



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

## **AGENDA**

11:00 a.m. EXECUTIVE SESSION PER ORS 192.660(2)(d) – To conduct deliberations with persons designated by the governing body to carry on labor negotiations. (Held in Council Chambers at City Hall, Room 300)

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

11:30 a.m. STUDY SESSION – SCADA Master Plan

12:15 p.m. BOARD MEETING (Held 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. Written Communications**

4.1 Letters from St. Vincent de Paul and The Salvation Army

### **5. Consent Calendar**

5.1 Approval or Correction of the Minutes of the Last Regular Meeting of June 7, 2023

5.2 Resolution No. 1883, A RESOLUTION Authorizing the Chair of the City of Medford, By and Through its Board of Water Commissioners to Execute a Quitclaim Deed Releasing All Right and Title to, and Interest in, a Portion of the Easement originally recorded as Document No. 2007-020194 on April 27, 2007

5.3 Resolution No. 1884, A RESOLUTION Authorizing the General Manager to Execute an Amendment to Agreement between the Board of Water Commissioners and the Laborers' International Union of North America, Local #737

### **6. Items Removed from Consent Calendar**

**7. Resolution No. 1885, A RESOLUTION Adopting Findings, Authorizing an Exemption from Competitive Bidding, and Awarding a one-year contract, with four annual options to renew, to Hornecker Cowling (HC) for Legal Services for up to \$175,000**

**8. Resolution No. 1886, A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract Amendment in the Amount of \$10,552,457.00 with Slayden Constructors, Inc. for the Duff Filter/Reservoir/Pumping Expansion CM/GC Construction Services**

9. **Resolution No. 1887, A RESOLUTION Awarding and Authorizing the General Manager to Execute Log Purchase Agreements for the Rancheria Timber Harvest on Big Butte Springs Watershed**
10. **Resolution No. 1888, A RESOLUTION Adopting, and Authorizing the General Manager to Execute the Comprehensive Financial Management Policy for the Board of Water Commissioners**
11. **Resolution No. 1889, A RESOLUTION Authorizing the General Manager of the Medford Water Commission to Execute on Behalf of the Board of Water Commissioners, a Payment to CityCounty Insurance Services in the Amount of \$237,673.65 for Medford Water Commission's General Liability, Automotive, and Property Damage Insurance Premium for Fiscal Year 2023-2024**
12. **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.
13. **Propositions and Remarks from the Commissioners**
14. **Adjourn**

DATES TO REMEMBER*					
DATE	DAY	TYPE OF MEETING	STUDY SESSION TIME & TOPIC	REGULAR MEETING	LOCATION
<i>Tuesday, July 4, 2023 – Offices closed in observance of the Independence Day holiday</i>					
07/5/23	Wed	Board Meeting	Time TBD – Annual Goals	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\\_Hpvpg3eaQ4mPosPYwvNGOA](https://us02web.zoom.us/webinar/register/WN_Hpvpg3eaQ4mPosPYwvNGOA)  
 Meeting passcode: 397179



To join by phone, call:  
 (669) 900-6833  
 Meeting ID Number: 831 9490 5787 Meeting passcode: 397179



## Memorandum

**TO:** Commissioners Michael Smith, John Dailey, Bob Strosser, Jason Anderson, and David Wright  
**FROM:** Julie Smitherman, Water Resources and Customer Service Manager  
**DATE:** June 21, 2023  
**SUBJECT:** Item 4.1 – Funding Request Letters from Salvation Army and St. Vincent de Paul  
**OBJECTIVE:** Board Approval

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### Issue

Funding request letters have been received from two of the three agencies that receive annual grants from the Commission for low-income, water bill payment assistance.

### Discussion

Emergency assistance grants have been included in the Commission's budget since 2003, and are awarded based on the agencies' current balances, up to the \$5,000 maximum. The agencies handle the screening of applicants and disbursement of funds. Copies of the letters and disbursement reports are attached.

### Financial Impact

Based on their current funding status, staff would recommend the following grants for FY 2023-24 to The Salvation Army, and St. Vincent de Paul:

ACCESS:	\$0	Current Balance:	\$(LIHWA funding)
The Salvation Army:	\$1,826.97	Current Balance:	\$ 3,173.03
St. Vincent de Paul:	\$4,756.33	Current Balance:	\$ 243.67

ACCESS has been allocated funding through the Low-Income Household Water Assistance program (LIHWA), and they are not requesting additional funding from Medford Water at this time. The Salvation Army is requesting \$1,826.97 and St. Vincent de Paul is requesting \$4,756.33. Both agencies are aware of the available funding through the LIHWA program and have been referring many of our customers to ACCESS. The agencies requesting funding would like to continue to partner with us and provide assistance to our customers who have an emergency situation, a leak they need help repairing, or do not qualify for LIHWA funding through ACCESS.

Emergency Bill Payment Assistance has been budgeted for the 2023-24 fiscal year.

### Requested Board Action

Staff recommends approval of the above grant amounts by motion for The Salvation Army and St. Vincent de Paul.



**The Salvation Army**  
*Medford Citadel Corps & Community Center*  
*Serving all of Jackson County*  
*Medford, Oregon 97501*

May 15, 2023

Founded in 1865

William & Catherine  
Booth  
*Founders*

Brian Peddle  
*General*

Commissioner  
Douglas Riley  
*Territorial Commander*

Major Nancy Dihle  
*Divisional Commander*

Major Randy Mulch  
Major Jonnette Mulch  
*Jackson County*  
*Coordinators/Corps Officers*



Esmeralda Cortez  
541-774-2425  
[Esmeralda.cortez@medfordwater.org](mailto:Esmeralda.cortez@medfordwater.org)  
Medford Water Commission

Dear Esmeralda,

We at The Salvation Army are thankful to the Medford Water Commission for their commitment to our community to provide safe water resources to low-income individuals in our community demonstrated by the \$5,000.00 grant given to The Salvation Army last year. Your support allowed us to help those who have been issued water shut off notices and those who had water leaks to repair systems.

Since December 2022 grant to The Salvation Army was received, we have been able to help 45 household occupants comprising 15 households in our community with payment of their water bills which help them stay in their homes. The current balance of our grant is \$3,173.03

We have seen a recent influx of low-income households in Medford coming to us seeking help with water shut off notices. We believe that our current balance of water assistance funding will be depleted soon. Because of the increase in requests for services we are requesting an additional grant of \$5000 so we can help low-income households to continue to have access to safe water.

Thank you for helping us help others,

With Blessings,

Randy Mulch, Major  
The Salvation Army  
Jackson County Oregon

**Medford Citadel Corps**  
304 Beatty Street  
Ph (541) 773-6965  
Fax (541) 734-4293

**Hope House Transitional Living**  
1065 Crews Road  
Ph (541) 773-7005  
Fax (541) 842-2497

**Family Services**  
922 N. Central  
Ph (541) 772-8149  
Fax (541) 842-2489

**Thrift Store**  
922 N. Central  
Ph (541) 773-7335

*Serving Jackson County*

**From:** Krystle Williams <[Krystle.Williams@usw.salvationarmy.org](mailto:Krystle.Williams@usw.salvationarmy.org)>  
**Sent:** Monday, May 1, 2023 4:44 PM  
**To:** Esmeralda L. Cortez <[esmeralda.cortez@medfordwater.org](mailto:esmeralda.cortez@medfordwater.org)>  
**Cc:** Randy Mulch <[randy.mulch@usw.salvationarmy.org](mailto:randy.mulch@usw.salvationarmy.org)>  
**Subject:** RE: Water assistance funds

Thank you for reaching out! Below is the list of families we assisted this last year with the grant money.

<i>Date of Voucher</i>	<i>Name of Client</i>	<i>Amount of Voucher</i>	<i>Members of Household</i>
7/7/2022	Customer	\$ 119.58	1
8/16/2022	Customer	\$ 71.69	3
9/23/2022	Customer	\$ 168.52	2
9/27/2022	Customer	\$ 58.97	2
9/30/2022	Customer	\$ 181.22	1
10/25/2022	Customer	\$ 144.20	6
10/28/2022	Customer	\$ 200.00	4
10/31/2022	Customer	\$ 178.27	6
11/18/2022	Customer	\$ 88.71	1
11/29/2022	Customer	\$ 36.20	2
12/2/2022	Customer	\$ 212.60	4
1/3/2023	Customer	\$ 39.86	1
2/2/2023	Customer	\$ 81.70	4
2/16/2023	Customer	\$ 184.18	7
3/10/2023	Customer	\$ 61.27	1

We helped a total of 45 people, and I show we have \$3,173.03 left in the account at present.

Thank you again for everything!

*Krystle N. Williams*



**ROGUE VALLEY DISTRICT COUNCIL  
SOCIETY OF ST. VINCENT DE PAUL**

P.O. BOX 1663 • 2424 N. PACIFIC HWY. • MEDFORD, OREGON 97501  
PHONE: (541) 772-3828 • FAX: (541) 772-6886 • [www.stvincentdepaulmedford.info](http://www.stvincentdepaulmedford.info)

**RECEIVED**

**JUN 05 2023**

**MEDFORD WATER COMMISSION**

June 1, 2023

Medford Water Commission  
200 S. Ivy Street, Room 177  
Medford, OR 97501-3100

Re: Grant funding

Dear Commissioners:

On August 3, 2022 St. Vincent deposited your grant of \$5,000 in our Social Services account. On May 3, 2023 I submitted a report with printout showing our expenditures from this grant as of that date as \$243.67. All but three of those checks were written to Medford Water Commission to pay for water use by customers. Two checks (one for \$197 to pay for leak detection for Kelli Loux and one for \$260 to pay for leak detection for Sharna Ray) were sent to Accurate Plumbing, Electrical and Automotive Solutions. One check in the amount of \$375 went to American Leak Detection to find an underground leak at the home of Chris Bagg and Patricia Traister.

Since ACCESS received a \$60,000 LIHWA grant for water, we were requested to refer most of our clients requesting help with their water bills to ACCESS. We did help some clients, as you can see from the printout. These were primarily clients whose water had been shut off or would be soon or clients who for some reason needed our faster turn-around time. Julie Smitherman, Aaron Adachi and I agreed that we could also use our funds for leak detection and repair and we did that in the above three cases.

As of today's date, we have \$135.67 left in this account. The checks written since May 3, 2023 were for water use by our mutual customers.

Although we have not spent all the money previously granted, I understand that our request for additional funding is now due. Accordingly, I am making a request for an additional \$5,000 now. We continue to be willing to work with you to help with leak detection and/or repair as well as to pay water bills.

Sincerely,



Phyllis Douglas

Volunteer for Grants

[gpdouglas2775@gmail.com](mailto:gpdouglas2775@gmail.com)

541-261-5208

1:32 PM

05/03/23

Accrual Basis

**CONFERENCE #1 - SACRED HEART**  
**Medford Water Commission- Profit and Loss**  
**August 3, 2022 through April 30, 2023**

Type	Date	Num	Name	Amount	Balance
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
<b>GRANTS · FOUNDATION AND TRUST GRANTS</b>					
<b>450 · Foundation and Trust Grants</b>					
Deposit	08/03/2022	14937	Rogue Valley District C...	5,000.00	5,000.00
Total 450 · Foundation and Trust Grants				5,000.00	5,000.00
Total GRANTS · FOUNDATION AND TRUST GRANTS				5,000.00	5,000.00
Total Income				5,000.00	5,000.00
<b>Expense</b>					
<b>CLIENT · CLIENT SUPPORT</b>					
<b>680 · Utilities Expense</b>					
Check	08/30/2022	8184	Medford Water Commis...	200.00	200.00
Check	09/08/2022	8245	Medford Water Commis...	191.41	391.41
Check	10/03/2022	8433	Medford Water Commis...	129.25	520.66
Check	10/20/2022	8447	Medford Water Commis...	250.00	770.66
Check	10/31/2022	8608	Medford Water Commis...	121.50	892.16
Check	11/04/2022	8646	Medford Water Commis...	150.38	1,042.54
Check	11/15/2022	8708	Accurate Plumbing	197.00	1,239.54
Check	11/18/2022	8743	Medford Water Commis...	178.00	1,417.54
Check	11/28/2022	8769	Medford Water Commis...	243.00	1,660.54
Check	11/28/2022	8771	Medford Water Commis...	1,215.00	2,875.54
Check	12/02/2022	8811	Medford Water Commis...	250.00	3,125.54
Check	12/13/2022	8892	American Leak Detection	375.00	3,500.54
Check	12/14/2022	8907	Medford Water Commis...	202.00	3,702.54
Check	01/04/2023	9028	Medford Water Commis...	60.14	3,762.68
Check	01/05/2023	9038	Accurate Plumbing	260.00	4,022.68
Check	01/17/2023	9115	Medford Water Commis...	239.61	4,262.29
Check	01/23/2023	9159	Medford Water Commis...	78.19	4,340.48
Check	01/26/2023	9193	Medford Water Commis...	139.00	4,479.48
Check	02/03/2023	9266	Medford Water Commis...	249.31	4,728.79
Check	03/16/2023	9540	Medford Water Commis...	27.54	4,756.33
Total 680 · Utilities Expense				4,756.33	4,756.33
Total CLIENT · CLIENT SUPPORT				4,756.33	4,756.33
Total Expense				4,756.33	4,756.33
Net Ordinary Income				243.67	243.67
<b>Net Income</b>				<b>243.67</b>	<b>243.67</b>





