



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

## AGENDA

11:00 a.m. STUDY SESSION – Duff WTP Projects Update (Senior Capital & Special Project Manager Andy Huffman and Water Operations Manager Dan Perkins)

***Study session will not be available via Zoom***

12:00 p.m. LUNCH

12:15 p.m. BOARD MEETING

**1. Roll Call**

**2. Pledge of Allegiance**

**3. Comments from the Audience**

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

**4. Consent Calendar**

4.1 Approval or Correction of the Minutes of the Last Regular Meeting of August 20, 2025

4.2 Quarterly Letter to Mayor and Council

4.3 Resolution No. 2002, A RESOLUTION Authorizing the General Manager of the Board of Water Commissioners to Execute an Intergovernmental Agreement by and between Medford Water and City of Medford, an Oregon Municipal Corporation, for Departmental Charges of the City of Medford

**5. Items Removed from Consent Calendar**

**6. Resolution No. 2003, A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract with Don Hamann, Inc. for Horse Willow Logging Services**

**7. Resolution No. 2004, A RESOLUTION Awarding and Authorizing the General Manager to Execute Log Purchase Agreements for the Horse Willow Timber Harvest on Big Butte Springs Watershed**

**8. 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.

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

**10. Adjourn**

<b>DATES TO REMEMBER*</b>					
<b>DATE</b>	<b>DAY</b>	<b>TYPE OF MEETING</b>	<b>STUDY SESSION TOPIC</b>	<b>REGULAR MEETING</b>	<b>LOCATION</b>
10/01/25	Wed	Project Tour	No Meeting	12:15 p.m.	Medford Water Operations Center, 4677 Industry Dr.
10/15/25	Wed	Board Meeting	RRA/EAP Update	12:15 p.m.	Prescott Room, Police Dept
11/5/25	Wed	Board Meeting	COSA	12:15 p.m.	Lausmann Annex, Room 151
11/19/25	Wed	Board Meeting	COSA	12:15 p.m.	Prescott Room, Police Dept

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

### **INSTRUCTIONS FOR ATTENDING THIS MEETING VIRTUALLY**



To join by computer, click the following link:

[https://us02web.zoom.us/webinar/register/WN\\_oVjzg1IHSFWbGrgV2r6zg](https://us02web.zoom.us/webinar/register/WN_oVjzg1IHSFWbGrgV2r6zg)

Meeting passcode: 753105



To join by phone, call:

(669) 900-6833

Meeting ID Number: 810 2778 1389

Meeting passcode: 753105



## Memorandum

**TO:** Commissioners David Wright, Jason Anderson, John Dailey, Bob Mylenek, and Bob Strosser  
**FROM:** Brad Taylor, General Manager  
**DATE:** Wednesday, September 17, 2025  
**SUBJECT:** Item 4.2 – Quarterly Letter to the Mayor and City Council  
**OBJECTIVE:** Board Approval

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### Issue

The letter to the Mayor and City Council for the fourth quarter of Fiscal Year 2024-25 along with the financials, Consumption Report, and Watershed Report.

### Discussion

Medford Water is required by Section 19 of the Medford Charter to make full reports of the business transacted by it and of the condition of its funds once every three months to the City Council. If the board members agree to the contents of the letter for the fourth quarter of FY24-25, the Chair and General Manager will sign, and it will be forwarded to the Mayor and Council members.

### Financial Impact

n/a

### Requested Board Action

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



September 17, 2025

Mayor Michael Zarosinski and City Council  
City of Medford, Oregon  
411 West 8th St.  
Medford, Oregon 97501

Honorable Mayor and Council Members:

Attached are Medford Water's quarterly financial reports for the fourth quarter of Fiscal Year 2024–25, along with the Consumption and Watershed Reports.

Highlights from the fourth quarter include the following:

- FEMA Building Resilient Infrastructure Communities (BRIC) Funding canceled (\$34.8 million in grants). Updated Capital Plan to reflect loss of funding ahead of budget process.
- Annual review of the SDC methodology and associated charges (new charges go into effect September 1, 2025) was completed.
- Site work and construction activities started at Medford Water Operation Center.
- Budget discussion and adoption for FY26.
- Purchase agreement signed for property for the River Zone Reservoir. The River Zone Reservoir will add water storage capacity to meet demand growth and provide fire and emergency storage.
- A three-year agreement with Laborers' International Union of North America, Local #737 was reached ahead of contract expiration in June of 2025.
- An annual update to Regulations Governing Water Service was completed.
- Approved annual support to Access, St Vincent de Paul, and Salvation Army for bill assistance programs. These programs support helping customers who are not able to make payment for water service.
- IGA was renewed with the City of Ashland to provide Water Conservation Services. This agreement has been in place for a few years and is an example of the partnerships between Medford Water and our partner cities.
- A construction contract was awarded to Emery & Sons for Barnett Pump Station. This project is required to meet continued growth in service area.

