



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

AGENDA

REVISED

11:45 a.m. LUNCH

12:00 a.m. STUDY SESSION – Rules and Regulations (Water Resources & Customer Service Manager, Julie Smitherman)

12:15 p.m. BOARD MEETING

1. Roll Call

2. Pledge of Allegiance

3. Comments from the Audience

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

4. Written Communications

4.1 Letters from ACCESS, 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 4, 2025

5.2 Resolution No. 1984, A RESOLUTION Adopting the Proposed Modifications to the "Regulations Governing Water Service" Document, Effective July 1, 2025

5.3 Resolution No. 1985, A RESOLUTION Authorizing the General Manager of Medford Water to Execute on Behalf of the Board of Water Commissioners, a Payment to City County Insurance Services in the Amount of **\$302,329.19** for Medford Water 's General Liability, Automotive, and Property Damage Insurance Premium for Fiscal Year 2025-2026

5.4 Resolution No. 1986, 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. 2017-000579 on December 6, 2017

5.5 Resolution No. 1987, A RESOLUTION Authorizing the General Manager to Execute an Agreement between the Board of Water Commissioners and the Laborers' International Union of North America, Local #737

5.6 Authorize the General Manager to Sign an Intergovernmental Agreement with the City of Ashland to Provide Assistance for Water Conservation Services

6. Items Removed from Consent Calendar

7. Resolution No. 1988, A RESOLUTION Adopting, and Authorizing the General Manager to Execute the Comprehensive Financial Management Policy for the Board of Water Commissioners

8. Resolution No. 1989, A RESOLUTION, Awarding and Authorizing the General Manager to Execute a Contract in the Amount of \$3,283,059.00 with Emery & Sons Construction Group, LLC for the Construction of Barnett Pump Station

9. Resolution No. 1990, A RESOLUTION - A RESOLUTION authorizing the General Manager to execute a Contract Amendment with West Yost Associates in the amount of \$231,476.00 for the Consulting Services for the Design of Zone 2 Pumping at Barnett Reservoir Contract

10. Resolution No. 1991, A RESOLUTION Awarding and Authorizing the General Manager to execute a Small Utility Enterprise Agreement (SUEA) with ESRI for Geographic Information Systems (GIS) Software and Services for a 3-year, Not to Exceed amount of \$109,560.00

11. Workers' Compensation Renewal

12. Leadership Team Reports

Leadership Team staff will be present and may provide information: Engineering Manager Brian Runyen, Finance Manager Beau Belikoff, Water Operations Manager Dan Perkins, 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 TOPIC	REGULAR MEETING	LOCATION
7/2/25	Wed	Board Meeting	No Meeting		
Friday, July 4, 2025 – Offices closed in observance of the Independence Day holiday					
7/16/25	Wed	Board Meeting	S. Stage Project – Bullis WQ Operations	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_IV5dXQ6ZSi2DGVIVvFewAQ

Meeting passcode: 005787



To join by phone, call:

(669) 900-6833

Meeting ID Number: 841 1190 8935 Meeting passcode: 005787



Memorandum

TO: Commissioners David Wright, Jason Anderson, John Dailey, Bob Mylenek, and Bob Strosser
FROM: Julie Smitherman, Water Resources and Customer Service Manager
DATE: June 18, 2025
SUBJECT: Item 4.1 – Grant Request Letters from ACCESS and St. Vincent de Paul
OBJECTIVE: Board Approval

Issue

Grant request letters have been received from local organizations; ACCESS, The Salvation Army and St. Vincent de Paul. These community agencies have historically received annual grants from Medford Water to provide low-income water bill payment assistance to Medford Water customers. Each of these agencies have used the funding provided in the 2024/25 fiscal year and are requesting grants for the 2025/26 fiscal year.

Discussion

Since 2003, Medford Water has provided grant funding to partner agencies to assist qualifying customers with paying their water bills. In 2015, we began budgeting \$15,000 annually for this program. Participating agencies are responsible for applicant screening and disbursement of funds. Eligibility is determined by using 60% of the State of Oregon median income by household size. Attached are the letters of request for funding for Fiscal Year 2025/26, along with disbursement reports from Fiscal Year 2024/25 for your review.

Financial Impact

The proposed budget for the 2025/26 fiscal year includes an increase to emergency bill payment assistance from the previously budgeted \$15,000 to \$20,000 per year. Staff is exploring alternate ways to raise money through a “Customer Care” program to help offset the amount that is budgeted each year. For example, offering all customers the option to donate funds when they pay their bill.

Based on their current funding status, ACCESS, The Salvation Army, and St. Vincent de Paul are requesting the following grants for the 2025-26 fiscal year.

ACCESS:	\$6,000	Current Balance:	\$ 0
The Salvation Army:	\$7,500	Current Balance:	\$ 0
St. Vincent de Paul:	\$5,000	Current Balance:	\$ 0

Requested Board Action

Staff recommends approval of funding by motion for ACCESS, The Salvation Army, and St. Vincent de Paul. If necessary, additional requests for funding will be brought back to the Board for approval.



May 23, 2025

Brad Taylor
General Manager
Medford Water Commission 200
South Ivy St., Room 177
Medford, OR 97501

Dear Mr. Taylor,

ACCESS appreciates the financial support the Medford Water Commission has provided to us these past years to assist low-income families with their water bills.

In the past year, Medford Water Commission was able to provide \$5,000 in water assistance funds. ACCESS was able to spend the \$5,000 in funding between July 2024 – December 2025. ACCESS submitted a request for an additional \$1,000 in funding and was able to spend by Mid-May 2025.

With this letter, ACCESS would like to request \$6,000 in funding from the Commission.

Thank you again, for providing this assistance to low-income community members.

Sincerely,

Rose Reeser

Rose Reeser
Housing Programs Manager
(541) 618-4018

DATE	AMOUNT
8/26/2024	\$30.59
8/26/2024	\$29.23
8/26/2024	\$214.86
8/13/2024	\$41.03
8/27/2024	\$61.01
8/27/2024	\$22.08
8/28/2024	\$31.58
8/29/2024	\$273.88
9/11/2024	\$186.78
9/4/2024	\$107.80
9/4/2024	\$102.82
9/6/2024	\$125.38
8/28/2024	\$185.84
9/5/2024	\$230.24
9/18/2024	\$130.07
9/19/2024	\$163.18
9/12/2024	\$124.76
9/18/2024	\$132.38
9/26/2024	\$162.57
9/19/2024	\$136.84
9/12/2024	\$126.22
9/25/2024	\$213.00
9/26/2024	\$192.88
9/19/2024	\$234.80
10/16/2024	\$67.08
10/15/2024	\$295.00
10/30/2024	\$148.39
10/29/2024	\$158.99
11/7/2024	\$135.72
11/13/2024	\$106.77
11/20/2024	\$146.68
11/20/2024	\$105.58
11/8/2024	\$114.54
12/4/2024	\$106.80
12/9/2024	\$196.28
12/18/2024	\$101.22
12/23/2024	\$57.13
3/13/2025	\$83.62
3/19/2025	\$268.22
3/31/2025	\$86.68
4/3/2025	\$72.57
4/3/2025	\$86.68
4/16/2025	\$81.50
5/5/2025	\$84.88
5/14/2025	\$66.84

5/15/2025	\$139
5/20/2025	\$30.01
Total	\$6,000.00



The Salvation Army

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

May 12, 2025

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*



DOING THE
MOST GOOD

Esmeralda Cortez
541-774-2425

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 and the additional \$1000.00 grant awarded in March 2025. Your support allowed us to help those who have been issued water shut-off notices and those who had water leaks to repair systems.

We have been able to help 133 household occupants comprising 36 households in our community with payment of their water bills which help them stay in their homes. The current balance of our grant is \$1,030.64 and we will fully spend the grant by the end of the cycle.

We have seen a continued 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 \$7,500 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

Medford Water Assistance Program

<i>Name of Client</i>	<i>Amount of Voucher</i>	<i>Members of HH</i>
	\$ 175.00	6
	\$ 60.08	1
	\$ 175.00	3
	\$ 160.40	10
	\$ 121.96	3
	\$ 150.00	4
	\$ 118.36	4
	\$ 103.73	1
	\$ 61.09	6
	\$ 100.00	1
	\$ 250.00	3
	\$ 250.00	6
	\$ 100.00	4
	\$ 225.00	4
	\$ 210.00	3
	\$ 218.09	4
	\$ 149.32	3
	\$ 85.44	7
	\$ 100.00	3
	\$ 180.00	10
	\$ 127.50	4
	\$ 98.46	3
	\$ 100.00	2
	\$ 186.31	4
	\$ 85.26	5
	\$ 104.84	3
	\$ 200.00	4
	\$ 150.00	5
	\$ 140.00	4
	\$ 210.84	1
	\$ 139.52	4
	\$ 76.49	1
	\$ 190.44	2
	\$ 96.83	3
	\$ -	0
	\$ 69.40	2
	\$ 4,969.36	133
\$ 6,000.00	\$ 1,030.64	

May 28, 2025

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

Re: Report and Request for Grant Funding

Dear Commissioners:

I am sending with this letter a printout showing the expenditures made from grants we received from Medford Water Commission. The printout shows a net income of -\$334.52. This is because the first two checks shown were written using grant funds received before the deposits shown on the form. To simplify the matter, please know that we have now expended all of the funds granted to us by Medford Water Commission.

All of the checks reflected in this printout went to pay water bills. We did not use any of these funds to help with leak detection or repairs, although we continue to be happy to work with you on these matters.

We are now requesting additional grant funds to be used to pay the water bills of our mutual clients as well as for leak detection and repair as your staff deems appropriate.

Sincerely,

Phyllis Douglas
Volunteer for Grants
gpdouglas2775@gmail.com
541-261-5208

9:24 AM

05/21/25

Accrual Basis

CONFERENCE #1 - SACRED HEART
Medford Water- Profit and Loss
July 1, 2024 through May 20, 2025

Type	Date	Num	Name	Memo	Amount	Balance
Ordinary Income/Expense						
Income						
GRANTS · FOUNDATION AND TRUST GRANTS						
453 · Government Grants						
Deposit	07/23/2024	010464	Medford Water Commis...	Deposit	4,314.60	4,314.60
Deposit	02/28/2025	16276	Rogue Valley District Co...	Medford Water Com...	1,000.00	5,314.60
Total 453 · Government Grants					5,314.60	5,314.60
Total GRANTS · FOUNDATION AND TRUST GRANTS					5,314.60	5,314.60
Total Income					5,314.60	5,314.60
Expense						
CLIENT · CLIENT SUPPORT						
680 · Utilities Expense						
Check	07/11/2024	12301	Medford Water Commis...		284.84	284.84
Check	07/17/2024	12332	Medford Water Commis...		49.68	334.52
Check	08/08/2024	12469	Medford Water Commis...		169.11	503.63
Check	08/20/2024	12550	Medford Water Commis...		193.65	697.28
Check	08/30/2024	12599	Medford Water Commis...		116.00	813.28
Check	09/12/2024	12688	Medford Water Commis...		852.03	1,665.31
Check	09/12/2024	12690	Medford Water Commis...		250.00	1,915.31
Check	09/13/2024	12697	Medford Water Commis...		228.00	2,143.31
Check	09/24/2024	12758	Medford Water Commis...		250.00	2,393.31
Check	10/03/2024	12843	Medford Water Commis...		162.85	2,556.16
Check	10/08/2024	12886	Medford Water Commis...		166.38	2,722.54
Check	10/09/2024	12898	Medford Water Commis...		116.00	2,838.54
Check	10/09/2024	12904	Medford Water Commis...		250.00	3,088.54
Check	10/29/2024	13023	Medford Water Commis...		300.00	3,388.54
Check	10/29/2024	13028	Medford Water Commis...		321.57	3,710.11
Check	11/11/2024	13133	Medford Water Commis...		250.00	3,960.11
Check	11/11/2024	13135	Medford Water Commis...		250.00	4,210.11
Check	11/18/2024	13178	Medford Water Commis...		39.09	4,249.20
Check	12/01/2024	13251	Medford Water Commis...		64.18	4,313.38
Check	12/10/2024	13329	Medford Water Commis...		250.00	4,563.38
Check	12/10/2024	13331	Medford Water Commis...		81.00	4,644.38
Check	12/17/2024	13374	Medford Water Commis...		4.74	4,649.12
Check	03/04/2025	13856	Medford Water Commis...		250.00	4,899.12
Check	03/17/2025	13943	Medford Water Commis...		68.00	4,967.12
Check	03/26/2025	13947	Medford Water Commis...		121.41	5,088.53
Check	04/02/2025	14048	Medford Water Commis...		55.42	5,143.95
Check	04/10/2025	14130	Medford Water Commis...		168.72	5,312.67
Check	04/25/2025	14189	Medford Water Commis...		100.00	5,412.67
Check	05/08/2025	14277	Medford Water Commis...		236.45	5,649.12
Total 680 · Utilities Expense					5,649.12	5,649.12
Total CLIENT · CLIENT SUPPORT					5,649.12	5,649.12
Total Expense					5,649.12	5,649.12
Net Ordinary Income					-334.52	-334.52
Net Income					-334.52	-334.52



Memorandum

TO: Commissioners David Wright, Jason Anderson, John Dailey, Bob Mylenek, and Bob Strosser

FROM: Julie Smitherman, Water Resources & Customer Service Manager

DATE: Wednesday, June 18, 2025

SUBJECT: Item 5.2 – Resolution 1984, Adopting Revised “Regulations Governing Water Service”, effective July 1, 2025

OBJECTIVE: Board Approval

Issue

Modifications to Medford Water’s “Regulations Governing Water Service” document is periodically necessary for clarification of policy and alignment with modern requirements and practices.

Discussion

A review of the “Regulations Governing Water Service” document is completed annually and proposed modifications are considered by the Board of Water Commissioners.

Staff has completed the annual review of the document and updated sections as necessary to provide clarity, update policy, and allow our organization to better meet the needs of current customers and contractors.

The proposed modifications were presented to the Board during a study session on June 18, 2025. A redlined version of the document is attached.

Financial Impact

N/A

Requested Board Action

Staff recommends approval of Resolution 1984, adopting the revised “Regulations Governing Water Service” and repealing all previous “Regulations Governing Water Service”, effective July 1, 2025.

RESOLUTION NO. 1984

A RESOLUTION Adopting the Proposed Modifications to the “Regulations Governing Water Service” Document, Effective July 1, 2025

WHEREAS, proposed modifications to Medford Water’s “Regulations Governing Water Service” document are periodically considered by the Board of Water Commissioners; and

WHEREAS, the proposed modifications of specific sections are considered; and

WHEREAS, revision of sections within the document, as set forth and by reference made a part hereof, is necessary for clarification of policy and alignment with modern practices; and

WHEREAS, the Board of Water Commissioners approved proposed modifications to the Commission’s “Regulations Governing Water Service” at the regular meeting on June 18, 2025;

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

That the “Regulations Governing Water Service” are hereby revised as set forth in that document, which is on file in the Medford Water office and by reference made a part hereof, to become effective from and after the 1st day of July 2025, and that all prior “Regulations Governing Water Service” adopted by of the Board of Water Commissioners of the City of Medford, Oregon are hereby repealed.

PASSED at the regular meeting of the Board of Water Commissioners and signed by me in authentication thereof this 18th day of June 2025.

