within the 1990 UGB) of which 621 water developed acres existed in the 1991 SDC study									Calculated	\$ 10,420.44	
	Overall development is calculated at a rate of 85% of the available land therefore (3824-621)(0.85) = 2722 acres									Existing	\$ 9,539.42	
	<b>The 2012 Regional Problem Solving (RPS) process increased the acreage to 5906 (compared to 3824) and needed facilities may have to be added in the future as well as recalculation of this spreadsheet</b>									Difference	\$ 881.02	
(3)	Since replacement of increased capacity SDC project facilities is not allowed to be again funded with SDCs, depreciation is not used as a factor in these costs.						Blue = variable factors year to year					
(4)	Current Year			2023								
(5)	Year of Estimates			2022						Recommend		
(6)	The estimated costs for FUTURE projects are based on yearly updated 10-Yr Plan and Water Distribution System figures											
(7)	The original costs for CONSTRUCTED projects are total percentage, or (if noted) proportional, reimbursement (buy-in) values ALL of which provide additional capacity											
(8)	MWC reimbursement DOES NOT include interest over time on the actual expended costs, and SDC calculations DO NOT include State allowed costs for SDC studies, program administration, and/or program accounting											
(9)	Eagle Trace V (\$6000), Cambridge Sub (\$1712), Anapolis Dr - 485 W Admiral, then 303' (60451.26), Anapolis Dr - Normil Terrace, Then 122' (24340.11), Easement Hillcrest to Tamarack (13780) were taken off 03/05/18 costs were donated											
(10)	The present worth calculation is based on the difference between the constructed year CCI and the current year CCI											



## Memorandum

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

**FROM:** Brian Runyen, P.E., Engineering Manager

**DATE:** Wednesday, September 6, 2023

**SUBJECT:** Item 4.3 Resolution 1904, Modifying System Development Charges (SDC's) for Southwest High Level

**OBJECTIVE:** Board Approval

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### Issue

Medford Water updates its System Development Charges (SDCs) for the "Southwest High Level" on an annual basis in order to update the cost-based charges for new customers connecting to, or requesting additional capacity to, Medford Water's system. By establishing cost based SDC's, Medford Water attempts to have "growth pay for growth" and existing utility customers will, for the most part, be sheltered from the financial impacts of growth.

### Discussion

As presented at the April 19, 2023, Study Session, staff utilized methodologies as recommended by our consultant that included steps such as determination of system planning criteria, determination of equivalent residential units, calculation of system component costs and determination of any credits. As a result of the calculation for the SDC for Southwest High Level, the cost per ERU (Acre) decreased from \$10,651.74 to \$10,090.81.

### Financial Impact

None.

### Requested Board Action

Staff recommends approval of Resolution 1904, which modifies the SDC for the Southwest High Level to \$10,090.81 per acre.

**RESOLUTION NO. 1904**

A RESOLUTION of the City of Medford, Oregon, By and Through its Board of Water Commissioners, Modifying System Development Charges (SDCs) for the Southwest High Level Area (SWHL) to \$10,090.81 per Gross Acre, Using the Methodology and Other Provisions Relating to Imposition and Collection of SDCs, Effective October 1, 2023

WHEREAS, Medford Water has provided excess transmission, distribution, storage and pumping capacity in the SWHL; and

WHEREAS, in 1999, Medford Water established an SDC for the SWHL area (Resolution No. 969); and

WHEREAS, Medford Water reviews SDC rates annually and revises capital project costs to reflect changes in the *Engineering News – Record* Construction Cost Index (CCI), modifications to the master facility plans, and modifications to the list of eligible projects as approved by the Board of Water Commissioners; and

WHEREAS, the SWHL SDC was last modified in September 2022; and

WHEREAS, Staff presented a study session on the staff review on April 19, 2023; and

WHEREAS, at their September 6, 2023, meeting, the Board of Water Commissioners reviewed the calculations, and Staff's recommendation to modify the SDC for the SWHL to \$10,090.81 per gross acre; and

WHEREAS, a public hearing to consider modification of the SWHL SDC was held on Wednesday, September 6, 2023, and noticed according to Oregon statutory requirements;

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

Effective October 1, 2023, the SDC to be collected on all property receiving service, either directly or indirectly from the SWHL system will be in the modified amount of \$10,090.81 per gross acre or part thereof, as set forth in the annual staff review, attached as Exhibit A and by reference made a part hereof, with 100 percent (100%) being a reimbursement and improvement fee, with payment due and payable at the time the improvement plans are approved for the proposed development.

PASSED by the Board of Water Commissioners and signed by me in authentication of its passage this 6th day of September 2023.

ATTEST: \_\_\_\_\_  
Amber Furu, Asst. Clerk of the Commission

\_\_\_\_\_  
Michael Smith, Chair

EXHIBIT A TO RESOLUTION 1904 - PAGE 1 OF 1

Medford Water Commission  
 System Development Charge Study  
 South West High Level SDC Calculation  
 Exhibit 3