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

Sincerely,

David Wright, Chair  
Board of Medford Water Commissioners

Brad Taylor, General Manager  
Medford Water

Attachment

**Medford Water Commission**  
**Income Statement**  
**June 30, 2025**

	Water Fund	Construction Fund	Bond Project Fund	Total Current	Total Prior	Total Year to Date	Total Prior Year to Date
<b>Operating Revenues</b>							
Residential Sales Inside Gallonage	\$ 975,237	\$ -	\$ -	\$ 975,237	\$ 1,151,503	\$ 7,115,694	\$ 6,410,437
Commercial Sales Inside Gallonage	336,839	-	-	336,839	383,267	2,640,570	2,321,833
Industrial Sales Inside Gallonage	4,476	-	-	4,476	(795)	60,329	94,355
Base Charges Inside	807,334	-	-	807,334	690,023	8,007,097	7,185,815
High Elevation Charges	61,070	-	-	61,070	68,815	534,902	487,715
Fire Services Inside	44,145	-	-	44,145	36,154	452,272	397,663
Residential Sales Outside Gallonage	153,251	-	-	153,251	133,837	1,139,376	999,136
Commercial Sales Outside Gallonage	86,379	-	-	86,379	77,478	584,189	474,575
Industrial Sales Outside Gallonage	199,749	-	-	199,749	158,539	1,937,277	1,660,117
Base Charges Outside	171,917	-	-	171,917	112,484	1,770,633	1,529,199
Fire Services Outside	14,891	-	-	14,891	9,009	149,972	122,002
Sales to Other Utilities	354,135	-	-	354,135	271,155	2,755,117	2,445,038
Miscellaneous Collections	39,515	-	-	39,515	27,120	467,276	463,763
Connections/Installations	353,501	-	-	353,501	266,858	1,258,259	1,144,650
<b>Total Operating Revenues</b>	<b>3,602,438</b>	<b>-</b>	<b>-</b>	<b>3,602,438</b>	<b>3,385,446</b>	<b>28,872,965</b>	<b>25,736,298</b>
<b>Operating Expenses</b>							
Source of Supply	168,076	-	-	168,076	547,539	1,461,114	1,999,121
Supply Pumping	188,188	-	-	188,188	174,060	877,993	753,321
Purification	398,188	-	-	398,188	402,676	3,487,025	3,159,214
Transmission	15,560	-	-	15,560	62,558	381,202	297,616
Distribution Pumping	53,186	-	-	53,186	46,643	521,896	489,938
Distribution	466,734	-	-	466,734	251,045	4,013,205	3,356,262
Customer Accounts & Collection	260,694	-	-	260,694	362,161	2,890,037	2,748,020
Administrative & General	110,145	-	1,708	111,854	142,029	1,111,440	785,957
Connections/Installations	290,337	-	-	290,337	(134,946)	1,166,701	1,034,407
<b>Total Operating Expenses</b>	<b>1,951,109</b>	<b>-</b>	<b>1,708</b>	<b>1,952,817</b>	<b>1,853,764</b>	<b>15,910,612</b>	<b>14,623,856</b>
<b>Operating Income Before Depreciation</b>	<b>1,651,330</b>	<b>-</b>	<b>(1,708)</b>	<b>1,649,622</b>	<b>1,531,682</b>	<b>12,962,352</b>	<b>11,112,442</b>
Depreciation	426,166	-	873	427,039	371,267	5,069,224	4,415,262
<b>Total Operating Income</b>	<b>1,225,164</b>	<b>-</b>	<b>(2,581)</b>	<b>1,222,583</b>	<b>1,160,415</b>	<b>7,893,128</b>	<b>6,697,180</b>
<b>Non Operating Revenues (Expenses)</b>							
Charges in Lieu of Assessments	-	-	-	-	11,610	-	11,610
Investment Revenue	70,771	100,914	72,665	244,350	140,468	2,633,651	1,757,914
Grant Revenue	419,392	-	-	419,392	442,264	2,592,007	792,653
Forest Product Revenue	-	-	-	-	-	407,870	607,830
Debt Proceeds	-	-	-	-	3,948,286	60,009,791	32,639,745
Miscellaneous Revenue	36,616	-	-	36,616	(127,117)	955,364	53,847
Loss on Disposal of Assets	(5,065)	-	-	(5,065)	-	(53,929)	-
FWRD Expense	-	-	-	-	-	-	(480,526)
Debt Service	-	-	-	-	-	(868,062)	-
<b>Total Non Operating Revenues (Exp)</b>	<b>521,713</b>	<b>100,914</b>	<b>72,665</b>	<b>695,293</b>	<b>4,415,511</b>	<b>65,676,693</b>	<b>35,383,073</b>
<b>Income Before Contributions</b>	<b>1,746,877</b>	<b>100,914</b>	<b>70,084</b>	<b>1,917,875</b>	<b>5,575,926</b>	<b>73,569,821</b>	<b>42,080,253</b>
<b>Capital Contributions</b>							
System Development Charges	197,682	-	-	197,682	430,843	1,767,967	1,520,300
Developer Donations (Capitalized)	989,128	-	-	989,128	322,505	3,174,969	2,615,843
<b>Total Income from Contributions</b>	<b>1,186,810</b>	<b>-</b>	<b>-</b>	<b>1,186,810</b>	<b>753,348</b>	<b>4,942,936</b>	<b>4,136,142</b>
<b>Net Income</b>	<b>\$ 2,933,687</b>	<b>\$ 100,914</b>	<b>\$ 70,084</b>	<b>\$ 3,104,685</b>	<b>\$ 6,329,274</b>	<b>\$ 78,512,757</b>	<b>\$ 46,216,395</b>

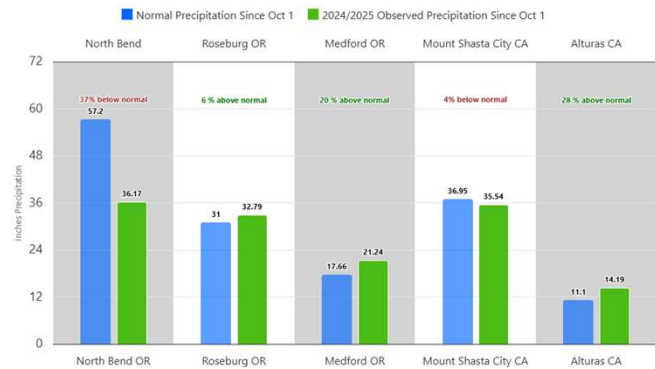
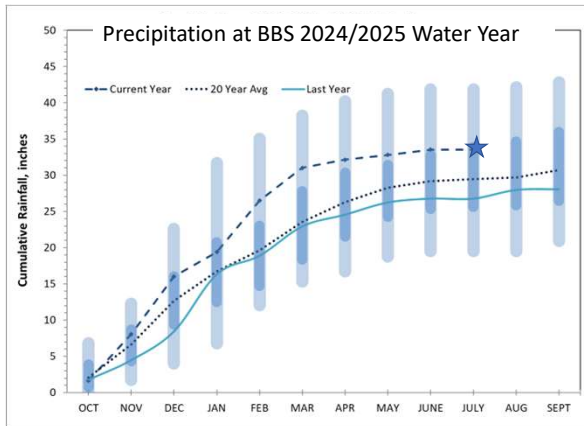
**Medford Water Commission**  
**Balance Sheet**  
**June 30, 2025**