ATTEST: _____

Amber Furu, Asst. Clerk of the Commission

David Wright, Chair

REGULATIONS

GOVERNING WATER SERVICE

July September 1, 20242025



MEDFORD
WATER

200 S. Ivy St. – Rm. 177
Medford, Oregon 97501

water@medfordwater.org

541.774.2430



MEDFORD WATER COMMISSION REGULATIONS GOVERNING WATER SERVICE

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ATTACHMENTS

Exhibit A - Charges in Lieu of Assessment & Refund Districts - List of Streets, Alleys and Easements

Exhibit B - System Development Charges

Exhibit C - History of Outside Water Service and Resolution No. 1058

Exhibit D - Charges for Special Services

Exhibit E - Rate Schedules

PREFACE

Water service is furnished within the city limits of Medford and to certain other areas outside of the Medford city limits by Medford Water Commission (Commission), an autonomous agency of the City of Medford, Oregon.

Medford Water Commission was established through a change in the city charter on November 7, 1922. The utility is governed by the [Board of Water Commissioners](#). The board appoints the General Manager, who is authorized to direct the operations of the utility.

Commission directly serves Customers in the City of Medford and the unincorporated community of White City. Additionally, at its sole discretion the cities of Ashland, Central Point, Eagle Point, Jacksonville, Phoenix, Talent and ~~one~~ [two](#) domestic water districts are served on a wholesale basis.

The following *Regulations Governing Water Service (Regulations)* apply to any person, firm, corporation or legal entity supplied with water service by Commission in accordance with its responsibility and authority set forth in the Medford City Charter.

It shall be the policy of Commission that the water service needs of the consumer will be reliably met without discrimination and in accordance with sound business principles; that rates will be uniform to all consumers within classifications; and that water service pricing will be based on providing the lowest reasonable rate to all consumers without special rate categories for selected social or economic classes of consumers.

It is the intent of Commission that these *Regulations* will provide the instructional requirements to the *Customer*, the many segments of the plumbing and building industries and to Commission staff that will achieve the common goal of efficient and high quality water service.

These *Regulations* may be viewed online at www.medfordwater.org, at Commission's office during regular business hours, or copies may be purchased in accordance with Commission's "Charges for Special Services."

SECTION 1 VISION, MISSION & VALUES

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 safeguard public health by providing a reliable, high-quality water supply at the best value.

VISION

MISSION

VALUES

WORTH. To our community.
We deliver the best value for existing and future customers.

ACCOUNTABILITY. In everything we do.
We build strong relationships through open communication.

TRUST. We strive to earn it.
Public health is our number one priority.

EXCELLENCE. In water quality, customer service, and reliability.
We bring forward-thinking solutions to challenges.

RESPECT. For everyone.

SECTION 2 CONDITIONS OF SERVICE & ACCOUNT REQUIREMENTS

2.1 Conditions of Service

These *Regulations Governing Water Service (Regulations)*, Rate Schedules and regularly scheduled miscellaneous charges apply to any person, firm, corporation or legal entity supplied with water service by Commission.

All persons desiring water service will be referred to as Customers. By applying for or accepting service from Commission, Customers agree to abide by all terms of Commission's policies, to provide any rights of way across their properties that Commission deems reasonably necessary to supply and/or meter such service, and to cooperate with Commission in the construction and maintenance of the facilities needed for such service.

Customers are responsible for furnishing, owning, and maintaining all materials and facilities required to distribute services beyond the meter for their service address. Customer is also responsible for installing protective devices to prevent backflow or cross-contamination of Commission water system when determined necessary by Commission personnel. If Commission-owned facilities are located beyond the meter, they will continue to be maintained by Commission. Customers will secure and pay for all necessary permits and costs of installing, upgrading, and maintaining utility materials and equipment necessary to safely accept Commission's services.

While Commission endeavors to supply reliable water services, Commission cannot and will not guarantee uninterrupted delivery of water services and will not be responsible for loss or damage to life or property resulting from the use of the supplied products or services or from non-Commission facilities.

Commission reserves the right to deny water service or refuse to extend water service where reasonable grounds for refusal are determined to exist. These grounds must be nondiscriminatory. Grounds for refusal could be based on, but not limited to, fraudulent applications, public health, safety, system reliability and/or capacity, or configuration limitations.

Commission may bill a Customer for any costs resulting from the Customer's failure to comply with the provisions of this policy. Public records will be retained in accordance with State of Oregon retention laws.

2.2 Application for Service

To start or stop service, Commission must be notified by phone or in person with a minimum notice of twenty-four (24) hours during regular business hours.

An "Application for Service" is a request for service only and does not constitute a contract until Commission is ready to deliver water service to the Customer. Applications for service must be complete with all required information submitted in a method acceptable to Commission under the circumstances. Requests for residential service from persons other than the Applicant will not be accepted without confirmation of a verified Account Holder in a form acceptable to Commission. In the absence of an approved application, pre-existing services at a property may be disconnected without notice. Upon application for service, Commission may conduct a credit evaluation of the Applicant and an additional deposit may be required based upon the credit evaluation.

Account holders are responsible for water service charges and fees, effective from the date Commission is requested to start service. Commission reserves the right to backdate the start of service to the last meter reading date if not notified of occupancy or responsibility in a timely manner. Customer will remain responsible for charges at the service location until Commission receives notice to disconnect the water service or the account is closed.

Whether or not Commission receives a joint application, where two or more adults occupy the same residence, they will be jointly and separately responsible for the water service supplied, for the payment for services provided, and will be billed by means of a single, periodic bill mailed or presented electronically to the Account Holder designated to receive the bill.

Water service may be discontinued or denied to a Customer until all unpaid balances owing to Commission or its assigned agency, by the same Customer, have been paid in full with verifiable funds or otherwise discharged. Commission also reserves the right to subsequently terminate service with notice if evidence confirms that an Applicant or Account Holder owes a debt to Commission that was not resolved at the time of service connection.

Aside from Commission, only Applicants, Account Holders or authorized agents may select and control the type and level of services at a given account's service location, including requests for connection, disconnection or transfer of water services. A non-refundable account processing charge may apply whenever water service is established, transferred or reactivated.

2.3 Information Required

Applicants for residential service shall provide Commission with the following minimum information at the time each account is opened: Full name; service address; mailing address; date of responsibility; employment; primary phone number for each Account Holder, and any additional information necessary to open an account for service. Additional information may include valid photo identification, proof of Ownership or tenancy of residence, e-mail address and additional Account Holder's name (where applicable).

2.4 Landlord and Property Management

Landlords or property management agencies must enter into a Landlord/Tenant agreement with the Commission. This agreement requires the water service to remain active in between tenants. The Commission is not responsible for any billing disputes between a landlord, property management agency, and/or tenant. It is the responsibility of the landlord to notify the Commission if the property is sold or used for purposes other than a rental unit(s).

2.5 Credit Establishment and Security Deposits

Commission requires a security deposit for new or existing accounts whenever it determines that there is financial risk. The minimum deposit is defined per Exhibit D, "Charges for Special Services." Financial risk may include, but is not limited to a Customer who:

- (1) has no established credit with Commission
- (2) is using a pseudonym with the apparent intent of avoiding payment of previous billings
- (3) is refusing to give information requested by Commission for the purpose of clarifying the Customer's identity or credibility
- (4) has a history of delinquent payments with Commission, or whose service has been discontinued for failure to pay bills when due
- (5) has used water service following illegal re-connection of service

A security deposit is not considered a payment on the account. Upon discontinuance of water service, the deposit will be applied to any closing bills and to the Account Holder. Commission may, after the deposit has been held for twelve (12) consecutive months, service has been continuous and all bills for such service have been paid promptly, apply the deposit to the depositor's account. No interest will be paid on deposits held by Commission.

A Customer may establish satisfactory credit using one of the methods below, if the Customer:

- (1) has been a Customer of Commission for one (1) year and has promptly paid all accounts due
- (2) provides a letter of credit from another utility
- (3) pays a deposit using verifiable funds

Any outstanding bills for previous service or miscellaneous charges must be paid before an application for new service will be accepted.

SECTION 3 BILLING

3.1 General Billing Information

Billing is in accordance with the charges and rates as regularly established by Commission. All Rate Schedules are based on monthly billing periods. Reference to one (1) month's service relates to the billing period but does not necessarily correlate to a calendar month. Commission reserves the right to read meters and present bills for longer or shorter periods.

Meters will be read on a monthly basis or at the time service transfers for the calculation of bills. Opening and closing bills for periods smaller or greater than normal will be pro-rated; the minimum billing period shall be for five (5) consecutive calendar days. Monthly service charges and standby fire service charges shall be pro-rated at the ratio of the number of days of service to a thirty (30) day month.

Bills will be based on the consumption to the nearest 1,000 gallons. No consumption charge will be made for amounts less than 1,000 gallons.

3.2 Bill Payment and Financial Assistance

Bills are payable upon presentation and past due after the due date on the bill. Commission allocates payments across all unpaid charges, paying oldest charges first and does not allocate payments to include or exclude specific charges. Late fees and charges apply per Exhibit D, "Charges for Special Services." Payment must be in the form of United States currency.

Payments may be made online, by phone, by mail, at utility drop boxes or in person at:

Medford Water Commission
200 South Ivy Street - Room 177
Medford, OR 97501-8601
(541) 774-2430
www.medfordwater.org

Past due payments should be made in person or over the phone with a live Customer service representative to avoid delay.

If Commission is notified that a payment cannot be processed, the attempted payment will be considered a Non-Sufficient Funds (NSF) event, and the Account Holder will be charged accordingly. Commission may require payment with Verifiable Funds after an NSF event.

A Customer who questions or disputes a bill shall be encouraged to contact Commission before collection efforts become necessary. Refer to section 4 for additional information regarding non-payment of bills and disconnection of service.

Final bills that remain unpaid for 30 days past the due date may be referred to a collection agency.

Account Holders unable to pay the full amount of their bill may:

- (1) request a mutually acceptable Payment Arrangement that includes all current billings. Acceptance of partial payments in the past does not preclude Commission's right to require full payment. An Account Holder who has not kept prior payment commitments may be prohibited from entering a new Payment Arrangement. Payment Arrangements will usually not exceed sixty (60) days and will be in addition to all current billings. Acceptance of partial payments in the past shall not prevent Commission's right to require full payment in the future.
- (2) contact one of the community service agencies that Commission provides annual grants to. These agencies offer information and programs designed to assist with payment of water bills. It remains the Account Holder's responsibility to fully and timely pay all bills, and to apply for payment assistance when appropriate.

3.3 Estimated Annual Payments

An Estimated Annual Payment plan is available with one (1) yearly payment. The payment amount is calculated based on the previous twelve (12) months of water bills. Customers that elect to make an Estimated Annual Payment will receive an additional credit on their account equal to 3.5% of the annual payment amount. This is available for existing Customers with twelve (12) consecutive months of billing history at the current location. This is an estimated billing, which is not adjusted for rate or other account changes and is not guaranteed to last a full twelve (12) billing cycles. Customers will receive a monthly statement showing current charges and remaining credit balance. Once the credit balance has run out, it is the Customers responsibility to make regular monthly payments on the account. This credit can only be applied once in a 12-month period, and the account must be active all year.

3.4 Billing for Standby Fire Service

Standby Fire Service accounts are used for fire suppression purposes **only**. These accounts are metered and billed a monthly base rate. There is no charge for water used to extinguish accidental fires or routine testing of the fire protection system. However, if the Commission determines that water is being used for purposes other than fire suppression or routine testing, then consumption charges and/or a surcharge will be applied to the account. Standby Fire Service accounts may be transferred but shall not be closed without written approval from the appropriate fire department. In the absence of a tenant, the service will be transferred into the property Owner's name.

3.5 Special Accounts

Commission may refuse to serve two (2) or more separate houses or premises through one (1) meter. If any parcel is divided where one (1) existing meter is providing service to more than one (1) separate premise, a second service must be installed and may be charged a System Development Charge (SDC) - Exhibit B.

Where residences and commercial establishments are located on separate and distinct parcels of land, or in separately owned or managed buildings, and are served through one (1) meter, the commercial rate shall apply.

Where a residence and a commercial establishment are combined in one building or operated in connected buildings, they may be served by one (1) meter, and the commercial rate shall apply.

Common-use Facilities associated with nonresidential and multifamily structures comprised of more than one (1) unit will be served per the Rate Schedules in Exhibit E. Where a Master Meter is installed, Commission will not furnish or read auxiliary or sub-meters used for the Customer's convenience.

Commission acknowledges that there are certain grandfathered contractual arrangements currently in effect.

3.6 Intermittent Users

Where an existing dedicated service and meter can be utilized at Commission's discretion to supply water to intermittent Customers, rates will apply per Exhibit E, Rate Schedule 7.

3.7 Seasonal Disconnects and Vacation Holds

The Commission does not suspend the billing of base rates or offer discounted rates for seasonal disconnects or vacation holds. This applies to both water and irrigation accounts.

3.8 Resale of Water

The rate schedules cover the sale of water for the sole and exclusive use of the Customer. Redistribution of water through a piped system for resale is not allowed. The Customer shall not resell water supplied by Commission, except as permitted under Exhibit E, Schedule 5 (District Customers), Schedule 6 (Partner Cities), and approved water service agreements.

Resale of water may be allowed under certain circumstances. These rules are not intended to restrict the manufacture and resale of treated water products such as bottled water plants with treatment facilities which may significantly alter the chemical or physical quality of the water. Commission reserves the right to review individual water service applications for Customers intending to resell water products to ensure compliance with these rules.

3.9 Leak Adjustments

The Customer retains control over the use of water on the Customer's premises, and as such, the Customer is responsible for all the water passing through the meter, including water which may be lost or wasted through leaking pipes or fixtures. Commission may make allowance for water loss if the leak is beyond the Customer's control and provided the Customer makes an immediate and diligent effort to repair the leak as soon as possible after discovery.

When the repairs of such leak have been personally observed by a representative of Commission, Commission may, upon application of the Customer, make an adjustment for the water lost not to exceed fifty percent (50%) of the excess use caused by the leak for up to a maximum of three (3) months. The adjustment will be based on the last year's consumption, if available. If not, it will be based upon the average consumption of a similar Customer.

In order to receive a leak adjustment:

- (1) Account must be in good standing.
- (2) Total water loss must be more than twenty thousand (20,000) gallons.
- (3) Customer must repair the leak and contact Commission within sixty (60) days of discovery or notice from Commission to request a leak adjustment.
- (4) Once repair has been made, Customer has (30) days to submit a completed application for leak adjustment.

Applications will be reviewed by Commission and if approved, an account credit will be issued within one (1) to two (2) billing cycles. Leak adjustments exceeding one (1) per calendar year will be at the discretion of Commission.

3.10 Waste of Resource

Water is regarded as a precious resource and waste is discouraged, including waste resulting from leaks, improper operation of an irrigation system or behavioral actions. Customers will be required to

correct all issues that cause the waste of water on their premises in a timely manner. In the attempt to stop water waste, Commission shall be notified immediately of known water issues and will follow these procedures:

- (1) If Commission notices abnormally high usage, a courtesy notice will be made by phone or mail to the Customer. If it is determined that the high usage is due to a leak, it is the responsibility of the property Owner to correct the leak by the next billing cycle.
- (2) If corrective action does not appear to have been made after two (2) notices, steps will be taken which may include a surcharge on the account on the amount of water deemed as wasted, and/or termination of service. If additional time is needed to make repairs, an arrangement must be made with Commission.
- (3) Service may be terminated immediately if the waste is particularly blatant and irresponsible, the leak is excessive, there is apparent damage, or it creates a potential hazard to the property or surrounding area.
- (4) Restoration of service following termination shall be subject to the same charges in effect following termination of service due to nonpayment of water bills.

