

Meeting of the Board of Water Commissioners

Wednesday, January 18, 2023 - 12:15 p.m.

Medford City Hall Council Chambers
411 W. 8th Street - Rm 300, Medford, Oregon 97501

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

AGENDA (REVISED)

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

11:30 a.m. STUDY SESSION – (In the Medford Room at City Hall, Room 330)
Source Water Protection Plan

(Water Quality & Treatment Manager Ben Klayman)

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

- 1. Roll Call
- 2. Pledge of Allegiance
- 3. Comments from the Audience

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

- 4. Approval or Correction of the Minutes of the Last Regular Meeting of January 4, 2023
- 5. Resolution No. 1855, A RESOLUTION Authorizing an Exemption From Competitive Solicitation and Awarding a Contract in the Amount of \$740,000.00 to VertexOne to Purchase and Implement VXSmart Software to Upgrade Medford Water's Customer Service Website
- 6. Resolution No. 1856, A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract Amendment in the Amount of \$628,000.00 with Invoice Cloud for the Credit Card Processing and Processing Card Industry Compliance Solutions Contract
- 7. Resolution No. 1857, A RESOLUTION Authorizing the Chair to Execute an Agreement Between the Charlotte Ann Water District and the City of Medford, By and Through its Board of Water Commissioners, Providing For the 20-year Supply of Water to the Area Encompassed by the Charlotte Ann Water District, in the Event the District Successfully Dissolves
- 8. Leadership Team Reports

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

- 9. Propositions and Remarks from the Commissioners
- 10. Adjourn

DATES TO REMEMBER*					
DATE	DAY	TYPE OF MEETING	STUDY SESSION TIME & TOPIC	REGULAR MEETING	LOCATION
02/01/23	Wed.	Board Meeting	Time TBD – Water Efficiency	12:15 p.m.	Prescott Room, Police Dept.
02/15/23	Wed.	Board Meeting	Time TBD – Resiliency Backbone Discussion	12:15 p.m.	Prescott Room, Police Dept.
			Monday, February 20, 2023 – Presidents'	Day – Offices closed	1

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

INSTRUCTIONS FOR ATTENDING THIS MEETING VIRTUALLY



To join by computer, click the following link:

https://us02web.zoom.us/webinar/register/WN qs6e8fYsRFyuHV7S1kNuxQ

Meeting passcode: 688302



To join by phone, call: (669) 900-6833

Meeting ID Number: 895 3251 0027 Meeting passcode: 688302



Memorandum

TO: Commissioners Bob Strosser, Mike Smith, John Dailey,

Jason Anderson, and David Wright

FROM: Kris Stitt, Information Technology Manager

DATE: Thursday, January 12, 2023

SUBJECT: Item 5 - Resolution 1855, Authorizing an exemption from competitive

solicitation and award of contract to VertexOne for VXSmart software

OBJECTIVE: Board Approval

Issue

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

Discussion

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

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

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

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

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

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

Some of the features of the new site include:

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

Financial Impact

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

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

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

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

Requested Board Action

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

RESOLUTION NO. 1855

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

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

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

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

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

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

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

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

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

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

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

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

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

ATTEST: _		
	Yvette Finstad, Asst. Clerk of the Commission	Bob Strosser, Chair

RESOLUTION NO. 1855 011823



Memorandum

TO: Commissioners Bob Strosser, Mike Smith, John Dailey,

Jason Anderson, and David Wright

FROM: Kris Stitt, Information Technology Manager

DATE: Thursday, January 12, 2023

SUBJECT: Item 6 – Resolution 1856, Amendment to Resolution 1653, Invoice Cloud

OBJECTIVE: Board Approval

Issue

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

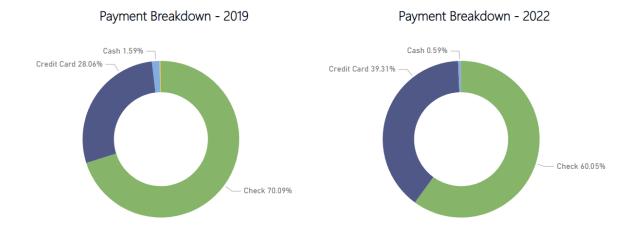
Discussion

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

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

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

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



Financial Impact

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

Credit / Debit Card Payment: \$ 0.55 per transaction e-Check / ACH Payment: \$ 0.40 per transaction