	Water Fund	Construction Fund	Bond Project Fund	Total	Prior Year
<b>Assets</b>					
<b>Current Assets</b>					
Cash	\$ 3,944,695	\$ -	\$ 993,903	\$ 4,938,597	\$ 2,812,979
Revolving Fund Cash	2,966	-	-	2,966	3,024
Cafeteria Plan Cash	22,846	-	-	22,846	7,661
Short Term Investments	8,407,976	10,920,205	14,732,321	34,060,501	8,887,486
Short Term Investments- Future Main Replacements	-	4,226,256	-	4,226,256	4,012,324
Short Term Investments- Future Treatment and Transport	-	620,790	-	620,790	-
Short Term Investments- Future Water Rights Development	-	5,201,136	-	5,201,136	4,937,856
Short Term Investments- Vernal Pool Management	-	156,300	-	156,300	148,388
Short Term Restricted Investments	1,257,359	-	-	1,257,359	3,290,889
Short Term Restricted Investments - Retainage	620,150	-	1,228,436	1,848,586	-
Notes Receivable	1,497,829	-	-	1,497,829	1,655,820
Accounts Receivable	4,136,427	-	-	4,136,427	3,963,682
Accounts Receivable - Misc.	3,156,547	-	421,297	3,577,844	5,323,080
Cafeteria Plan Receivable	22,265	-	-	22,265	17,695
Inventory	2,204,166	-	-	2,204,166	1,976,231
Work in Progress	286,390	-	-	286,390	644,950
Prepaid Expenses	507,191	-	-	507,191	456,881
Other Current Assets	24,860	-	-	24,860	131,116
<b>Total Current Assets</b>	<b>26,091,666</b>	<b>21,124,686</b>	<b>17,375,956</b>	<b>64,592,309</b>	<b>38,270,064</b>
<b>Fixed Assets</b>					
Utility Plant / Service	308,299,111	-	17,640,549	325,939,659	238,738,610
Construction in Progress	25,322,744	-	29,994,568	55,317,312	86,600,795
Accumulated Depreciation	(80,770,849)	-	(873)	(80,771,722)	(75,807,991)
<b>Total Fixed Assets</b>	<b>252,851,005</b>	<b>-</b>	<b>47,634,244</b>	<b>300,485,249</b>	<b>249,531,413</b>
<b>Total Assets</b>	<b>\$ 278,942,671</b>	<b>\$ 21,124,686</b>	<b>\$ 65,010,200</b>	<b>\$ 365,077,558</b>	<b>\$ 287,801,477</b>
<b>Liabilities &amp; Fund Equity</b>					
<b>Current Liabilities</b>					
Accounts Payable	\$ 1,757,184	\$ -	\$ 5,555,847	\$ 7,313,031	\$ 8,350,505
Retainage Payable	637,755	-	1,465,354	2,103,109	2,122,360
Customer Deposits	184,507	-	-	184,507	122,961
Construction Deposits	606,231	-	-	606,231	845,476
Miscellaneous Payable	419,256	-	-	419,256	457,931
Water Districts Payable	20,906	-	-	20,906	25,047
Accrued Vacation	834,433	-	-	834,433	805,396
Cafeteria Plan Payable	21,795	-	-	21,795	7,661
Other Current Liabilities	767	-	-	767	3,376
<b>Total Current Liabilities</b>	<b>4,482,834</b>	<b>-</b>	<b>7,021,201</b>	<b>11,504,036</b>	<b>12,740,712</b>
<b>Fund Equity</b>					
Retained Earnings	261,626,301	13,434,464	-	275,060,765	228,844,370
<b>Total Fund Equity</b>	<b>261,626,301</b>	<b>13,434,464</b>	<b>-</b>	<b>275,060,765</b>	<b>228,844,370</b>
<b>Net Income - Fiscal YTD</b>	<b>36,422,842</b>	<b>883,223</b>	<b>41,206,692</b>	<b>78,512,757</b>	<b>46,216,395</b>
<b>Fund Transfers In (Out)</b>	<b>(23,589,306)</b>	<b>6,807,000</b>	<b>16,782,306</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities &amp; Fund Equity</b>	<b>\$ 278,942,671</b>	<b>\$ 21,124,686</b>	<b>\$ 65,010,200</b>	<b>\$ 365,077,558</b>	<b>\$ 287,801,477</b>