3.11 Appeals

A Customer in disagreement with a water bill, supplemental charge or fee, or other charge has the right to file an appeal with Commission. Commission may also consider appeals for water usage or service installation during mandatory curtailment declarations.

Pending resolution of the appeal, the obligation to pay undisputed and subsequent charges continues. Service(s) under appeal will continue during the appeal process provided that:

- no evidence of fraud, tampering or diversion is discovered
- a legitimate and valid appeal exists in which the facts asserted support continued service
- service has not already been disconnected

If a Customer fails to accept or comply with the Commission's decision, Commission may proceed with immediate collection efforts without further notice including, but not limited to, disconnection of the water service. The decision of the Commission is final.

SECTION 4 WATER SERVICE AVAILABILITY

4.1 Interruptions, Curtailments, Fluctuations, Shortages and Outages

Commission endeavors to supply reliable water service. However, it is inherent that there will be times of failure, interruption, suspension, curtailment or fluctuation. Commission cannot and will not guarantee constant or uninterrupted delivery of water service. Commission shall have no liability to its Customers or any other persons for any interruption, suspension, curtailment or fluctuation in water service, or for any loss or damages resulting from but not limited to the following:

- (1) Causes beyond Commission's reasonable control including, but not limited to, accident or casualty, fire, flood, drought, wind, action of the elements, court orders, litigation, breakdown of or damage to facilities of Commission or of third parties, acts of God, strikes or other labor disputes, civil, military or governmental authority, electrical disturbances originating on or transmitted through electrical systems with which Commission's system is interconnected, and acts or omissions of third parties.

- (2) Repair, maintenance, improvement, renewal or replacement of facilities, or any discontinuance of service (which in Commission's judgment is necessary) to permit repairs or changes to be made in Commission's source of supply, transmission or distribution facilities, or to eliminate the possibility of damage to Commission's property or to the persons or property of others. Whenever Commission schedules maintenance in advance which will require Customers to be without water service for more than one (1) hour, Commission will notify Customers as follows:
 - a. At Commission's discretion, Customers will be notified in writing or orally depending on the circumstances.
 - b. The oral or written notice will include the following:
 - i. Reason for interruption
 - ii. Date and approximate time interruption will begin
 - iii. Expected duration of interruption
 - c. Whenever possible, Customers expected to be without service beyond one (1) hour due to a planned outage will be notified at least one (1) day in advance.
- (3) Automatic or manual actions taken by Commission (which in its sole judgment are necessary or prudent) to protect the performance, integrity, reliability, public health or safety, or stability of Commission's systems or any system with which it is interconnected. Such actions shall include, but shall not be limited to, the operation of automatic or manual protection equipment installed in Commission's systems, including, without limitation, such facilities as mains, pump and control stations, intakes and reservoirs.
- (4) Action taken by Commission to conserve utilities at times of anticipated deficiency of resources, including, but not limited to, non-voluntary curtailment or suspension of water services. For a description of voluntary and non-voluntary actions to be taken in the event of a water shortage and Customer responsibilities during a curtailment declaration, see the *Water Management & Conservation Plan, Section 4*, available on the Commission's website.

4.2 Disconnection/Reconnection at Commission's Discretion

- (1) Commission may disconnect water service(s) with written notice for failure to pay all charges when due, [including, but not limited to charges incurred pursuant to Section 7.2.](#) This applies to all accounts including temporary water service from fire hydrants (hydrant devices) and residential accounts where the domestic meter also supplies water to fire sprinklers.
- (2) Commission may disconnect water service(s) without written or verbal notice for any of the following reasons:
 - a. evidence of tampering/diversion, code violations, fraud
 - b. to protect health, life or property
 - c. violation(s) of any part of Commission policies and *Regulations*
 - d. where no Commission Account Holder exists for a service address
 - e. on a temporary basis for operational purposes

A Commission election to disconnect water service does not prevent Commission from exercising any other available rights under law, requiring compliance and imposing service fees or charges consistent with these *Regulations*.

Commission may reconnect water service(s) under the following circumstances:

- all charges for the service address have been paid in full using Verifiable Funds
- Commission judges that collection action has been satisfied
- All inspections and changes in plumbing of a disconnected service address, as required by local jurisdictions or agencies, are arranged by Customer at the Customer's expense

Where a property Owner of a disconnected premises is found to owe Commission past due monies for any premises provided with water service for the same property Owner, water service will not be started or resumed for any Applicant or Customer until outstanding debts are resolved to Commission's satisfaction.

If service has been discontinued by Commission and restored or tampered with, without Commission's authorization, Commission may remove the Customer's meter or disconnect the service from Commission's main. Under these circumstances, the service will not be reconnected until all bills, service charges, disconnection and re-connection costs, tampering fees, damages and deposits have been paid in full, and until Commission is satisfied that similar instances will not occur. In addition to the rights and remedies stated here, or as may be found elsewhere in State and local laws, Commission reserves its right to pursue legal recourse against the parties involved in, and/or benefiting from such illegal acts.

In emergency situations, where it is necessary for water service to be temporarily connected or disconnected to protect health, life or property, Commission will, at its discretion, take such action without notice or charge to the Customer.

4.3 Code Violations, Fraud and Failure to Pay

If a water regulation or code violation is detected, water service may be denied or discontinued without notice. Whenever water service has been discontinued or temporarily suspended by Commission for code violations, fraud, failure to pay all charges for service, or for violation of any part of these *Regulations*, service will not be resumed until the situation requiring such action has been resolved to the satisfaction of Commission and any other governmental agency having jurisdiction.

The Customer shall not permit any conditions to exist on their property relating to water services which would cause Commission to be out of compliance with applicable safety standards or result in a code violation attributable to Commission.

If any fraud against Commission relating to water services is detected, Commission may discontinue water service immediately without notice, refuse service or take other action permitted under law, including referral of the details to appropriate authorities for further investigation and action.

4.4 Tampering/Diversion

All Commission meters, equipment and services must not be tampered with. Commission maintains an ongoing program for detecting and deterring such activity through inspection, education, collection of costs and revenue loss, and referral to appropriate authorities for investigation and prosecution.

If water service disconnected by Commission is reconnected without Commission's authorization, Commission will remove the meter without notice. Commission will also impose applicable fees on the Customer's account in addition to charges for any actual costs of repair and replacement incurred by Commission. These charges are applicable to each tampering occurrence.

4.5 Temporary Discontinuance for Plumbing Repairs

During normal working hours, Commission will not charge fees to Customers requesting temporary discontinuance of service for plumbing repairs, other temporary discontinuance of service for less than thirty (30) days, or restoration of service after such discontinuance which requires Commission to go to the premises. When requests for these services are made after normal working hours, or if Customer

abuses this service, the Customer may be charged for Commission's cost of providing such special service in accordance with Exhibit D, "Charges for Special Services."

4.6 Temporary Service

Monthly charges for water furnished through a temporary service connection shall be based on the type of service and corresponding established rate schedule in Exhibit E. Temporary service connections shall be disconnected and terminated within three (3) months after installation unless an extension of time is granted in writing by the Commission or a longer period of time is authorized by Board resolution.

The Applicant for temporary service will be required to pay:

- (1) the estimated cost of installing and removing all facilities necessary to furnish such service
- (2) a deposit sufficient to cover the water use during the entire period temporary service may be used, or to otherwise establish their credit
- (3) a deposit equal to the value of any equipment loaned by Commission to Applicant for use in temporary services

The Customer is responsible for damage to the device and meter.

4.7 Unsafe Apparatus

Commission may refuse to furnish water and may discontinue service to any premises where plumbing apparatus, appliances or equipment using water are dangerous, unsafe or not in conformity with plumbing codes, laws or ordinances. Five (5) days' written notice will be given before such discontinuance of service unless immediate discontinuance is necessary to protect health, life, or property.

Commission does not assume liability for inspecting apparatus on the Customer's premises or property. However, Commission does reserve the right of inspection if there is reason to believe that unsafe apparatus is in use.

4.8 Privately Owned Pipelines

Commission may discontinue the delivery of water to any privately owned main or pipeline where such main or pipeline is not maintained or constructed in accordance with the *Regulations* as now or hereafter adopted. Five (5) days' written notice will be given before such discontinuance of service unless immediate discontinuance is necessary to protect health, life, or property.

4.9 Cross Connections

Commission may immediately discontinue service to any premises where actual or potential cross connections exist. Compliance with cross connection control rules is mandatory. Cross connection control program rules are referenced in Section 12.

SECTION 5 SERVICE CONNECTIONS AND METERS

5.1 Ownership of Meters

Commission shall own, install, and maintain all necessary meters for measuring the amount of water used by the Customer. Where a Master Meter is used, Commission shall not furnish or read auxiliary or sub-meters used for the Customer's convenience.

5.2 Installation and Maintenance

The installation and maintenance of service connections shall be performed only by duly authorized employees or representatives of Commission.

Charges for service connections are payable in advance and shall be in accordance with Commission's regularly scheduled charges and rates (refer to Exhibit D, "Charges for Special Services").. For service connections 3 inches (3") and larger, the full cost shall be made in advance of performance of the work. Reference Section 9.5 for SDC fees

5.3 Metered Service Connections

Reference the Commission's Standards for Water Facilities for additional requirements regarding number and location of metered water service connections for specific developments.

~~The normal standard is ONE (1) meter per tax lot unless any of the following situations apply.~~

~~(1) Master Meter will be allowed, upon request, to serve multiple buildings under one (1) tax lot provided the property cannot be logically divided as determined by the Medford Planning Department and/or Commission.~~

~~(2) More than one (1) meter will be allowed, upon request, to serve a duplex or ADU (Additional Dwelling Unit) development shall be separately plumbed for each premise.~~

~~(3) Reference the Commission's Standards for Water Facilities for more details on requirements for metered service connections~~

5.4 Re-Setting Charge

If service to a premise has been discontinued and the meter has been removed, any Applicant for re-establishment of service shall be charged for re-setting the meter, based on the meter size, in accordance with Commission's regularly scheduled charges and rates.

5.5 Size and Location

Commission will install a service connection and meter of the size and location requested by the Applicant except that Commission reserves the right to determine the size and type of service connection and meter to be installed, based on the estimated rate of water use by the Applicant and pressure conditions and provided that the location complies with Commission's construction standards for service connections. The minimum size shall be a one-inch (1") service connection with a 5/8" x 3/4" meter. When the location of the service connection is selected by the Applicant, they shall assume full responsibility for interference with other structures, including existing underground utility installations.

5.6 Meter Tests

Commission will, upon request, test any Customer's meter. If the meter is found, upon test, to over-register more than two percent (2%), the Customer's billing shall be adjusted for a maximum of six (6) months to reflect the correction. No charge will be made to the Customer for the meter test except that if requests for testing meters are made by the Customer more often than once (1) every three (3) years, Commission may charge the Customer for the cost of making such test if the meter does not over-register more than two percent (2%).

5.7 Non-Registering Meters

Should any meter malfunction and incorrectly register the amount of water used by the Customer, the billing shall be computed by estimating the consumption with the previous year's usage for the same month or upon a reasonable comparison with the use of other Customers receiving the same class of service during the same period and under similar circumstances and conditions.

5.8 Inaccessible Meters

If the meter is inaccessible at the regular reading date, the billing consumption will be estimated with the previous year's usage for the same month, or by reasonable comparison with the use of other Customers receiving the same class of service during the same period and under similar circumstances and conditions.

If a Customer blocks access to the meter and has been given reasonable time to arrange for access to the meter and has not responded, Commission may surcharge their account. Adjustment will be made to the bill when the Customer has arranged for permanent access to the meter. Refer to the "Rights-of-Way and Right-of-Access" section for additional information.

5.9 Abandoned Service Connections

If a service connection to a premise has been abandoned for more than three (3) years, Commission may remove the service and meter setting. If the service is removed and the Customer wants to restore service to the property, a new installation charge will be due in accordance to section 5.2.

If a Customer requests relocation of meter, all costs related to new installation, including any increased SDCs and abandonment of the existing service, shall be paid for by the Customer. SDCs cannot be transferred or credited to other meters not on the original Tax Lot of property. Multiple services to be abandoned on a Tax Lot of property may apply related credited SDC's to pay for abandonment charges.

SECTION 6 RIGHTS-OF-WAY AND RIGHTS-OF-ACCESS

Commission shall be granted, at no cost, all rights-of-way, rights-of-access, and easements necessary to serve the Customer for the installation, maintenance, repair, replacement, removal or use of any or all equipment or materials used to supply and deliver water to the Customer.

Access at all times to the premises of the Customer for the purpose of reading of meters, testing, repairing, removing or exchanging any or all equipment belonging to Commission shall be deemed granted during the time that water service is accepted by the Customer. The Customer shall not store materials, park vehicles or otherwise over the water meter, or erect fences or other obstructions which would block access to reading of the Customer's meter, operation of valves or fire hydrants. It shall be the Customer's responsibility to remove or trim any shrubs, hedges or other plants which interfere with reasonable access for reading of meters or access to fire hydrants or valves. Reasonable access is defined as an unobstructed clear zone at least twelve (12) inches wide on all sides and 6 feet above the water facility in question. Fire hydrants require five (5) feet of clearance around the hydrant. If, after written notice, the Customer does not remove or trim interfering shrubbery, hedges or plants, Commission shall be granted all necessary rights-of-way and rights-of-access to perform such trimming. Commission gives the Customer thirty (30) days to accomplish their own trim and/or removal of material blocking access to the meter. If the situation is not corrected at the time of the next normal reading day, a Water Commission representative will perform the necessary work. Trim details and other information regarding access to meters are available upon request.

SECTION 7 DAMAGES AND RESPONSIBILITY

7.1 Responsibility for Customer Equipment

The Customer shall, at their own risk and expense, furnish, install and keep in good and safe condition all equipment that may be required for receiving, controlling, regulating water pressure, applying and utilizing water, and Commission shall not be responsible for any loss or damage caused by the improper installation or inadequacy of such equipment, or the negligence, want of proper care or wrongful act of the Customer or any of their tenants, agents, employees, contractors, licensees or permittees in installing, maintaining, using, operating or interfering with such equipment.

No reduction will be made in charges for water service for lack of supply caused by freezing of the Customer's pipes or any other cause.

When requested to turn on water by a Customer, Commission shall not be responsible for damage to property caused by the release of water from spigots, faucets, valves or other equipment left in an open position, nor shall Commission be responsible for damages or injuries sustained through failure to exclude water from a premise.

7.2 Damage to or Alterations and Relocations of Commission's Property

The Customer shall be liable for any damage to equipment or property owned by Commission ([whether located at the Customer's service address or elsewhere](#)) which is caused by an act of the Customer or their tenants, agents, employees, contractors, licensees or permittees, including, [but not limited to](#), the breaking or destruction of seals or locks. [Any such damage will be a charge to the Customer account.](#)

If Commission's facilities are required to be altered or moved because of change, configuration or usage of any properties, the property Owner will be responsible for the full cost of the alterations.