## **Memorandum**

**TO:** Commissioners Michael Smith, John Dailey, Bob Strosser, Jason Anderson, and David Wright  
**FROM:** Brian Runyen, PE, Engineering Manager  
**DATE:** June 21, 2023  
**SUBJECT:** Item 5.2 – Resolution 1883, Authorizing Execution of a Quitclaim Deed to the Owner of 1491 N Central Avenue  
**OBJECTIVE:** Board Approval

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### **Issue**

During development of the property at 1491 N Central Avenue, the developer of the property added a new water service adjacent to the existing fire hydrant. Rather than add an easement sliver to the existing easement (Document No. 2007-020194 recorded April 27, 2007) for the fire hydrant, the Owner elected to draft an alternate easement that covered both the existing hydrant and the new water service and meter box and has now requested that Medford Water (MW) extinguish that portion of the existing easement on his property for which he provided the new easement (recorded on April 4, 2023 as Document No. 2023-006185).

### **Discussion**

MW has been requested by the developer to execute a Quitclaim Deed relinquishing any rights MW may have to the portion of the existing easement on his property. Prior to installation of the new water service to his property, the Owner provided an alternate easement which covers all necessary public water facilities including the new water service and meter box and provides all of the same rights to MW as the original easement.

The portion of the existing easement to be quitclaimed on this property (1491 N Central Avenue) is redundant and no longer needed. The attached Quitclaim Deed defines the easement area to be extinguished in Exhibits A.

### **Financial Impact**

There is no financial impact to MW.

### **Requested Board Action**

Staff recommends approval of Resolution 1883, executing a Quitclaim Deed to the Owner of 1491 N Central Avenue for the portion of that certain Easement lying within said property recorded April 27, 2007, and referenced as Document No. 2007-020194, Jackson County Deed Records.

**RESOLUTION NO. 1883**

A RESOLUTION Authorizing the Chair of the City of Medford, By and Through its Board of Water Commissioners to Execute a Quitclaim Deed Releasing All Right and Title to, and Interest in, a Portion of the Easement originally recorded as Document No. 2007-020194 on April 27, 2007.

WHEREAS, the developer of the property at 1491 N. Central Avenue has provided an alternate easement document that adequately covers the existing public water facilities as well as the newly-installed water service and meter box; and

WHEREAS, the alternate easement provides all of the same Rights as the original easement; and

WHEREAS, the alternate easement was duly recorded on April 4, 2023, as Document No. 2023-006185; and

WHEREAS, the developer of 1491 N. Central Avenue has requested that the portion of the existing Easement on his property be quitclaimed to remove an encumbrance on the property; and

WHEREAS, no part of the existing Easement on said property is required by Medford Water Commission;

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

The Chair is hereby authorized to sign the Quitclaim Deed in favor of the owner of 1491 N. Central Avenue, on behalf of the City of Medford, by and through its Board of Water Commissioner as set forth in the Quitclaim Deed, a copy of which is attached as Exhibit A and by reference, made a part hereof.

PASSED at a regular meeting of the Board of Water Commissioners and signed by me in authentication thereof this 21st day of June, 2023.

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

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

**QUITCLAIM DEED**

The CITY OF MEDFORD, by and through its Board of Water Commissioners (“GRANTOR”), does hereby remise, release and forever quitclaim to SILVER TAP, LLC, (“GRANTEE”), all of its rights, title and interest in and to the hereinafter described real property in the County of Jackson, City of Medford, State of Oregon.

The easement area to be released is a portion of the Water Easement granted by Black Silver, LLC to the Medford Water Commission, recorded on April 27, 2007 as Document No. 2007-020194 of the Official Records of the County Clerk’s Office of Jackson County, Oregon.

The Released Easement Area as described and shown in Exhibit "A" has been replaced by an equivalent easement to Medford Water Commission, recorded on April 4, 2023, as Document No. 2023-006185 of the Official Records of the County Clerk's Office of Jackson County, Oregon. This quitclaim has no effect on Document No. 2023-006185.

Medford Water Commission hereby agrees that the Water Easement is hereby terminated, released and discharged with respect to the Released Easement Area and shall remain in effect as to the remaining portions of the property in the original 2007 Water Easement.

Before signing or accepting this instrument, the person transferring fee title should inquire about the person’s rights, if any, under ORS 197.352. This instrument does not allow use of the property described in this instrument in violation of applicable land use laws and regulations. Before signing or accepting this instrument, the person acquiring fee title to the property should check with the appropriate city or county planning department to verify approved uses, to determine any limits on lawsuits against farming or forest practices as defined in ORS 30.930 and to inquire about the rights of neighboring property owners, if any, under ORS 197.352.

The consideration for this conveyance: good and valuable (\$0.00).

IN WITNESS WHEREOF, said Grantor has executed this Quitclaim Deed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

By (Printed Name): \_\_\_\_\_

Signature: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF OREGON ) ss.  
County of \_\_\_\_\_)

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by \_\_\_\_\_, as \_\_\_\_\_, and that said instrument is the free act and deed of such \_\_\_\_\_.

\_\_\_\_\_  
Notary Public for Oregon

My Commission Expires: \_\_\_\_\_

# Exhibit A

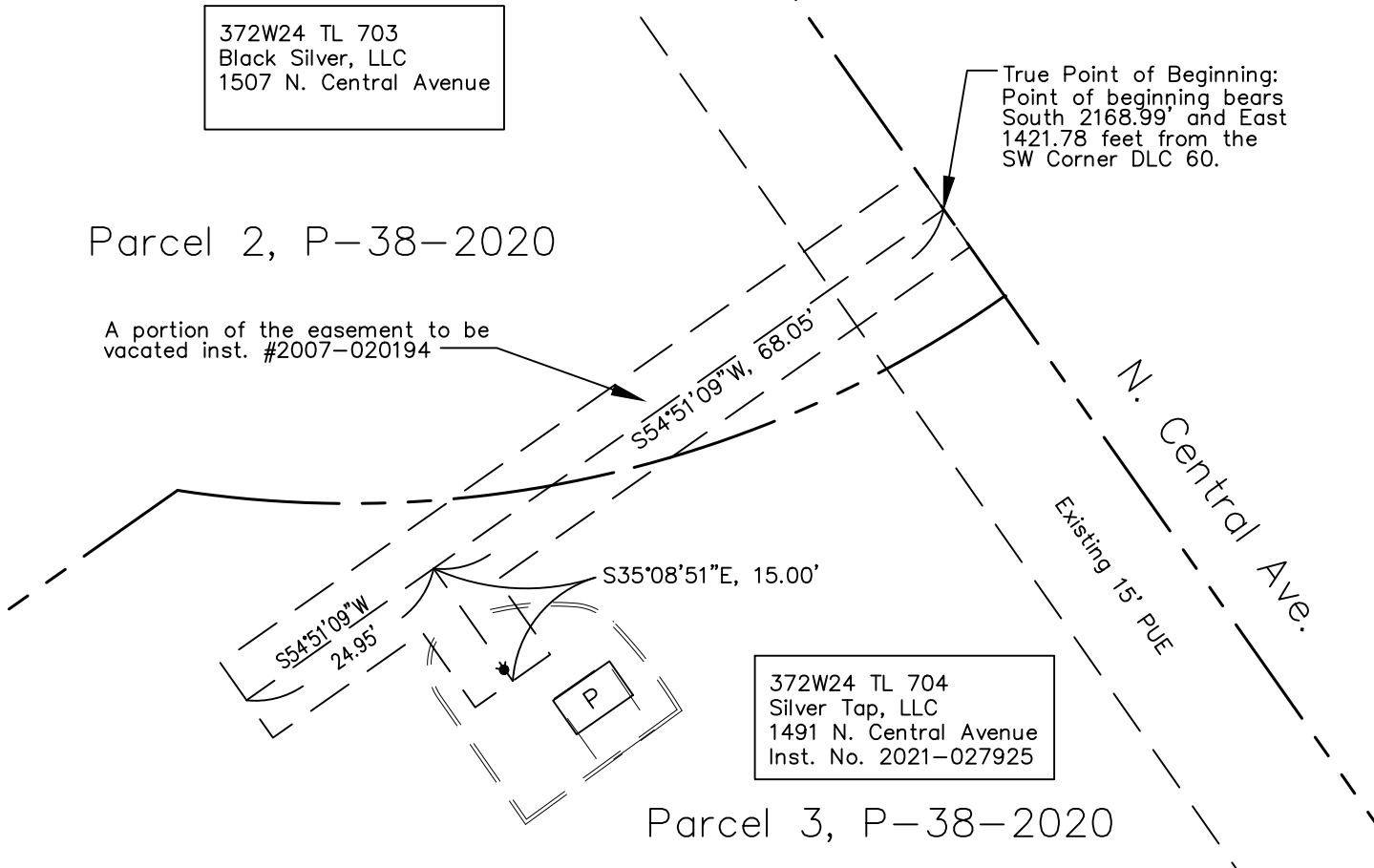
Located at:  
 1491 N. Central Avenue  
 Section 24, Township 37 South, Range 2 West, W. M.,  
 in the City of Medford, Jackson County, Oregon

372W24 TL 703  
 Black Silver, LLC  
 1507 N. Central Avenue

True Point of Beginning:  
 Point of beginning bears  
 South 2168.99' and East  
 1421.78 feet from the  
 SW Corner DLC 60.

Parcel 2, P-38-2020

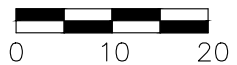
A portion of the easement to be  
 vacated inst. #2007-020194



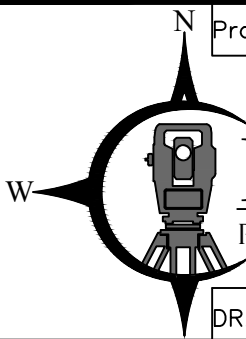
372W24 TL 704  
 Silver Tap, LLC  
 1491 N. Central Avenue  
 Inst. No. 2021-027925

Parcel 3, P-38-2020

The intent of this legal description is to describe a portion of an existing 10 foot wide easement, of which side lines are 5.00 feet on each side of center line, in instrument no. 2007-020194 to be vacated and center line is more particularly described thus:  
 Beginning at a point on the westerly line of North Central Avenue that bears South 2168.99 feet and East 1421.78 feet from the northwest corner of Donation Land Claim No. 60 and the True Point of Beginning; thence leaving said westerly line, South 54°51'09" West, 68.05 feet; thence South 35°08'51" East, 15.00 feet; thence North 35°08'51" West, 15.00 feet; thence South 54°51'09" West, 24.95 feet and the point of terminus.



Project: **Medford Water Commission Easement Release Area**



**Pariani Land Surveying**

PHONE: (541) 890-1131 EMAIL: JOHN@PARIANILS.COM

**REGISTERED  
 PROFESSIONAL  
 LAND SURVEYOR**

*John R. Pariani*

**OREGON**  
 July 13, 1999  
**JOHN R. PARIANI**  
**#51382**

DRAWN BY: **JRP**    HORZ SCALE: **1" = 20'**    DATE: **05/30/2023**

**Renews: December 31, 2024**



## Memorandum

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

**FROM:** Brad Taylor, General Manager

**DATE:** Thursday, June 15, 2023

**SUBJECT:** Item 5.3 - Resolution 1884, Authorizing the General Manager to Execute Amendments to Agreement between the Board of Water Commissioners and the Laborers' International Union of North America, Local #737 (Local #737)

**OBJECTIVE:** Board Approval

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### Issue

The current Agreement is in effect between the bargaining unit employees and Medford Water will expire on June 30, 2025. Local #737 petitioned to add seven positions at the Duff Water Treatment Plant to the existing Union Agreement. Amendments were required to align newly added positions to the Agreement.