# Watershed Precipitation 2024-25 Water Year (Oct 1<sup>st</sup> – Sept. 30<sup>th</sup>)

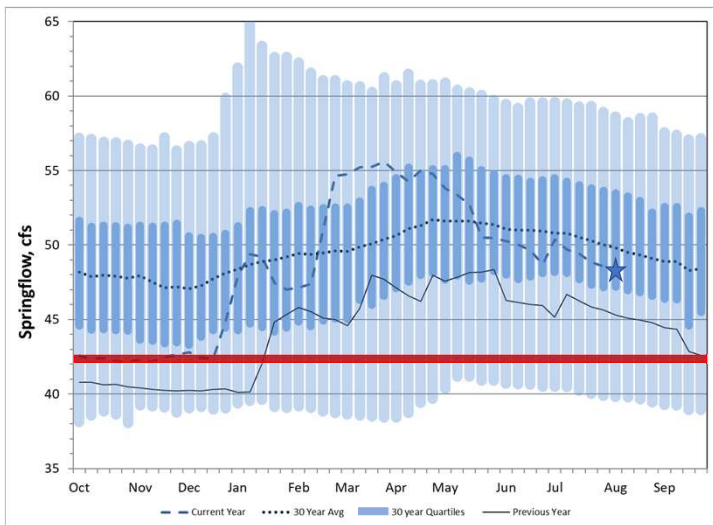
**BBS 33 inches = 10% Above Normal**

**Medford Area = 20% Above Normal**

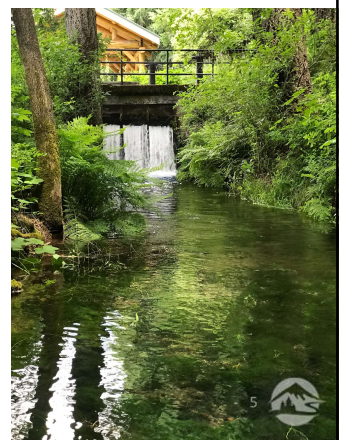


# BBS Springflow 2024-25 Water Year (Oct 1<sup>st</sup> – Sept. 30<sup>th</sup>)

**Currently able to fill two full pipes = approximately 25 MGD**



← Minimum flow for 2 full pipes

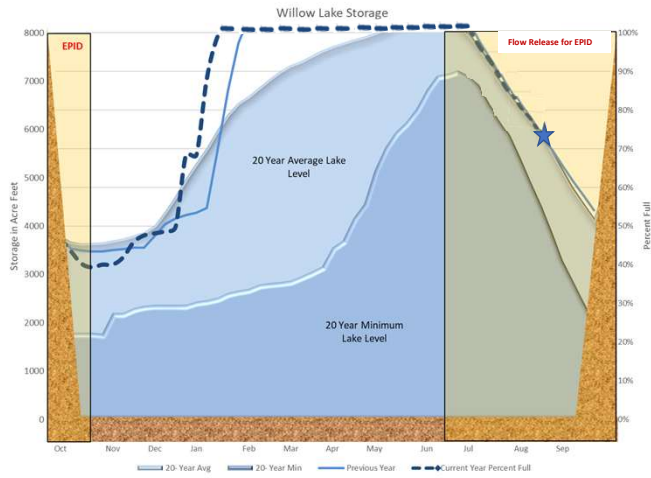




# Willow Lake Storage

## 2024-25 Water Year (Oct 1<sup>st</sup> – Sept. 30<sup>th</sup>)

- Releasing water from Willow Lake for EPID





## 2024-25 FISCAL YEAR WATER CONSUMPTION & SERVICES Fourth Quarter

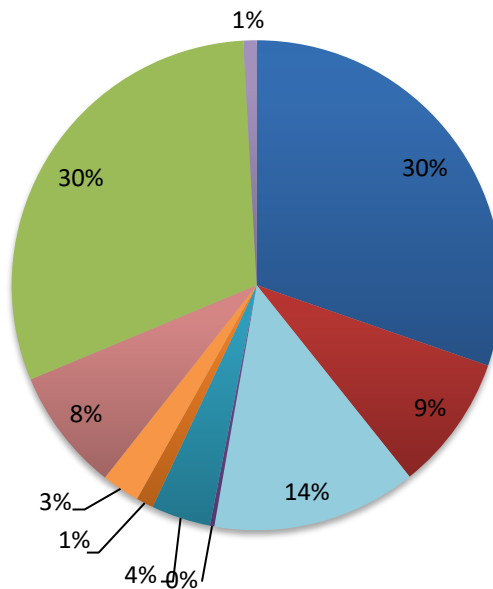
### WATER CONSUMPTION - THOUSANDS OF GALLONS

	<b>CONSUMPTION Apr-Jun 2025</b>	<b>CONSUMPTION Apr-Jun 2024</b>	<b>CHANGE IN CONSUMPTION</b>
INSIDE SINGLE-FAMILY RESIDENTIAL	698,791	683,015	2.31%
INSIDE MULTIPLE-FAMILY RESIDENTIAL	206,296	203,010	1.62%
INSIDE COMMERCIAL	311,044	324,655	-4.19%
INSIDE INDUSTRIAL	6,765	7,427	-8.91%
OUTSIDE SINGLE-FAMILY RESIDENTIAL	90,405	89,400	1.12%
OUTSIDE MULTIPLE-FAMILY RESIDENTIAL	26,352	26,269	0.32%
OUTSIDE COMMERCIAL	57,697	56,662	1.83%
OUTSIDE INDUSTRIAL	186,230	198,209	-6.04%
SALES TO OTHER UTILITIES	700,766	645,810	8.51%
SALES TO WATER DISTRICTS	20,202	26,432	-23.57%
<b>TOTAL WATER CONSUMPTION</b>	<b>2,304,548</b>	<b>2,260,889</b>	<b>1.93%</b>

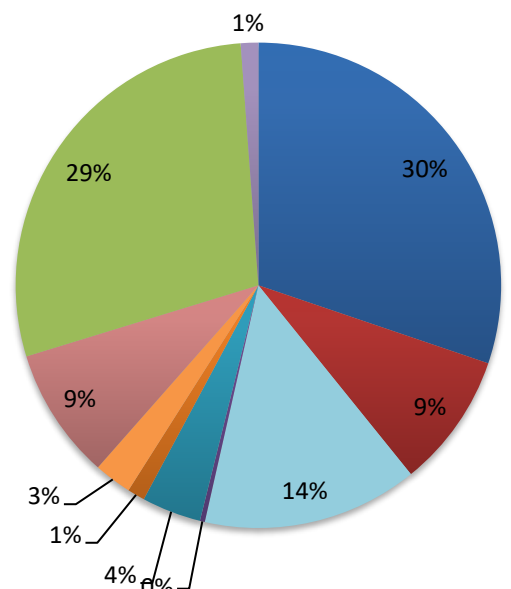
**Percentage of Total Consumption for Quarter**

