



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

## AGENDA

11:15 a.m. LUNCH

11:30 a.m. STUDY SESSION – Resiliency Backbone Discussion  
(Engineering Manager Brian Runyen and Senior Engineer Rachel Lanigan)

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. Consent Calendar**

4.1 Approval or Correction of the Minutes of the Last Regular Meeting of February 1, 2023

4.2 Quarterly Letter to Mayor and Council

**5. Items Removed from Consent Calendar**

**6. 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 Operations Manager Dan Perkins, 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.

**7. Propositions and Remarks from the Commissioners**

**8. Adjourn**

### DATES TO REMEMBER\*

DATE	DAY	TYPE OF MEETING	STUDY SESSION TIME & TOPIC	REGULAR MEETING	LOCATION
<i>Monday, February 20, 2023 – Presidents' Day – Offices closed</i>					
03/01/23	Wed.	Board Meeting	Time TBD – Capital Budget 2023-24	12:15 p.m.	Prescott Room, Police Dept.
03/15/23	Wed.	Board Meeting	Time TBD – Capital Budget 2023-24	12:15 p.m.	Prescott Room, Police Dept.
04/05/23	Wed.	Board Meeting	Time TBD – Asset Management	12:15 p.m.	Prescott Room, Police Dept.
04/19/23	Wed.	Board Meeting	Time TBD – SDCs/CLA/Fees/Rules and Regs Update	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\\_LH2L0YP-SjKGOsFBsR7X1w](https://us02web.zoom.us/webinar/register/WN_LH2L0YP-SjKGOsFBsR7X1w)

Meeting passcode: 622306



To join by phone, call:

(669) 900-6833

Meeting ID Number: 873 9462 6695 Meeting passcode: 622306



## Memorandum

**TO:** Commissioners Michael Smith, John Dailey, Jason Anderson, Bob Strosser, and David Wright  
**FROM:** Brad Taylor, General Manager  
**DATE:** Wednesday, February 8, 2023  
**SUBJECT:** Item 4.2 – 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 second 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 second 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 second quarter letter to the Mayor and City Council.



February 15, 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 second quarter of Fiscal Year 2022-23, as well as Consumption and Watershed Reports.

During the second quarter of Fiscal Year 2022-23, Medford Water started preliminary design for replacement of the Capital Hill Water Storage Facility. In addition, design work is nearing completion on a new 42" Transmission pipeline down Table Rock Road. This pipeline will serve as a seismically resilient backbone from the Robert A. Duff Water Treatment Plant and connect to critical storage in the water system. This work is necessary to meet the growing needs of our community and region, and to address seismic vulnerabilities of existing infrastructure. Both of these projects are supported by a low interest loan from the EPA Water Infrastructure Finance Innovation Act (WIFIA) program.

If the Mayor or Council members have any questions, feel free to contact our office at any time, or Tim D'Alessandro, Council Liaison.