### Discussion

Negotiations between representatives of the bargaining unit and Medford Water have concluded and all Amendments have been incorporated into the Agreement. The Agreement and Amendments shall be effective on adoption and expire on June 30, 2025. A copy of the Amendments is attached to this memorandum.

### Financial Impact

The financial impact of the agreement is wage adjustments that occur annually on July 1. On July 1st of each new year of this agreement, all members of the Bargaining Unit receive a cost-of-living adjustment. This adjustment shall be determined from the "Consumer Price Indexes, Pacific Cities and U.S. City Averages", for Urban Wage Earners and Clerical Workers. It shall be the preceding year's 12-month average (January through December) of West Cities (Series ID: CWUR0400SA0). The annual cost of living increase will be a minimum of 1.5% and a maximum of 5.0% based on the CPI. In addition, the contract has a provision for Union employees to share increases in health insurance costs (Medical, Dental, and Eye) up to a maximum of 10% of the total premium cost during the duration of this contract. Currently Union employees pay 5.2% of the premium costs.

### Requested Board Action

Staff recommends approval of Resolution 1884, which authorizes the General Manager to execute Amendments to the Agreement between the Board of Water Commissioners and the Laborers' International Union of North America, Local #737.

**RESOLUTION NO. 1884**

A RESOLUTION Authorizing the General Manager to Execute an Amendment to Agreement between the Board of Water Commissioners and the Laborers' International Union of North America, Local #737

WHEREAS, the Agreement is in effect between the bargaining unit employees and Medford Water Commission (Commission) will expire June 30, 2025; and

WHEREAS, negotiations between representatives of the bargaining unit and Commission staff have concluded and all Amendments have been incorporated into the Agreement, a copy of which is on file in the Commission's office and by reference made a part hereof;

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

SECTION 1. That the Amendment to the Agreement between the Board of Water Commissioners of the City of Medford, and the Laborers' International Union of North America, Local #737, shall apply to all bargaining unit employees of the Board of Water Commissioners, as set forth herein.

SECTION 2. That the General Manager, acting by and on behalf of the Board of Water Commissioners, is authorized and directed to execute said Amendments to the Agreement, and that it shall be effective upon ratification by both parties, and shall remain in full force and effect until June 30, 2025.

SECTION 3. That the Amendment to Agreement Between the Board of Water Commissioners of the City of Medford, and the Laborers' International Union of North America, Local #737, as set forth in Exhibit A, a copy of which is on file in the Water Commission office and by reference made a part hereof, is hereby approved.

PASSED at a regular meeting of the Board of Water Commissioners of the City of Medford, Oregon, and signed by me in authentication thereof this 21st day of June 2023.

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

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



## Memorandum

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

**FROM:** Brad Taylor, General Manager

**DATE:** June 21, 2023

**SUBJECT:** Item 7.0 - Resolution 1885, Exemption from Competitive Bidding Awarding and Authorizing the General Manager to Execute a one-year contract with four annual options to renew in the amount not to exceed \$175,000, to Hornecker Cowling (HC) for Legal Services

**OBJECTIVE:** Board Approval

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### Issue

Staff requests an exemption from competitive solicitation per section 2.33(D) of Medford Water's Contracting & Purchasing Regulations and authorization to contract directly with HC for legal services.

### Discussion and Findings

HC has provided legal services supporting the Commission since 2018. In 2018 a public solicitation for legal services was issued and HC was competitively selected to provide these services. Prior to 2018, legal services were provided to Medford Water from City of Medford legal council.

Since 2018, HC has developed significant institutional knowledge and experience in advising Medford Water on business related topics. Contract review, land acquisition, Memorandums of Understanding (MOU's), and Agreements are a few of the key areas that involve legal consultation. Significant attention was also placed on review of our Water Infrastructure Finance Innovation Act (WIFIA) Loan Agreements.

It is in the public interest and best interest of Medford Water to enter into a new contract with HC for legal services.

### Financial Impact

The cost of annual options for legal services will be included in fiscal year budgets.

### Requested Board Action

Staff recommends authorizing an exemption from competitive solicitation and the award of a one-year contract with four annual options to renew to HC for legal services up to \$175,000 over the potential 5 year term of agreement.

**RESOLUTION NO. 1885**

A RESOLUTION Adopting Findings, Authorizing an Exemption from Competitive Bidding, and Awarding a One-Year Contract, with Four Annual Options to Renew, to Hornecker Cowling (HC) for Legal Services for up to \$175,000

WHEREAS, legal services are critical for Medford Water Commission (Medford Water) to reduce risk and exposure from business activities; and

WHEREAS, HC is uniquely qualified to provide these services; and

WHEREAS, based on the attached findings; and

WHEREAS, the cost of these services is included in the current fiscal year budget and will be managed through budget variance within the current fiscal year, and will be budgeted for future fiscal years, with the anticipated cost over the next five years totaling \$175,000, exceeding 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 the findings are hereby adopted and an exemption from competitive bidding is authorized.

SECTION 2. That this exemption is granted under the provisions of Medford Water's Contracting and Purchasing Regulations, Section 2.33(D) as discussed in the agenda item memorandum for the Board of Water Commissioners meeting of June 21, 2023.

SECTION 3. This one-year contract, with four annual options to renew, which is on file in Medford Water's office, is hereby awarded to HC for Legal Services, and by reference made a part hereof, is hereby approved, and the General Manager is hereby authorized and directed to execute said contract, and payments up to a \$175,000 limit over the potential five-year period, and any contract amendment(s) not exceeding 25 percent of the original contract amount, on behalf of the Board of Water Commissioners. This authorization exceeds the authority of the General Manager as defined in Section 1.02 (K) of the current Contracting & Purchasing Regulations. This contract will go into effect July 1, 2023.

PASSED by the Board of Water Commissioners and signed by me in authentication of its passage this 21st day of June 2023.

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

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



## **FINDINGS**

Pursuant to Medford Water's Contracting and Purchasing Regulations, Section 2.33(D) the following facts support an exemption from competitive solicitation for Legal Services:

1. Exempting this project is unlikely to encourage favoritism in the awarding of public contracts or to substantially diminish competition for public contracts:
  - a. Hornecker Cowling (HC) is uniquely qualified with the capabilities required of Medford Water to provide legal services.
2. Exempting this project is reasonably expected to result in substantial cost savings to the contracting agency or to the public:
  - a. Using any other legal services would result in additional time and expense to develop the institutional knowledge necessary to understand the business risks of the organization.
3. Public notice of the approval of a special procurement must be given:
  - a. Public notice of the exemption from competitive solicitation was published on Medford Water's website on June 14, 2023.



## **Memorandum**

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

**FROM:** Andy Huffman, Senior Capital and Special Projects Manager  
Brian Runyen, PE, Engineering Manager

**DATE:** Wednesday, June 21, 2023

**SUBJECT:** Item 8 – Resolution 1886, Authorizing a Contract Amendment to Slayden Constructors, Inc. for the Duff WTP Expansion (Filters/Reservoir/Pumping) CM/GC Early Work Amendment #4 (CIPW-22-00198)

**OBJECTIVE:** Board Approval

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### **Issue**

The Duff WTP 65MGD Expansion (Filters/Reservoir/Pumping) CM/GC construction contract with Slayden Constructors, Inc. anticipated multiple contract amendments as design of the project elements are developed. Medford Water staff has received pricing for the next Early Work Amendment (EWA) – EWA #4. Board approval is required for authorization of a contract amendment with Slayden Constructors for EWA #4.

### **Discussion**

The Board approved Resolution 1818 on June 15, 2022, which authorized a CM/GC style construction delivery for the Duff WTP 65MGD Expansion Project (Filters/Reservoir/Pumping) through Slayden Constructors. This CM/GC approach to construction is characterized by an incremental approach to construction delivery. This initial contract covered pre-construction services.

The Board approved Resolution 1843 on November 2, 2022, authorizing the construction work covered in EWA #1. EWA #1 scope included filters excavation & backfill, large diameter underslab piping, dewatering, early filter concrete work, ductile iron pipe procurement, and valve and actuator procurement.

The Board approved Resolution 1854 on January 4, 2023, authorizing the construction work covered in EWA #2. EWA #2 scope included filter concrete, fabricated steel pipe, electrical, instrumentation, electrical switchgear and transformers, and other long lead items.

The Board approved Resolution 1872 on May 3, 2023, authorizing the construction work covered in EWA #3 items based on the 100% Filters plans and specifications provided by Jacobs Engineering. EWA #3 scope included building mechanical, CMU block, interior and exterior finishes, electrical switchgear and installation, and various other components to finish the filter portion of the project.

Slayden Constructors has provided costing for EWA #4 items based on the 60% Reservoir and Finished Water Pump Station plans and specifications provided by Jacobs Engineering. EWA #4 scope includes, but is not limited to:

- Reservoir excavation
- Reservoir base slabs
- Stormwater / overflow swale construction
- Stormwater / overflow piping construction
- Finished Water pumps
- Surge system equipment
- Analytical equipment

There is a potential for up to 2 additional contract amendments under the Duff WTP 65MGD Expansion (Filters/Reservoir/Pumping) CM/GC construction contract with Slayden Constructors, Inc.

Following is a summary of the construction contract with Slayden Constructors to date, including current estimates of future contract amendments:

**Duff WTP 65 MGD Expansion CM/GC Construction Contract Summary**

Pre-Construction Services ( <i>Reso 1818 - 6/15/22</i> )	\$ 167,500.00
EWA #1 - Reso 1843 ( <i>11/2/22</i> )	\$5,838,212.00
EWA #2 - Reso 1854 ( <i>1/4/23</i> )	\$20,526,913.00
EWA #3 - Reso 1872 ( <i>5/3/23</i> )	\$8,526,803.00
<b>EWA #4 - Reservoir/FWPS (<i>To Board 6/21/2023</i>)</b>	<b>\$10,552,457.00</b>
<i>Balance of Future EWA's (based off OPCC*)</i>	<u>\$20,680,609.00</u> <i>estimated</i>
<b>TOTAL CM/GC Construction Contract</b>	<b>\$66,292,494.00</b> <i>estimated</i>

*\*OPCC = Opinion of probable construction cost*

**Financial Impact**

This project is accounted for in the current approved FY22/23 CIP budget, upcoming FY23/24 budget and the 10-yr CIP. Project costs will continue to be managed through variance, 10-yr CIP adjustments, and opportunities for costs savings identified thru the value engineering and CM/GC processes.

**Requested Board Action**

Staff recommends approval of the Resolution 1886, awarding a Contract Amendment to the CM/GC contract with Slayden Constructors, Inc. in the amount of \$10,552,457.00 for Early Work Amendment 4.

**RESOLUTION NO. 1886**

A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract Amendment in the Amount of \$10,552,457.00 with Slayden Constructors, Inc. for the Duff Filter/Reservoir/Pumping Expansion CM/GC Construction Services

WHEREAS, a contract in the amount of \$167,500.00 for Duff WTP Filter / Reservoir / Pumping Expansion CM/GC Pre-Construction Services was awarded by the Board of Water Commissioners through Resolution No. 1818 on June 15, 2022; and

WHEREAS, a contract amendment to the Duff Filter/Reservoir/Pumping Expansion CM/GC Construction Services in the amount of \$5,828,212.00 for Early Work Amendment #1 was awarded with Resolution No. 1843 on November 2, 2022; and

WHEREAS, a contract amendment to the Duff Filter/Reservoir/Pumping Expansion CM/GC Construction Services in the amount of \$20,526,913.00 for Early Work Amendment #2 was awarded with Resolution No. 1854 on January 4, 2023, and

WHEREAS, a contract amendment to the Duff Filter/Reservoir/Pumping Expansion CM/GC Construction Services in the amount of \$8,526,803.00 for Early Work Amendment #3 was awarded with Resolution No. 1872 on May 3, 2023, and

WHEREAS, a contract amendment to the Duff Filter/Reservoir/Pumping Expansion CM/GC Construction Services has been presented by Slayden Constructors in the amount of \$10,552,457.00 identified as Early Work Amendment #4, and

WHEREAS, Slayden Constructors, Inc. is qualified and agreeable to render the services specified in the aforesaid Early Work Amendment #4; and

WHEREAS, the contract amendment price has been examined and has been found to be agreeable;

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

SECTION 1. A contract amendment in the amount of \$10,552,457.00 to the Duff Filter/Reservoir/Pumping Expansion CM/GC Construction Services contract, identified as Early Work Amendment 3, is hereby awarded to Slayden Constructors, Inc.