SECTION 8 CONTROL VALVES

8.1 Separate Control Valves for Each Premise

In the event that more than one premise is served through one meter, each premise shall have its own separate control valve which may be used by Commission for discontinuance of service. The location of such separate control valves shall be as approved by Commission.

8.2 Customer Control Valves

In accordance with the provisions of prevailing plumbing codes, the Customer shall install a suitable control valve which the Customer or their agent may utilize for controlling the water supply to the Customer's premises. Commission's control valve on the upstream side of the meter shall not be considered as fulfilling the plumbing code requirement for a separate Customer control valve although Commission may, at the Customer's expense, install a Customer control valve on the downstream side of the meter and within the meter box for use by the Customer. Any person or agent of any person, other than authorized employees of Commission, who operates any valve or curb stop on the upstream side of the meter shall do so at their own risk, and Commission will hold any such person responsible for the cost of repairing any damage to such valve or curb stop caused by such operation.

As a part of the installation of new service connections, Commission will install a Customer control valve on the downstream side of the meter and within the meter box. When a Customer control valve in the meter box does not now exist, Commission may, at the request of the Customer, install such Customer control valve at the expense of the Customer in accordance with its regularly scheduled charges for such work.

SECTION 9 DISTRIBUTION SYSTEM EXTENSIONS AND NEW CONNECTIONS

9.1 Procedure

Distribution extensions, including lateral water mains, and special facilities such as reservoirs and pump stations that are required specifically to provide pressure or storage for an exclusive area may be financed and installed under any of the following procedures:

- (1) By private contract based on plans prepared by a registered professional engineer which have been reviewed and approved by Commission and with dedication of the facilities to Commission upon completion and acceptance. Acceptance of facilities installed under this procedure shall be with the provision that Commission shall be indemnified and saved harmless from any and all defects appearing or developing in the workmanship or materials in such installations for a period of one year after acceptance by Commission. This procedure is normally used for development of subdivisions or commercial properties.
- (2) Construction by contract with Commission or by Commission forces in accordance with plans prepared by Commission forces and payment of the cost of the project by Commission or in part by Commission or entirely by others. This procedure is normally used for the installation of transmission water mains, reservoirs or pump stations benefiting a large portion or the entire system.
- (3) By petition to the Medford City Council by Owners of property which would be benefited by the installation of the facilities requesting installation of the distribution system extension and payment of the cost by the benefited property Owners through the assessment procedure (LID's). This procedure is normally used where there are existing streets without water mains and where there are multiple property Owners.

9.2 Policy on Sizing

- (1) Sizing of water facilities necessary to serve a development shall be determined by the "Medford Water Commission Standards for Water Facilities" and at the discretion of the Engineering Division of the Commission. The normal size of lateral mains for single-family residential areas is eight inches (8"). For permanently dead-ended mains not supplying hydrants and not exceeding two hundred feet (200') in length, 4-inch (4") mains may be used, depending on the number of service connections to the main. On permanently dead-ended lateral mains supplying fire hydrants, Commission may require a minimum main size of eight inches (8"). The normal size of lateral mains for commercial, industrial, and multiple-family areas shall be twelve inches (12").
- (2) In all commercial, industrial or residential areas, the main shall be extended through the tax lot requesting service. If the development requesting service occupies both sides of the right-of-way on which the main is being extended, then the main extension must extend totally through the lots requesting service. If a main extension has been installed to serve one side of a right-of-way, and the lot requesting service is on the other, then the main extension shall extend to the end of the lot.
- (3) Commission may require the developer to oversize some, or all, of the proposed water main. As a matter of general policy, Commission's investment in facilities required for main oversizing will be limited to the cost of pipe materials only and based on invoices provided by the developer. Evidence of competitive bids for material may be required prior to construction.

9.3 Policy on Distribution System Extension Financing

~~As a matter of general policy, Commission's investment in facilities required for main oversizing will be~~

~~limited to the cost of pipe materials only and based on invoices provided by the developer. Evidence of competitive bids for materials may be required prior to construction. In some cases where conditions are beyond the norm (large diameter pipe involving extra laying and excavation costs or rock excavation) pre-approved, additional oversizing costs may be allowed.~~

Applicants for extension of the water distribution system by Commission may be required to advance to Commission, prior to construction, the estimated reasonable cost of the mains and any additional facilities that are required specifically to provide pressure or storage exclusively for the service requested. Or, if the project is to be financed through assessments, the assessment may include the entire cost of the mains, and any additional facilities that are required specifically to provide pressure or storage exclusively for the service requested.

9.4 Charges in Lieu of Assessment (CLAs) and Refund Districts (RDs)

~~When application is made for a service connection to a main for water service to a lot or parcel of property abutting on the street or other easement wherein such main is located, and said property has never been assessed for any portion of the cost of constructing said main, or when a lot or parcel of property has been benefited by, but never assessed for transmission mains and/or any additional facilities for provision of pressure or storage, before such application is granted and the service connection installed, the Applicant shall be required to pay an in-lieu charge in accordance with Commission's regularly scheduled charges and rates. When an application is made for a service connection to the water mains installed by MW, and if the Applicant's property fronts, abuts, or is adjacent to the alley, street or easement wherein such water main is located in, and said property benefits but has never been assessed for any portion of the cost of construction said main, and/or any additional facilities for provision of pressure or storage, before such application is granted and the service connection installed, the Applicant shall be required to pay an in-lieu charge in accordance with Commission's regularly scheduled charges and rates (marked as CLA). Or, in event that an assessment rate has been established by city ordinance for a portion of said main or for a transmission main or any additional facilities required for storage or pressure, the CLA shall be as indicated in Exhibit A of these Regulations.~~

Upon annexation or upon receiving water service to any property not included in Exhibit A, the Owner/Applicant may be required to pay an in-lieu charge if the property has never been assessed for the water facilities serving the property.

If the application is for service to a flag lot (for purposes of this section, a flag lot is defined as a lot having less than fifty-seven feet (57') of frontage and with the building on the lot being one hundred feet (100') or more distance from the street), the CLA shall be in accordance with Commission's regularly scheduled charges for CLA for flag lots. Or, if an assessment rate has been established, the minimum frontage to be used in determining the amount of the CLA shall be fifty-seven feet (57'). This paragraph shall apply only when the application is for connection to a water main owned by Commission. CLAs shall be in addition to the charges for service connection installations.

In-lieu charges (CLAs) shall be in addition to the charges for service connection installations.

9.5 Refund Districts (RDs)

~~When an application is made for a service connection the water mains associated with a developer's "Refund District", and if the Applicant's property fronts, abuts, or is adjacent to the alley, street or easement wherein such water main is located in, and said property benefits but has never been assessed for any portion of the cost of construction said main, and/or any additional facilities for provision of pressure or storage, before such application is granted and the service connection installed, the Applicant shall be required to pay into a "Refund District" (marked as RD) established by a Resolution for refunding moneys to developers who installed water lines, which benefit property owners~~

developing property subsequent to installation of the water line.

When Owners are required to extend mains across property which can receive direct benefit, and such property is not, will not or cannot pay their proportionate share of the cost of the extension, Commission, upon request, shall set a Refund District agreement for that main. The term of this agreement shall be twenty (20) years. Commission shall be the sole judge as to the amount to be charged for each future connection to the main. No interest or other charges shall be allowed, and the assessment shall be based on the actual cost of the main extension. Commission shall collect the prorated share of the cost of the main extension and refund this amount to the developer who paid the cost of the extension. ~~In-lieu charges (CLAs and RDs) shall be in addition to the charges for service connection installations.~~

RDs charges (RDs) shall be in addition to the charges for service connection installations.

9.6 System Development Charges

Certain portions of the water system may be subject to System Development Charges (SDCs) to pay for transmission, distribution, storage and pumping capacity or to pay the cost of special facility needs to provide service to the property. A SDC is also collected for all new services or for services that are enlarged, which covers the costs of treatment plant and distribution water main expansion.

SDCs shall be paid in full prior to water service installation. For subdivisions and site development involving construction of new water improvements, full payment of SDCs may be deferred until upon completion and acceptance of water improvements, but prior to setting of any water meters. (See Exhibit B, "System Development Charges.") These fees shall be in addition to applicable CLAs, special charges, or service connection fees.

9.7 Private Pumps

- (1) It is the policy of Commission to discourage the use of private individual booster pump systems to the public distribution system. No pump shall be directly connected to the incoming water supply line due to potential contamination during mainline repair depressurization. An air gap shall exist between the incoming water supply line and any booster pump. If the water service is additionally for sprinklered fire suppression, the use of a commercially designed fire pump system meeting both the State Fire Code and Commission *Regulations* will be reviewed for each individual situation.

A pump found directly connected to Commission water without an air gap shall have three (3) weeks to correct the situation. A loss of prime or low pressure cut out switch set at the State standard of twenty (20) psi shall be installed until the situation is corrected. If the situation is not corrected, water service will be terminated. (See Section 4.7, "Unsafe Apparatus".)

- (2) Commercial industrial water service for sprinklered fire suppression, having inadequate water pressure, will use a commercially designed fire pump system meeting both the State Fire Code and Commission *Regulations* that will be reviewed for each individual situation. The pumping facility must be designed to ensure that minimum pressure will be maintained in the Commission's distribution system. This may include throttling valves, variable speed pumps, low capacity pumps and alarm systems.

9.8 Design Parameters

Standards and requirements for engineering design are defined in the current "Medford Water Commission Standards for Water Facilities."

SECTION 10 PUBLIC FIRE HYDRANTS

10.1 Fire Hydrants for Public Use

Commission will accept and maintain public fire hydrants within public streets and rights-of-way and fire hydrants installed on private property when such hydrants are for public use. Private hydrants located behind a fire service may be installed to support private development. The cost of fire hydrants and their installation and any water mains required solely for fire protection shall be borne by the benefited property Owners (Easements will be required for such hydrant located on private property).

When fire hydrants are installed in conjunction with new water mains, the cost of the hydrant installations shall be included with and made a part of the water main cost to be paid for by the benefited property Owners in accordance with [Section 21.2 and 21.5 Commission regulations on Distribution System Extensions, Section 9](#) of these *Regulations*.

The number and location of fire hydrants shall be in accordance with applicable Jackson County Fire Districts #3 and City of Medford Fire Department.

Public fire hydrants are for the sole use of the Commission, Medford Fire Department, or those designated by the Commission within the city limits of the City of Medford and water districts served by the Commission.

Use of private fire hydrants is restricted to fire protection only.

10.2 Use of and Damage to Fire Hydrants

No person or persons, other than fire department, water utility personnel or designated persons shall operate any fire hydrant or in any manner damage or tamper with fire hydrants. Any violation of this regulation will be prosecuted according to law.

10.3 Moving of Fire Hydrants

When a fire hydrant has been installed in a location in accordance with approved plans or as specified by the Fire Department, Commission has fulfilled its obligation. Persons desiring a change in location, size or type of fire hydrant shall bear all cost of such changes. Any change in the location of a fire hydrant must be approved by the fire department and Commission.

10.4 Painting of Fire Hydrants

Commission charges a fee for painting each new fire hydrant. Refer to Exhibit D, "Charges for Special Services."

10.5 Temporary Service from Fire Hydrants

Commission may allow public fire hydrants to be used on a "temporary" basis by contractors for filling of tank trucks on a day-to-day basis upon making formal application. Temporary service from private fire hydrants will not be allowed. Water taken from a fire hydrant is Non-Potable Water. It is important to remember that fire hydrants are an essential part of the community's fire protection program and utilization of them for temporary service can delay or hamper their effectiveness. Utilization of fire hydrants for temporary service shall be limited to ninety (90) days. Extension of this period may be granted by request.

No hydrant may be utilized without a Commission installed backflow and control device. During peak construction periods, a shortage of devices may occur, and allocation will be on a first come, first serve basis. Commission reserves the right to limit one device per company.

Charges for fire hydrant temporary service shall be at Commission's regularly established schedule of charges and rates. Such charges include Commission's cost of furnishing, installing, maintenance, and subsequent removal of the device and the cost of water used. Such charges are based on the use of a single hydrant and moving of the equipment shall constitute a separate charge. Commission may

disconnect water service(s) with written notice for failure to pay all charges when due. Refer to section 4.2 for additional information regarding non-payment of bills and disconnection of service.

Persons responsible for unauthorized use of fire hydrants without Commission's flow control and backflow protection equipment shall be charged a tampering and inspection fee and for water used in accordance with Commission's regularly scheduled charges and rates.

Temporary service will be provided from November 1 through March 1 if the Applicant provides adequate protection against freezing weather conditions. The temporary fire hydrant connection must be protected, to Commission's satisfaction, within two (2) hours of installation. If the device is not adequately protected, within two (2) hours, the device will be removed, and the Applicant's installation charge forfeited. The contractor shall be responsible for the cost of repair of any device damaged by freezing or neglect.

Contractors performing work within the city limits of the City of Medford and existing surrounding water districts or service area that are not master metered may be allowed to utilize temporary service from a fire hydrant. The water taken from a fire hydrant may not be used or transported to other areas outside of our service boundary. Water from the temporary service is for the exclusive use of the contractor or their designated subcontractor for the express project identified on the application for service.

10.6 Bulk Water Sales from Fire Hydrant

Bulk water sales from fire hydrants are not allowed. Bulk water can be purchased at 821 N. Columbus Ave., Medford, and also at the Jackson County Public Works shop located at 724 Antelope Road in White City.

SECTION 11 PRIVATE FIRE SERVICE

Standards and requirements for private fire protection services are defined in the current "Medford Water Commission Standards for Fire Protection Systems."

Use of private fire services or private fire hydrants is restricted to fire protection only.

SECTION 12 PREVENTION OF CONTAMINATION BY BACKFLOW & CROSS CONNECTIONS

Standards and requirements for cross connection issues are defined in the *Medford Water Commission Standards for Backflow Protection Assemblies*.

12.1 Private Wells and Auxiliary Water Supplies

Oregon Health Division rules strictly prohibit interconnection of other water supplies with a municipal system without the installation and maintenance of approved backflow protection. Auxiliary water supplies (private wells, piped irrigation sources, etc.) are major cross connection control hazards and therefore, must be effectively isolated from the domestic water supply.

- (1) Commission Cross Connection policies and requirements for Customers with private wells are as follows:
 - a. Premise isolation (with approved Reduced Pressure (RP) assembly installed directly behind the meter) is required for all properties with auxiliary water sources.
 - b. No backflow protection is required if a well can be verified to be permanently inactivated by removing the well pump and associated plumbing, and welding the well casing closed. In such cases, formal abandonment in accordance with requirements of the Jackson County Water Master should be pursued by the property Owner.
 - c. If the well remains active, an approved RP back flow assembly is required at the service

connection. The RP backflow assembly shall drain to daylight and be protected from freezing. On-site plumbing is the responsibility of the local plumbing authority.