Sincerely,

Michael Smith, Chair  
Board of Medford Water Commissioners

Brad Taylor, General Manager  
Medford Water

Attachments

**Medford Water Commission**  
**Income Statement**  
**12/31/2022**

	Month to Date		Year to Date	
	Current	Prior	Current	Prior
<b>Water Fund</b>				
<b>Operating Revenues</b>				
Residential Sales Inside Gallonage	\$204,019.09	\$182,618.82	\$3,680,764.66	\$44,951.00
Commercial Sales Inside Gallonage	70,115.69	68,505.64	1,356,357.02	1,246,684.92
Industrial Sales Inside Gallonage	12,469.74	12,832.00	95,989.90	108,223.36
Base Charges Inside	530,348.14	495,152.24	3,187,029.75	2,968,911.94
High Elevation Charges	28,558.15	26,936.93	235,723.21	216,983.53
Fire Services Inside	29,260.71	26,863.86	175,553.76	161,186.36
Residential Sales Outside Gallonage	37,740.24	40,196.35	604,361.38	554,361.71
Commercial Sales Outside Gallonage	19,641.44	12,997.60	329,152.60	360,835.40
Industrial Sales Outside Gallonage	73,058.68	79,527.36	764,395.24	731,682.84
Base Charges Outside	114,029.15	106,246.91	684,747.97	640,404.44
Fire Services Outside	8,358.31	7,682.06	49,897.89	45,977.95
Sales to Other Utilities	92,965.30	16,222.99	1,708,278.34	1,771,760.44
Miscellaneous Collections	36,427.34	33,171.64	222,502.73	142,107.19
Connections/Installations	58,147.29	199,011.61	386,836.31	522,412.57
<b>Total Operating Revenues</b>	<b>1,315,139.27</b>	<b>1,307,966.01</b>	<b>13,481,590.76</b>	<b>9,516,483.65</b>
<b>Operating Expenses</b>				
<b>Water Operating Expenses</b>				
Source of Supply	74,197.55	50,504.75	645,281.38	694,448.28
Supply Pumping	16,526.88	20,304.60	395,678.78	373,353.11
Purification	153,901.43	113,575.76	1,446,386.85	1,144,897.32
Transmission	41,438.93	15,103.18	127,181.54	106,943.48
Distribution Pumping	21,321.69	30,641.55	245,425.79	198,627.81
Distribution	384,618.55	218,423.15	2,099,487.52	1,377,908.05
Customer Accounts & Collection	188,664.87	180,419.05	1,241,094.99	1,171,125.18
Administrative & General	22,328.41	127,527.20	315,306.32	935,470.72
Connections/Installations	56,615.18	21,904.07	397,862.19	250,072.28
<b>Total Operating Expenses</b>	<b>959,813.49</b>	<b>778,403.31</b>	<b>6,913,705.36</b>	<b>6,252,846.23</b>
<b>Operating Income Before Depreciation</b>	<b>355,525.78</b>	<b>529,562.70</b>	<b>6,567,885.40</b>	<b>6,668,168.91</b>
Depreciation	343,654.91	320,362.73	2,047,295.59	1,920,003.92
<b>Total Operating Income</b>	<b>11,870.87</b>	<b>209,199.97</b>	<b>4,520,589.81</b>	<b>4,748,164.99</b>
<b>Non Operating Revenues</b>				
Charges in Lieu of Assessments	0.00	0.00	0.00	0.00
Investment Revenue	37,019.74	30,875.79	54,141.81	49,404.43
Grant Revenue	0.00	0.00	(2,294.00)	2,305.39
Forest Product Revenue	0.00	5,612.20	0.00	636,682.13
Debt Proceeds	1,601,746.94	0.00	2,781,045.59	0.00
Miscellaneous Revenue	945.60	1,629.77	38,604.59	97,886.32
<b>Total Non Operating Revenues</b>	<b>1,639,712.28</b>	<b>38,117.76</b>	<b>2,871,497.99</b>	<b>786,278.27</b>
<b>Income Before Contributions</b>	<b>1,651,583.15</b>	<b>247,317.73</b>	<b>7,392,087.80</b>	<b>5,534,443.26</b>
<b>Capital Contributions</b>				
System Development Charges	(66,049.70)	311,150.92	369,654.80	999,684.66
Developer Donations (Capitalized)	118,295.00	0.00	386,228.00	595,204.69
<b>Total Income from Contributions</b>	<b>52,245.30</b>	<b>311,150.92</b>	<b>755,882.80</b>	<b>1,594,889.35</b>
<b>Net Income - Water Fund</b>	<b>\$1,703,828.45</b>	<b>\$558,468.65</b>	<b>\$8,147,970.60</b>	<b>\$7,129,332.61</b>
<b>Combined Income (All Funds)</b>				
Net Income - Water Fund	1,703,828.45	558,468.65	8,147,970.60	7,129,332.61
Net Income - Construction Fund	73,694.04	3,388.17	199,999.60	27,408.07
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>\$1,777,522.49</b>	<b>\$561,856.82</b>	<b>\$8,347,970.20</b>	<b>\$7,156,740.68</b>