Paperless billing: \$ 0.15 per transaction (per billing cycle)

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

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

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

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

Requested Board Action

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

RESOLUTION NO. 1856

A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract Amendment in the Amount of \$628,000.00 with Invoice Cloud for the Credit Card Processing and Processing Card Industry Compliance Solutions Contract

WHEREAS, the Board of Water Commissioners authorized an exemption from competitive solicitation and awarded a contract to Invoice Cloud, Inc. for credit card processing and processing card industry compliance solutions through Resolution No. 1653 on October 4, 2017; and

WHEREAS, as of January 9, 2023, Medford Water has spent a total of \$484,000 with Invoice Cloud, and additional costs are needed to cover the remainder of the contract; and

WHEREAS, it is anticipated that an additional \$144,000 is needed to cover the remainder of the contract, bringing the total estimated cost to \$628,000; and

WHEREAS, Invoice Cloud is qualified and agreeable to continue to render the services specified in the contract; and

WHEREAS, the total value of the contract including this amendment 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 amendment in the amount of \$144,000 to the Credit Card Processing and Processing Card Industry Compliance Solutions contract, is hereby awarded to Invoice Cloud.

SECTION 2. That the General Manager is hereby authorized and directed to execute said contract amendment and payments for said contract amendment with Invoice Cloud. This authorization exceeds the authority of the General Manager as defined in Section 1.02 of Medford Water's Contracting & Purchasing Regulations.

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

ATTEST:		
_	Yvette Finstad, Asst. Clerk of the Commission	Bob Strosser, Chair

RESOLUTION NO. 1856 011823



Memorandum

TO: Commissioners Bob Strosser, Mike Smith, John Dailey,

Jason Anderson, and David Wright

FROM: Brad Taylor, General Manager **DATE:** Tuesday, January 17, 2023

SUBJECT: Item 7 – Resolution 1857, Charlotte Ann Water District Dissolution Agreement

OBJECTIVE: Board Approval

Issue

The Charlotte Ann Water District (CAWD) Board of Commissioners has voted to place the issue of dissolution of the CAWD on the ballot for the May 2023 election. To plan for an organized transition of service to CAWD customers, a Dissolution Agreement (Agreement) has been drafted and approved by the CAWD Board. The Agreement is a three-way agreement between CAWD, Phoenix, and Medford Water. The City of Phoenix (Phoenix) will be considering approving this Agreement on January 17, 2023.

Discussion

The CAWD Board has voted to place the issue of dissolution of the CAWD on the ballot for the May 2023 election.

CAWD was formed in 1954 and became operational in 1955 as an Oregon Domestic Water Supply District created and operated pursuant to Oregon Revised Statutes Chapters 198 and 263. The District is governed by a 5-member Board of Commissioners elected from among the registered voters residing within the District boundaries.

CAWD was originally created to provide water service to the area along the Highway 99 corridor (South Pacific Highway) between the Phoenix and the City of Medford (Medford) and bordered East and West by Bear Creek and the railroad tracks. CAWD was formed with the intent and expectation that it would operate until the area had been incorporated into the Cities of Phoenix and Medford and since formation several portions of CAWD have been withdrawn and annexed by both Cities. The current CAWD boundaries begin at Rose Street in Phoenix and end at South Stage Road, with the exception of 16 services remaining north of South Stage Road.

CAWD has always operated by contracting with Medford Water. A small pump station at the corner of Highway 99 (South Pacific Highway) and South Stage Road is owned by CAWD and operates to provide stable and sufficient water pressure to CAWD customers. As of September 1, 2020, CAWD numbered 196 metered services, serving approximately 2200 residents.

There are a several factors that have prompted the need for CAWD to consider Dissolution.