- d. Visual inspection of a weld sealed well casing is required to avoid installing backflow protection.
 - (2) Rainwater harvesting or gray-water systems shall be evaluated on a case-by-case basis.
 - (3) A new service to any premise with an active well or other auxiliary water supply on-site shall be locked OFF until the installation and initial test of a RP is verified by Commission.
 - (4) An existing service to any premise with an active well or other auxiliary water supply on-site shall be required to be retro-fit with a RP at the service connection.
-
- (5) Plumbing permits are required when installing backflow prevention assemblies.
 - (6) All backflow prevention devices are subject to annual inspection and testing. The cost of annual performance testing and any required maintenance is the responsibility of the device Owner. Annual testing and routine maintenance for backflow prevention assemblies located on "single-family residential" service connections may be included in Commission's "Residential Backflow Protection Program" detailed in Section 12.2.

12.2 Residential Backflow Protection Program

To accomplish the common goals of maintaining safe drinking water while providing high quality Customer service, Commission has adopted a program to assist single-family residential Customers with the annual testing and maintenance requirements for backflow prevention assemblies. The Residential Backflow Protection Program provides annual testing and routine repair services for all privately owned backflow assemblies located on single-family residential services.

Backflow prevention assembly installation and initial performance testing is the responsibility of the device Owner. Assemblies will be adopted into the program thereafter. All backflow prevention assemblies remain the responsibility of the property Owner.

Commission will provide annual testing and routine repair services only. Major repairs such as valve replacements or device replacements are not covered in this assistance program. Program costs are recovered in a base-level charge applied equally to all single-family residential water services.

Customers may opt to secure their own annual testing services in lieu of allowing Commission representatives access to test and repair the assembly.

12.3 Commercial, Industrial and Multi-Family Backflow Protection

All Commercial Systems and Multi-Family Units shall be required to install backflow protection at the service connection to the premise with service installation, remodel, tenant improvements, and/or change of use. The degree of hazard protection will be determined by MWC.

In addition, backflow prevention assemblies for protecting community water systems shall be installed at the service connection to premises where an approved air gap does not exist and:

- (1) There is an auxiliary water supply which is, or can be, connected to the potable water piping;
- (2) There is piping for conveying liquids other than potable water, and where that piping is under pressure and is installed in proximity to potable water piping;
- (3) There is intricate plumbing which makes it impractical to ascertain if cross connection exists.
- (4) There is back siphonage potential.

12.4 Irrigation Systems

All irrigation systems that are connected to potable water lines shall be equipped with a backflow device. Refer to Medford Water's Standards for Backflow Prevention Assemblies for approved backflow devices.

12.5 Backflow Testing and Reporting

It is the responsibility of any backflow prevention assembly tester performing tests and maintenance on backflow prevention assemblies to submit records of such tests and maintenance to the Commission. At such a time when a backflow test and maintenance portal is implemented by the Commission, testers will be required to enter test results directly into the online portal.

SECTION 13 AIR CONDITIONING AND REFRIGERATION

13.1 Definitions

For the purpose of this section, the following terms shall have the following meanings:

- (1) The terms "air-conditioning system" and "refrigeration system" shall include any combination of equipment, whether compressor or other type, by which heat is removed from the air and from which the accumulated or effluent heat is wholly or partially removed by the use of water.
- (2) "Air-conditioning system" shall mean an installation for maintenance, by heat removal, of temperatures which are not less than 60° F.
- (3) "Refrigeration system" shall mean an installation for maintenance, by heat removal, of temperatures which are less than 60° F.
- (4) "System" shall mean any combination of apparatus, individual unit, group or collection of units supplied with water through any Customer service pipe connected to the public water system.
- (5) "Rated capacity in tons" shall be considered as not less than the following:
 - a. total maximum BTU's per 24 hours of capacity of the installation divided by 288,000; or
 - b. the nameplate horsepower of any compressor prime mover unit, for any air-conditioning installation; or
 - c. two-thirds of the nameplate horsepower of (b) above, for any refrigeration installation.

13.2 Water Use and Conservation

All air conditioning systems and refrigeration systems having rated capacities exceeding three (3) tons per 24 hours using water cooling equipment shall be of enough capacity to ensure that the requirements for make-up water when operating under a full loading at maximum summer temperatures will not exceed:

- (1) Evaporative coolers, cooling towers and spray ponds 0.05 gallons per minute per ton of rated capacity
- (2) Adiabatic coolers 0.2 gallons per minute per ton of rated capacity

13.3 Installation and Sanitary Protection

No piping connection shall be installed which would permit direct use of water from the public water system and which would allow the by-passing in part or in entirety of the necessary evaporative condenser, cooling tower, spray pond or other water-cooling equipment.

13.4 Effective Date of Compliance

For new installations, these *Regulations* shall be effective immediately.

Existing installations shall be modified to conform to the provisions of these *Regulations* whenever such existing installations are improved, increased in capacity, relocated or changed in any manner. If a critical condition develops in the public water supply system, all installations not

equipped to conserve water shall be subject to immediate discontinuance upon notice.

13.5 Water Source Heating/Cooling Pumps

A demonstration project allows a limited number of water source heat pumps to be installed in the system. No additional water source heat pumps are allowed.

SECTION 14 GROUND WIRE ATTACHMENTS

The attachment of any electrical ground wire to any plumbing which is or may be connected to a service connection or main belonging to Commission by any person shall be at their own risk. Commission will assume no liability for damage to property or injury to the persons caused by such ground being made ineffectual through removing of a meter or other break in electrical conductivity or the use of plastic or other nonconducting materials. Commission will hold the Customer liable for any damage to its property caused by such ground wire attachments.

SECTION 15 SURGE CONTROL

Commission may discontinue service to Customers when the Customer's rate of water use is suddenly changed as caused by a quick closing valve or other device which creates excessive pressure surges in the public water system. Commission may approve the installation and operation of surge suppression devices by the Customer at the Customer's expense as a condition of continued service.

SECTION 16 IRRIGATION

16.1 Rate of Use of Water

Commission may require that landscape or garden watering systems with a capacity exceeding twenty (20) gallons per minute be operated only during off-peak hours of 9:00 p.m. to 6:00 a.m. If customer refuses to comply with such a request, a surcharge may be added to customer's bill or water service could be terminated.

16.2 Water Waste

Where water is wastefully or negligently used on a Customer's premises which adversely affects the surrounding property, Commission may discontinue service to the premises if such conditions are not corrected after notice. (See also Section 3.10, "Waste of Resource".)

SECTION 17 WATER PRESSURE STANDARDS

For the provision of water service to Customers, the desired minimum water distribution main pressure is thirty-five (35) pounds per square inch. Applications for service from mains having operating pressure less than the minimum may be denied and such Applicants shall be given the option of initiating the installation of the necessary distribution system facilities to provide water service above the minimum pressure in accordance with Commission's distribution system extension policy and procedure. Where service is presently provided at water pressure in the distribution main of less than the minimum it may be discontinued or included in long range planning for future correction.

Customers who receive water pressure in excess of eighty (80) psi are encouraged to install and maintain pressure reduction valves. All costs associated with the installation and maintenance of these pressure control devices shall be the responsibility of the Customer.

SECTION 18 SURPLUS WATER

18.1 Use of Surplus Water

Water disposed of or sold outside of the boundaries of the City of Medford shall only be surplus water.

18.2 Rights to Surplus Water

Customers' rights of use of surplus water of Commission shall not be prior or superior to the rights to the use granted to others by Commission and shall at all times be subject to the *Regulations*

of Commission. Limiting or restricting the supply of water to any Customer is in the sole discretion of Commission, when deemed advisable or necessary for the distribution and use of the surplus water of the City of Medford, taking into consideration the Commission water system, the condition of the water system, the surplus water available, requirements and use, and such other conditions as Commission shall deem pertinent.

18.3 Surplus Bulk Water Sales

Surplus Bulk Water is available from Medford Water at 821 N. Columbus Ave., Medford, Oregon. Maximum weekly limit is 3,500 gallons. Maximum water volume per month is 15,500 gallons. Water in larger volumes are available at the Jackson County Public Works Facility at 724 Antelope Road, White City, Oregon upon set up of account with Jackson County. Medford Water maintains water sales records by customer including license plate of the vehicle used to haul the water. Only one account per vehicle license is allowed. Once maximum volume is reached water will not be dispensed until new time period begins. Bulk water is used and hauled at your own risk. Rights to purchase water will be rescinded if terms and conditions are not followed. Refer to Exhibit E (Schedule 11) for rate information.

SECTION 19 UTILITY AND MUNICIPAL CUSTOMERS

19.1 Contracts

Commission requires a contract for service to utility and municipal Customers. Such contract shall set out the maximum quantity of water to be supplied, the maximum rate of use of water, the location of the connection or connections, the location of the area to be supplied, a requirement that service to the Customer shall be in accordance with these *Regulations* and the current and future water rates that may be modified or changed by Commission and such other provisions as Commission may deem necessary. Contracts with utility Customers will allow for operation and maintenance of the utility Customer's facilities by Commission forces.

19.2 Extension of Facilities

At the time of entering into a contract with Commission, utility Customers shall file with Commission a written legal description of the area to be served by the utility Customer and the utility Customer shall not supply service outside of such described area without written consent of Commission. Utility Customers shall have received the written consent of Commission before annexing and serving additional areas. The area in which municipal Customers may supply water service is defined in the water supply contract for each entity.

SECTION 20 PUBLIC RECORDS REQUESTS

Commission strictly adheres to all provisions of ORS 192.314, Right to Inspect Public Records. Fees may be charged to reimburse all costs associated with making non-exempt records available to the public per Exhibit D, "Charges for Special Services."

SECTION 21 ADJUSTMENTS AND REVISIONS

Commission reserves the right to change these *Regulations*, Rate Schedules, and regularly scheduled miscellaneous charges as it deems necessary. Where applicable, these *Regulations* cancel and supersede all previous *Regulations* issued by the Commission.

These *Regulations* are available for inspection on Commission's website and in the office during regular business hours. Copies may be purchased in accordance with Commission's regularly scheduled charges and rates.

SECTION 22 DEFINITIONS

Account Holder	An individual, partnership, corporation or governmental agency or agent of any of these receiving water service.
Applicant	An individual, partnership, corporation or governmental agency or agent of any of these applying for water service.
Commercial Service	All water service except that defined as residential or industrial and including service to governmental agencies.
Commission	The Board of Water Commissioners of the City of Medford or its authorized agents or employees.
Customer	An individual, firm, corporation, or governmental agency receiving water service from Commission.
Customer Line	The pipe, valves, and facilities leading from the meter, or shut-off valve, or double detector check in the case of a fire service, into the premises served.
Standby Fire Service	The provision of water service exclusively for fire sprinkler systems, hose connections, and private fire hydrants using water only for extinguishing fires or for testing.
Group Customer	Customers served as a group through a master meter where one Customer of the group is responsible for payment of monthly charges.
Industrial Service	The provision of water service to premises wherein the manufacturing or processing of a product is performed.
Irrigation Account	Water Service that is provided through a separate meter that supplies water for outdoor use only.
Landlord/Owner	The person or business who owns the property is the owner. The person or business who the owner has an agreement with to manage and rent the property to a tenant is the landlord.
Main	A water line two inches (2") or larger in diameter and designed or used to serve more than one (1) premise.
Municipal Customer	Incorporated cities purchasing wholesale water from Commission.
Premise	A continuous tract of land, building, or group of adjacent buildings under a single control with respect to use of water and responsibility for payment.
Residential Service	Water Service to any structure used primarily for residential purposes and which is not an integral part of a commercial venture.

Multiple-Family Residential Service	Service to a premise which consists of two or more dwelling units (structure or the part of a structure that is used as a home, residence or sleeping place by one person who maintains a household or by two or more persons who maintain a common household).
Service Connection	The pipe, valves and other facilities extending from the main to and including the meter, or in the case of a fire service, to the shut-off valve or double detector check in the vault. In the case of a fire service where there is no shut-off valve, or when the DDC device is within the structure, Commission's responsibility for the service connection ends at the edge of the public right of way.
Surplus Water	Remaining water available for contractual sale after unrestricted use by Commission, its customers and special Commission agreements with others within and without the City of Medford.
Temporary Service	Service for circuses, bazaars, fairs, construction work, and similar uses of a short term or transient nature and any service that does not meet the requirements for permanent service line or main or main extension.
Tenant	A person who occupies a property rented from an owner/landlord.
Transmission Main	Those water mains that normally provide water for a large area and transport water for long distances for distribution by distribution mains.
Utility Customer	Domestic water districts incorporated under Oregon State Statutes or private corporations organized for the provision of water service to 15 or more premises.
Water Service	Water furnished within the city of Medford and certain other areas outside the city limits by Commission.



Memorandum

TO: Commissioners David Wright, Jason Anderson, John Dailey, Bob Mylenek, and Bob Strosser
FROM: Beau Belikoff, Finance Manager
DATE: Wednesday, June 18, 2025
SUBJECT: Item 5.3 – Resolution 1985, Authorizing the General Manager to Execute a Payment to CIS for General Liability, Automotive, and Property Damage Insurance for Fiscal Year 2025-2026
OBJECTIVE: Board Approval

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 \$302,329.19 to City County Insurance Services (CIS). Last fiscal year's insurance premium with CIS was \$282,617.25. This represents a 7% increase over last year.

Industry-wide, General Liability and Auto Liability premiums moderated in the last year to the point where Medford Water's General Liability and Auto Liability premiums actually decreased 6% and 13% respectively. Auto Damage coverage increased 5%. Property insurance premiums increased 5 – 6% industry-wide. However, Medford Water's properties were re-appraised last Fall by CIS for the first time in five years. In addition, we added \$41 million in property value with the new Duff lagoons, filters, and sodium hydroxide buildings. The net result was a 37% increase in the total insured value of our properties with a total property value now of \$245,285,300. Our Property Insurance premium increased 20% from FY 24/25.

In addition, \$2M in cyber liability coverage is being purchased from Travelers through Marsh McLennan Insurance in the amount of \$14,107. Last fiscal year's cost for cyber liability was \$14,072 from Travelers. Cyber liability renewal rates continue to stabilize after sharp increases in recent years.

Financial Impact

The Fiscal Year 2025-2026 premium for general liability, automotive, and property damage from CIS is \$302,329.19. Travelers cyber liability coverage through Marsh McLennan is \$14,107. The total on both insurance premiums is under the proposed budgeted amount by \$18,464.81.

Requested Board Action

Approval of Resolution 1985, authorizing the General Manager of Medford Water to execute a payment of \$302,329.19 to CIS for Medford Water's general liability, automotive, and property damage insurance premium for Fiscal Year 2025-26.

RESOLUTION NO. 1985

A RESOLUTION Authorizing the General Manager of Medford Water to Execute on Behalf of the Board of Water Commissioners, a Payment to City County Insurance Services in the Amount of \$302,329.19 for Medford Water 's General Liability, Automotive, and Property Damage Insurance Premium for Fiscal Year 2025-2026

WHEREAS, the cost of the premium for general liability, automotive, and property damage insurance from City County Insurance Services (CIS) for Fiscal Year 2025-2026 is \$302,329.19; 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 \$302,329.19 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 18th day of June 2025.

ATTEST: _____
Amber Furu, Asst. Clerk of the Commission

David Wright, Chair



Memorandum

TO: Commissioners David Wright, Jason Anderson, John Dailey, Bob Mylenek and Bob Strosser
FROM: Brian Runyen, PE, Engineering Manager
DATE: June 18, 2025
SUBJECT: Item 5.4 – Resolution 1986, Authorizing Execution of a Quitclaim Deed to Orchard Glen Estates LLC, the Owner of Maplot 37-2W-26B TL-1400
OBJECTIVE: Board Approval

Issue

A Resolution is required to authorize the Chair of the Board of Water Commissioners to execute a Quitclaim Deed for a portion of an easement previously dedicated to Medford Water (MW) that is no longer needed.