SECTION 2. The General Manager is hereby authorized and directed to execute said contract amendment and payments for said contract amendment with Slayden Constructors, Inc.

PASSED at a regular meeting of the Board of Water Commissioners and signed by me in authentication thereof this 21<sup>st</sup> day of June 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:** Julie Smitherman, Water Resources and Customer Services Manager

**DATE:** Wednesday, June 21, 2023

**SUBJECT:** Item 9.0 – Resolution 1887, Authorizing the General Manager to Execute Log Purchase Agreements for the Rancheria Timber Harvest

**OBJECTIVE:** Board Approval

### Issue

Medford Water plans to commercially thin 250 forested acres near Big Butte Springs – known as the Rancheria Timber Harvest. Anticipated harvest volume is 867,000 board feet (867 mbf). Logging services for the timber harvest have been previously awarded by the Board to Don Hamann, Inc. Agreements to sell the harvested logs to local mills are now needed.

### Discussion

A competitive solicitation process has been completed, inviting companies to bid for the purchase of the harvested logs. Medford Water received bids from four companies shown in the following table. A notice of intent to award to Murphy Co. and Boise Cascade, based on best value to Medford Water, was sent to each of the four companies on June 6, 2023.

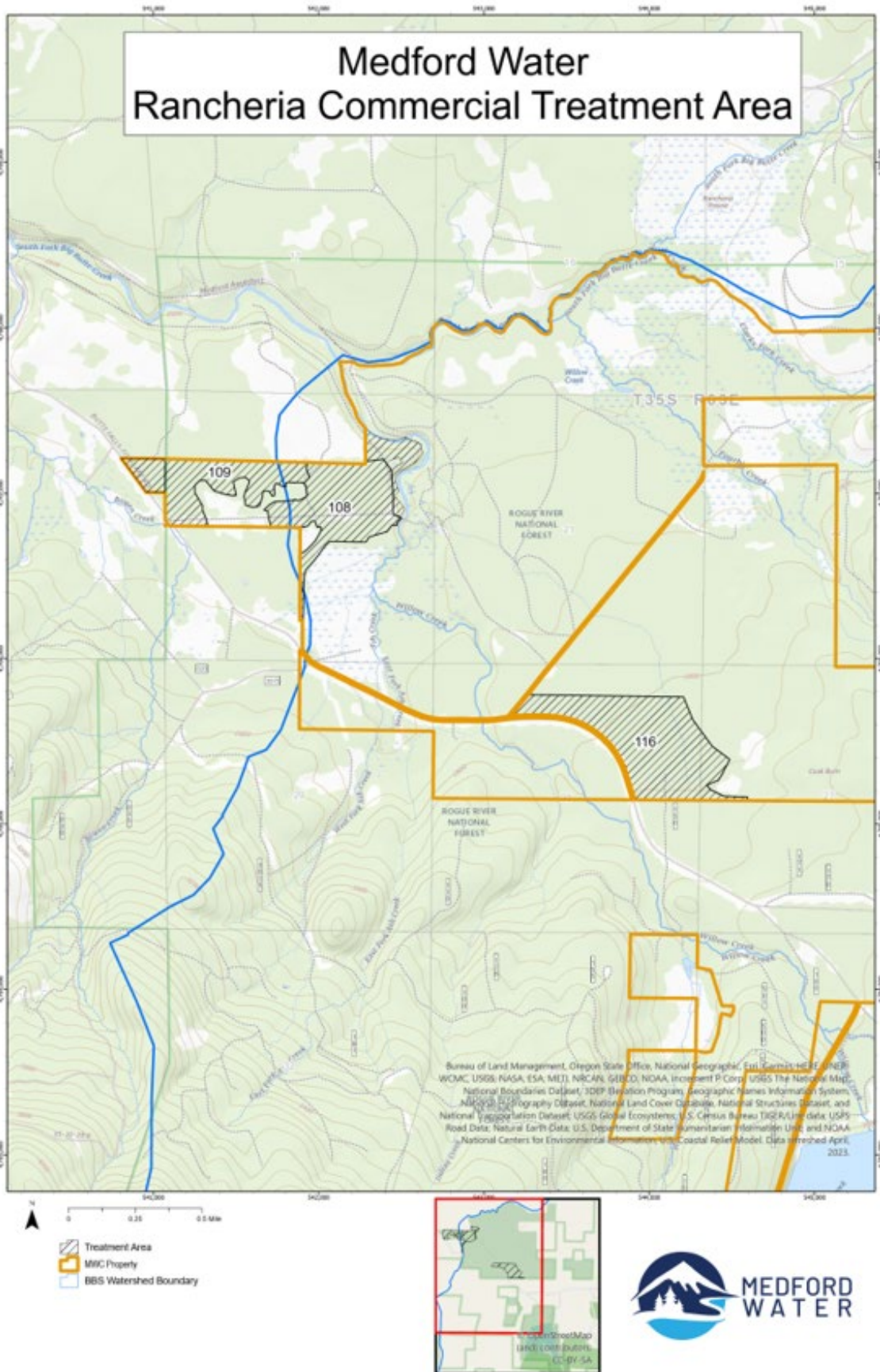
Item	Description	Est. Vol. (mbf)	Unit	Swanson Group			Murphy Co			Boise Cascade			Timber Products		
				Glendale & Roseburg, OR			White City, OR			Medford, OR			Yreka, CA		
				Bid	Haul Cost	Total	Bid	Haul Cost	Total	Bid	Haul Cost	Total	Bid	Haul Cost	Total
1	Douglas Fir	353	mbf	\$843	\$202	\$641				\$825	\$75	\$750			
2	White Fir	412	mbf	\$614	\$242	\$372	\$500	\$75	\$425				\$570	\$235	\$335
3	Ponderosa/Sugar Pine	98	mbf	\$425	\$194	\$231				\$425	\$75	\$350			
4	Incense Cedar	4	mbf												
5	Pulpwood	not estimated	mfb												

### Financial Impact

The anticipated total revenue from these log sale agreements, and additional sales of Incense Cedar and pulpwood, is \$500,000 (actual revenues will depend on harvest volumes). The expenses associated with the harvest are estimated at \$400,000 (contracts previously awarded).

## Requested Board Action

Staff recommends approval of Resolution 1887, authorizing the General Manager to sign agreements with Murphy Co. and Boise Cascade mills for the sale of delivered logs at the unit cost (per mbf) shown in the table above.



**RESOLUTION NO. 1887**

A RESOLUTION Awarding and Authorizing the General Manager to Execute Log Purchase Agreements for the Rancheria Timber Harvest on Big Butte Springs Watershed

WHEREAS, Medford Water Commission solicited bids for the Rancheria Timber Harvest on Big Butte Springs Watershed through an Invitation to Bid process; and

WHEREAS, Notice of Intent to Award to Murphy Co. and Boise Cascade was issued on June 6, 2023, and no protests of the award were received; and

WHEREAS, these bidders are qualified and agreeable to purchase the timber as specified in the aforesaid Invitation to Bid; and

WHEREAS, the value of the log purchasing agreements 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 log purchase agreements for the Rancheria Timber Harvest are hereby awarded to Murphy Co and Boise Cascade.

SECTION 2. That the General Manager is hereby authorized and directed to execute said log purchase agreements up to \$700,000, which are on file in the Office of Medford Water 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 Contracting & Purchasing Regulations.

PASSED at a regular meeting of the Board of Water Commissioners and signed by me in authentication thereof this 21st day of June 2023.

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

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



# INVITATION TO BID

## RANCHERIA DELIVERED LOG SALE BIG BUTTE SPRINGS MUNICIPAL WATERSHED

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**BID OPENING:** May 31, 2023, 2:00 p.m. Local Time

**DESCRIPTION:** Medford Water Commission (MEDFORD WATER) is seeking bids for the Rancheria Delivered Log Sale on Big Butte Springs Municipal Watershed.

### **SUBMIT BIDS TO THE MEDFORD WATER COMMISSION OFFICE:**

Medford Water Commission  
Rancheria Delivered Log Sale  
Attn: Craig Harper, Watershed Administrator  
200 South Ivy Street – Room 177  
Medford, OR 97501

*Envelope(s) shall be sealed and marked with “Bid for Rancheria Delivered Log Sale”. Submit via Commercial Carrier such as UPS, FedEx, and US Postal Service, or in person to the listed address.*

**FOR MORE INFORMATION:** Please refer to “Background Information and Project Overview”.

**SITE VISIT:** Site visits are available to all prospective bidders May 8 – 12, 2023 by contacting Craig Harper, Watershed Administrator at (541) 774-2453 or [craig.harper@medfordwater.org](mailto:craig.harper@medfordwater.org) to arrange an appointment.

**SINGLE POINT OF CONTACT:** There will be only one point of contact for the entire bidding process. Any questions or issues that may arise shall be directed to Craig Harper, Watershed Administrator at (541) 774-2453, or [craig.harper@medfordwater.org](mailto:craig.harper@medfordwater.org). MEDFORD WATER’s official response to any questions or requests will be in writing through the Addendum process.

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Medford Water Commission  
200 South Ivy Street – Room 177  
Medford, Oregon 97501  
[www.medfordwater.org](http://www.medfordwater.org)



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B	Log Volume Estimates	11

# INVITATION TO BID

Notice is hereby given that Medford Water Commission (MEDFORD WATER), by and through its Board of Water Commissioners, **shall receive sealed bids until 2:00 p.m. Local Time, Wednesday, May 31, 2023**, at the MEDFORD WATER office, 200 South Ivy Street – Room 177, Medford, Oregon 97501 for providing the following:

## **Rancheria Delivered Log Sale Big Butte Springs Watershed**

Bids received after the time established for receiving bids will not be considered. Facsimile bids are not acceptable. All bids shall be submitted as set forth in the Bid Documents and must contain a signed Bid Form. MEDFORD WATER is not responsible for bids submitted in any manner, format, or to any delivery point other than as required by the Bid Documents.

NOTE: on Wednesday, May 3, 2023, Bid Documents will be available electronically for download at no charge at <http://www.medfordwater.org>. Follow the link on the homepage, under Doing Business and Bids marked **Rancheria Delivered Log Sale** then, select 'click here for plans' under the Plans column. Contact Mark Depner, Purchasing Agent, at [mark.depner@medfordwater.org](mailto:mark.depner@medfordwater.org) or (541) 774-2459 to register and obtain the login password.

Bidders shall be responsible for all costs related to printing and reproduction of Bid Documents. Bidders should check the website regularly until closing to avoid missing any Addenda, which will only be available online. Printed Bid Documents will not be mailed by MEDFORD WATER. Bidders who obtain their Bid Documents only from plan centers, or by means other than the MEDFORD WATER website, are responsible for ensuring they have all addenda, which will only be available online; they will not be registered or appear on the list of planholders and will not receive notifications from MEDFORD WATER regarding this Invitation to Bid.

The single point of contact for questions regarding the Invitation to Bid, bidding process, clarification, bid acceptance process, protests, or any other issues that arise, is Craig Harper, Watershed Administrator, at (541) 774-2453 or [craig.harper@medfordwater.org](mailto:craig.harper@medfordwater.org). Each bid must contain a statement as to whether the bidder is a resident, as defined in ORS 279A.120. Bids are to be submitted on the Bid Form and placed in a sealed envelope endorsed "Bid for Rancheria Delivered Log Sale"; Attention Craig Harper, Watershed Administrator, 200 South Ivy Street – Room 177, Medford, Oregon, 97501. Bidders will be selected based on best value to MEDFORD WATER. MEDFORD WATER does not guarantee any amount of work as a result of this Invitation to Bid. MEDFORD WATER reserves the right to reject any or all bids and to waive irregularities or informalities in a bid or in the opening and may cancel the bidding process in accordance with ORS 279B.100. Bid acceptance will be subject to approval by the Board of Water Commissioners.

Dated this 3rd day of May 2023.