• On September 8, 2020, the Almeda Fire swept through CAWD destroying many of the residences and businesses. Of the 196 then existing services approximately two-thirds were taken offline because of the fire. This caused an immediate and drastic decrease in revenues. To attempt to stay financially viable, the CAWD Board increased water rates substantially. With the increased rates and with CAWD customers rebuilding and coming back online, CAWD has been able to weather the financial crisis and stay financially viable on a short-term basis. However, the aftermath of the Almeda Fire has created additional factors that jeopardize the ongoing financial viability.

- Significant repair and improvements to the CAWD pump station are needed in the very near future. With the returning customer base and the increased water rates, CAWD may be able to meet those expenses. However, the costs of the projected repairs and improvements would substantially decrease the short and intermediate-term cash reserves.
- Jackson County and the Oregon Department of Transportation (ODOT) have developed a multi-phase plan to perform substantial improvements to South Pacific Highway (Hwy 99) that affects CAWD's existing water lines. As part of these improvements, CAWD is required to relocate/replace waterlines located in the roadway within the District boundaries. Pursuant to ORS 758.010 and 758.025, the District is required to relocate/replace the waterlines primarily at its own expense. The District, with the assistance of Medford Water and ODOT, has researched options for relocating/replacing the necessary waterlines. Medford Water and ODOT estimate that non reimbursable costs to the District to relocate the lines will likely cost the District between \$1.7 and \$3.7 million dollars over the next two to four years. The actual or true costs of construction will not be known until the total project is bid and constructed, and may exceed the estimated cost.
- Phoenix is in the final process of extending its Urban Growth Boundary, which will then
 extend nearly to South Stage Road and will encompass nearly all of CAWD customer
 base. It is anticipated that once that process is completed CAWD customers will be asked
 by Phoenix to agree to be annexed.

Financial Impact

There are no impacts from the Agreement on Medford Water rate payers.

Requested Board Action

Staff recommends approval of resolution 1857, which authorizes the Chair of the Board of Commissioners to approved signing the Agreement. The Agreement was reviewed by Mark Bartholomew.

Attachments:

Agreement and Exhibits 1, 2, and 3

DISSOLUTION AND SERVICE AREA AGREEMENT

This agreement is made and entered into between the Charlotte Anne Water District ("CAWD"), the City of Medford ("Medford"), an Oregon municipal corporation, by and through its Board of Water Commissioners of the Medford Water Commission ("Medford Water"), and City of Phoenix ("Phoenix"), an Oregon municipal corporation.

RECITALS

WHEREAS, Medford Water is an entity established under the Medford Charter ("Charter") adopted by the citizens of Medford, comprised of five citizens appointed by the Mayor and confirmed by the Medford City Council, to manage the water fund for the purposes of supplying inhabitants of Medford with water;

WHEREAS, Under Section 19 of the Charter, Medford Water is authorized to sell water and/or supply facilities outside the legal boundaries of Medford, only if said water and/or supply facilities are surplus to the needs of the inhabitants of Medford, and meet certain conditions of Medford Water Resolution No. 1058 (or any amendments or superseding ordinances, resolutions, or policies);

WHEREAS, CAWD is a water district (ORS Chapter 264), the boundary of which is depicted on Exhibit A;

WHEREAS, Medford Water supplies CAWD with surplus wholesale water and water service to CAWD customers pursuant to a service agreement between CAWD and Medford Water ("CAWD Agreement");

WHEREAS, Medford Water supplies Phoenix with surplus water to Phoenix customers pursuant to an agreement between Phoenix and Medford Water ("Phoenix Agreement");

WHEREAS, CAWD currently owns assets such as a distribution system and easements for distribution of water;

WHEREAS, CAWD intends to hold an election on the question of whether CAWD should be dissolved and that its assets, easements, and infrastructure be distributed to Medford Water and Phoenix ("Dissolution"), as provided in this agreement;

WHEREAS, a portion of CAWD lies within the Phoenix urban growth boundary ("PH3");

WHEREAS, Phoenix intends to hold an election on the question of whether PH3 shall be annexed into the corporate city limits of Phoenix ("Annexation"); and

WHEREAS, the parties desire to enter into this agreement to provide for the responsibility for future water and water service and ownership of water infrastructure in the event of the following events occurring: 1) electors approve both Dissolution and Annexation, or 2) electors approve Dissolution and reject Annexation, or Annexation is delayed, or 3) electors reject Dissolution and approve Annexation, or 4) electors reject both Dissolution and Annexation or reject Dissolution and Annexation is delayed.