Discussion

As part of the Orchard Glen Phase 5 project, a new 12" water line has been installed on a different alignment than originally anticipated when an existing easement was granted and recorded in Document No. 2017-000579. Water lines were previously installed in other portions of this easement. An easement for the new water line alignment has been provided by the owner and recorded in Document No. 2025-011010.

The owner desires to have the encumbrance on the property removed for the unused portion of the original easement. Therefore, MW staff recommends a Quitclaim Deed be executed by the Board Chair, releasing rights to the unused portion of the original easement (Document No. 2017-000579).

MW retains all rights granted within the easement for portions of the easement not included in the Quitclaim Deed.

Financial Impact

There is no financial impact to Medford Water. Recording fees for the easement and the Quitclaim Deed are paid by the Owner.

Requested Board Action

MW Staff recommends approval of the Resolution, authorizing the Chair of the Board of Water Commissioners to sign the Quitclaim Deed in favor of the Owner, on behalf of the City of Medford, by and through its Board of Water Commissioners as set forth in the Quitclaim Deed attached to the Resolution.

RESOLUTION NO. 1986

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. 2017-000579 on December 6, 2017

WHEREAS, a portion of the easement recorded as Document No. 2017-000579 did not have water infrastructure installed within it; and

WHEREAS, new development on the project installed a new public 12" water line on a different alignment than the existing easement; and

WHEREAS, the Owner of the property at 2638 W Main St. (37-2W-26B TL-1400) has provided an alternate easement document that adequately covers the new public 12" water line; and

WHEREAS, the new easement has been recorded in Document No. 2025-011010 on May 29, 2025 and provides all the same Rights as the original easement; and

WHEREAS, said portion of the original easement is desired to be quitclaimed to remove the encumbrance on the property, subject to any overlap of the new easement;

NOW, THEREFORE, 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, ORCHARD GLEN ESTATES LLC on behalf of the City of Medford, by and through its Board of Water Commissioners 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 18th day of June, 2025.

ATTEST: _____
Amber Furu, Asst. Clerk of the Commission David Wright, Chair

Mail Tax Statements To:
(No Change)

QUITCLAIM DEED

The CITY OF MEDFORD, by and through its Board of Water Commissioners, (GRANTOR), does hereby remise, release and forever quitclaim to Orchard Glen Estates LLC, an Oregon limited liability company (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.

That portion of the real property subject to the easement granted CHARLES POINT LLC, pursuant to that certain Easement from the Grantee to the Grantor, recorded on January 6, 2017 as Document No. 2017-000579 of the Official Records of the County Clerk’s Office of Jackson County, Oregon, legally described on Exhibit “A” attached hereto and shown on the map attached as Exhibit “B”.

Portions of the Released Easement Area have been replaced by an easement granted to the Medford Water Commission recorded in Document NO. 2025-011010 of the Official Records of the County Clerk’s Office of Jackson County, Oregon. This Quitclaim Deed shall have no effect on this replacement easement.

GRANTOR 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 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 _____, 2025.

By (Printed Name): _____

Signature: _____

Its: _____

STATE OF OREGON) ss.
County of _____)

This instrument was acknowledged before me on the ____ day of _____, 2025, by _____, as _____, and that said instrument is the free act and deed of such _____.

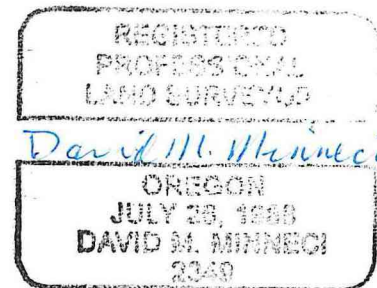
Notary Public for Oregon

My Commission Expires: _____

Exhibit "A"

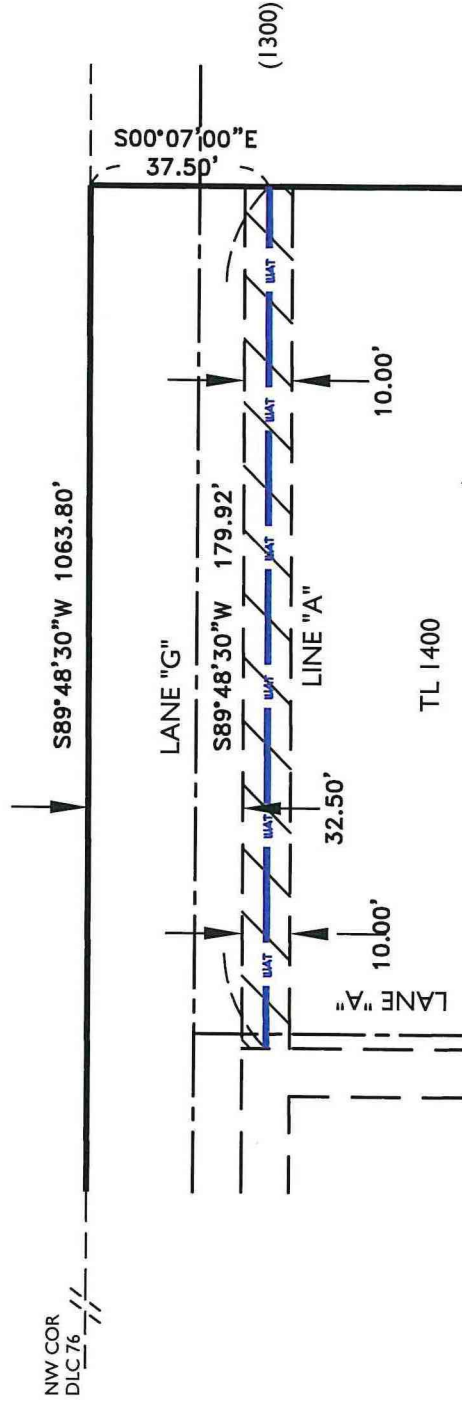
A portion of Document No. 2017-000579, the centerline being more particularly described as follows:

Commencing at the Northwest corner of Donation Land Claim No. 76 in Township 37 South, Range 2 West, Willamette Meridian, Jackson County, Oregon; thence, along the Northerly line of said Claim, North 89°48'30 East 1063.80 feet to the Northeast corner of tract described in Doc. No. 2017-001472, Official Records of said Jackson County; thence, along the Easterly line of said tract, South 00°07'00" East 37.50 feet to the **POINT OF BEGINNING**, said point being the centerline of a portion of LINE "A" of that waterline easement granted the City of Medford, by and through its Board of Water Commissioners, by Doc. No. 2017-000579, said Official Records; thence, along said easement centerline, South 89°48'30" West 179.92 feet to the Point of Terminus.



Expires 12/31/2026

Exhibit "B"



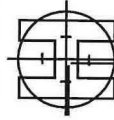
= Portion of Doc. No. 2017-000579 to be Quitclaimed

REGISTERED
PROFESSIONAL
LAND SURVEYOR

David M. Minneci

OREGON
JULY 26, 1988
DAVID M. MINNECI
2349

EXPIRES 12/31/26



HOFFBUHR
& ASSOCIATES, INC.
(SURVEYORS/PLANNERS)
880 GOLF VIEW DR.
SUITE 201
MEDFORD, OR 97504
(541) 778-4841
FAX (541) 770-2573

BY: DAVID MINNECI	LS 2349
DATE:	JANUARY 14, 2025
PROJECT:	ORCHARD GLEN ESTATES
PROJECT NO.	21-201
DRAWING FILE NO.	21201H20TL1400.DWG
SCALE:	1" = 40'
REVISION NO.	
REVISION DATE:	
BASIS OF BEARING:	
DRAWN BY:	MM
REVIEWED BY:	
SHEET 1 OF 1	



Memorandum

TO: Commissioners David Wright, Jason Anderson, John Dailey, Bob Mylenek, and Bob Strosser

FROM: Tanya Haakinson, Human Resources Manager

DATE: Wednesday, June 18, 2025

SUBJECT: Item 5.5 – Resolution 1987, Authorizing the General Manager to Execute an Agreement between Board of Water Commissioners and the Laborers' International Union of North America, Local #737

OBJECTIVE: Board Approval

Issue

The current Agreement in effect between the bargaining unit employees and Medford Water will expire on June 30, 2025.

Discussion

Negotiations between representatives of the bargaining union and Medford Water have concluded, and all changes have been incorporated into the Agreement. The Agreement shall be effective July 1, 2025, and will expire on June 30, 2028.

Financial Impact

The financial impact of this agreement is wage adjustments that occur annually on July 1st of each new year of this agreement. All members of the Bargaining Unit receive a cost-of-living adjustment. The 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 adjustment 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, Vision, Prescription) up to a maximum of 10% of the total premium cost, during the duration of the contract. Currently Union employees pay 10% of the premium costs.

Requested Board Action

Staff recommends approval of Resolution 1987, authorizing the General Manager to execute an Agreement between the Board of Water Commissioners and the Laborer's International Union of North America, Local #737.

RESOLUTION NO. 1987

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

WHEREAS, the Agreement previously in effect between the bargaining unit employees and Medford Water will expire June 30, 2025; and

WHEREAS, negotiations between representatives of the bargaining unit and Commission staff have concluded and all changes 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 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 Agreement, and that it shall be effective upon ratification by both parties from July 1, 2025, and shall remain in full force and effect until June 30, 2028.

SECTION 3. That the 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, and supersedes the Agreement adopted by Resolution 1811 on May 4, 2022.

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 18th day of June 2025.

ATTEST:

Amber Furu, Asst. Clerk of the Commission

David Wright, Chair



Memorandum

TO: Commissioners David Wright, Jason Anderson, John Dailey, Bob Mylenek, and Bob Strosser
FROM: Julie Smitherman, Water Resources & Customer Service Manager
DATE: Wednesday, June 18, 2025
SUBJECT: Item 5.6, Intergovernmental Agreement (IGA) with City of Ashland-Providing Assistance for Water Conservation Services
OBJECTIVE: Board Authorization

Issue

The City of Ashland (COA) is seeking continued partnership with Medford Water (MW) to support the advancement of the Ashland Water Conservation and Efficiency Program. To ensure the ongoing success of this program and to maintain high-quality conservation services for Ashland residents, COA requests assistance from Medford Water in providing technical support, shared resources, and collaborative program development.

The COA would like to renew the existing Intergovernmental Agreement (IGA) with Medford Water for an additional two years to ensure continued support for water conservation and efficiency services.

Discussion

Medford Water has been providing water conservation services to the City of Ashland since June 2021. The City of Ashland and Medford Water have agreed to renew the existing IGA, extending the term through June 30, 2027. Under this renewed agreement, Medford Water will continue to provide resources and support for the COA Conservation Program. The IGA includes a provision that allows either party to terminate the agreement with a 90-day written notice.

The attached IGA (exhibit A) establishes the scope of services to support the COA Water Conservation Program. MW will be invoicing COA for services.

Medford Water and the City of Ashland's legal resources have reviewed the IGA.

Financial Impact

MW will be compensated for time and materials to support water conservation efforts.

Requested Board Action

Staff recommends the Board authorize the General Manager to sign the IGA on behalf of Medford Water.

**INTERGOVERNMENTAL AGREEMENT
FOR
WATER CONSERVATION AND EFFICIENCY SERVICES
BETWEEN THE CITY OF ASHLAND AND THE MEDFORD WATER COMMISSION**

This Intergovernmental Agreement (hereinafter “Agreement”) is entered into by and between the City of Ashland, an Oregon municipal corporation (hereinafter “Ashland”), and the City of Medford, an Oregon municipal corporation, by and through the Medford Water Commission (hereinafter “MWC”), collectively referred to hereinafter as the “PARTNERS.”

RECITALS

- A. The PARTNERS each own and operate separate water systems that supply water to their respective customers; and
- B. The PARTNERS recognize the vital importance of providing a reliable source of water to all of their respective customers for public health, safety, and welfare and for sustaining economic development; and
- C. The PARTNERS value the important role each utility plays in meeting the water needs of their respective communities; and
- D. The PARTNERS agree that sharing equipment, materials and services promotes the cost effective and efficient use of public resources; and
- E. The PARTNERS desire to enter into an agreement to establish the procedures for sharing equipment, materials, and services and to define their legal relationships and responsibilities; and
- F. The PARTNERS enter this Agreement in a spirit of good will and mutual cooperation, with the understanding that shared resources will improve the current and long-term reliability of individual and collective water systems and is in the highest public interest; and
- G. This Agreement is authorized under ORS 190.010 *et seq.*

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the PARTNERS hereby agree as follows:

- A. **RECITALS/PURPOSE:** The above recitals are true and correct and are specifically adopted and incorporated herein as the purpose of this Agreement.
- B. **DEFINITIONS:** As used herein, Water Conservation & Efficiency Services means the policies, strategies and activities to sustainably manage the natural resource of water.

C. TERM, TERMINATION, AND AMENDMENTS:

1. This Agreement shall be effective from the date of execution by all PARTNERS as set forth below (the “Effective Date”). If the PARTNERS sign on separate dates, the latter date shall be the Effective Date. This Agreement shall terminate on June 30, 2027, unless sooner terminated as provided in Subsection C.2.
2. This Agreement may be terminated at any time upon the mutual written consent of the PARTNERS. This Agreement may be terminated by either party, upon not less than ninety (90) calendar days written notice to the other party.
3. This Agreement may be amended only by written instrument executed with the same formalities as this Agreement.

CI. SCOPE OF SERVICES

1. MWC will provide water conservation and efficiency services to Ashland including, but not limited to:
 - I. Efficiency Rebate Program review and approval for:
 - i. Toilets, washers.
 - a. MWC will assist with processing toilet and washing machine rebates.
 - b. MWC will also assist with tracking the number of rebates and estimated savings for each rebate.
 - c. After initial training is complete, Ashland staff will process incoming rebate requests on their own.
 - d. MWC will assist with technical questions via electronic communication.
 - ii. Smart controllers, lawn replacement.
 - a. These two rebates are more intensive and typically require onsite visits and irrigation evaluations in order for the customer to be eligible for a rebate.
 - b. Rebates are issued based on customers’ ability to achieve water savings.
 - c. MWC will also assist with training on how to track the number of rebates and estimated savings for each rebate.
 - d. MWC staff will assist in training Ashland staff in the processing of these rebates. Once training is complete, Ashland staff will process these rebates on their own with technical assistance as needed from MWC.

II. Indoor water audits:

- i. MWC will assist Ashland staff and perform indoor water audits as necessary.
 - a. Such audits include checking toilets, washing machines, water heaters, and dishwashers and assisting the customer with changing out showerheads and faucet aerators.
 - b. Audits will always include assistance with ordering giveaways, such as showerheads and faucet aerators.
 - c. MWC will also assist with training Ashland staff on how to track estimated savings as a result of the installation of new showerheads, faucet aerators, etc.