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

**Q4-2025**



**Q4-2024**



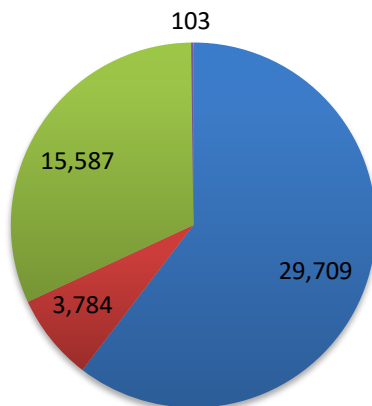
# WATER SERVICES TO JUNE 30, 2025

	<u>SERVICES JUN 2025</u>	<u>SERVICES JUN 2024</u>	<u>CHANGE IN SERVICES</u>
<b><u>INSIDE CITY</u></b>			
RESIDENTIAL - SINGLE-FAMILY	23,631	23,233	398
RESIDENTIAL - MULTIPLE-FAMILY	2,647	2,578	69
COMMERCIAL	2,840	2,791	49
INDUSTRIAL	49	49	0
FIRE SERVICES	542	524	18
<b><i>SUBTOTAL - INSIDE CITY</i></b>	<b><u>29,709</u></b>	<b><u>29,175</u></b>	<b><u>534</u></b>
<b><u>OUTSIDE CITY</u></b>			
RESIDENTIAL - SINGLE-FAMILY	3,226	3,150	76
RESIDENTIAL - MULTIPLE FAMILY	91	91	0
COMMERCIAL	252	247	5
INDUSTRIAL	116	110	6
UTILITIES	6	6	0
FIRE SERVICES	93	87	6
<b><i>SUBTOTAL - OUTSIDE CITY</i></b>	<b><u>3,784</u></b>	<b><u>3,691</u></b>	<b><u>93</u></b>
<b><u>OTHER UTILITIES</u></b>			
CITY OF CENTRAL POINT	6,892	6,858	34
CITY OF JACKSONVILLE	1,567	1,561	6
CITY OF EAGLE POINT	3,705	3,628	77
CITY OF PHOENIX	1,212	1,206	6
T.A.P.	2,211	2,196	15
<b><i>SUBTOTAL - OTHER UTILITIES</i></b>	<b><u>15,587</u></b>	<b><u>15,449</u></b>	<b><u>138</u></b>
<b><u>WATER DISTRICTS</u></b>			
PHOENIX	0	0	0
ELK CITY	103	104	-1
<b><i>SUBTOTAL - WATER DISTRICTS</i></b>	<b><u>103</u></b>	<b><u>104</u></b>	<b><u>-1</u></b>
<b>TOTAL WATER SERVICES</b>	<b><u>49,183</u></b>	<b><u>48,419</u></b>	<b><u>764</u></b>

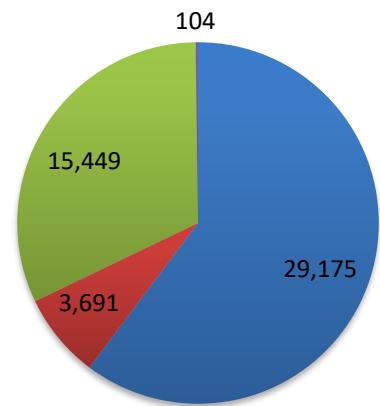
**Number of Services  
in June**

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

**JUNE 2025**



**JUNE 2024**





## **Memorandum**

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

**FROM:** Beau Belikoff, Finance Manager

**DATE:** September 17, 2025

**SUBJECT:** Item 4.3 – Resolution 2002, Authorizing the General Manager to Execute an Intergovernmental Agreement with the City of Medford

**OBJECTIVE:** Board Approval

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### **Issue**

The Intergovernmental Agreement (IGA) between Medford Water and the City of Medford for departmental cost-sharing expired on June 30, 2025.

### **Discussion**

Medford Water is empowered with maintaining and operating the water system, including but not limited to, daily administration and billing of the water utility charges to the City and others, and the City provides certain billable services to Medford Water pertaining to routine business operations in other areas of our administration. Both parties receive a benefit from sharing these costs.

The IGA allows for an annual adjustment of the costs based on the previous year's Consumer Price Index (CPI), which shall be the 12-month average (January through December) of West Cities as determined from the CPI-W, Pacific Cities and US City Averages for urban wage earners and clerical workers.

Exhibit A to the agreement, Annual Charges for City's Indirect Costs, outlines the allocation of the charges. Both parties perform a "math check" at the beginning of each fiscal year. The 2025–27 IGA streamlines cost allocations by removing IT-related indirect costs, retaining the same direct cost structure and reimbursement method as the 2023–25 IGA, while clarifying calculations and anticipating cost adjustments tied to Medford Water's future headquarters move. Parties will renegotiate cost shares post-move.

The 2025–27 IGA maintains the reimbursement fee structure from the 2023–25 agreement—where Medford Water reimburses the City for prior-year water bills—but adds clearer language excluding franchise-style charges for facilities like Harry & David Field, reinforcing that only municipally purposed water use qualifies for reimbursement.

This agreement shall be effective retroactive to the beginning of FY25/26 and forward through FY26/27.

### **Financial Impact**

The adopted budget for FY25/26 has allocated \$83,091.27 for indirect costs and \$473,790 in Franchise fees equal to the amount of water bills invoiced to the City the prior year; FY26/27 will allocate funds for these services as well.

### **Requested Board Action**

Staff recommends approval of Resolution 2002, authorizing the General Manager to execute an Intergovernmental Agreement with the City of Medford for departmental charges.