NOW, THEREFORE, in consideration of the mutual covenants of Medford Water, Phoenix, and CAWD, it is agreed as follows:

ARTICLE 1. DEFINITIONS

CAWD Customers. Customers within the boundary of CAWD. CAWD Customers currently consist of PH3 Customers, Non-Urban Customers, and MUGB Customers, as those terms are defined herein.

Medford Water. A municipal utility organized and operating under the authority of the Medford City Charter and ORS Chapter 225.

MUGB Customers. CAWD Customers located within the Urban Growth Boundary of the City of Medford. The portion of the Medford Urban Growth Boundary located in CAWD is shown on Exhibit B.

Non-Urban Customers. CAWD Customers located outside of the Medford and Phoenix urban growth boundaries.

PH3 Customers. CAWD Customers located within the Urban Growth Boundary of the City of Phoenix. The portion of the Phoenix Urban Growth Boundary located in CAWD is shown on Exhibit C.

Surplus Water. Water provided by Medford Water after meeting the needs of the inhabitants of Medford.

Water Service. Operation, Maintenance, and other services provided to CAWD customers to preserve integrity of the water distribution system, reading meters and providing billing services, and maintaining water quality.

ARTICLE 2. AMENDMENTS TO EXISTING AGREEMENTS

Prior to the vote on the question of Annexation and prior to the vote on the question of Dissolution, Medford Water and Phoenix shall amend the Phoenix Agreement to provide that Phoenix can provide water and water service to CAWD. Phoenix and CAWD shall enter into a water and water service agreement ("Phoenix /CAWD Service Area Agreement), providing that Phoenix shall serve Non-Urban Customers and PH3 Customers, and that Phoenix will charge the same rate as the CAWD Customers are currently paying to CAWD. Medford Water and CAWD shall amend the CAWD Agreement to reflect that Medford Water shall serve water and water service only the MUGB Customers. The foregoing is subject to change pursuant to other provisions herein.

ARTICLE 3. CONTINGENCIES

A. Electors approve Dissolution and Annexation. PH3 will become part of the city limits of Phoenix and PH3 Customers will be served by Phoenix. PH3 Customers will pay the same rate as existing Phoenix customers. MUGB Customers will be served by Medford Water and will pay the Medford Water outside city rate. Non-

- Urban Customers will be served by Phoenix and be charged the Phoenix outside city rate.
- **B.** Electors approve Dissolution and reject Annexation, or Annexation is delayed. MUGB Customers will be served by Medford Water pursuant to the amendment to the CAWD Agreement set forth in Article 2 and will pay the Medford Water outside city rate. Non-Urban Customers and PH3 Customers will continue to be served by Phoenix, pursuant to the amendment to the Phoenix Agreement set forth in Article 2 and be charged the Phoenix outside city rate.
- C. Electors reject Dissolution and approve Annexation. MUGB Customers will continue to be CAWD Customers pursuant to the amendment set forth in Article 2 and be charged the Medford Water outside city rate. PH3 Customers will become part of the city limits of Phoenix and be served by Phoenix. PH3 Customers will pay the same rate as existing Phoenix customers. Non-Urban Customers will be served by Phoenix and charged the Phoenix outside city rate pursuit to the amendment set forth in Article 2.
- **D.** Electors reject Dissolution and Annexation, or Annexation is delayed. MUGB Customers will continue to be served under the CAWD Service Agreement, as amended pursuant to Article 2. Non-Urban Customers and PH3 Customers will continue to be served by Phoenix and CAWD, pursuant to the Phoenix /CAWD Service Area Agreement, and pay the Phoenix outside city rate.

ARTICLE 4. GENERAL CONDITIONS

Except as otherwise stated herein, Medford Water and Phoenix will assume no financial obligations of CAWD, and all CAWD Customers will remain obligated to satisfy all outstanding financial obligations of CAWD and improvements necessary to deliver reliable water to CAWD Customers.