III. Irrigation audits:

- i. MWC will assist Ashland staff and perform irrigation audits and write an associated follow-up report as necessary.
 - a. Such audit work will include filling out data worksheets in the field, education on the operation of sprinkler systems and their components (drip, spray, rotors and their application rates), programming controllers, determining evapotranspiration (ET) to assist in developing a watering schedule, conducting a catch can test, and determining plant water needs.
 - b. Ashland will be the primary point of contact for customers and will schedule appointments on a selected day or days (e.g., Tuesday and Thursdays) when MWC staff are available to assist. Appointments will likely be scheduled two to three weeks in advance.
 - c. Customers requiring immediate assistance will need to be helped by Ashland staff. MWC staff could assist by phone or via Zoom if available.
 - d. MWC will also assist with training on how to track the number of rebates and estimated savings for each rebate.

IV. Program education and outreach:

- i. Newsletters, brochures, and handouts are available to Ashland staff. (There are several examples of articles that have been written in the past for the City Source Newsletter.)
- ii. MWC will help Ashland develop new outreach and education materials, as necessary.

-
- iii. MWC will help with newsletter articles on a quarterly basis.
 - iv. MWC will assist ASHLAND staff and community volunteer groups to booth displays and will provide other guidance as necessary.

V. Private Development landscape plan review:

- i. MWC will review landscape and irrigation plans as necessary to assist the Ashland Planning Department.
- ii. MWC will assist Ashland employees in reviewing landscape and irrigation plans when necessary.
- iii. MWC requests two weeks to review new landscape and irrigation plans.

VI. Waterwise landscape website management:

- i. MWC will assist Ashland staff with website materials related to water conservation and efficiency and will provide updates to information as needed. MWC will assist with technical questions related to websites as needed.

VII. City of Ashland newsletter utility billing insert conservation and efficiency articles:

- i. MWV will assist Ashland staff on conservation and efficiency articles as set forth in Subsection D.1.IV., Program education and outreach.

VIII. Community Presentations:

- i. Community presentation will be scheduled as necessary by Ashland staff.
- ii. MWC will provide direction on presentations based upon the intended audience and/or topic.

IX. Training of Ashland staff on water conservation and efficiency program details:

- i. MWC will provide assistance to staff assigned to the conservation and efficiency program.
- ii. MWC requests that each program component be assigned to one person. For example, one person shall be responsible for coordinating irrigation audits. One person shall be responsible for sending any newsletter articles to the appropriate contact for the

City Source newsletter. Individual assignments help keep programs running smoothly by having one point of contact for each component of the program in the short-term.

- iii. MWC will provide long-term training for any newly hired Ashland employee assigned to be the main point of contact for any water conservation and efficiency programs and customer interactions.
- iv. MWC will assist Ashland by being part of any interview panel responsible for selecting a long-term conservation employee for Ashland.

- 2. Ashland will provide MWC with relevant data as requested to support water conservation and efficiency services for the Ashland's benefit. Ashland will provide network access as required for education, outreach and website improvements that best serve the community and program.
- 3. Ashland will provide office and meeting space as requested by MWC to support the water conservation and efficiency program. Requests for space will be made a minimum 72 hours prior to the actual need in order to ensure availability.
- 4. MWC will provide a vehicle for its staff when working in Ashland.
- 5. MWC shall comply with all federal, state, and local laws, regulations, executive orders, and ordinances applicable to the work under this Agreement.

E. REIMBURSEMENT TO MEDFORD WATER COMMISSION: MWC shall submit invoices to Ashland monthly for actual costs incurred for work performed under this Agreement. Ashland shall reimburse MWC for equipment and services based on MWC rates for its internal financial management of personnel and equipment adopted and in existence at the time of the work being performed. Payments shall be made within forty-five (45) calendar days from receipt by Ashland of the invoice. Invoices shall be submitted to: Scott Fleury, Public Works Director, 20 East Main Street, Ashland, Oregon 97520, 541-552-2412, scott.fleury@ashland.or.us.

F. EXPENDITURE AUTHORIZATION: Ashland certifies, at the time this Agreement is executed, that sufficient funds are available and authorized for expenditure to finance the costs of this Agreement within Ashland's current appropriation or limitation of the current biennial budget.

G. INDEPENDENT CONTRACTORS: For the purposes of this Agreement, each PARTNER and is an independent contractor. Nothing herein shall alter the employment status of any worker or employee providing services under this Agreement. Such workers shall at all times continue to be subject to all standards of performance, disciplinary rules, and other terms and conditions of their employer.

H. INDEMNIFICATION:

1. **INDEMNIFICATION.** To the extent allowed by the Oregon Constitution and the Oregon Tort Claims Act, each party agrees to indemnify, save, hold harmless, and defend the other party from and against any claims, liabilities, damages, and costs, including reasonable attorney fees, arising out of or related to any error, omission or negligent act on the part of the indemnifying party, or its officers, agents, and employees in the performance of this Agreement.

2. **STATUS.** In providing the services specified in this Agreement, the PARTNERS are public bodies and shall maintain their public body status as specified in ORS 30.260. The PARTNERS understand and acknowledge that each retains all immunities and privileges granted to them by the Oregon Tort Claims Act and all other statutory rights granted as a result of their status as local public bodies.

I. **INSURANCE:** Each party shall be insured or self-insured and be independently responsible for the risk of its own liability for claims or actions within the scope of the Oregon Tort Claims Act (ORS 30.260 through ORS 30.300).

J. **NONDISCRIMINATION:** The parties agree to comply with all applicable requirements of federal, state, and local civil rights and rehabilitation laws, rules, and regulations in the performance of this Agreement.

K. **GOVERNING LAW:** This Agreement shall be governed by the laws of the State of Oregon without regard to conflict of laws principles. Exclusive venue for litigation of any action arising under this Agreement shall be in the Circuit Court of the State of Oregon for Jackson County unless exclusive jurisdiction is in federal court, in which case exclusive venue shall be in the federal district court for the district of Oregon. Each party expressly waives any and all rights to maintain an action under this Agreement in any other venue, and expressly consents that, upon motion of the other party, any case may be dismissed or its venue transferred, as appropriate, so as to effectuate this choice of venue.

L. **MERGER:** This Agreement embodies the full and complete understanding of the parties respecting the subject matter hereof. It supersedes all prior agreements, negotiations, and representations between the parties, whether written or oral.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their proper officers as of the dates set forth below.

THE CITY OF ASHLAND:

MEDFORD WATER COMMISSION:

By: _____
Sabrina Cotta
City Manager

By: _____
Brad Taylor
General Manager

Dated

Dated



Memorandum

TO: Commissioners David Wright, Jason Anderson, John Dailey, Bob Mylenek, and Bob Strosser
FROM: Beau Belikoff, Finance Manager
DATE: Wednesday, June 18, 2025
SUBJECT: Item 7.0 – Resolution 1988, Comprehensive Financial Management Policy
OBJECTIVE: Board Approval

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:

- I. FINANCIAL PLANNING POLICIES – Rate Stabilization Fund Target balance now references a range AND the initial funding date was removed
- II. OPERATING POLICIES – Updated to include Write-off Uncollectible Accounts
- III. FINANCIAL RATIOS AND KEY INDICATORS –Target balances now reference a range for the Water Fund and the Construction and Infrastructure Replacement Fund

Financial Impact

None.

Requested Board Action

Staff recommend approval of the Resolution 1988, approving the Comprehensive Financial Management Policy for Medford Water Commission.

RESOLUTION NO. 1988

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 assembles all the financial policies of Medford Water in one document. 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 Medford Water; and

WHEREAS, the Comprehensive Financial Management Policy has the following objectives:

- A. To guide the Board of Water Commissioners (Board) and management 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 the Commission'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 the citizens in financing and delivery of high-quality drinking water.
- H. To ensure commitment to excellence in water quality, professionalism, customer satisfaction, and system reliability.
- I. To provide transparency to the Board, Medford City Council, the Commission's customers (retail and wholesale), and Commission staff; and

WHEREAS, the Comprehensive Financial Management 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.

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 18 day of June 2025.

ATTEST: _____

Amber Furu, Asst. Clerk of the Commission

David Wright, Chair



COMPREHENSIVE FINANCIAL MANAGEMENT POLICY

PURPOSE

The Comprehensive Financial Management Policy (CFMP) assembles all the financial policies of Medford Water (MW) in one document and is approved annually 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 MW.

MW is accountable to its customers for the use of water revenue, fees, and charges. MW 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 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 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's fiscal performance:

- To guide the board and management 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'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's customers (retail and wholesale), and MW 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
 - iv. Bond Project 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
- g. Write-Off Uncollectible Accounts

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
- g. Maintenance of Quality Water Service Programs
- h. Monthly Financial Reporting
- i. Maintenance of Existing Services vs. Additional or Enhanced Service Needs
- j. Budget Monitoring
- k. Performance Budgeting
- l. 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. Medford Water 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 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 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 MW. In other words, it is the main operating fund of MW where most revenues and all expenditures flow through. It records all assets and liabilities that are not assigned to a special purpose fund.

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 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 next to the Robert A. Duff Water Treatment Plant in White City, Oregon.

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. The policy will strive to maintain reserves between 5% and 15% of the 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.~~

iv. Bond Project Fund

The purpose of the Bond Project Fund is to support capital projects with restricted bond funds. It is not a bond reserve account, and it does not transfer debt service payments. It may create subaccounts for future series of bonds.

II. REVENUE POLICIES

MW must be sensitive to the balance between the need for services and MW's ability to raise rates, fees, and charges to support those services. 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. 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. Medford Water 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 Medford Water's capital improvement planning documents.

- iii. Medford Water will develop a cost allocation methodology that equitably allocates the cost of providing water service to Medford Water's various types of customers.
- iv. Medford Water will strive to set user rates at levels where Medford Water's operating and capital expenses are met with the revenues generated from customers.
- v. Medford Water 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 MW's water system. By establishing cost based SDC's, 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. MW has three types of SDC's:

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

c. Fees and Charges

- i. MW shall strive to set fees in a manner that recovers the full cost of the service provided.
- ii. MW will analyze current and future costs when determining fees.
- iii. 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, 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

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 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 MW projects, activities or expenditures.

c. Continual Improvement of Water Service

MW will seek the efficiency and effectiveness of its water services through business process improvements, actual 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 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. MW will maintain all its assets at a level adequate to protect its capital investment and to minimize future maintenance and replacement costs.
- iii. 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. MW will conduct a physical inventory of assets on an annual basis.
- v. MW will conduct a physical count of parts in inventory no less than once a year. A perpetual inventory system and cycle count process 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 the consistent methodology as defined by the Finance Department.

g. Write-off Uncollectible Accounts

The Finance Department establishes and maintains an Allowance for Doubtful Accounts to systematically account for balances identified as uncollectible. The Write-Off for Uncollectible Accounts enforces a structured and compliant approach to managing delinquent accounts under Oregon law (ORS 293.240), ensuring Medford Water exhausts all reasonable collection efforts before debts are deemed uncollectible. To prevent excessive accruals and maintain financial accuracy, uncollectible accounts are reviewed annually and communicated with Board of Commissioners.

IV. GENERAL BUDGET POLICIES

a. Balanced Budget and Preparation

- i. MW will annually adopt a balanced budget where planned resources equal planned requirements for the fiscal year for all the MW's funds.
- ii. The budget is a plan for matching resources to requirements with the objective to maintain a reliable and excellent drinking water supply with allocated resources. Service 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 COSA, the LTFP, the goals of the Board, and various Master Plans.
- iii. The budget shall be prepared with MW's organizational mission statement and Board goals in mind.
- iv. The budgetary review by 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. 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. 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 MW's website at 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. 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. SDC hearing is required by statute and 90-day advertisement period.
- iii. 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 MW's customers.

f. Water Services

To keep pace with needs of MW's customers, 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. MW has adopted several ten-year master plans that address service needs.

g. Maintenance of Quality Water Service Programs

Quality water service programs will be offered by 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. Monthly Financial Reporting

MW Management will forecast and monitor respective resources and requirements and variance reporting. The Finance Department will prepare monthly financial statements and narrative to be provided to the Board and MW, and annual audited financial statements will be made available on the MW's website. MW will prepare a quarterly financial report for the Board and the Medford City Council as required by City of Medford Charter. MW will strive to ~~maintain approximately 20% of annual budgeted revenue carry over from year to year.~~ maintain reserves between 15% and 25% of annual water revenue in the operating budget carried over from year to year.

j. Budget Monitoring

- i. 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 it once the budget has been approved.
- ii. Management is responsible for coordinating the overall preparation and administration of MW's Annual Budget and the overall preparation of the Capital Budget.
- iii. Management assists MW staff in identifying budget problems, formulating solutions and alternatives, and implementing any corrective actions.

k. 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.

I. Distinguished Budget Presentation

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, MW staff and the public.

V. CAPITAL IMPROVEMENT BUDGET POLICIES

- a. 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. 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. 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. MW will identify the estimated costs and potential funding sources for each capital project proposal before including it in the capital budget.
- e. MW will attempt to determine the most advantageous financing method for all new projects.
- f. 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. MW will identify all projects that are SDC eligible.

VI. AGENDA MEMORANDUM REVIEW

Management will review all agenda items submitted to the Board 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. MW shall maintain clear, accurate, and understandable financial reporting that provides accountability and transparency for all components of MW's financial affairs and ensures compliance with applicable statutory and other regulatory requirements.
- ii. 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 MW goals and objectives are met, as well as to provide MWs customers with accurate and timely financial information that communicates the MW's economic condition and financial status.

- iii. 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

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

c. Excellence in Financial Reporting

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). MW shall strive to present financial reports following best practices.

d. Popular Annual Financial Report

MW will strive to extract information from the ACFR 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 an abbreviated version of the ACFR and is easily understandable by those who do not necessarily have a background in public finance. 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

The Debt Issuance and Debt Management Policy has been adopted by Board Resolution. The Policy defines the debt management and policies to issue debt, and it shall be reviewed annually and updated by Board Resolution if needed.

a. Allowable Debt Instruments

The debt instruments that Medford Water is allowed to use are described by state law. All derivative instruments carry considerable risk and MW avoids the use of such financial instruments.

b. Debt Limitations

Medford Water will charge rates and fees in connection with the operation of the Water System to generate adequate gross revenues and net revenues defined to meet bond covenants.

c. Maturity Guidelines

Foremost, the term of any debt issued should not exceed the useful life the asset is funding.

d. The Process to Issue Debt

Approval of debt issuance will include an evaluation of applicable federal, state, and additional legal provisions and restrictions and are subject to bond counsel review. Medford Water will consult the expertise of a registered municipal advisor to

determine the best course of action for their specific project and the method of sale.

e. Management of Debt

Management of bond proceeds takes into consideration all inherent risk and should consider the objectives and uses of proceeds. Investments purchased with bond proceeds are kept separate from unrestricted funds and recorded in the Bond Project Fund. Medford Water will consult with investment advisors to project cash flow requirements and investment horizons. Arbitrage calculations will be performed by a consultant and assist with IRS filings. Record retention will be for the life of the bond plus 3 years.

The Finance Manager is responsible for the management of debt and remedial action.

IX. INVESTMENT POLICY

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

X. FINANCIAL RATIOS AND KEY INDICATORS

MW shall establish and utilize financial ratios to analyze and determine the 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 MW staff. These metrics enable 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, MW could meet Capital Expenditures and Operating Expenses without receiving new income. 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 MW is to collect cash from its water sales. This calculation shows the liquidity and efficiency of MW's Customer Collection and Meter Reading Departments. The target is < 30 days.
- e. Debt Limitations – MW will strive to maintain a debt service coverage ratio of 2.0 for planning purposes during the annual update to the long-term financial plan.
- f. Target Balances
 - i. ~~20% Budgeted Revenues: MW will strive to maintain approximately 20% of annual budgeted revenue carried over from year to year.~~ i. Water Fund: MW will strive to maintain reserves between 15% and 25% of annual water revenue in the operating budget carried over from year to

year. When the Water Fund trends towards or falls below the designated policy minimum, MW staff shall inform the Board. Staff will then work with the Board to take appropriate action to address any shortfalls.