**RESOLUTION NO. 2002**

A RESOLUTION Authorizing the General Manager of the Board of Water Commissioners to Execute an Intergovernmental Agreement by and Between Medford Water and City of Medford, an Oregon Municipal Corporation, for Departmental Charges of the City of Medford

WHEREAS, in accordance with and pursuant to the provisions of ORS Chapter 190, entitled "INTERGOVERNMENTAL COOPERATION", the City of Medford (City) and Medford Water are authorized to jointly provide for the performance of a function or activity in cooperation with a "unit of local government" that includes a commission or other governmental authority in Oregon; and

WHEREAS, Medford Water, as per Medford Charter Section 19, is empowered with maintaining and operating the water system, including but not limited to, daily administration and billing of the water utility charges to City and others; and

WHEREAS the City provides certain billable services to Medford Water pertaining to routine business operations in other areas of Medford Water administration; and

WHEREAS, the sharing of these costs is beneficial to both entities; and

WHEREAS, Medford Water and City staff have agreed to the content of the Intergovernmental Agreement (IGA);

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

That the General Manager is hereby authorized to execute an IGA by and between Medford Water and the City of Medford for Departmental Charges of the City as set forth in the Exhibit A, attached hereto 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 17th day of September 2025.

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

**INTERGOVERNMENTAL AGREEMENT  
BETWEEN CITY OF MEDFORD AND MEDFORD WATER  
FOR DEPARTMENTAL CHARGES OF THE CITY**

This Agreement, hereinafter referred to as "Agreement", is made and entered into with an effective date of July 1, 2025 by and between the City of Medford ("City") and the Board of Water Commissioners of Medford Water.

In accordance with and pursuant to the provisions of ORS Chapter 190, entitled "INTERGOVERNMENTAL COOPERATION", the City and Medford Water are authorized to jointly provide for the performance of a function or activity in cooperation with a "unit of local government" that includes a commission or other governmental authority in Oregon.

As a result of this Agreement, and pursuant to ORS 190.030, any unit of local government, consolidated department, intergovernmental entity or administrative officers designated herein to perform specified functions or activities is vested with all powers, rights and duties relating to those functions and activities that are vested by law in each separate party to the Agreement, its officers and agencies.

WHEREAS, Medford Water, as per Medford Charter Section 19, is empowered with maintaining and operating the water system, including but not limited to, daily administration and billing of the water utility charges to City and others, providing water to the City, and maintaining and providing fire hydrants to the City for fire protection; and

WHEREAS, Medford Water, as per Medford Charter Section 19, "It shall be the duty of the board to furnish water to the City of Medford for fire protection and other like public purposes," and the term "like public purposes is not expressly defined. For the duration of this particular Agreement, the parties understand "like public purposes" to refer to municipal functions, including Parks facilities that may charge admission for purposes of partial cost recovery, so long as under the totality of the circumstances the facility's operations maintain the primary character of a municipal service and not a for-profit venture. The parties understand that under the totality of the circumstances, Rogue Credit Union Community Complex would constitute a "like public purpose" but Harry & David Field would not.

WHEREAS, the City provides certain billable services to Medford Water pertaining to routine business operations in other areas of Medford Water administration; and

WHEREAS, the sharing of these costs are beneficial to both entities;

NOW THEREFORE, the City and Medford Water agree as follows:

1. Indirect Costs. Medford Water shall pay the City for services enumerated on Exhibit A (the "Indirect Costs"). The annual costs on Exhibit A were derived through the 2007-08 ("Base Year") end-of-fiscal year process and have been increased and compounded each fiscal year from the Base Year by the preceding calendar year's CPI (a 12-month average (January through December) of West Cities as determined from the "Consumer Price Indexes, Pacific Cities and U.S. City Averages," for Urban Wage Earners and Clerical Workers). The Indirect Costs shall

be billed in twelve (12) monthly installments. Additionally, the Commission shall pay its share of any extraordinary costs incurred by Medford Water and related to the Indirect Costs. The City shall bill Medford Water for:

2. Direct Costs. In addition to Indirect Costs, Medford Water shall pay to the City its share of the costs enumerated on Exhibit A (“Direct Costs”). Medford Water shall remit payment for Direct Costs within 30 days of receipt of invoice.

3. City Water Bills. The City shall pay all invoiced water bills to Medford Water.

4. Reimbursement Fee. Medford Water shall pay to the City an annual reimbursement fee equal to the amount of water bills invoiced to the City the prior year in twelve equal monthly installments. For example, if during fiscal year 2025-2026, the total water bills invoiced from Medford Water to the City is \$240,000.00, Medford Water shall make twelve monthly payments to the City in the amount of \$20,000.00 in 2026-2027. Notwithstanding the foregoing, water bills serving Harry & David Field shall not be subject to the Reimbursement Fee so long as the principal use of that field is functionally equivalent to a private business.

3) The City Chief Financial Officer and Medford Water Finance Manager shall deliver updated costs in July of every year, to the City Manager and Medford Water General Manager for approval and eventual inclusion in respective budgets. The update shall clarify the proposed costs for the coming fiscal year period starting July 1st but not change the basis of methodology for calculation unless mutually agreed upon by both parties.

4) Medford Water anticipates moving into its new headquarters sometime during the term of this agreement. The parties intend on negotiating an amendment at that time that reduces indirect costs and direct costs to reflect Medford Water vacating the Annex and the Service Center.

By this Agreement, the City and Medford Water authorize the transfer of funds mentioned herein and authorize the City Manager and Medford Water General Manager or their designees to commence the processes included herein.

This Agreement shall not become effective until all parties hereto have executed this Agreement. After execution, this Agreement will be effective, and retroactive if need be to July 1, 2025 and shall end June 30, 2027.

This Agreement may not be amended, changed, or modified in any way, except by written agreement signed by all parties hereto. Neither party shall assign or otherwise transfer its interest in this Agreement, except by written agreement signed by all parties hereto.