Notwithstanding the foregoing, Phoenix shall be responsible for improvements necessary as a result of ODOT's Hwy 99 improvements (ODOT Project K22384 from the intersection of Glenwood to Coleman) but reserves the right to fund such improvements by way of bonding, rate increases, surcharges, assessments, or any other legally permissible means. All cash assets held by CAWD in the name of CAWD and transferred from CAWD to Phoenix will be first applied to offset costs of the above referenced ODOT project.

All funds contributed by CAWD to MWC and held by MWC for the purpose of the future purpose of purchasing water rights will be allocated to Medford and Phoenix based upon the relative number of CAWD customers served. The terms and conditions of that allocation will be addressed in the respective agreements referenced in Article 2 herein.

Phoenix shall be responsible for the maintenance and repair of the pump station located along Highway 99 upon full execution of this agreement, regardless of the outcome of any of the Article 3 contingencies. Medford Water, CAWD, and Phoenix shall execute any commercially reasonable bill of sale or similar documentation to transfer title and responsibility of the pump station to Phoenix.

Medford Water and Phoenix shall have the same powers and assume the same responsibilities with reference to domestic water supply within the area described in Exhibit A as are conferred and imposed upon cities under ORS 223 and 225; and nothing in this Agreement is intended to prevent or inhibit the authority of Phoenix from establishing Agreement between Medford Water, Phoenix, and CAWD Page 3 of 4

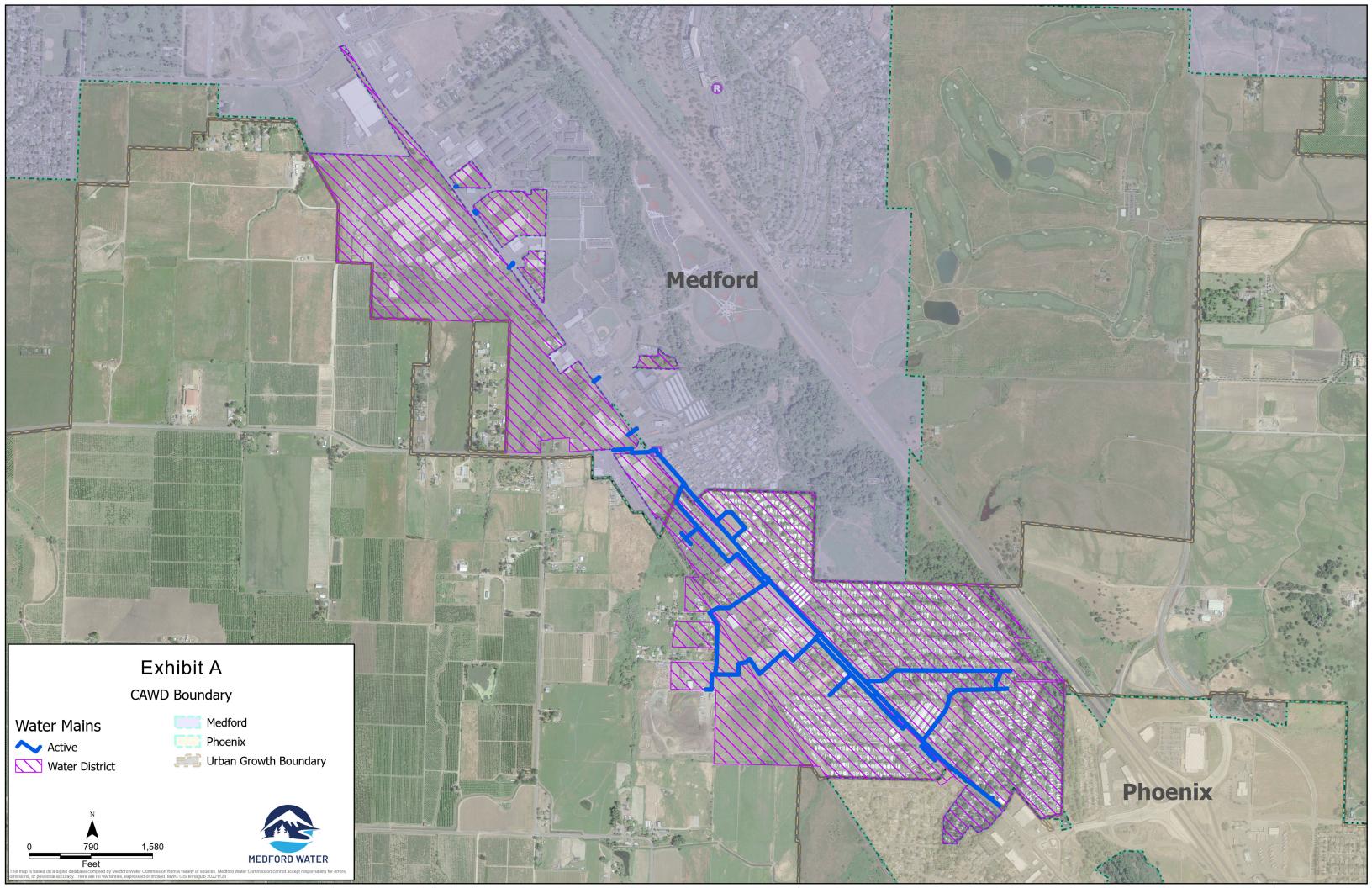
appropriate water rates for any customer it services within the area described in Exhibit A; however, Medford Water and Phoenix shall not have the authority to levy any ad valorem real property tax on any authority within the area described in the Exhibit A as long as it remains outside the corporate boundaries of the Medford and/or Phoenix.