BOARD OF WATER COMMISSIONERS  
CITY OF MEDFORD, OREGON

---

Brad A. Taylor, General Manager

# SCHEDULE

Advertise Invitation to Bid/Bid Documents Available ..... Wednesday, May 3, 2023

Site Visit - Available on Request ..... May 8 - 12, 2023

Last Date to Protest Specification  
or Submit Questions (in writing) ..... Tuesday, May 16, 2023 – 2:00 p.m.

MEDFORD WATER's Response to  
Specification Protest or Questions ..... Thursday, May 18, 2023

MEDFORD WATER's Deadline to Issue Addenda ..... Tuesday, May 23, 2023

Last Date to Protest Addenda (in writing)..... Wednesday, May 24, 2023 – 5:00 p.m.

MEDFORD WATER's Response to Addenda Protest ..... Friday, May 26, 2023

**Bid Opening (final date & time to receive bids) ..... Wednesday, May 31, 2023 – 2:00 p.m.**

Evaluation of Bids ..... Thursday, June 1, 2023

Notice of Intent to Award..... Tuesday, June 6, 2023

Last Date to Protest Award (in writing)..... Tuesday, June 13, 2023 – 5:00 p.m.

MEDFORD WATER's Response to Award Protest ..... Friday, June 16, 2023

Award by Board of Water Commissioners..... Wednesday, June 21, 2023

Notice of Award ..... Thursday, June 22, 2023

Log Purchase Agreement ..... Upon execution

Log Deliveries to Begin ..... Friday, June 30, 2023 (tentative)

Deliveries Completed Before ..... Saturday, December 23, 2023

# BACKGROUND INFORMATION AND PROJECT OVERVIEW

## PROJECT DETAILS AND LEGAL DESCRIPTION

This sale is for Delivered Logs. Commercial thinning activities (logging) will take place within the Medford Water Commission (MEDFORD WATER) Big Butte Springs Watershed on lands owned by MEDFORD WATER. The Big Butte Springs Watershed is the drinking water supply area for approximately 150,000 people in the Medford area, and the forest is managed primarily for water quality – see the Forest Management Plan at <http://www.medfordwater.org/Page.asp?NavID=63>. Medford Water uses sustainable forest management practices designed to support superior forest health and productivity, and to yield top grade, high-quality timber. Commercial thinning (“logging”) will be in two areas – one immediately west of the Big Butte Springs complex, and the other approximately two miles southeast of the Springs. These areas are in T35S, R3E, Sections 20, 27 and 28 W.M. (see Exhibit A, Project Area). The logging/harvest area is approximately 252 acres and is a mixed conifer forest.

## SITE VISIT

The area is open for inspection by prospective bidders by appointment only. Contact Craig Harper, Watershed Administrator at [craig.harper@medfordwater.org](mailto:craig.harper@medfordwater.org) or (541) 774-2453, to arrange a site visit May 8 – 12, 2023

MEDFORD WATER will contract with a Logging Contractor to perform the harvest activities and deliver logs to the successful bidder(s) processing plant site(s). Log deliveries from this sale will begin approximately **June 30, 2023**, and deliveries will be completed prior to **December 23, 2023**, unless conditions beyond the control of MEDFORD WATER or the Logging Contractor delay operations.

## BID INSTRUCTIONS

All bids shall be submitted on the Bid Form attached hereto and **sealed in an envelope clearly marked “Bid for Rancheria Delivered Log Sale”** and delivered to the MEDFORD WATER office prior to the scheduled date and time set for bid opening. Failure to so mark the exterior of your envelope, whether shipped by the U.S. Postal Service or by an express carrier such as FedEx®, may result in disqualification of your Bid. On a standard postal envelope, the notation “Bid for Rancheria Delivered Log Sale” should be at least 5/8” above the bottom of the envelope. Postal regulations do not allow any writing on the envelope to the left of the address and within the bar code area.

It is the responsibility of the bidder to check the website regularly until closing to avoid missing any Addenda, which will only be available online.

Bids will be accepted on a by-species basis. Bidders will have the ability to bid on one or more specific species, or on all logs from the sale. Bid evaluations will be made on the Best Value to MEDFORD WATER. MEDFORD WATER reserves the right to accept or reject any or all bids.

Bids shall be submitted on a price per thousand board feet (mbf), net WESTSIDE SCALE basis. Special Cull and Utility Cull logs will be priced on an adjusted gross scale basis. Contract merchantability specifications are:

Minimum scaling diameter – 6 inches

Minimum net log length – 12 feet

Stated volumes are estimates only. Purchasers are urged to make their own evaluations of volume and grade and bid accordingly. The purchase price will be based on delivered and scaled net board feet (pay as scaled). All log scaling will be required to be done by an accepted third-party scaling organization. Scaling costs will be borne by the purchaser. Transfer of ownership of the logs will be upon delivery and scaling. Oregon Forest Product Harvest tax will be paid by MEDFORD WATER.

Upon bid acceptance of log sale to bidder(s), MEDFORD WATER will enter into a Log Purchase Agreement with the successful purchaser.

MEDFORD WATER has contracted with Lomakatsi Restoration Project (LRP) to provide forestry consultant services. LRP provides general oversight and coordination of forest management projects, including timber harvest inspection, compliance, reporting, layout, design and marking. However, any questions regarding this ITB, contract, or on-ground conditions should be directed to MEDFORD WATER:

Craig Harper, Watershed Administrator  
200 S. Ivy St., Room 177  
Medford, Oregon 97501  
Phone: 541-774-2453

Email: [craig.harper@medfordwater.org](mailto:craig.harper@medfordwater.org)

## **PROTEST OF BID SPECIFICATIONS**

A bidder who believes the bid specifications are unnecessarily restrictive or limit competition may submit a protest, in writing, to Craig Harper, Watershed Administrator. To be considered, protests must be received by May 16, 2023 by 2:00 p.m. Envelopes containing protests should be marked as follows:

Bid Specification Protest  
Rancheria Delivered Log Sale  
May 31, 2023 – 2:00 p.m.

## **EVALUATION PROCESS**

MEDFORD WATER staff will evaluate the bids submitted and may make a recommendation of award to the General Manager. Evaluation factors for award include price and overall best value to MEDFORD WATER.

## **RIGHT OF REJECTION**

Bidders must comply with all of the terms of the Invitation to Bid, MEDFORD WATER Rules, and all applicable local, state, and federal laws, administrative rules, and regulations. MEDFORD WATER may reject any and all bids that do not comply with all of the material and substantial terms, conditions, and performance requirements of the Invitation to Bid, or upon a finding of MEDFORD WATER that it is in the public interest to do so.

Bidders may not qualify the bid nor restrict the rights of MEDFORD WATER. If a bidder does so, MEDFORD WATER may determine the bid to be a non-responsive counteroffer and the bid may be rejected.

Minor informalities that:

- do not affect responsiveness,
- are merely a matter of form or format,
- do not change the relative standing or otherwise prejudice other offers,
- do not change the meaning or scope of the bid,
- are trivial, negligible, or immaterial in nature,
- do not reflect a material change in the work, or,
- do not constitute a substantial reservation against a requirement or provision,

may be waived by MEDFORD WATER. Certain items listed in the bid as set forth herein may be deleted.

## **AWARD**

An award recommendation will be based on MEDFORD WATER's evaluation of the information in the bid and its determination of which bid best serves the interests of MEDFORD WATER by offering the best combination of price and value to MEDFORD WATER.

## **PROTEST OF AWARD**

The award by the Board of Water Commissioners shall constitute a final decision of MEDFORD WATER to award the procurement if no written protest of the award is filed with MEDFORD WATER within seven (7) calendar days of the Notice of Intent to Award. The written protest shall specify the grounds upon which the protest is based. In order to be an adversely affected bidder with a right to submit a written protest, a bidder must be next in line for award. MEDFORD WATER will not entertain a protest submitted after the time period established in this rule.

## **COMPLETION DATE**

The project will be required to be completed prior to December 23, 2023, unless conditions beyond the control of MEDFORD WATER or the Logging Contractor delay operations.

**BID FORM  
(Page 1 of 2)**

MEDFORD WATER  
RANCHERIA DELIVERED LOG SALE

<b>Bid Species</b>	<b>Estimated Volume, mbf*</b>	<b>Bid Price per mbf**</b>	<b>Delivery Destination Point</b>
Douglas-fir Merch	<b>353</b>		
Douglas-fir Special Cull	Unestimated		
Douglas-fir Utility Cull	Unestimated		
White fir Merch	<b>412</b>		
White fir Utility Cull	Unestimated		
Ponderosa/Sugar pine	<b>98</b>		
Incense Cedar	<b>4</b>		
Optional products:			
Pulpwood/Sub-merchantable material	Unestimated		

\*See Exhibit B.

\*\*All bid prices are on a WESTSIDE scale measurement basis. Prices per mbf are net for all merchantable sawlogs or peeler logs.

**NON-DISCRIMINATION CERTIFICATION:**

Pursuant to Compliance with Oregon Revised Statutes:

- Yes, I certify that I have not discriminated and will not discriminate in obtaining any required subcontractors, in accordance with ORS 279A.110.

**RESIDENT BIDDER CERTIFICATION:**

Pursuant to Compliance with Oregon Revised Statutes:

- Yes, I certify that I am a “resident bidder.”

(ORS 279A.120(b): “Resident bidder” means a bidder that has paid unemployment taxes or income taxes in this state during the 12 calendar months immediately preceding submission of the bid, has a business address in this state, and has stated in the bid whether the bidder is a “resident bidder” under this paragraph.)

**BID FORM**  
**(Page 2 of 2)**

No, I am not a “resident bidder.”

(“Non-resident bidder” means a bidder who is not a “resident bidder” as defined in ORS 279A.120(a); please refer to the Oregon Revised Statutes regarding state requirements for Non-Resident Bidders that are awarded a contract in Oregon.)

I am domiciled in the State of \_\_\_\_\_  
Indicate State

Bidder Name, Address, Email and Phone:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Bidder Signature:

Title:

\_\_\_\_\_

\_\_\_\_\_

Printed Name:

Date:

\_\_\_\_\_

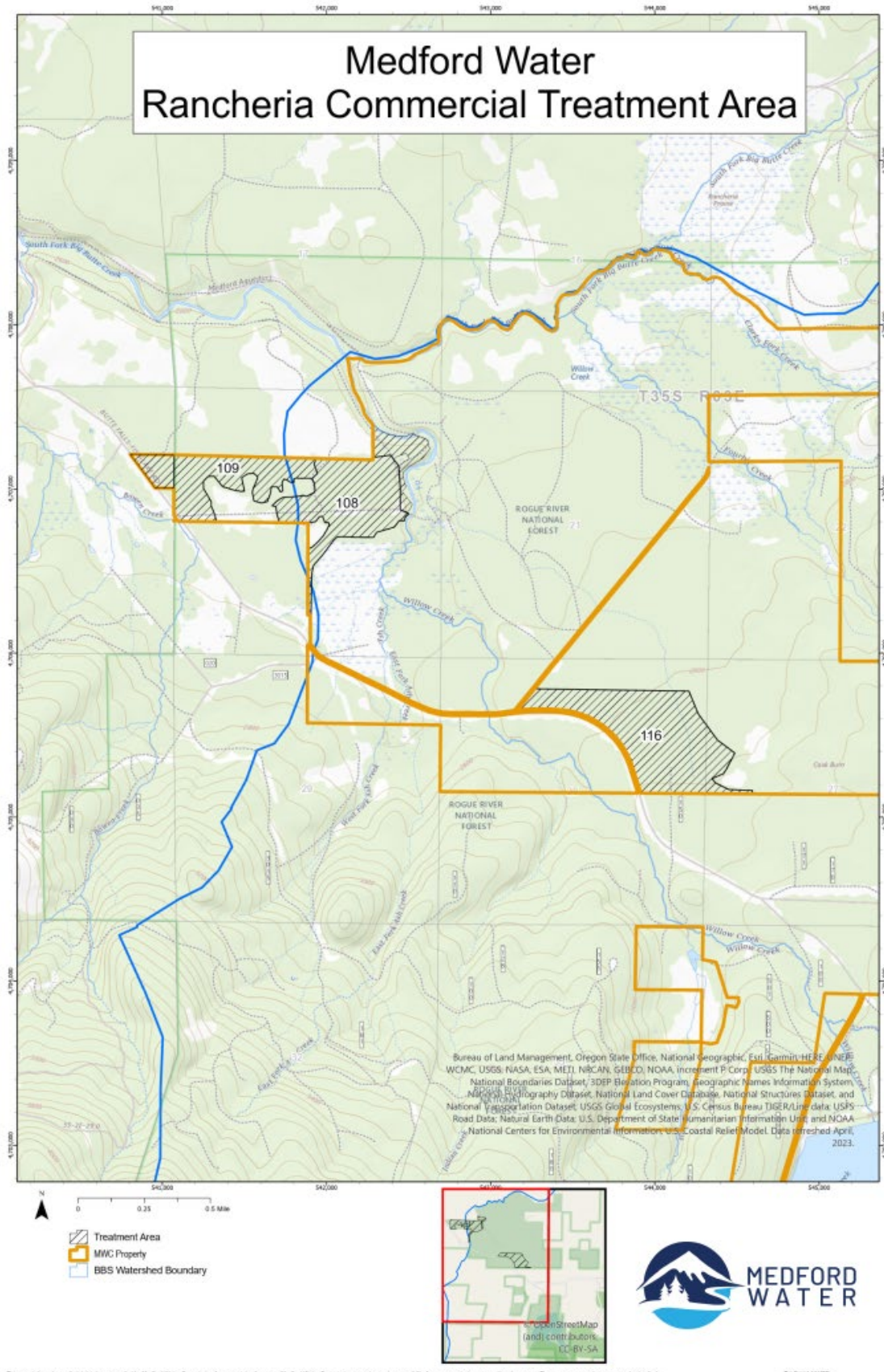
\_\_\_\_\_

Bids to be delivered to:

Medford Water Commission  
Craig Harper, Watershed Administrator  
200 S. Ivy Street, Room 177  
Medford, Oregon 97501



# EXHIBIT A - PROJECT AREA



## EXHIBIT B – LOG VOLUME ESTIMATES

Medford Water Rancheria 2023 Commercial Trees Volume Estimate												
DBH	DF			WF			PP			IC		
	# of trees	Net BF	BF/DBH	# of trees	Net BF	BF/DBH	# of trees	Net BF	BF/DBH	# of trees	Net BF	BF/DBH
8.0-9.9"	24	30	720	2	35	70	0	0	0	0	0	0
10.0-11.9"	665	43	28595	112	62	6944	128	32	4096	1	28	28
12.0-13.9"	670	53	35510	112	68	7616	166	49	8134	9	43	387
14.0-15.9"	570	111	63270	135	145	19575	172	77	13244	17	65	1105
16.0-17.9"	434	146	63364	138	176	24288	146	138	20148	7	103	721
18.0-19.9"	248	184	45632	159	225	35775	70	211	14770	4	126	504
20.0-21.9"	158	275	43450	133	366	48678	37	283	10471	3	158	474
22.0-23.9"	65	371	24115	105	440	46200	28	355	9940	1	192	192
24.0-25.9"	38	512	19456	90	479	43110	14	503	7042	0	325	0
26.0-27.9"	18	633	11394	89	665	59185	2	674	1348	0	346	0
28.0-29.9"	3	709	2127	56	769	43064	3	704	2112	0	401	0
30.0-31.9"	6	910	5460	38	1098	41724	1	779	779	0	556	0
32.0-33.9"	1	1128	1128	14	1128	15792			0			0
34.0-35.9"	0		0	6	1286	7716			0			0
36.0-37.9"	0		0	2	1328	2656			0			0
38.0-39.9"	0		0			0			0			0
40.0-41.9"	0		0			0			0			0
42.0-43.9"	0		0			0			0			0
44.0-45.9"	0		0			0			0			0
46.0-47.9"	0		0			0			0			0
48.0-49.9"	0		0			0			0			0
<b>Total BF of marked units</b>	842,109		344,221			402,393			92,084			3,411
<b>Estimated BF un-marked units</b>	24,960		9,123			9,230			6,225			382
<b>Total Estimated Volume</b>	<b>867,069</b>		<b>353,344</b>			<b>411,623</b>			<b>98,309</b>			<b>3,793</b>
	<b>108</b>	<b>109</b>	<b>116</b>	<b>109a*</b>	<b>108a*</b>							
<b>Species</b>	<b>Net BF</b>	<b>Net BF</b>	<b>Net BF</b>	<b>Net BF</b>	<b>Net BF</b>							
DF	29,315	41,726	273,180	5,497	3,626							
WF	68,393	5,850	328,150	771	8,459							
PP	11,446	47,258	33,380	6,225	0							
IC	2,903	316	192	382	0							
<b>Total Net BF</b>	<b>112,057</b>	<b>95,150</b>	<b>634,902</b>	<b>12,875</b>	<b>12,085</b>							
*units not marked, volume estimated												



June 6, 2023

To: ALL BIDDERS

RE: Notice of Intent to Award – Rancheria Delivered Log Sale

Notice is hereby given that, at the regular meeting of the Board of Water Commissioners on Wednesday, June 21, 2023, staff members intend to recommend award of purchase agreements for the above-referenced project based on the following bids submitted May 31, 2023 which is in the best interests of Medford Water with consideration for haul cost:

	Description	Volume	Unit	Swanson Group Glendale & Roseburg, OR	Murphy Co White City, OR	Boise Cascade Medford, OR	Timber Products Yreka, CA
1.	Douglas Fir	353	mbf			\$825/mbf	
2.	White Fir	412	mbf		\$500/mbf		
3.	Ponderosa/Sugar Pine	98	mbf			\$425/mbf	
4.	Incense Cedar	4	mbf	(no bid)	(no bid)	(no bid)	(no bid)

Written protest of the awards must be submitted by Tuesday, June 13, 2023, at 5:00 p.m.

Once awarded by the Board, log purchase agreement documents will be prepared. If you have any questions or would like more information, please contact Craig Harper at (541) 774-2453.

Sincerely,

Brad A. Taylor  
General Manager

c: Craig Harper, Watershed Administrator  
Julie Smitherman, Water Resources & Customer Service Manager



## **Memorandum**

**TO:** Commissioners Michael Smith, John Dailey, Bob Strosser, Jason Anderson, David Wright  
**FROM:** Anna Roeder, Finance Manager  
**DATE:** Thursday, June 15, 2023  
**SUBJECT:** Item 10.0 – Resolution 1888, Comprehensive Financial Management Policy  
**OBJECTIVE:** Board Approval

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### **Issue**

The Comprehensive Financial Management Policy (CFMP) requires annual review and approval by the Medford Water Commissioners.

### **Discussion**

Medford Water Commission management has reviewed and updated the CFMP. Changes are as follows:

- Various – Updates to Medford Water Commission (MWC) to Medford Water (MW) and other formatting. Updates to Annual Financial Report (AFR) to Annual Comprehensive Financial Report (ACFR)
- Page 2 – IV. (f) Removed “To Keep Pace with Needs of the Commission’s Customers
- Page 5 – (iii) Addition of “during the Cost-of-Service Analysis (COSA). Funding to begin in fiscal year 2030/2031.”
- Page 6 – Addition of viii. Oregon Department of Emergency Management (ODEM)
- Page 7 – e (i) Addition “of \$5,000”
- Page 7 – IV (ii) Rewording of two sentences into one sentence
- Page 8 – (f) Shortened title and added to first sentence “To keep pace with needs of MW’s customers, MW”
- Page 8 – (f) Added “ten-year” to master plan and removed “over a course of a decade”
- Page 10 – VI. Replaced “The Finance Department” with “Management”
- Page 11 – X. Addition of “and/or quarterly”

### **Financial Impact**

None.

### **Requested Board Action**

Staff recommends approval of Resolution 1888, approving the Comprehensive Financial Management Policy for Medford Water Commission.

**RESOLUTION NO. 1888**

A RESOLUTION Adopting, and Authorizing the General Manager to Execute the Comprehensive Financial Management Policy for the Board of Water Commissioners

WHEREAS, the Comprehensive Financial Management Policy (Policy) assembles all the financial policies of the Medford Water Commission (Medford Water) in one document; and

WHEREAS, these tools are used to ensure the fiscal stability required to meet both immediate and long-term service objectives of Medford Water; and

WHEREAS, the individual policies contained within this document serve as guideline for both the internal financial management and financial planning for Medford Water; and

WHEREAS, the Policy has the following objectives:

- A. To guide the Board and management’s policy decisions that have significant financial impact,
- B. To establish operating principles that minimize the cost of service and financial risk,
- C. To establish fair and balanced revenue policies that provide adequate funding for desired programs,
- D. To maintain appropriate financial capacity for present and future needs,
- E. To promote sound financial management by providing accurate and timely information on Medford Water’s financial condition,
- F. To ensure the legal use of financial resources through an effective system of internal controls.
- G. To promote cooperation and coordination with the City of Medford, other local municipalities, and water users in financing system improvements and delivering high-quality drinking water to consumers,
- H. To be the Rogue Valley’s trusted municipal water provider for present and future generations; through responsible stewardship, accountability, and the pursuit of excellence,
- I. To provide transparency to the Board, City of Medford, City of Medford Council, Medford Water’s customers (retail and wholesale), and Medford Water staff; and

WHEREAS, the Policy was last adopted at the regular meeting of July 21, 2021 (Resolution #1780); and

WHEREAS, the Policy is attached hereto as Exhibit A and incorporated herein by reference; and being fully advised;

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

SECTION 1. The Comprehensive Financial Management Policy, attached hereto as Exhibit A and by reference made a part hereof, is hereby adopted, and supersedes the Policy adopted by Resolution 1780.

SECTION 2. The General Manager, acting by and on behalf of the Board of Water Commissioners, is authorized and directed to execute said Comprehensive Financial Management Policy, is hereby approved.

PASSED at a regular meeting of the Board of Water Commissioners and signed by me in authentication thereof this 21st day of June 2023.

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

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



## COMPREHENSIVE FINANCIAL MANAGEMENT POLICY

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### PURPOSE

The Comprehensive Financial Management Policy (CFMP) assembles all the financial policies of Medford Water ~~Commission~~ (~~Commission~~MW) in one document and is approved by the Board of Water Commissioners (Board). They are the tools used to ensure the fiscal stability required to meet both immediate and long-term service objectives. The individual policies contained within this document serve as guidelines for both the internal financial management and financial planning for the ~~Commission~~MW.

~~The Commission~~MW is accountable to its customers for the use of water revenue, fees, and charges. ~~MW~~~~The Commission~~ resources must be used in a manner that ensures adequate funding for operations, renewal of aging infrastructure, new infrastructure, and long-term water supply needs. The water industry is capital intensive, and the ~~MW~~Commission is expected to provide uninterrupted service 24 hours a day, 7 days a week, 365 days a year. As one of the primary water providers within the Rogue Valley, the ~~MW~~Commission must understand and anticipate changes in local, statewide, and national economic trends to properly engage in strategic financial and management planning.

### OBJECTIVES

To achieve its purpose, the CFMP has the following objectives for the ~~MW~~Commission's fiscal performance:

- To guide the Board and management's policy decisions that have significant financial impact.
- To establish operating principles that minimize the cost of service and financial risk.
- To establish fair and balanced revenue policies that provide adequate funding for desired programs.
- To maintain appropriate financial capacity for present and future needs.
- To promote sound financial management by providing accurate and timely information on the ~~MW~~Commission's financial condition.
- To ensure the legal use of financial resources through an effective system of internal controls.
- To promote cooperation and coordination with the City of Medford, other local municipalities, and water users in financing system improvements and delivering high-quality drinking water to consumers.
- To be the Rogue Valley's trusted municipal water provider for present and future generations; through responsible stewardship, accountability, and the pursuit of excellence.
- To provide transparency to the Board, City of Medford, City of Medford Council, the ~~MW~~Commission's customers (retail and wholesale), and ~~MW~~Commission staff.