**SDCs For: SOUTHWEST HIGH LEVEL SYSTEM**

		(4,5)	(6)	(3)	(8)	(2)	(1)				
CIP/Asset #	Capacity-Increasing Project Description (Constructed Reimbursement or Future Improvement)	Installation Year	Years in Service or Year of Estimate	Average CCI for Installation Year	Original Asset Cost (\$)	Portion Eligible (%)	Original or Estimated SDC Cost (\$)	Present Estimated Cost (2022 \$)	ACRE	Present Worth (PW) Cost per ACRE (\$)	
<b>PRESSURE ZONE 1C</b>											
CONSTRUCTED	CASW29760	SOUTHWEST RESERVOIR SITE	1988	35	4519	26,531	100%	26,531	76,356	469	162.81
		ARCHER PUMP STATION MODIFICATIONS	1999	24	6060	230,000	100%	230,000	493,699	469	1,052.66
	CASW46720	SOUTH WEST RESERVOIR	2003	20	6695	467,524	100%	467,524	908,348	469	1,936.78
	CASW46910	SOUTH WEST RESERVOIR	2003	20	6695	1,402,573	100%	1,402,573	2,725,045	469	5,810.33
	PMSW08929	COLUMBUS AVE ARCHER DRIVE TO SOUTH STAGE	2003	20	6695	30,713	100%	30,713	59,671	469	127.23
	PMSW08930	COLUMBUS AVE ARCHER DRIVE TO SOUTH STAGE	2003	20	6695	92,138	100%	92,138	179,014	469	381.69
	PMSW08931	COLUMBUS AVE SOUTH STAGE RD TO 2027 SOUTH	2003	20	6695	34,740	100%	34,740	67,496	469	143.92
	PMSW08932	COLUMBUS AVE SOUTH STAGE RD TO 2027 SOUTH	2003	20	6695	104,221	100%	104,221	202,489	469	431.75
	PMSW50664	Sunset Drive - Tivoli Dr to Thomas Rd	2016	7	10338	9,275	100%	9,275	11,669	469	24.88
	PMSW50665	Sunset Drive - Thomas Rd to 34' East	2016	7	10338	1,080	100%	1,080	1,359	469	2.90
PMSW51094	Ione's View Subdivision - Sunset Dr W from existing main at Tivoli Dr	2021	2	12133	157,146	4%	6,943	7,443	469	15.87	
<i>Subtotals</i>							\$	2,405,738			\$10,090.81
<b>PRESSURE ZONE 1C</b>											
FUTURE	South Stage Rd water oversizing and SW Pressure Zone rezoning	2025	2022	12133	-	0%	0	-	469	-	
<i>Subtotals</i>							\$	-			\$0.00
									Constructed	\$10,090.81	
									Future	\$0.00	
									<b>GRAND TOTAL</b>	<b>\$10,090.81</b>	
(1) 2022 Average Rate: ENR Construction Cost Index (CCI)		13,007	Reimbursed (7)								
(2) Equivalent Residential Units, ERUs = Gross acres		2022 Update: Total 474 acres within the Southwest High Level area (366 acres current + 108 acres to be added rezoned from Gravity zone), above 1485 elevation, inside COM UGB									
		Overall development is calculated at a rate of 99% of the available land therefore (474)(0.99) = 469 acres									
(3) Since replacement of increased capacity SDC project facilities is not allowed to be again funded with SDCs, depreciation is not used as a factor in these costs.		Blue = variable factors year to year									
(4) Current Year		2023									
(5) Year of Estimates		2022									
(6) The original costs for CONSTRUCTED projects are total percentage, or (if noted) proportional, reimbursement (buy-in) values ALL of which provide additional capacity											
(7) MWC reimbursement DOES NOT include interest over time on the actual expended costs, and SDC calculations DO NOT include State allowed costs for SDC studies, program administration, and/or program accounting											
(8) The present worth calculation is based on the difference between the constructed year CCI and the current year CCI											
									Calculated	\$10,090.81	
									Existing	\$10,651.74	
									Difference	-\$560.93	





## Memorandum

**TO:** Commissioners Michael Smith, John Dailey, Jason Anderson, Bob Strosser, and David Wright  
**FROM:** Brad Taylor, General Manager  
**DATE:** Wednesday, September 6, 2023  
**SUBJECT:** Item 5.2 – Quarterly Letter to the Mayor and City Council  
**OBJECTIVE:** Board Approval

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### Issue

The letter to the Mayor and City Council for the fourth quarter of Fiscal Year 2022-23 along with the financials, Consumption Report, and Watershed Report.

### Discussion

Medford Water is required by Section 19 of the Medford Charter to make full reports of the business transacted by it and of the condition of its funds once every three months to the City Council. If the board members agree to the contents of the letter for the fourth quarter of FY22-23, the Chair and General Manager will sign, and it will be forwarded to the Mayor and Council members.

### Financial Impact

n/a

### Requested Board Action

Approve contents of the fourth quarter letter to the Mayor and City Council.



September 6, 2023

Mayor Randy Sparacino and City Council  
City of Medford, Oregon  
411 West 8th St.  
Medford, Oregon 97501

Honorable Mayor and Council Members:

Attached are Medford Water's quarterly financial reports for the fourth quarter of Fiscal Year 2022-23, as well as Consumption and Watershed Reports.

During the fourth quarter of Fiscal Year 2022-23, progress was made preparing for implementation of our Asset Management System later this calendar year, proposed System Development Charges (SDC's) were discussed for Public Hearing and approval in September of 2023, and a one-year budget was approved in May for Fiscal year 2023 to 2024.

If the Mayor or Council members have any questions, feel free to contact our office at any time, or Nick Card, Council Liaison.