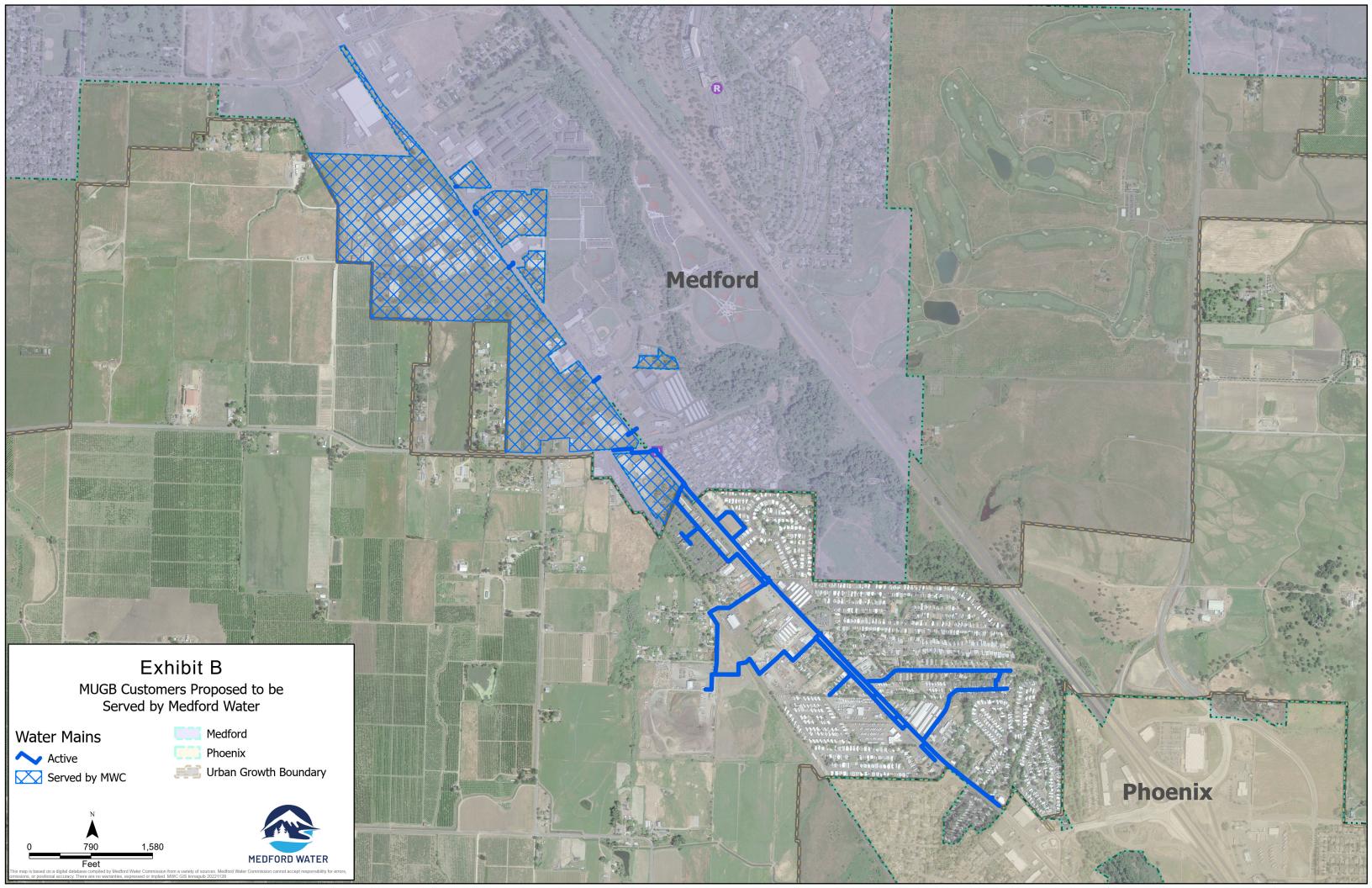
If the electors of CAWD approve Dissolution under this plan, the statutory trustees shall thereafter have the authority to continue to serve, and shall continue to serve, all CAWD Customers until 11:59 p.m. on June 30, 2023, and shall during said time discharge the CAWD's debts and obligations from, and to the extent of, assets available for that purpose. On or before 12:00 a.m. July 1, 2023, CAWD shall transfer to Medford Water and Phoenix, as applicable, all its remaining assets and shall transfer its books and records to Medford, Phoenix, or Jackson County, as applicable. Upon the transfer of such assets, Medford Water and Phoenix shall assume its duties and obligations under this contract, provided:

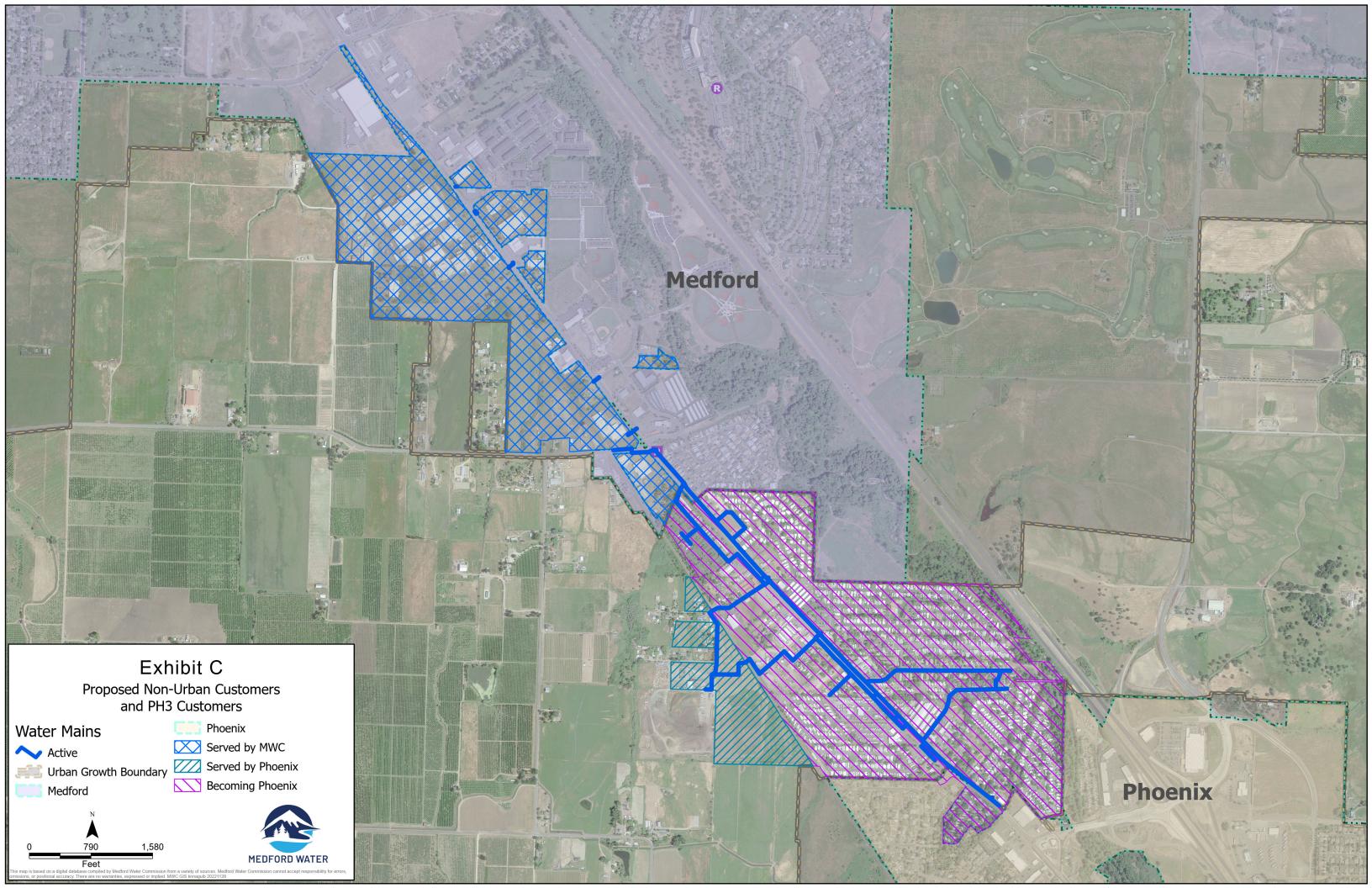
- All involuntary debts or obligations of the CAWD, such as claims for damages based on tort, contract, or otherwise, arising prior to 12:00 a.m. on July 1, 2023 shall be assumed by Medford Water and Phoenix only to the extent that there are available funds of CAWD, which CAWD shall remit to Medford Water and/or Phoenix, or liability insurance from which Medford Water and Phoenix can be fully indemnified and made whole; and
- Any water mains or easements transferred to Medford Water and/or Phoenix hereunder, which are still outside the corporate boundaries of Medford and/or Phoenix, shall vest in the respective cities pursuant to Article 3 and the applicable service agreements.
- Any water mains owned by CAWD at the time of Dissolution without easement or
 outside a Public Utilities Easement (PUE), will be identified and easements will be
 obtained prior to CAWD dissolution. If easements are not obtained, water service
 may not be provided.