**Medford Water Commission**  
**Balance Sheet**  
**12/31/2022**

	Water System		Total	Last Year
	Water Fund	Construction Fund		
<b>Assets</b>				
<b>Current Assets</b>				
Cash	\$2,474,725.32	\$0.00	\$2,474,725.32	\$1,914,689.69
Revolving Fund Cash	22,688.82	0.00	22,688.82	34,024.60
Cafeteria Plan Cash	46,278.58	0.00	46,278.58	11,924.52
Short Term Investments	3,840,122.09	10,700,886.32	14,541,008.41	14,320,937.77
Short Term Investments- Future Main Replacement:	0.00	4,583,251.35	4,583,251.35	4,276,258.47
Short Term Investments- Future Treatment and Trai	0.00	8,271,897.62	8,271,897.62	7,553,012.98
Short Term Investments- Future Water Rights Devel	0.00	5,045,963.10	5,045,963.10	5,010,735.51
Short Term Investments- Vernal Pool Management	0.00	137,836.15	137,836.15	136,873.84
Short Term Restricted Investments	5,639,178.79	0.00	5,639,178.79	215,865.08
Notes Receivable	1,874,211.85	0.00	1,874,211.85	2,018,282.13
Accounts Receivable	1,406,087.33	0.00	1,406,087.33	1,821,861.40
Accounts Receivable - Misc.	933,990.56	0.00	933,990.56	433,967.39
Cafeteria Plan Receivable	0.00	0.00	0.00	(117.64)
Inventory	1,529,972.99	0.00	1,529,972.99	1,333,291.47
Work in Progress	397,678.44	0.00	397,678.44	481,911.95
Prepaid Expenses	1,411,049.87	0.00	1,411,049.87	1,453,474.08
Other Current Assets	107,153.44	0.00	107,153.44	104,721.22
<b>Total Current Assets</b>	<b>19,683,138.08</b>	<b>28,739,834.54</b>	<b>48,422,972.62</b>	<b>41,121,714.46</b>
<b>Fixed Assets</b>				
Utility Plant / Service	200,522,806.78	0.00	200,522,806.78	205,994,873.34
Construction in Progress	23,861,526.54	0.00	23,861,526.54	12,091,008.31
Accumulated Depreciation	(58,533,713.04)	0.00	(58,533,713.04)	(69,152,693.76)
<b>Total Fixed Assets</b>	<b>165,850,620.28</b>	<b>0.00</b>	<b>165,850,620.28</b>	<b>148,933,187.89</b>
<b>Total Assets</b>	<b>185,533,758.36</b>	<b>28,739,834.54</b>	<b>214,273,592.90</b>	<b>190,054,902.35</b>
<b>Liabilities &amp; Fund Equity</b>				
<b>Current Liabilities</b>				
Accounts Payable	2,133,174.80	0.00	2,133,174.80	543,867.11
Retainage Payable	0.00	0.00	0.00	6,704.97
Customer Deposits	93,198.72	0.00	93,198.72	77,615.00
Miscellaneous Deposits	1,750.00	0.00	1,750.00	0.00
Construction Deposits	631,480.00	0.00	631,480.00	527,621.18
Miscellaneous Payable	236,303.20	0.00	236,303.20	275,142.41
Water Districts Payable	34,123.43	0.00	34,123.43	37,748.12
Accrued Vacation	606,775.45	0.00	606,775.45	610,584.11
Cafeteria Plan Payable	8,222.95	0.00	8,222.95	11,421.76
Other Current Liabilities	998.90	0.00	998.90	(36.54)
<b>Total Current Liabilities</b>	<b>3,746,027.45</b>	<b>0.00</b>	<b>3,746,027.45</b>	<b>2,090,668.12</b>
<b>Fund Equity</b>				
Retained Earnings	174,112,787.61	28,066,807.64	202,179,595.25	180,807,493.55
<b>Total Fund Equity</b>	<b>174,112,787.61</b>	<b>28,066,807.64</b>	<b>202,179,595.25</b>	<b>180,807,493.55</b>
<b>Net Income - Fiscal YTD</b>	<b>8,147,970.60</b>	<b>199,999.60</b>	<b>8,347,970.20</b>	<b>7,156,740.68</b>
<b>Fund Transfers In (Out)</b>	<b>(473,027.30)</b>	<b>473,027.30</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Liabilities &amp; Fund Equity</b>	<b>185,533,758.36</b>	<b>28,739,834.54</b>	<b>214,273,592.90</b>	<b>190,054,902.35</b>



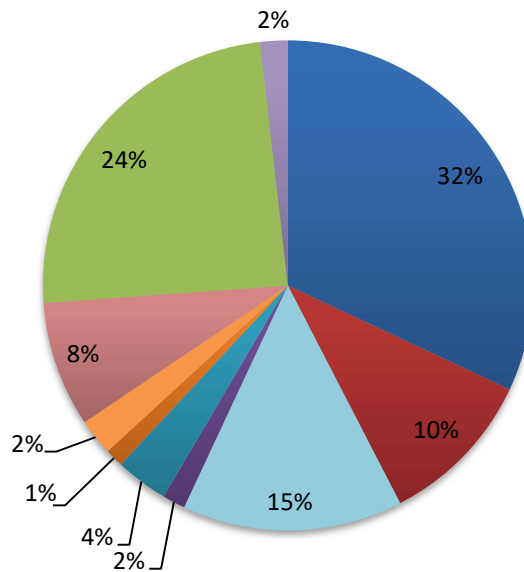
**WATER CONSUMPTION - THOUSANDS OF GALLONS**