Sincerely,

Michael Smith, Chair  
Board of Medford Water Commissioners

Brad Taylor, General Manager  
Medford Water

Attachments

**Medford Water Commission**  
**Income Statement**  
**6/30/2023**

	Month to Date		Year to Date	
	Current	Prior	Current	Prior
<b>Water Fund</b>				
<b>Operating Revenues</b>				
Residential Sales Inside Gallonage	\$788,488.11	\$371,204.62	\$5,621,031.24	\$4,867,750.52
Commercial Sales Inside Gallonage	283,282.48	160,472.68	2,069,922.20	1,830,918.06
Industrial Sales Inside Gallonage	15,514.20	12,916.49	169,522.01	167,411.67
Base Charges Inside	630,304.30	451,678.45	6,581,955.82	5,942,149.32
High Elevation Charges	47,900.90	29,479.34	428,207.20	385,175.68
Fire Services Inside	34,930.86	24,846.27	363,282.09	323,141.02
Residential Sales Outside Gallonage	139,323.99	62,117.98	987,481.71	815,590.56
Commercial Sales Outside Gallonage	64,468.80	35,801.25	485,530.35	477,918.26
Industrial Sales Outside Gallonage	138,273.36	68,187.20	1,341,300.84	1,269,271.55
Base Charges Outside	135,438.62	95,607.45	1,416,685.73	1,279,337.41
Fire Services Outside	13,461.04	7,235.94	105,591.80	92,325.61
Sales to Other Utilities	347,479.18	(68,420.29)	2,725,626.86	2,386,465.30
Miscellaneous Collections	38,962.25	108,588.70	444,462.76	400,620.98
Connections/Installations	168,028.88	217,281.78	969,032.44	1,297,524.71
<b>Total Operating Revenues</b>	<b>2,845,856.97</b>	<b>1,576,997.86</b>	<b>23,709,633.05</b>	<b>21,535,600.65</b>
<b>Operating Expenses</b>				
<b>Water Operating Expenses</b>				
Source of Supply	125,203.62	112,403.76	1,258,313.46	1,149,276.41
Supply Pumping	147,178.99	92,534.91	675,721.67	578,598.97
Purification	355,331.84	243,136.76	2,963,452.13	2,224,104.93
Transmission	15,042.27	11,395.85	337,444.47	262,354.19
Distribution Pumping	52,445.55	45,329.51	471,574.69	377,794.28
Distribution	422,972.21	346,874.94	4,114,494.26	3,111,520.66
Customer Accounts & Collection	212,901.38	185,767.65	2,335,923.91	2,280,114.71
Administrative & General	(19,441.87)	238,771.90	527,547.39	2,359,787.90
Connections/Installations	128,395.51	160,581.68	900,408.66	1,078,643.14
<b>Total Operating Expenses</b>	<b>1,440,029.50</b>	<b>1,436,796.96</b>	<b>13,584,880.64</b>	<b>13,422,195.19</b>
<b>Operating Income Before Depreciation</b>	<b>1,405,827.47</b>	<b>140,200.90</b>	<b>10,124,752.41</b>	<b>8,113,405.46</b>
Depreciation	366,667.37	336,566.59	4,184,795.67	3,899,340.13
<b>Total Operating Income</b>	<b>1,039,160.10</b>	<b>(196,365.69)</b>	<b>5,939,956.74</b>	<b>4,214,065.33</b>
<b>Non Operating Revenues</b>				
Charges in Lieu of Assessments	0.00	0.00	0.00	4,311.05
Investment Revenue	58,044.75	46,990.25	187,278.00	95,745.44
Grant Revenue	0.00	61,395.12	1,222.00	75,299.51
Forest Product Revenue	0.00	0.00	0.00	636,682.13
Debt Proceeds	5,508,386.60	5,565,028.14	18,541,276.53	11,918,353.60
Miscellaneous Revenue	9,413.56	78,395.83	72,739.17	139,792.38
<b>Total Non Operating Revenues</b>	<b>5,575,844.91</b>	<b>5,751,809.34</b>	<b>18,802,515.70</b>	<b>12,870,184.11</b>
<b>Income Before Contributions</b>	<b>6,615,005.01</b>	<b>5,555,443.65</b>	<b>24,742,472.44</b>	<b>17,084,249.44</b>
<b>Capital Contributions</b>				
System Development Charges	257,365.82	344,115.81	961,662.50	2,104,166.22
Developer Donations (Capitalized)	236,877.76	8,317.00	1,755,946.89	2,155,808.58
<b>Total Income from Contributions</b>	<b>494,243.58</b>	<b>352,432.81</b>	<b>2,717,609.39</b>	<b>4,259,974.80</b>
<b>Net Income - Water Fund</b>	<b>\$7,109,248.59</b>	<b>\$5,907,876.46</b>	<b>\$27,460,081.83</b>	<b>\$21,344,224.24</b>
<b>Combined Income (All Funds)</b>				
Net Income - Water Fund	7,109,248.59	5,907,876.46	27,460,081.83	21,344,224.24
Net Income - Construction Fund	92,525.77	2,722.54	841,380.17	27,877.46
Net Income - Main Replacement Fund	0.00	0.00	0.00	0.00
Net Income - FWTP Fund	0.00	0.00	0.00	0.00
Net Income - FWRD Fund	0.00	0.00	0.00	0.00
Net Income - Vernal Pool Mgmt Fund	0.00	0.00	0.00	0.00
<b>Total Combined Net Income</b>	<b>\$7,201,774.36</b>	<b>\$5,910,599.00</b>	<b>\$28,301,462.00</b>	<b>\$21,372,101.70</b>