## POLICY OUTLINE

- I. FINANCIAL PLANNING POLICIES**
  - a. Ten-Year Financial Plan
  - b. Fund Types and Policies
    - i. Water Fund
    - ii. Construction and Infrastructure Replacement Fund
    - iii. Rate Stabilization and Emergency Fund
- II. REVENUE POLICIES**
  - a. Rates
  - b. Systems Development Charges
  - c. Fees and Charges
  - d. Agencies with Resources (Funding Programs)
- III. OPERATING POLICIES**
  - a. Operating Expenditures Should be Within Current Resource Projections
  - b. Unrestricted Resources Should Remain Unrestricted
  - c. Continual Improvement of Water Service
  - d. Cash Management
  - e. Fixed Asset Inventories
  - f. Allocation of Overhead Costs
- IV. GENERAL BUDGET POLICIES**
  - a. Balanced Budget and Preparation
  - b. Resources Greater than Budget Estimates
  - c. Public Hearings
  - d. Overhead Allocation
  - e. Examination of Existing Budget
  - f. Water Services ~~to Keep Pace with Needs of the Medford Water Commission's~~  
[Customers](#)
  - g. Maintenance of Quality Water Service Programs
  - h. Maintenance of Existing Services vs. Additional or Enhanced Service Needs
  - i. Budget Monitoring
  - j. Performance Budgeting
  - k. Distinguished Budget Presentation
- V. CAPITAL IMPROVEMENT BUDGET POLICIES**
- VI. AGENDA MEMORANDUM REVIEW**
- VII. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES**
  - a. Accounting Records and Reporting
  - b. Auditing
  - c. Excellence in Financial Reporting
- VIII. DEBT ISSUANCE AND DEBT MANAGEMENT POLICY**
- IX. INVESTMENT POLICY**
- X. FINANCIAL RATIOS AND KEY INDICATORS**

## POLICY

### I. FINANCIAL PLANNING POLICIES

#### a. Long Term Financial Plan (LTFP)

- i. ~~The Medford Water Commission~~ recognizes the many benefits of long-range financial forecasting including the early identification of potential fiscal constraints related to revenue and expenditure trends, the need to incorporate the impact of capital projects within the operating budget, and the need to maintain adequate resources during economic downturns to sustain system reliability and ensure the continued delivery of high-quality drinking water (a minimum of Ten years). Accordingly, the ~~Medford Water Commission~~ Medford Water Commission MW shall develop and maintain a LTFP that projects resources and requirements beyond the scope of the current budget period. The purpose of the plan is to provide long term context for annual decisions that will be made in conjunction with the Cost-of-Service Study, the annual Budget and the LTFP. The LTFP will:
  1. Provide the Board with the projected long-term fiscal impact of current policies and budget decisions;
  2. Recognize the effects of economic cycles, growth, and inflation on the demand for services and ~~Medford Water Commission~~ Medford Water Commission MW resources;
  3. Provide revenue and expenditure projections, including the operating budget impacts of all planned capital expenditures;
  4. Differentiate between revenues and expenditures associated with one-time fiscal activities;
  5. Identify the impact to overall rate levels for both retail and wholesale customers;
  6. Provide insight into whether the current mix of resources and requirements are enough to cover current service levels into the future; and
  7. Allow staff and Commissioners to test “what if” scenarios and examine the financial impact of such scenarios on future years.
- ii. The LTFP will be updated annually at the time of the Cost-of-Service Study and will include projections of all Fund Types. Any unexpected changes in economic conditions or circumstances may prompt more frequent updates. Any significant changes shall be reported to the General Manager, and the Board.

#### b. Fund Types and Policies

##### i. Water Fund

The Water Fund is the General Fund of the ~~Medford Water Commission~~ Medford Water Commission MW. In other words, it is the main operating fund of ~~the Medford Water Commission~~ Medford Water Commission MW where most revenues and all expenditures flow through. It records all assets and liabilities that are not assigned to a special purpose fund.

~~Medford Water Commission~~ Medford Water Commission MW Management will forecast and monitor respective resources and requirements and variance reporting will be performed at least bi-monthly.



The Finance Department will prepare monthly financial statements and narrative to be provided to the Board and [Medford Water Commission MW](#), and annual audited financial statements will be made available on the [Medford Water Commission MW](#)'s website.

[The Medford Water Commission MW](#) will prepare a quarterly financial report to the Board and the Medford City Council as required by City of Medford Charter.

[The Medford Water Commission MW](#) will strive to maintain approximately 20% of annual budgeted revenue carry over from year to year. When the Water Fund trends towards or falls below the designated policy minimum, [Medford Water Commission MW](#) staff shall inform the Board. Staff will then work with the Board to take appropriate action to address any shortfalls.

ii. Construction and Infrastructure Replacement Fund

- The Construction and Infrastructure Replacement Fund is a capital reserve fund used to fund capital projects that expand system capacity, comply with regulatory requirements, or the renewal and replacement of aging assets. There will be dedicated line items for Construction, Future Main Replacements, Future Water Supply and Treatment, Future Water Rights Development and Vernal Pool Mitigation.
- Construction Line Item  
Is for the renewal and replacement of stationary capital assets other than fleet, transmission, and distribution mains.
- Future Main Replacements Line Item  
Is for the renewal and replacement of transmission and distribution mains.
- Future Water Supply and Treatment Line Item  
Is for [FUTURE future](#) capital items related to supply and treatment.
- Future Water Rights Development Line Item  
Is for the purchase of water rights at Lost Creek Lake for Outside City Customers and Water Districts.
- Vernal Pool Mitigation Line Item  
Is for the management of vernal pools ~~at~~ next to the Robert A. Duff Water Treatment Plant in White City, Oregon.

[The Medford Water Commission MW](#) will strive to maintain a balance for the Construction line item and Future Main Replacements two times the estimated annual amount of system depreciation. Construction line-item depreciation is total system depreciation less mainline (transmission and distribution) depreciation. Future Main If the funds are used to pay for capital projects, then a repayment plan or a recalibration of line-item balances will occur. When the balance of the two times the estimates annual amounts of depreciation trends towards or falls below the designated policy minimum, [Medford Water Commission MW](#) staff shall inform the Board. Staff will then work with the Board to take appropriate action to address any shortfalls within that fund.

iii. Rate Stabilization and Emergency Fund

This will be a newly created fund and will be used solely for the smoothing rates when a spike in rates is expected or as a one-time emergency expenditure. The targeted balance in this account shall be no less than 10% of budgeted water revenue in the operating budget. This amount will be calibrated on an annual basis during the Cost-of-Service Analysis (COSA). Funding to begin in fiscal year 2030/2031.

**II. REVENUE POLICIES**

The Medford Water Commission MW must be sensitive to the balance between the need for services and the Medford Water Commission MW's ability to raise rates, fees, and charges to support those services. The Medford Water Commission MW will aim at developing rates that utilize contemporary and industry recognized "generally accepted" rate setting methodologies. A Cost-of-Service Study will be prepared as needed and its assumptions will be recalibrated and updated on an annual basis. Other rates, fees and charges will all be reviewed and recalibrated on an annual basis.

**a. Rates**

- i. The Medford Water Commission MW shall strive to set rates in a manner that is consistent with the principles and methodologies established by the American Water Works Association (AWWA) M1 Manual, Principles of Water Rates, Fees and Charges.
- ii. The Medford Water Commission will develop a revenue requirement analysis to provide prudent and adequate funding levels for operations and maintenance (O&M) and capital projects, and in addition, will develop a ten-year financing planning model (revenue requirements) that provides prudent funding levels for O&M activities along with capital projects identified in the Medford Water Commission's capital improvement planning documents.
- iii. The Medford Water Commission will develop a cost allocation methodology that equitably allocates the cost of providing water service to the Medford Water Commission's various types of customers.
- iv. The Medford Water Commission will strive to set user rates at levels where the Medford Water Commission's operating and capital expenses are met with the revenues generated from customers.
- v. The Medford Water Commission will develop water rates that are cost-based and defensible using generally accepted methodologies (i.e., AWWA M1 Manual).

**b. Systems Development Charges (SDC's)**

SDC's will be reviewed on an annual basis to update the cost-based charges for new customers connecting to, or requesting additional capacity to, the Medford Water Commission MW's water system. By establishing cost based SDC's, the Commission MW attempts to have "growth pay for growth" and existing utility customers will, for the most part, be sheltered from the financial impacts of growth. The Commission MW has three types of SDC's:

- i. Systemwide (Treat Plant and Transmission Expansion)
- ii. East Side High Level
- iii. Southwest High Level

**c. Fees and Charges**

- i. ~~The Commission-MW~~ shall strive to set fees in a manner that recovers the full cost of the service provided.
- ii. ~~The Commission-MW~~ will analyze current and future costs when determining fees.
- iii. ~~The Commission-MW~~ will prepare a methodology that captures all costs including materials, labor, and equipment.

**d. Governmental Agency Resources (Funding Programs)**

In an effort to soften the adverse financial impacts of various programs and projects, ~~the Commission-MW~~ will approach the following, nonexclusive list of state and federal governmental agencies which may periodically offer funding programs to support the planning, predevelopment, design and construction of drinking water infrastructure projects and emergencies.

- i. U.S. Environmental Protection Agency – Drinking Water State Revolving Fund
- ii. U.S. Environmental Protection Agency - Water Infrastructure Finance and Innovation Act (WIFIA), U.S. Department of Health and Human Services
- iii. Oregon Health Authority (OHA)
- iv. U.S. Department of Agriculture Development (USDA RD)
- v. U.S. Department of Commerce Economic Development Administration (EDA)
- vi. Oregon Business Development Department (OBDD)
- vii. Federal Emergency Management Agency (FEMA)
- viii. ~~Oregon Department of Emergency Management (ODEM)~~

**III. OPERATING POLICIES**

~~The Commission-MW~~ should accommodate both one-time and ongoing expenditures within current resources, establish and adequately fund reserves, regularly monitor and report on budget variances, evaluate the fiscal impact of new proposals, operate as efficiently as possible, and constantly review services for appropriateness and effectiveness.

**a. Operating Expenditures Should be Within Current Resource Projections**

Operating expenditures should be equal to or less than operating revenues, excluding capital expenditures. One-time resources and non-recurring ending fund balances should be applied to reserves or to fund one-time expenditures; they should not be used to fund water services.

**b. Restricted Resources and Restricted Funds**

Restricted resources and restricted funds may only be used in compliance with the specific constraints that have been imposed in connection with receipt of those resources. Unrestricted resources or funds are all ~~Commission-MW~~ revenues and resources that are not restricted, and may, in the discretion of the Board as exercised through adoption of a budget, be utilized in connection with any ~~Commission-MW~~ projects, activities or expenditures.

**c. Continual Improvement of Water Service**

~~The Commission-MW~~ will seek the efficiency and effectiveness of its water services through business process improvements, actual ~~to-vs~~ budget variance analysis, and evaluation of its services with comparable utilities to reduce costs and improve service quality.

**d. Cash Management**

Finance will develop, maintain, and constantly seek to improve cash management systems which ensure the accuracy and timely accounting, investment, and security of all cash assets. All cash received by ~~the Commission-Medford Water MW~~ is expected to be deposited within 48 hours of receipt.

**e. Fixed Asset Inventories**

- i. Accurate inventories of all physical assets, their condition, life spans, and cost will be maintained to ensure proper stewardship of public property. Finance will establish policies and appropriate procedures to manage fixed assets, including establishing the threshold dollar amount of \$5,000 for which fixed asset records are maintained.
- ii. ~~The Commission-MW~~ will maintain all its assets at a level adequate to protect its capital investment and to minimize future maintenance and replacement costs.
- iii. ~~The Commission-MW~~ will project its equipment replacement and maintenance needs for the next several years and will update this projection every year. From the projection a maintenance and replacement schedule will be developed and followed.
- iv. ~~The Commission-MW~~ will conduct a physical inventory of ~~capital~~-assets on an annual basis.
- v. ~~The Commission-MW~~ will conduct a physical count of parts in inventory no less than once a year. A perpetual inventory system and cycle count process ~~will be is~~ encouraged.

**f. Allocation of Overhead Costs**

Overhead costs will be allocated to determine the full cost of providing water and other services. Overhead costs will be allocated according to consistent methodology as defined by the Finance Department.

**IV. GENERAL BUDGET POLICIES**

**a. Balanced Budget and Preparation**

- i. ~~The Commission-MW~~ will annually adopt a balanced budget where planned resources equal planned requirements for the fiscal year for all the ~~CommissionMW's~~ funds.
- ii. The budget is a plan for matching resources to requirements ~~and raising and allocating resources. The with the~~ objective ~~is~~ to maintain a reliable and excellent drinking water supply with allocated resources. Service ~~needs requirements~~ must be delivered to the customers at a level that will meet real needs as efficiently and effectively as possible. The budget must be structured so that the Board and the customers can readily establish the relationship between revenues, expenditures, and the achievement of service objectives. It is driven by the ~~Cost of Service Analysis (COSA)~~, the LTFP, the goals of the Board ~~of Water Commissioners~~, and various Master Plans.