- ii. ~~2x estimated annual amount of system depreciation: 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.~~ ii. Construction and Infrastructure Replacement Fund: MW will strive to maintain reserves for the Construction line item and Future Main Replacements between 1.5x and 2.5x 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,~~ When reserve balances trend towards or fall below the designated policy minimum, MW staff shall inform the Board. Staff will then work with the Board to take appropriate action to address any shortfalls within that fund.



Memorandum

TO: Commissioners David Wright, Jason Anderson, Bob Mylenek, John Dailey, and Bob Strosser

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

DATE: Wednesday, June 18, 2025

SUBJECT: Item 8.0 – Resolution 1989, Authorizing the General Manager to Execute a Construction Contract with Emery & Sons Construction Group, LLC for the Barnett Pump Station project

OBJECTIVE: Board Approval

Issue

Staff is seeking Board approval of a resolution for the construction of the new Barnett Pump Station.

Discussion

A new pump station in the southern portion of Zone 2 was confirmed through the master planning process with West Yost. Medford Water and West Yost has been in detailed design of the new Barnett Pump Station since April of 2024. The final bid documents were provided in April of 2025 and an Invitation to Bid was issued by Medford Water.

The bid period closed on May 20th, 2025, and Medford Water was provided with 3 bids. The bid summary is as follows:

1. Emery & Sons - \$3,283,059
2. Slayden Constructors - \$3,704,662
3. McClure & Sons - \$3,783,654

The bids were reviewed and a Notice of Intent to Award was issued to Emery & Sons on May 22nd, 2025. There have been no protests of the bid. Staff anticipate a Notice to Proceed being issued in early July 2025.

Financial Impact

The proposed Fiscal Year 2025/26 CIP Budget includes \$3,440,000 for the Barnett Pump Station project. The project will likely span 2 fiscal year budget cycles. The anticipated costs for FY 25/26 construction-related activities is within the proposed budget.

Requested Board Action

Staff recommends approval of Resolution 1989, Authorizing the General Manager to Execute a Construction Contract with Emery & Sons Construction Group, LLC for the Barnett Pump Station project in the amount of \$3,283,059.

RESOLUTION NO. 1989

A RESOLUTION, Awarding and Authorizing the General Manager to Execute a Contract in the Amount of \$3,283,059.00 with Emery & Sons Construction Group, LLC for the Construction of Barnett Pump Station

WHEREAS, Medford Water solicited bids for the Barnett Pump Station construction project through an Invitation to Bid process; and

WHEREAS, a review determined that the bid from Emery & Sons Construction Group, LLC in the amount of \$3,283,059.00 was the lowest responsive bid; and

WHEREAS, a Notice of Intent to Award was issued to Emery & Sons Construction Group, LLC on May 22, 2025; and

WHEREAS, Emery & Sons Construction Group, LLC is qualified and agreeable to render the services specified in the aforesaid Invitation to Bid; and

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

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

SECTION 1. That a contract in the amount of \$3,283,059 for the Barnett Pump Station construction project is hereby awarded to Emery & Sons Construction Group, LLC

SECTION 2. That the General Manager is hereby authorized and directed to execute said contract, payments for said contract up to \$3,283,059.00, and any contract amendments not exceeding the General Manager's purchasing authority, on behalf of the Board of Water Commissioners. This authorization exceeds the authority of the General Manager as defined in Section 1.02 of Medford Water's Contracting & Purchasing Regulations.

PASSED at a regular meeting of the Board of Water Commissioners and signed by me in authentication of its passage this 18th day of June 2025.

ATTEST: _____
Amber Furu, Asst. Clerk of the Commission

David Wright, Chair



Memorandum

TO: Commissioners David Wright, Jason Anderson, John Dailey, Bob Mylenek, and Bob Strosser
FROM: Andy Huffman, Senior Capital & Special Projects Manager
DATE: Wednesday, June 18, 2025
SUBJECT: Item 9.0 – Resolution 1990, Authorizing a Contract Amendment to West Yost Associates for Services during Construction for the Design of Zone 2 Pumping at Barnett Reservoir
OBJECTIVE: Board Approval

Issue

West Yost has worked with Medford Water staff since early 2022 to provide master planning and pump station design. Staff are seeking a contract amendment to provide services during construction from West Yost.

Discussion

This work by West Yost has provided evaluation and direction for continued growth in all the east side high level zones. Among the facilities identified was a new Zone 2 pump station. The size and location of the new pump station was confirmed and a Basis of Design for the station and a discharge pipeline were provided.

Detailed design was completed in late March 2025. The project was put out to bid in early April and bids were taken on May 20th, 2025. An apparent low bidder has been identified, and staff are presenting to the Board today for a construction contract award consideration.

In preparation for services during construction, West Yost has been solicited for a scope and fee to support construction activities. Staff have received the scope and fee and are presenting for Board consideration.

The following is a summary of contract activities with West Yost Associates:

Total for Southeast Medford Facility Plan:	\$424,700
Total for Detailed Design:	\$410,872
Total Existing Contract:	\$835,572
<i>Services During Construction (Todays Reso 1990):</i>	<i>\$231,476</i>
Total Amended Contract:	\$1,067,048

This support work would span 2 fiscal years and will provide submittal, RFI, commissioning, and close out support for the project.

Financial Impact

The value of this contract amendment is contained within the proposed FY 25/26 CIP budget.

Requested Board Action

Staff recommends approval of Resolution 1990, authorizing the General Manager to execute a Contract Amendment with West Yost Associates in the amount of \$231,476 for services during construction for the Barnett Pump Station.

RESOLUTION NO. 1990

A RESOLUTION authorizing the General Manager to Execute a Contract Amendment with West Yost Associates in the Amount of \$231,476.00 for the Consulting Services for the Design of Zone 2 Pumping at Barnett Reservoir Contract

WHEREAS, West Yost Associates was awarded a Consulting Services Contract on February 2, 2022 through Resolution 1798 in the amount of \$297,600.00; and

WHEREAS, a contract amendment in the amount of \$46,800.00 was awarded by the General Manager on August 8, 2022, under Medford Water Contracting and Purchasing Regulation 1.02 (E); and

WHEREAS, a contract amendment in the amount of \$80,000.00 was awarded by the General Manager on January 4, 2023; and

WHEREAS, a contract amendment in the amount of \$410,872.00 was awarded by the Board of Water Commissioners through Resolution 1928 on April 14, 2024; and

WHEREAS, West Yost Associates has submitted an additional scope and fee in the amount of \$231,476.00 for services during construction; and

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

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

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

SECTION 1. That a contract amendment in the amount of \$231,476.00 for Consulting Services for Design of Zone 2 Pumping at Barnett Reservoir (CIP-22-00342) is hereby awarded to West Yost Associates

SECTION 2. The General Manager is hereby authorized and directed to execute said contract amendment and payments for said contract amendment with West Yost Associates

PASSED at a regular meeting of the Board of Water Commissioners and signed by me in authentication thereof this 18th day of June 2025.

ATTEST:

Amber Furu, Asst. Clerk of the Commission

David Wright, Chair



Memorandum

TO: Commissioners David Wright, Jason Anderson, John Dailey, Bob Mylenek, and Bob Strosser
FROM: Kris Stitt, IT Manager
DATE: Wednesday, June 18th, 2025
SUBJECT: Item 10.0 – Resolution 1991, Special Procurement; ESRI Small Utility Enterprise Agreement.
OBJECTIVE: Board Approval

Issue

Medford Water utilizes software and services provided by Environmental Systems Research Institute (ESRI) for our Geographic Information Systems (GIS). Licensing is provided in the form of a 3-year agreement with ESRI. Our current licensing agreement expires at the end of this fiscal year (June 30th, 2025) and we are requesting to renew for an additional 3-year term for a not to exceed amount of **\$109,560.00**. This agreement is the continuation of an existing agreement with ESRI in the amount of \$87,500.00 which exceeds the purchasing authority of the General Manager.

Discussion and Findings

ESRI provides Medford Water with GIS software and cloud services as part of a Small Utility Enterprise Agreement (SUEA). This provides Medford Water with access to ESRI Software as well as the online services that are utilized to provide mapping services to Medford Water staff and the public.

This software serves as the primary tool that Medford Water uses to map all our assets in the field. It is utilized by most of our staff and is integrated with several of our other software packages such as our Nexgen Asset Management software and our Customer Information Systems Software.

This license agreement gives Medford Water the full suite of ESRI Software including ArcGIS Pro, ArcGIS Server, ArcGIS Developer Tools, and ArcGIS Online services (AGOL). This also provides Medford Water with 50 viewer user licenses for viewing data and 50 creator licenses for data editing.

Some AGOL online services will also consume credits depending on the type of work being done on the system. The SUEA agreement includes 10,000 annual service credits. Medford Water is currently exceeding our annual allotment of credits by a small amount and have needed to purchase additional credits in recent years to cover the overage. As we continue to utilize more online services we are estimating that we may need up to an additional \$3,000 per year in credits based on our current utilization.

Medford Water has been utilizing ESRI software to manage its GIS systems for about the past 20 years. A little over 3-years ago Medford Water switched over to the Enterprise licensing plan which provided additional software and the ability to utilize online services. ESRI software is the industry standard when it comes to GIS. There is not currently another vendor who offers software that offers the same functionality and that is compatible with our systems.

Section 2.33(C) 10: "Special Procurements: Information Technology, Telecommunications, Software and Hardware Maintenance and Updates in the Medford Water Contract and Purchasing Regulations allows for an exemption when software is only available from one source or, if available from more than one provider, are obtained from Medford Water's current provider to utilize pre-existing knowledge of the of the vendor regarding the specifics of Medford Water's hardware or software system". This agreement is also made directly with ESRI and there is not an option for us to receive competitive quotes on this product.

Financial Impact

This agreement is the continuation of an existing 3-and-a-half-year agreement which was purchased in 2022. The previous agreement totaled \$87,500.00 and was approved by the General Manager. The previous agreement combined with this renewal exceeds the General Managers purchasing authority and has been brought before the board for approval.

The SUEA is for a 3-year term with 3 equal annual payments of \$30,200.00 due at the start of each fiscal year. We are also estimating that we may need up to an additional \$3,000.00 per year to cover additional service credits during the life of the agreement.

Cost Breakdown:

Year 1 (25/26)	SUEA	\$30,200	Credits	\$3,000	Total	\$33,200
Year 2 (26/27)	SUEA	\$30,200	Credits	\$3,000	Total	\$33,200
Year 3 (27/28)	SUEA	\$30,200	Credits	\$3,000	Total	\$33,200
=====						
Total:	SUEA	\$90,600	Credits	\$9,000	Total	\$99,600

Staff is also recommending a 10% contingency to cover additional unanticipated licensing and service charges over the life of the agreement. Including this amount, the total not to exceed amount would be \$109,560.00.

As expected, this renewal is approximal 25% higher than our last agreement in 2022. At that time ESRI had indicated that prices would be increasing and we purchased those licenses 6 months early to avoid the increase during our last term.

Requested Action

Staff requests an exemption from competitive solicitation per section 2.33(C) 10 of the Medford Water Contracting & Purchasing Regulations and authorization to contract directly with ESRI to provide GIS Software and Services for a 3-year term from July 1st, 2025 to June 30th, 2028 in the not to exceed amount of \$109,560.00.

RESOLUTION NO. 1991

A RESOLUTION Awarding and Authorizing the General Manager to Execute a Small Utility Enterprise Agreement (SUEA) with ESRI for Geographic Information Systems (GIS) Software and Services for a 3-year, Not to Exceed amount of \$109,560.00

WHEREAS, Medford Water utilizes software and services provided by ESRI for GIS software and service provided by said SUEA for much of its day-to-day operations; and

WHEREAS, This software includes software and subscription services which provides the software needed to manage GIS and online services utilized by staff to view GIS assets; and

WHEREAS, ESRI requires Medford Water to enter into a 3-year agreement to utilizes these software and services; and

WHEREAS, the current agreement in place with ESRI expires on June 30th, 2025 and the new agreement would be effective July 1st, 2025 and expire on June 30th, 2028; and

WHEREAS, Medford Water has utilized software and services provided by ESRI for about the past 20 years and ESRI is the sole provider of these software and services; and

WHEREAS; the expected costs to Medford Water are anticipated to be \$33,200.00 per year for a total of \$99,600.00 over the 3-year term; and

WHEREAS; an additional 10% contingency is requested to cover additional software and services if needed during the term of the agreement; and

WHEREAS, the value of the agreement, not-to-exceed \$109,560.00 with ESRI for the agreement combined with our prior 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 the agreement in an amount not-to-exceed \$109,560.00 for a Small Utility Enterprise Agreement for GIS software and services with ESRI, is hereby awarded.

SECTION 2. That the General Manager is hereby authorized and directed to execute said contract, payments for said contract up to \$109,560.00, and any contract amendments not exceeding the General Manager's purchasing authority or 10% of the agreement amount, on behalf of the Board of Water Commissioners, which contract is on file in the Office of Medford Water and by reference made a part hereof, is hereby approved. This authorization exceeds the authority of the General Manager as defined in Section 1.02 of the Medford Water Contracting & Purchasing Regulations.

PASSED at a regular meeting of the Board of Water Commissioners and signed by me in authentication thereof this 18th day of June 2025.

ATTEST: _____
Amber Furu, Asst. Clerk of the Commission

David Wright, Chair



Memorandum

TO: Commissioners David Wright, Jason Anderson, John Dailey, Bob Mylenek, and Bob Strosser
FROM: Tanya Haakinson, Human Resources Manager
DATE: Wednesday, June 18, 2025
SUBJECT: Item 11.0, Workers Compensation Renewal Plan Year 7/1/2025 – 7/1/2026
OBJECTIVE: Informational - Opportunity to Comment

Issue

Medford Water renews Workers Compensation insurance annually. Marsh McLennan Agency is our broker for Workers Compensation, and SAIF continues to be the provider. Through Marsh, SAIF responded to our request for the 2025 -2026 coverage year.

Discussion

For 2025-2026 coverage year, Marsh's quoted premium is \$53,939.62, which includes a discount for prepayment. Medford Water's codes are 7520 (\$1.87) and 8810 (\$0.07). At renewal, the experience modification factor will increase from 0.66 to 0.85, due to increased payroll and claim experience.

If the SAIF Board of Directors elect to declare a dividend for their policyholders, Medford Water will be eligible. The dividend for the 2024 year was \$3,534.00.

Medford Water participates in SAIF's non-disabling claim reimbursement program. Claims reimbursed for 2024 were \$3,052.52.

Financial Impact

The budget has assumed the Workers Compensation costs; the renewal premium falls within the budgeted amount. No assumption has been made for any future dividends. The renewal premium provides a pre-pay discount of \$2,036.74 and a premium discount of \$7,933.06.

Requested Board Action

This material is presented to the Board for informational and comment purposes.