**Medford Water Commission  
Balance Sheet  
6/30/2023**

	Water System		Total	Last Year
	Water Fund	Construction Fund		
<b>Assets</b>				
<b>Current Assets</b>				
Cash	\$570,406.49	\$0.00	\$570,406.49	\$4,478,672.94
Revolving Fund Cash	262,049.57	0.00	262,049.57	34,622.06
Cafeteria Plan Cash	16,709.75	0.00	16,709.75	28,448.26
Short Term Investments	3,243,414.79	11,309,386.83	14,552,801.62	14,983,165.41
Short Term Investments- Future Main Replacement	0.00	4,960,402.51	4,960,402.51	4,551,326.15
Short Term Investments- Future Treatment and Trai	0.00	8,675,514.16	8,675,514.16	7,741,442.57
Short Term Investments- Future Water Rights Devel	0.00	5,158,427.13	5,158,427.13	5,010,814.85
Short Term Investments- Vernal Pool Management	0.00	140,908.28	140,908.28	136,876.04
Short Term Restricted Investments	5,638,855.79	0.00	5,638,855.79	215,865.08
Notes Receivable	1,807,957.43	0.00	1,807,957.43	1,954,438.38
Accounts Receivable	2,632,839.76	0.00	2,632,839.76	1,818,400.14
Accounts Receivable - Misc.	6,205,415.07	0.00	6,205,415.07	3,378,738.01
Cafeteria Plan Receivable	20,326.63	0.00	20,326.63	15,333.96
Inventory	4,571,419.63	0.00	4,571,419.63	1,528,247.15
Work in Progress	439,984.41	0.00	439,984.41	259,341.03
Prepaid Expenses	580,377.80	0.00	580,377.80	247,236.41
Other Current Assets	98,970.77	0.00	98,970.77	90.15
<b>Total Current Assets</b>	<b>26,088,727.89</b>	<b>30,244,638.91</b>	<b>56,333,366.80</b>	<b>46,383,058.59</b>
<b>Fixed Assets</b>				
Utility Plant / Service	220,872,247.69	0.00	220,872,247.69	199,563,705.62
Construction in Progress	32,550,247.56	0.00	32,550,247.56	15,564,531.06
Accumulated Depreciation	(72,892,261.56)	0.00	(72,892,261.56)	(56,507,287.80)
<b>Total Fixed Assets</b>	<b>180,530,233.69</b>	<b>0.00</b>	<b>180,530,233.69</b>	<b>158,620,948.88</b>
<b>Total Assets</b>	<b>206,618,961.58</b>	<b>30,244,638.91</b>	<b>236,863,600.49</b>	<b>205,004,007.47</b>
<b>Liabilities &amp; Fund Equity</b>				
<b>Current Liabilities</b>				
Accounts Payable	5,321,696.28	0.00	5,321,696.28	2,145,815.95
Retainage Payable	282,292.12	0.00	282,292.12	0.00
Customer Deposits	91,566.62	0.00	91,566.62	84,773.80
Miscellaneous Deposits	250.00	0.00	250.00	0.00
Construction Deposits	638,730.00	0.00	638,730.00	534,680.00
Miscellaneous Payable	492,268.47	0.00	492,268.47	523,084.75
Water Districts Payable	57,446.72	0.00	57,446.72	55,647.99
Accrued Vacation	683,198.22	0.00	683,198.22	660,655.07
Cafeteria Plan Payable	16,709.75	0.00	16,709.75	23,984.56
Other Current Liabilities	2,648.06	0.00	2,648.06	33.10
<b>Total Current Liabilities</b>	<b>7,586,806.24</b>	<b>0.00</b>	<b>7,586,806.24</b>	<b>4,028,675.22</b>
<b>Fund Equity</b>				
Retained Earnings	172,908,524.61	28,066,807.64	200,975,332.25	179,603,230.55
<b>Total Fund Equity</b>	<b>172,908,524.61</b>	<b>28,066,807.64</b>	<b>200,975,332.25</b>	<b>179,603,230.55</b>
<b>Net Income - Fiscal YTD</b>	<b>27,460,081.83</b>	<b>841,380.17</b>	<b>28,301,462.00</b>	<b>21,372,101.70</b>
<b>Fund Transfers In (Out)</b>	<b>(1,336,451.10)</b>	<b>1,336,451.10</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Liabilities &amp; Fund Equity</b>	<b>206,618,961.58</b>	<b>30,244,638.91</b>	<b>236,863,600.49</b>	<b>205,004,007.47</b>



## 2022-23 FISCAL YEAR WATER CONSUMPTION & SERVICES Fourth Quarter

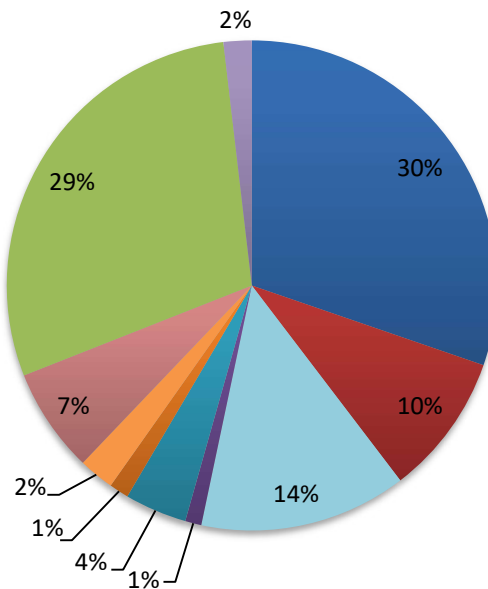
### WATER CONSUMPTION - THOUSANDS OF GALLONS

	<b>CONSUMPTION APR - JUN 2023</b>	<b>CONSUMPTION APR - JUN 2022</b>	<b>CHANGE IN CONSUMPTION</b>
INSIDE SINGLE-FAMILY RESIDENTIAL	664,229	556,813	19.29%
INSIDE MULTIPLE-FAMILY RESIDENTIAL	205,234	187,827	9.27%
INSIDE COMMERCIAL	299,498	267,295	12.05%
INSIDE INDUSTRIAL	23,559	24,580	-4.15%
OUTSIDE SINGLE-FAMILY RESIDENTIAL	90,092	72,730	23.87%
OUTSIDE MULTIPLE-FAMILY RESIDENTIAL	28,016	23,107	21.24%
OUTSIDE COMMERCIAL	51,570	43,422	18.76%
OUTSIDE INDUSTRIAL	150,916	143,787	4.96%
SALES TO OTHER UTILITIES	638,833	473,573	34.90%
SALES TO WATER DISTRICTS	40,882	46,748	-12.55%
<b>TOTAL WATER CONSUMPTION</b>	<b>2,192,829</b>	<b>1,839,882</b>	<b>19.18%</b>

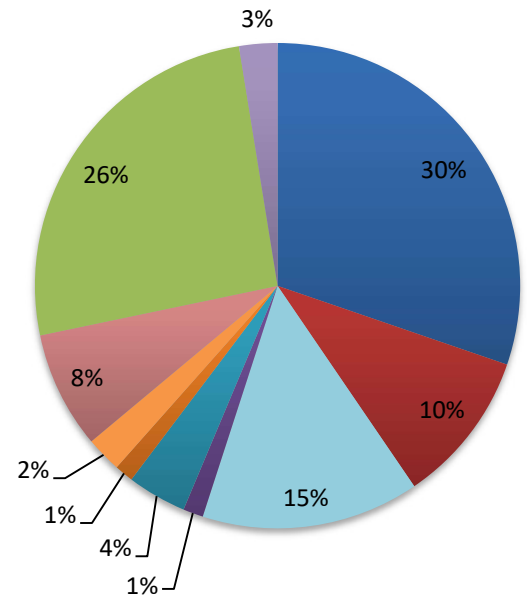
**Percentage of Total Consumption for Quarter**

- INSIDE SFR
- INSIDE MFR
- INSIDE COM.
- INSIDE IND.
- OUTSIDE SFR
- OUTSIDE MFR
- OUTSIDE COM.
- OUTSIDE IND.
- OTHER UTILITIES
- WATER DISTRICTS