This Agreement shall be construed and enforced in accordance with the laws of the State of Oregon. If any part of this Agreement is declared invalid, the remaining parts survive.

This Agreement and the exhibits attached and incorporated by reference herein contain the entire agreement between the parties hereto and supersede any and all prior express and/or implied statements, negotiations and/or agreements between the parties, either oral or written.

IN WITNESS WHEREOF, the parties hereby enter into this Agreement.

**CITY OF MEDFORD**

**MEDFORD WATER**

By: \_\_\_\_\_  
Rob Field  
City Manager, City of Medford

By: \_\_\_\_\_  
Brad Taylor  
General Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## MEDFORD WATER

**ANNUAL CHARGES FOR CITY'S INDIRECT COSTS FOR FISCAL YEAR 2026\***

<b>City Costs</b>	<b>Commission Charge</b>
Annex Landscaping	\$5,425.43
Service Center Landscaping	\$3,287.98
Annex Building Maint./Janitorial	\$46,310.80
Service Center Janitorial	\$28,067.06

\*These costs were originally based on the March 18, 2009 City of Medford Full Cost Allocation Plan by Mahoney Associates Consulting, LLC, using 2007-08 end-of-fiscal-year City of Medford data, with MWC historical clarifications and exclusion of reallocated administrative costs. Since then, the costs have been annually increased based on the preceding calendar year's CPI (a January through December 12-month as determined from the "Consumer Price Indexes, Pacific Cities and U.S. City Averages" for Urban Wage Earners and Clerical Workers.

For fiscal year 2027, these amounts will be increased by the above-described CPI.

MEDFORD WATER

**CHARGES FOR CITY DIRECTCOSTS**

<b>Category</b>	<b>% Share of Total Costs</b>
Monthly Share of Power Bill for Annex/Service Center	33%/20%
Monthly Share of Natural Gas Bill for Annex/Service Center	33%/20%
Monthly Share of Utility Bill for Annex/Service Center	33%/20%
Monthly Share of 103B/109B Telephone Lines	50%
Monthly Share of FO Communications Lines	50%
Annual Share of RVCOG Bill	18%
City Billable Costs e.g. audit/garage/shipping/etc.	100%



## Memorandum

**TO:** Commissioners David Wright, Jason Anderson, John Dailey, Bob Mylenek and Bob Strosser  
**FROM:** Julie Smitherman, Water Resources and Customer Service Manager  
**DATE:** Wednesday, September 17, 2025  
**SUBJECT:** Item 6.0 – Resolution 2003, Horse Willow Logging Services  
**OBJECTIVE:** Board Approval

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### Issue

Medford Water plans to conduct a commercial timber harvest in Fall of 2025 in alignment with the Medford Water Forest Management Plan. This effort supports long-term forest health and watershed protection.

### Discussion

Medford Water has identified approximately 163 acres of forested land near Willow Lake—located to the north and east of the lake—for thinning and timber harvest. The area is predominantly stocked with Douglas fir, White fir, and Ponderosa pine, along with minor components of hardwood and brush. This site contains a higher proportion of Douglas fir than the previous harvest, but much of it is in poor condition, including pockets of current and approaching mortality. Commercial and non-commercial thinning is needed to improve forest health and reduce wildfire risk.

The harvest operation, known as the Horse Willow Logging Services, will yield approximately 779,000 board feet (779 MBF) of timber comprised of Douglas fir, White fir, and Ponderosa pine.

Medford Water issued an invitation to bid for the commercial thinning work and received a single bid from Don Hamann, Inc., based in Butte Falls. Having a strong history of providing high-quality service on past contracts, Don Hamann, Inc. was selected for this project. Medford Water is confident in their ability to deliver reliable and effective results once again.