Because of the time limitations imposed on Medford Water by the Charter, this agreement to provide water to CAWD Customers shall terminate 20 years after date of signed agreement. Renewal or Annexation to Medford or Phoenix provides the mechanism beyond twenty years to continue to be provided water and water service.

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Chair, Medford Water	Date			
		I	I	
CAWD	Date			
		I	I	
Phoenix	Date			







RESOLUTION NO. 1857

A RESOLUTION Authorizing the Chair to Execute an Agreement Between the Charlotte Ann Water District and the City of Medford, By and Through its Board of Water Commissioners, Providing For the 20-year Supply of Water to the Area Encompassed by the Charlotte Ann Water District, in the Event the District Successfully Dissolves

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

That an agreement by and between the Charlotte Ann Water District (CAWD) and the City of Medford, acting by and through it Board of Water Commissioners (Commission) providing that the Commission and the City of Phoenix will continue to operate a portion of the water system within the area presently encompassed by CAWD on the same basis as its operations within the City of Medford for 20 years with the option to provide service to former district customers thereafter, as set forth in the attached Exhibit A and by reference made a part hereof, is hereby approved.

PASSED by the Board of Water Commissioners and signed by me in authentication of its passage this 18th day of January 2023.

ATTEST:		
	Yvette Finstad, Asst. Clerk of the Commission	Bob Strosser, Chair

RESOLUTION NO. 1857 011823