**Q4-2023**



**Q4-2022**



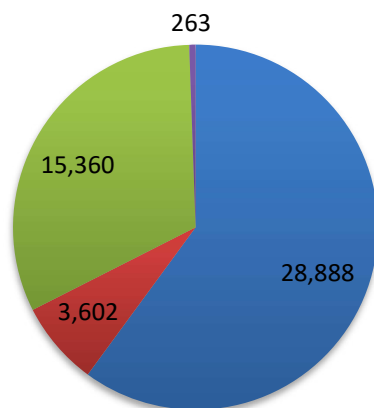
# WATER SERVICES TO JUNE 30, 2023

	<u>SERVICES JUN 2023</u>	<u>SERVICES JUN 2022</u>	<u>CHANGE IN SERVICES</u>
<b><u>INSIDE CITY</u></b>			
RESIDENTIAL - SINGLE-FAMILY	23,020	22,857	163
RESIDENTIAL - MULTIPLE-FAMILY	2,528	2,512	16
COMMERCIAL	2,782	2,766	16
INDUSTRIAL	50	50	0
FIRE SERVICES	508	496	12
<b><i>SUBTOTAL - INSIDE CITY</i></b>	<b><u>28,888</u></b>	<b><u>28,681</u></b>	<b><u>207</u></b>
<b><u>OUTSIDE CITY</u></b>			
RESIDENTIAL - SINGLE-FAMILY	3,080	3,046	34
RESIDENTIAL - MULTIPLE FAMILY	90	87	3
COMMERCIAL	234	229	5
INDUSTRIAL	107	100	7
UTILITIES	7	7	0
FIRE SERVICES	84	80	4
<b><i>SUBTOTAL - OUTSIDE CITY</i></b>	<b><u>3,602</u></b>	<b><u>3,549</u></b>	<b><u>53</u></b>
<b><u>OTHER UTILITIES</u></b>			
CITY OF CENTRAL POINT	6,829	6,808	21
CITY OF JACKSONVILLE	1,557	1,550	7
CITY OF EAGLE POINT	3,593	3,547	46
CITY OF PHOENIX	1,201	1,186	15
T.A.P.	2,180	2,170	10
<b><i>SUBTOTAL - OTHER UTILITIES</i></b>	<b><u>15,360</u></b>	<b><u>15,261</u></b>	<b><u>99</u></b>
<b><u>WATER DISTRICTS</u></b>			
CHARLOTTE ANN	159	144	15
ELK CITY	104	103	1
<b><i>SUBTOTAL - WATER DISTRICTS</i></b>	<b><u>263</u></b>	<b><u>247</u></b>	<b><u>16</u></b>
<b>TOTAL WATER SERVICES</b>	<b><u>48,113</u></b>	<b><u>47,738</u></b>	<b><u>375</u></b>

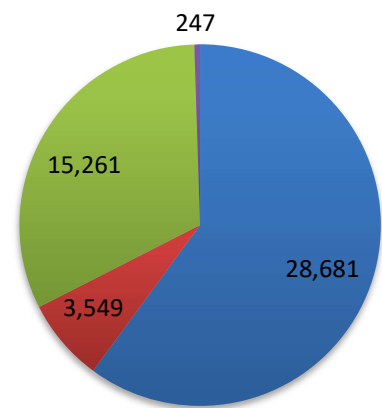
**Number of Services  
in June**

- INSIDE CITY
- OUTSIDE CITY
- OTHER UTILITIES
- WATER DISTRICTS

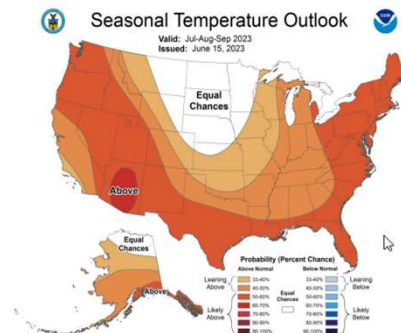
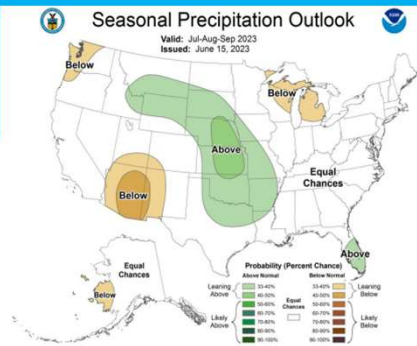
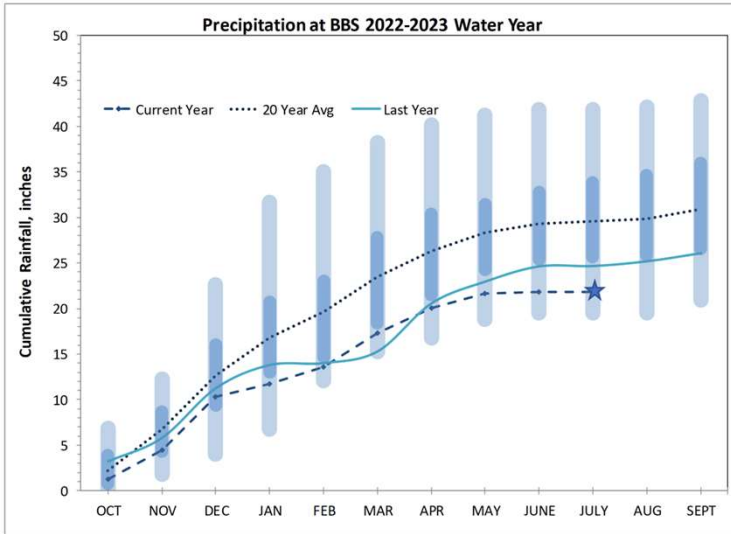
**JUN 2023**