- iii. The budget shall be prepared with ~~the Commission~~MW's organizational mission statement and Board goals in mind.
- iv. The budgetary review by ~~Commission~~-MW staff and the Board will focus on the following basic concepts:
  - 1. Staff Economy
  - 2. System Maintenance
  - 3. Capital Construction
  - 4. Program Expansions
  - 5. New Programs
  - 6. Existing Service Costs
  - 7. Administrative Costs
- v. ~~Commission~~-MW budget submissions must be prepared with the basic assumption that there may not be a substantial increase and/or a decrease to water rates and/or service fees.
- vi. It is important that adequate cash on hand be available to fund operating expenses and purchase capital assets during the fiscal year. ~~The Commission~~-MW will avoid borrowing for ongoing operational expenses and shall maintain adequate fund balances in all funds.
- vii. Finance will prepare and present the budget in such a way that it is easy to read and understand. The budget will be available on ~~the Commission~~MW's website at [www.medfordwater.org](http://www.medfordwater.org).

**b. Resources Greater than Budget Estimates**

Resources (fund balance) greater than budget estimates in any fund shall be refunded to the contributing funds unless circumstances warrant retaining such monies for future expenditures in the current fund.

**c. Public Hearings**

- i. ~~The Commission~~-MW shall hold a public hearing on the budget annually. It is not required by Oregon statute, but is a practice promoting accountability and transparency.
- ii. Any additional public hearings may be conducted if necessary.

**d. Overhead Allocation**

The annual budget shall be prepared in a manner to reflect the full cost of providing water service.

**e. Examination of Existing Budget**

Throughout the fiscal year, staff will look for cost savings and efficiencies that will benefit ~~the Commission~~MW's customers.

**f. Water Services ~~to Keep Pace with Needs of the Commission's Customers~~**

~~To keep pace with needs of MW's customers,~~ ~~The Commission~~-MW will strive to ensure that water services within the City of Medford keep pace with the dynamic needs of the community by incorporating a service needs review as part of the budget process. ~~The Commission~~-MW has adopted several ~~ten-year~~ master plans that address service needs ~~over a course of a decade~~.

**g. Maintenance of Quality Water Service Programs**

Quality water service programs will be offered by ~~the Commission~~MW. If expenditure reductions are necessary, service elimination is preferable to nonrequired, poor or marginal quality programs.

**h. Maintenance of Existing Services vs. Additional or Enhanced Service Needs**

Significant annual resource allocations needed to maintain existing service quality will compete directly with other operational or capital expense priorities during the budget process. Resources will be allocated to the operational and capital expenditures that provide the greatest value to the customers.

**i. Budget Monitoring**

- i. ~~The Commission~~MW's management will have primary responsibility for formulating budget proposals in line with the Board and Management's priority direction and goals. Once the budget has been formulated, it is Management's responsibility to monitor and implement once the budget has been approved.
- ii. Management is responsible for coordinating the overall preparation and administration of ~~the Commission~~MW's Annual Budget and the overall preparation of the Capital Budget.
- iii. Management assists ~~Commission~~MW staff in identifying budget problems, formulating solutions and alternatives, and implementing any corrective actions.

**j. Performance Budgeting**

Metrics and performance measures will be utilized and reported within the budget. Finance will prepare trends, metrics, and performance measures on a monthly, quarterly, and annual basis.

**k. Distinguished Budget Presentation**

~~The Commission~~MW will work to obtain the Government Finance Officers Association Distinguished Budget Presentation Award for each annual budget. The budget will be presented in a way that clearly communicates the budget to the Board, ~~Commission~~MW staff and the public.

**V. CAPITAL IMPROVEMENT BUDGET POLICIES**

- a. ~~The Commission~~MW will endeavor to make all capital improvements in accordance with an adopted Ten-Year Capital Improvement Plan (CIP), except as provided in the below subsection f. It will be updated annually and monitored monthly.
- b. ~~The Commission~~MW will enact an annual CIP budget based upon the ten-year plan. Future capital expenditures necessitated by changes in the number of water services, changes in real estate development or changes in economic base will be calculated and included in CIP budget projections.
- c. ~~The Commission~~MW will coordinate development of the CIP budget with the development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in the operating budget forecasts.
- d. ~~The Commission~~MW will identify the estimated costs and potential funding sources for each capital project proposal before including in the capital budget.
- e. ~~The Commission~~MW will attempt to determine the most advantageous financing method for all new projects.
- f. ~~The Commission~~MW recognizes that there may be capital improvement projects that have not been anticipated in the ten-year CIP plan. These projects are often

imposed by other governmental entities or because of emergency replacement/repair. As a result, it is likely that budgeted or anticipated projects may be rescheduled, scaled back, or omitted completely.

- g. ~~The Commission-MW~~ will identify all projects that are SDC eligible.

## VI. AGENDA MEMORANDUM REVIEW

~~The Finance Department Management~~ will review all agenda items submitted ~~for to~~ the Board ~~of Commissioners~~ for action. The objective of these reviews will be to ensure compliance within the budget and disclosure of all fiscal issues to the Board. This information will be presented in the fiscal impact section of each agenda memorandum.

## VII. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

### a. Accounting Records and Reporting

- i. ~~The Commission-MW~~ shall maintain clear, accurate, and understandable financial reporting that provides accountability and transparency for all components of ~~the CommissionMW's~~ financial affairs and ensures compliance with applicable statutory and other regulatory requirements.
- ii. ~~The Commission-MW~~ shall also maintain a system of financial monitoring, internal controls, and reporting for all operations, funds, and agencies to provide an effective means of ensuring that all ~~Commission-MW~~ goals and objectives are met, as well as to provide ~~Commission-MW's~~ customers with accurate and timely financial information that communicates the ~~CommissionMW's~~ economic condition and financial status.
- iii. ~~The Commission-MW~~ shall establish and maintain accounting practices that conform to Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

### b. Auditing

~~The Commission-MW~~ shall contract with a qualified firm of independent certified public accountants to perform an annual financial and compliance audit of the ~~CommissionMW's~~ financial statements. The firm's opinions must be presented in ~~the CommissionMW's Comprehensive Annual Comprehensive~~ Financial Report (CACFR) and Independent Audit Report.

### c. Excellence in Financial Reporting

~~The Commission-MW~~ shall prepare an Annual ~~Comprehensive~~ Financial Report each year which must be prepared in accordance with GAAP, GASB, state and federal laws and regulations including Oregon Local Budget Law. The report must also meet the requirements of the Governmental Finance Officers' Association's Certificate of Achievement of Excellence in Financial Reporting (COA). ~~The Commission-MW~~ shall strive to present financial reports following best practices.

### d. Popular Annual Financial Report

~~The Commission-MW~~ will strive to extract information from the ~~Annual Financial ReportACFR~~ in order to produce a high quality popular annual financial report that is specifically designed to be readily accessible by the general public and other interested parties. This report is abbreviated version of the ~~Annual Financial ReportACFR~~ and is easily understandable by those who do not necessarily have a background in public finance. ~~The Commission-MW~~ will strive to earn the General Finance Officer's Association's Popular Annual Financial Reporting Award (PAFR).

## VIII. DEBT ISSUANCE AND DEBT MANAGEMENT POLICY

- a. ~~The Commission~~MW, during normal operations, may need to issue long-term debt to fund certain capital improvements. The establishment of policies related to debt issuance and debt management are intended to minimize the overall long-term costs of ~~the Commission-MW~~ and utilize long-term debt to ~~the benefit of the Commission's~~ customers.
- b. ~~The Commission-MW~~ will confine long-term borrowing to capital improvements or projects that cannot be financed from current rates and revenues (including anticipated rate increases), except where approved justification is provided.
- c. ~~The Commission-MW~~ may find that short term debt or a line of credit is necessary; however, short term debt should not be used for typical, ongoing operational requirements.
- d. When ~~the Commission-MW~~ finances capital improvements or other projects by issuing bonds or entering capital leases, it will repay its debt within a period not to exceed the useful life of the asset or project.
- e. ~~The Commission-MW~~ will maintain regular and good communication with the bond rating agencies about its financial condition and will provide requested information in a timely manner. ~~The Commission-MW~~ will follow a policy of full disclosure and transparency on every financial report and in Official Statements related to bond issues.

## IX. INVESTMENT POLICY

The Investment Policy has been adopted by Board Resolution. The Policy defines the cash management and investment strategies of ~~the Commission~~MW, and it shall be reviewed annually and updated by Board Resolution if needed.

## X. FINANCIAL RATIOS AND KEY INDICATORS

~~The Commission-MW~~ shall establish and utilize financial ratios to analyze and determine financial health of the organization. The performance standard for each ratio shall be developed. The ratios shall be published as part of the monthly ~~and/or quarterly~~ financial packet provided to the Board and ~~Commission-MW~~ staff. These metrics enable ~~the Commission-MW~~ to assess financial health and performance of the water utility in an expedient manner.

### Metric Definitions:

- a. Current Ratio – Indicates the extent to which the claims of short-term creditors are covered by assets that are expected to be converted to cash in a period roughly corresponding to the maturity of the liabilities. Target is >1.0.
- b. Age of System – Ratio of accumulated depreciation against the historical value of assets. This ratio measures how old the system is as compared to how much has been depreciated. Infrastructure over 65% depreciated should be watched for aging, while infrastructure less than 50% depreciated is representative of newer systems. Target is <50%.
- c. Water Fund Cash on Hand – How long, in days, ~~the Commission-MW~~ could meet Capital Expenditures and Operating Expenses without receiving new income. ~~The Commission-MW~~ strives to maintain 90 -180 days cash on hand.
- d. Days Sales Outstanding - Average collection period or days' sales in receivables, measures the number of days that ~~the Commission-MW~~ is to collect cash from its



water sales. This calculation shows the liquidity and efficiency of ~~the~~ [CommissionMW](#)'s Customer Collection and Meter Reading Departments. The target is < 30 days.

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## **Memorandum**

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

**FROM:** Anna Roeder, Finance Manager

**DATE:** Thursday, June 15, 2023

**SUBJECT:** Item 11 – Resolution 1889, Authorizing the General Manager to Execute a Payment to CIS for General Liability, Automotive, and Property Damage Insurance for Fiscal Year 2023-2024

**OBJECTIVE:** Board Approval

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### **Issue**

The total cost of the annual premium for general liability, automotive, and property damage insurance premium exceeds the General Manager's purchasing authority without board approval.

### **Discussion**

To authorize and direct the General Manager to execute a payment on behalf of the Board of Water Commissioners in the amount of \$237,673.65 to City County Insurance Services (CIS). Last fiscal year's insurance premium with CIS was \$227,779.12. Industry wide cost increases are responsible for our premium increase along with a 10% increase in Medford Water revenue and \$3 million in additional property insurance coverage with the on-going Duff Treatment Plant projects. In addition, \$2M in cyber liability coverage is being purchased from Evolve through Payne West Insurance in the amount of \$17,375.43. Last fiscal year's cost for cyber liability was \$14,485.45. Cyber liability renewal rates have continued to increase with the rise in instances of cybercrime. Utilities are a major target of such threats.

### **Financial Impact**

The Fiscal Year 2023-2024 premium for general liability, automotive, and property damage from CIS is \$237,673.65. Evolve cyber liability coverage through Payne West is \$17,375.43. The total on both insurance premiums are under the budgeted amount by \$12,040.58.

### **Requested Board Action**

Approval of Resolution 1889, authorizing the General Manager of Medford Water to execute a payment to CIS for Medford Water's general liability, automotive, and property damage insurance premium for Fiscal Year 2023-24.

**RESOLUTION NO. 1889**

A RESOLUTION Authorizing the General Manager of the Medford Water Commission to Execute on Behalf of the Board of Water Commissioners, a Payment to CityCounty Insurance Services in the Amount of \$237,673.65 for Medford Water Commission's General Liability, Automotive, and Property Damage Insurance Premium for Fiscal Year 2023-2024

WHEREAS, the cost of the premium for general liability, automotive, and property damage insurance from CityCounty Insurance Services (CIS) for Fiscal Year 2023-2024 is \$237,673.65; and

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

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

The General Manager is hereby authorized and directed to execute on behalf of the Board of Water Commissioners a payment in the amount of \$237,673.65 to CIS for Medford Water's general liability, automotive, and property damage insurance. This authorization exceeds the authority of the General Manager as defined in Section 1.02 of the Contracting & Purchasing Regulations.

PASSED by the Board of Water Commissioners and signed by me in authentication of its passage this 21st day of June 2023.

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

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