	<u>CONSUMPTION OCT - DEC 2022</u>	<u>CONSUMPTION OCT - DEC 2021</u>	<u>CHANGE IN CONSUMPTION</u>
INSIDE SINGLE-FAMILY RESIDENTIAL	606,204	499,657	21.32%
INSIDE MULTIPLE-FAMILY RESIDENTIAL	197,630	179,603	10.04%
INSIDE COMMERCIAL	275,103	231,488	18.84%
INSIDE INDUSTRIAL	28,871	33,441	-13.67%
OUTSIDE SINGLE-FAMILY RESIDENTIAL	65,819	55,632	18.31%
OUTSIDE MULTIPLE-FAMILY RESIDENTIAL	23,044	21,803	5.69%
OUTSIDE COMMERCIAL	45,565	38,786	17.48%
OUTSIDE INDUSTRIAL	156,871	152,167	3.09%
SALES TO OTHER UTILITIES	460,999	374,326	23.15%
SALES TO WATER DISTRICTS	34,447	37,950	-9.23%
<b>TOTAL WATER CONSUMPTION</b>	<b>1,894,553</b>	<b>1,624,853</b>	<b>16.60%</b>

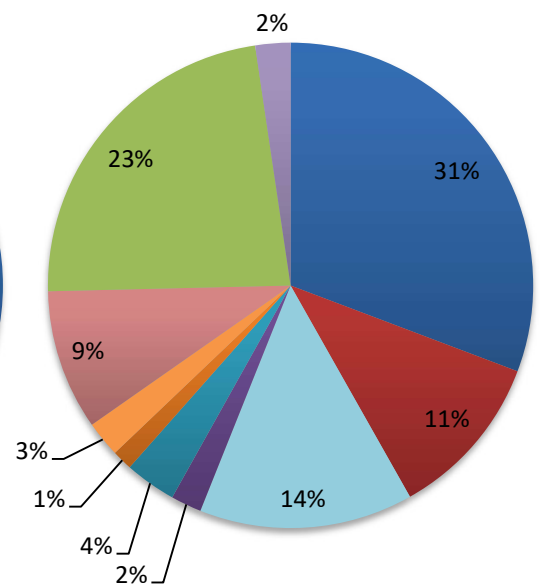
**Percentage of Total  
Consumption  
for Quarter**

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

**Q2-2022**



**Q2-2021**



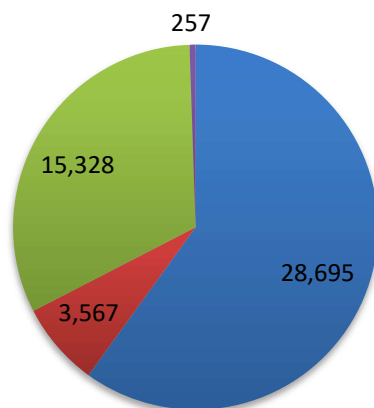
# WATER SERVICES TO DECEMBER 31, 2022

	<u>SERVICES DEC 2022</u>	<u>SERVICES DEC 2021</u>	<u>CHANGE IN SERVICES</u>
<b><u>INSIDE CITY</u></b>			
RESIDENTIAL - SINGLE-FAMILY	22,860	22,680	180
RESIDENTIAL - MULTIPLE-FAMILY	2,508	2,515	-7
COMMERCIAL	2,775	2,754	21
INDUSTRIAL	49	50	-1
FIRE SERVICES	503	490	13
<b><i>SUBTOTAL - INSIDE CITY</i></b>	<b><u>28,695</u></b>	<b><u>28,489</u></b>	<b><u>206</u></b>
<b><u>OUTSIDE CITY</u></b>			
RESIDENTIAL - SINGLE-FAMILY	3,052	3,055	-3
RESIDENTIAL - MULTIPLE FAMILY	89	82	7
COMMERCIAL	235	226	9
INDUSTRIAL	103	100	3
UTILITIES	7	7	0
FIRE SERVICES	81	79	2
<b><i>SUBTOTAL - OUTSIDE CITY</i></b>	<b><u>3,567</u></b>	<b><u>3,549</u></b>	<b><u>18</u></b>
<b><u>OTHER UTILITIES</u></b>			
CITY OF CENTRAL POINT	6,815	6,788	27
CITY OF JACKSONVILLE	1,552	1,547	5
CITY OF EAGLE POINT	3,584	3,533	51
CITY OF PHOENIX	1,201	1,179	22
T.A.P.	2,176	2,169	7
<b><i>SUBTOTAL - OTHER UTILITIES</i></b>	<b><u>15,328</u></b>	<b><u>15,216</u></b>	<b><u>112</u></b>
<b><u>WATER DISTRICTS</u></b>			
CHARLOTTE ANN	153	163	-10
ELK CITY	104	189	-85
<b><i>SUBTOTAL - WATER DISTRICTS</i></b>	<b><u>257</u></b>	<b><u>352</u></b>	<b><u>-95</u></b>
<b>TOTAL WATER SERVICES</b>	<b><u>47,847</u></b>	<b><u>47,606</u></b>	<b><u>241</u></b>