**JUN 2022**



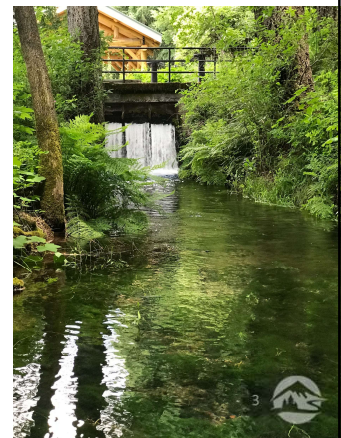
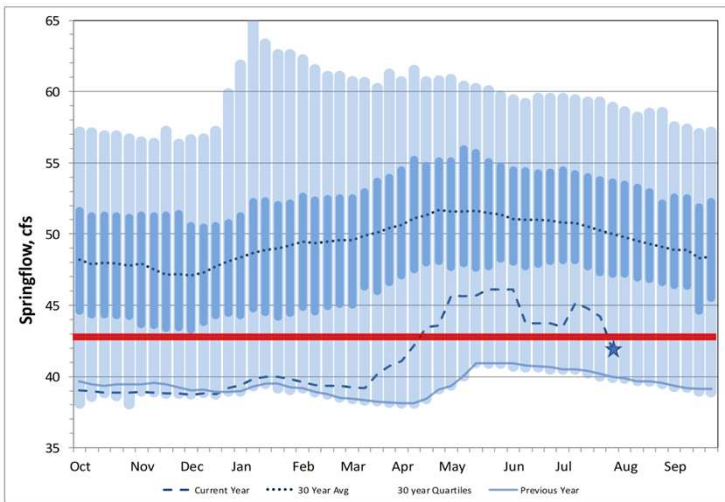
# Big Butte Springs Watershed Precipitation 2022-23 Water Year (Oct-Sep)



1

## BBS Springflow

Back to Pipe and a Half

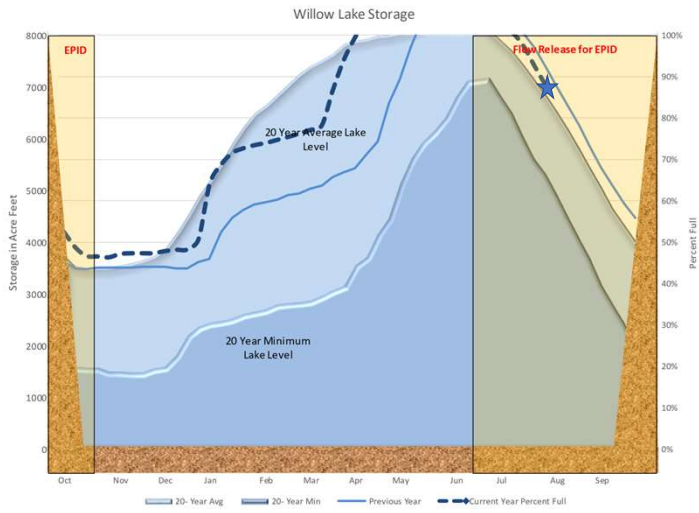


Minimum flow for 2 full pipes

3

# Willow Lake Storage

Releasing for EPID



84% Full







## **Memorandum**

**TO:** Commissioners Michael Smith, John Dailey, Jason Anderson, Bob Strosser, and David Wright  
**FROM:** Kris Stitt, Information Technology Manager  
**DATE:** Tuesday, August 29, 2023  
**SUBJECT:** Item 7.0 - Resolution 1905, Special Procurement – Paymentus Inc.  
**OBJECTIVE:** Board Approval

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### **Issue**

Medford Water is currently implementing VXSmart, our new Customer Service website. This is the website that will be utilized by customers to make payments and to view and manage their accounts. During the implementation process we discovered that we would be unable to migrate our existing customers to the new website and as a result, all of our existing customers who are enrolled in auto pay and ebilling will need to reregister and reenter their payment information.

Because of this we felt it was a good time to evaluate our current payment processor, Invoice Cloud to see if they are still the best fit for Medford Water and our Customers. There are two providers, Invoice Cloud and Paymentus which are compatible with both our billing system and VXSmart. After evaluating both providers Medford Water is recommending that we move to Paymentus as our electronic payment provider.

### **Discussion**

In 2016 Medford Water selected Invoice Cloud to process electronic payments. Prior to that credit card and electronic check payments were processed in house. This meant that we were storing and transmitting credit card and bank account information on our local servers which made it difficult to maintain Purchasing Card Industry (PCI) security standards. Switching to a 3rd party payment processor helped us maintain PCI compliance as well as allowing customers more flexibility to enroll in automatic payments, manage payment preferences and sign up for paperless billing.

Invoice Cloud and Paymentus were originally evaluated prior to 2016 and at that time Medford Water staff felt that Invoice Cloud offered the desired functionality at a lower overall cost. At that time the Paymentus pricing was based on a flat fee model which would have been a more expensive option.

Both providers offer nearly identical services such as:

- Full seamless integration with our VXSmart website.
- Ability to process electronic payments by Credit/Debit card, and eChecks
- Allows for customer to manage payment methods for multiple accounts
- Integration with our billing system to process phone payments
- IVR System integration
- Electronic bank check processing

When re-evaluating the providers again we did find a few advantages and disadvantages to both providers but overall, we felt both providers offered a comparable set of features.

Switching providers will likely push out our launch date for VXSmart by 3 to 6 months while we implement the new service.

## Financial Impact

Medford Water is currently utilizing Invoice Cloud in combination with Interchange Plus rates from the credit card companies.

With this model Medford Water pays Invoice Cloud a flat transaction fee for each payment processed as well as the actual interchange rates charged by the processing bank (Chase Paymentech) the bank also charges a smaller fee to process transactions. Paymentech is offering the same business model however their per item fees are lower than Invoice Cloud. The table below highlight the major price differences between the services.

Transactional / Monthly Fees:

	<i>Paymentus</i>	<i>Invoice Cloud</i>
Credit / Debit Card	\$ 0.43	\$ 0.55
eCheck / ACH	\$ 0.37	\$ 0.40
Electronic Bank Payments	\$ 0.10	\$ 0.20
Bill Presentment	\$ 0.00	\$ 0.15
Monthly Fees	\$ 0.00	\$ 100.00

To compare prices, we used the average number of monthly transactions that were processed by Medford Water from April to June 2023.

Monthly price comparison:

	<i>Transactions</i>	<i>Paymentus Totals</i>	<i>Invoice Cloud Totals</i>
Credit / Debit Card	13,328	\$ 5,730.90	\$ 7,330.22
eCheck / ACH	6,135	\$ 2,269.83	\$ 2,453.87
Electronic Bank Payments	3,236	\$ 323.60	\$ 647.20
Bill Presentment	9,531	\$ 0.00	\$ 1,429.60
Monthly Fees	1	\$ 0.00	\$ 100.00
	<b>Monthly Totals:</b>	<b>\$ 8,324.33</b>	<b>\$11,960.93</b>

Based on the numbers above Medford Water is estimated to save approximately \$43,639 annually in processing costs with Paymentus. These numbers are based on Medford Water's current payment volume. We are anticipating that the number of electronic payments will initially decrease for a period of time with the launch of our new website but will continue to increase in the coming years.

Medford Water is proposing an initial 3-year contract with Paymentus followed by two additional options to renew for three years (for a maximum total of 9 years) to calculate the estimated 9 year total we assumed a 5% annual increase in the number of customers utilizing electronic payments. We then added an additional \$100,000 for contingency and to cover other costs such as chargeback fees and non-utility card payments.

**Estimated 9-year total: \$1,201,500**

This resolution does not include the associated bank fees that would be charged by the processing bank. Medford Water would pay the actual fees assessed by the credit card provider plus a bank processing fee. Using the monthly averages above Medford Water is paying an additional \$ 0.73 per transaction for each credit card payment. This amount would likely be the same with either provider.

## **Contract-Specific Special Procurement**

Medford Water is recommending approval of this resolution as a Contract-Specific Special Procurement based on the Medford Water contracting rules & regulations section 2.323(D).

Both Paymentus and Invoice Cloud uniquely qualified to provide payment services. Both entities are business partners with our billing system provider, Advanced Utilities and our customer service website provider VXSmart. They both have predesigned integrations with both systems and a good understanding of how they function. Medford Water is not aware of another provider that can provide the same services and level of integration as these providers.

Medford Water requested quotes from both Paymentus and Invoice Cloud. Invoice Cloud did not provide a formal quote however, they indicated that they would continue with our existing rate schedule and rollback a recent price increase. Paymentus provided Medford Water with a quote for services which was used to compare pricing with Invoice Cloud.

## **Requested Board Action**

Staff recommends approval of Resolution 1905 to enter into a contract with Paymentus for a maximum total of 9 years in the amount not to exceed \$1,201,500 for payment processing services.

**RESOLUTION NO. 1905**

A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract with Paymentus for payment processing services, Not to Exceed \$1,201,500

WHEREAS, Medford Water begun implementation of VXSmart as a replacement customer service website which will require existing customers to reregister and re-enter payment information; and

WHEREAS, this was an opportune time for Medford Water to evaluate payment processing providers to consider whether we should change to a new provider or continue with our existing processor; and

WHEREAS, after comparing offerings and pricing from the two available providers that interface with Medford Waters Customer Billing System and VXSmart Website that Paymentus offered the best overall pricing; and

WHEREAS, the Paymentus solution offers the same features as our existing provider such as electronic payment processing, customer payment management, scheduled payments, and Interactive Voice Response (IVR) integration with an estimated savings of \$43,639 annually; and

WHEREAS, a new contract would be established with Paymentus for an initial three year term with the option to renew for two additional three year terms for a maximum time of nine years; and

WHEREAS, this contract would be a Contract-Specific Special Procurement based on section 2.33(D) of the Medford Water Contract and purchasing regulations; and

WHEREAS, the value of the contract, not-to-exceed \$1,201,500 to Paymentus for electronic payment processing and payment management services, 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 the contract in an amount not-to-exceed \$1,201,500 for electronic payment processing and payment management services, is hereby awarded to Paymentus.

SECTION 2. That the General Manager is hereby authorized and directed to execute said contract, payments for said contract up to \$1,201,500, and any contract amendments not exceeding the General Manager's purchasing authority, on behalf of the Board of Water Commissioners, which contract is on file in the office of Medford Water 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 Medford Water Contracting & Purchasing Regulations.

PASSED at a regular meeting of the Board of Water Commissioners and signed by me in authentication thereof this 6<sup>th</sup> day of September 2023.

ATTEST: \_\_\_\_\_  
Amber Furu, Asst. Clerk of the Commission Michael Smith, Chair



## **Memorandum**

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

**FROM:** Kris Stitt, Information Technology Manager

**DATE:** Tuesday, August 29, 2023

**SUBJECT:** Item 8.0 – Resolution 1906, N. Harris Computer Corp. for support and maintenance

**OBJECTIVE:** Board Approval

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### **Issue**

Medford Water has been utilizing Customer Information Software (CIS) provided by Advanced Utilities Systems (AUS) which is a subsidiary of the N. Harris Computer Corporation since 2013. The current maintenance agreement expired in July of 2023. Medford Water is requesting to renew support services with AUS for an additional 3-year term. This contract is exempt from competitive bidding per the Special Procurement section of the Medford Water rules and regulations Section 2.33C(10). The total contract amount exceeds the managers purchasing authority and has been brought to the board for approval.

### **Discussion**

In 2013 Medford Water installed a new customer billing software package supplied by AUS. The software provided by AUS is primarily used for customer billing and customer information management. Some examples of functionality include:

- Customer Billing
- Customer Management
- Meter Reading Management
- Electronic and Paper Service Orders

The initial contract with AUS allowed Medford Water to purchase product support and maintenance services for a ten-year term. This term expired in July of 2022 and then was renewed for an additional year to allow time to negotiate a new contract.

Having a support and maintenance agreement in place allows Medford Water to continue to receive software updates and fixes as well as access to software support from the vendor.

### **Financial Impact**

Medford Water is currently paying \$86,826.94 per year in annual support. The proposed contract allows for a maximum 5% percent annual increase for the term of the agreement. Historically price increases have been about 3% per year.

Based on the maximum increased allowed by the contract, the maximum potential amount of the contract over 3 years would be \$281,875.

### **Requested Board Action**

Staff recommends approval of Resolution 1906 to enter into a contract with AUS in the amount not to exceed \$281,875 to renew our Support and Maintenance agreement for 3 years.