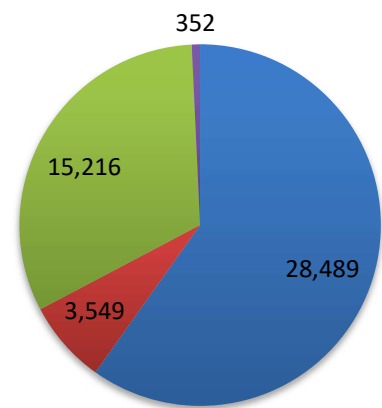
**Number of Services  
in December**

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

**DEC 2022**



**DEC 2021**



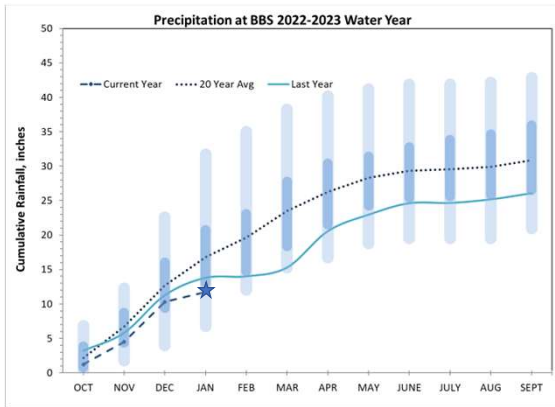


# Watershed Precipitation

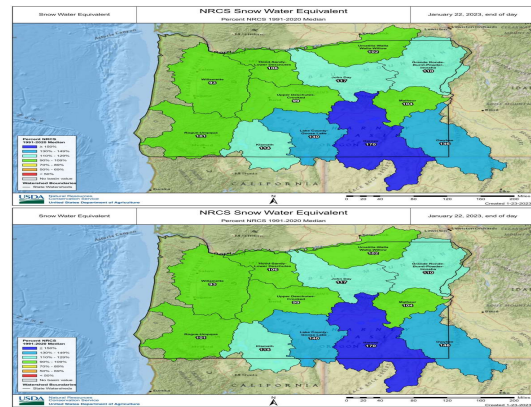
Ben Klayman, PhD, PE, Water Quality & Treatment Manager

- 2022-23 Water Year (Oct.-Sep.)

Below Average (70%) Precipitation at BBS

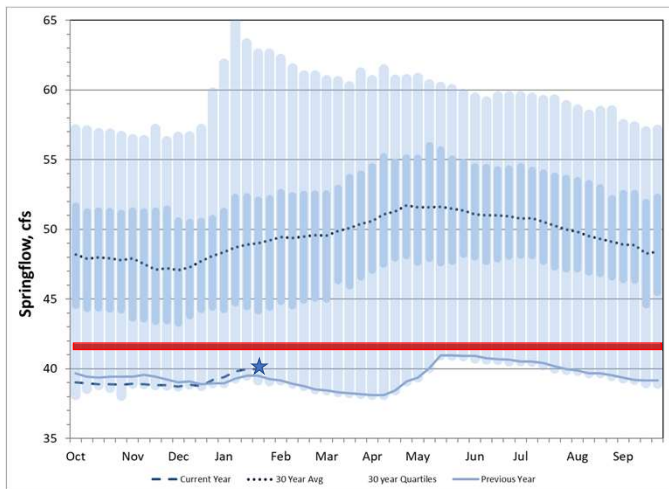


Average snowpack in Rogue Basin

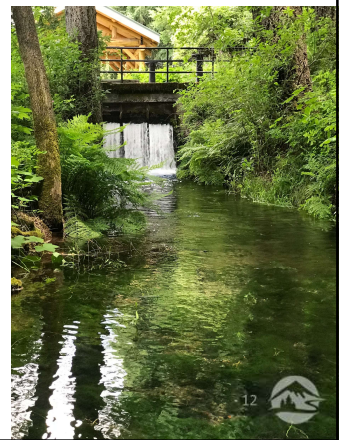


# Springflow

Better off than this time last year



← Minimum flow for 2 full pipes



# Willow Lake Storage

Slightly below the historical average level