**RESOLUTION NO. 1906**

A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract with N. Advanced Utilities Systems (AUS) a subsidiary of N. Harris Computer corporation for support and maintenance, Not to Exceed \$281,875

WHEREAS, Medford Water has been utilizing Customer Information Systems (CIS) software with AUS since 2013; and

WHEREAS, this software is utilized by Medford Water for billing and customer information management; and

WHEREAS, the existing support and maintenance agreement for the software expired in July of 2023; and

WHEREAS, new support and maintenance agreement is needed to continue to receive support and software updates; and

WHEREAS, the new contract would be established for a three year term; and

WHEREAS, this contract is exempt from competitive bidder per the Special Procurement rules of the Medford Water Purchasing regulations section 2.33C(10); and

WHEREAS, the value of the contract, not-to-exceed \$281,875 to N. Harris Computer Corporation for continued software maintenance and support of Medford Waters CIS systems, 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 the contract in an amount not-to-exceed \$281,875 for software maintenance and support, is hereby awarded to N. Harris Computer Corporation.

SECTION 2. That the General Manager is hereby authorized and directed to execute said contract, payments for said contract up to \$281,875 and any contract amendments not exceeding the General Manager’s purchasing authority or 25 percent of the original contract amount, on behalf of the Board of Water Commissioners, which contract is on file in the office of Medford Water 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 Medford Water Contracting & Purchasing Regulations.

PASSED at a regular meeting of the Board of Water Commissioners and signed by me in authentication thereof this 6<sup>th</sup> day of September 2023.

ATTEST: \_\_\_\_\_  
Amber Furu, Asst. Clerk of the Commission Michael Smith, Chair



## **Memorandum**

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

**FROM:** Brian Runyen, PE, Engineering Manager

**DATE:** Wednesday, September 6, 2023

**SUBJECT:** Item 9.0 – Resolution 1907, Awarding and Authorizing the General Manager to Execute a Contract in the Amount of \$246,040 with Central Pipeline, Inc. for the Orchard Home Waterline Extension project

**OBJECTIVE:** Board Approval

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### **Issue**

Medford Water has publicly bid the Orchard Home Waterline Extension project. Board approval is needed to execute a contract with the lowest responsive bidder.

### **Discussion**

The City of Medford has entered into a grant agreement with the State of Oregon, through the Oregon Business Development Department, to receive \$2,700,000 of American Rescue Plan Act (“ARPA”) funds for water infrastructure improvements in support of development in the Southwest Medford area. In a spirit of cooperation with the City of Medford and recognizing the expertise of Medford Water delivering Capital water construction projects, Medford Water is particularly suited to executing the bidding and construction management of these projects.

On June 7, 2023, the Board approved an IGA between Medford Water and the City of Medford, whereby Medford Water will deliver two water construction projects funded by the grant money obtained by the City of Medford.

Medford Water prepared bid documents and publicly bid the first of these two projects – the “Orchard Home Waterline Extension”. The project consists of extension of water main in the Southwest Pressure Zone north in Orchard Home Dr, west along Westwood Dr and north along future Fallen Leaf Ave to directly benefit the Housing Authority of Jackson County’s (HAJC) “Orchard Meadows” project. The extension of this water main through areas otherwise not currently served by water will also be a benefit for future redevelopment of this area of Southwest Medford.

Bids for the project were opened publicly on August 23, 2023. Bid amounts were as follows:

Central Pipeline, Inc.	\$ 246,040.00
Lallo Pipeline, Inc.	\$ 336,716.27
Visar Construction Co, Inc.	\$ 339,567.10 <i>*corrected from submitted bid total of \$339,568.00</i>
JCopeland Construction, Inc.	\$ 357,023.00
Pilot Rock Excavation, Inc.	\$ 387,730.00

Medford Water staff reviewed the bids and found the bid from Central Pipeline, Inc. to be the lowest responsive bid. A Notice of Intent to Award the contract to Central Pipeline, Inc. was issued to all bidders on Thursday, August 24, 2023.

### **Financial Impact**

No unreimbursed costs are anticipated related to the Orchard Home project. Under the IGA executed between Medford Water and the City of Medford, all costs incurred by Medford Water will be reimbursed by the City of Medford.

The main financial impact from Medford Water delivering the project relates to cashflow needs for Medford Water to contract directly with and pay the construction contractors. This impact will be mitigated by the City of Medford reimbursing Medford Water for such amounts within 10 days.

### **Requested Board Action**

Staff recommends approval of Resolution 1907, Awarding and Authorizing the General Manager to Execute a Contract in the Amount of \$246,040 with Central Pipeline, Inc. for the Orchard Home Waterline Extension project.



**RESOLUTION NO. 1907**

A RESOLUTION, Awarding and Authorizing the General Manager to Execute a Contract in the Amount of \$246,040 with Central Pipeline, Inc. for the Orchard Home Waterline Extension project

WHEREAS, Medford Water solicited bids for the Orchard Home Waterline Extension project through an Invitation to Bid process; and

WHEREAS, Medford Water received and publicly opened five bids on August 23, 2023; and

WHEREAS, A review determined that the bid from Central Pipeline, Inc. in the amount of \$246,040 was the lowest responsive bid; and

WHEREAS, Central Pipeline, Inc is qualified and agreeable to render the services specified in the aforesaid mentioned Invitation to Bid; and

WHEREAS, the City of Medford will reimburse to Medford Water the cost of both this contract and Medford Water's support of the project thru an Intergovernmental Agreement (IGA) previously approved by the Board of Water Commissioners thru Resolution 1881 on June 7, 2023; and

WHEREAS, the amount of the contract exceeds the General Manager's purchasing authority;

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

SECTION 1. That a contract in the amount of \$246,040 for the Orchard Home Waterline Extension project is hereby awarded to Central Pipeline, Inc.

SECTION 2. That the General Manager is hereby authorized and directed to execute said contract, payments for said contract up to \$246,040, and any contract amendments not exceeding the General Manager's purchasing authority, on behalf of the Board of Water Commissioners. 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 of its passage this 6th day of September 2023.

ATTEST: \_\_\_\_\_  
Amber Furu, Asst. Clerk of the Commission

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Michael Smith, Chair