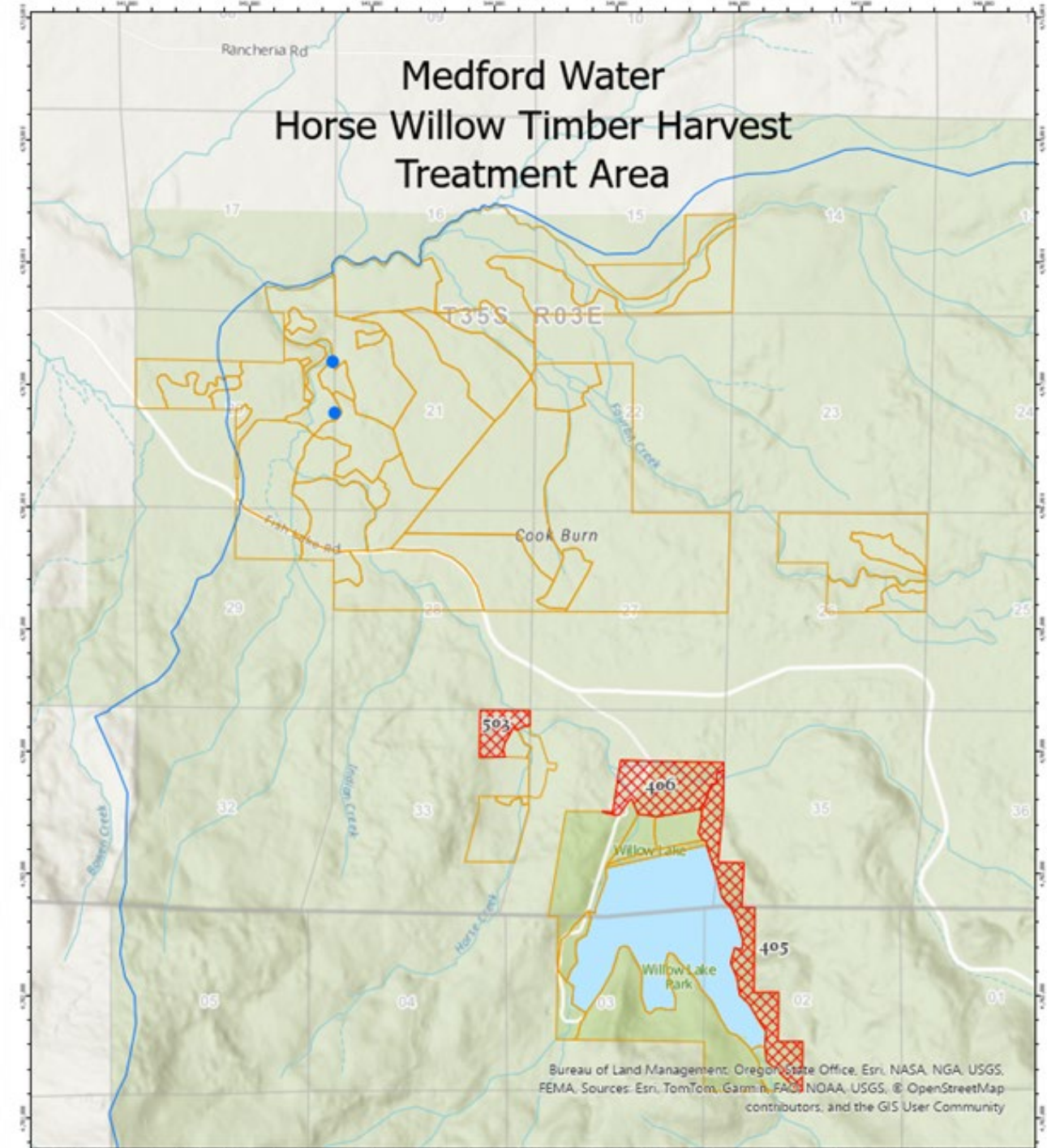
### Financial Impact

The cost of logging services is included in the FY25-26 budget. While final cost of services is directly dependent on the scaled quantity of logs removed (services priced per MBF of logs harvested), based on the estimated quantity of timber a contract value of Not to Exceed (NTE) \$430,000 is anticipated to cover the services.

### Requested Board Action

Staff recommends awarding a NTE \$430,000 contract for Horse Willow Logging Services to Don Hamann, Inc., which offered the best combination of cost (NTE \$430,000) and qualifications to successfully complete the project.

# Medford Water Horse Willow Timber Harvest Treatment Area



Bureau of Land Management, Oregon State Office, Esri, NASA, NGA, USGS, FEMA, Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

- N
- 0 0.25 0.5 Miles
- BBS Intakes
- BBS Watershed Boundary
- Township and Range
- Medford Water Forest Stands
- Treatment Area



This map is based on a digital database compiled by Medford Water Commission from a variety of sources. Medford Water Commission cannot accept responsibility for errors, omissions, or positional accuracy. There are no warranties, expressed or implied.

**RESOLUTION NO. 2003**

A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract with Don Hamann, Inc. for Horse Willow Logging Services

WHEREAS, Medford Water plans to conduct a commercial timber harvest in the fall of 2025 according to Medford Water's adopted Forest Management Plan, and have selected a 163-acre forested area near Willow Lake for harvest and thinning; and

WHEREAS, the primary goals of the harvest operation, known as the Horse Willow Timber Sale, will be to promote forest health and reduce fire risk; and

WHEREAS, the Medford Water solicited bids for Horse Willow Logging Services through an Invitation to Bid process; and

WHEREAS, a Notice of Intent to Award was issued to Don Hamann, Inc. on August 22, 2025, and no protests of the award were received; and

WHEREAS, Don Hamann, Inc. is qualified and agreeable to render the services specified in the aforesaid Invitation to Bid; and

WHEREAS, the value of the contract, not-to-exceed \$430,000 based on the estimated quantity of timber, 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 an amount not-to-exceed \$430,000 for Services for the Horse Willow Logging Services is hereby awarded to Don Hamann, Inc.

SECTION 2. That the General Manager is hereby authorized and directed to execute said contract and payments up to \$430,000, and any contract amendments not exceeding the General Manager's purchasing authority or 25 percent of the original contract amount, on behalf of the Board of Water Commissioners, which contract is on file in the Office of the Commission and by reference made a part hereof, is hereby approved. This authorization exceeds the authority of the General Manager as defined in Section 1.02 of the Commission's Contracting & Purchasing Regulations.

PASSED at a regular meeting of the Board of Water Commissioners and signed by me in authentication thereof this 17<sup>th</sup> of September 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 and Customer Services Manager

**DATE:** Wednesday, September 17, 2025

**SUBJECT:** Item 7.0 – Resolution 2004, Authorizing the General Manager to Execute Log Purchase Agreements for the Horse Willow Timber Harvest

**OBJECTIVE:** Board Approval

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### Issue

Medford Water intends to carry out a commercial thinning of approximately 163 forested acres near Willow Lake, referred to as the Horse Willow Timber Harvest. The estimated harvest volume is 779,000 board feet (779 MBF). To facilitate the sale and processing of the harvested timber, log purchasing agreements are required to sell the harvested logs to mills or timber buyers.

### Discussion

Medford Water conducted a competitive solicitation process to identify buyers for the harvested logs. Bids were received from three companies: Boise Cascade, Murphy Group, and Wilson Pro Pole. A notice of intent to award, based on best value to Medford Water, was sent to each of the three companies on August 22, 2025.

Item	Description	Est. Vol.	Unit	Murphy Veneer	Boise Cascade	Wilson Pro Pole
				White City, OR	White City, OR	White City, OR
				Bid	Bid	Bid
1	Douglas Fir	476	mbf	\$775	\$825	
2	White Fir - Glendale	216	mbf	\$575		
3	Ponderosa Pine	87	mbf	\$475	\$450	
4	Pole Wood	2681	Gtons			\$30

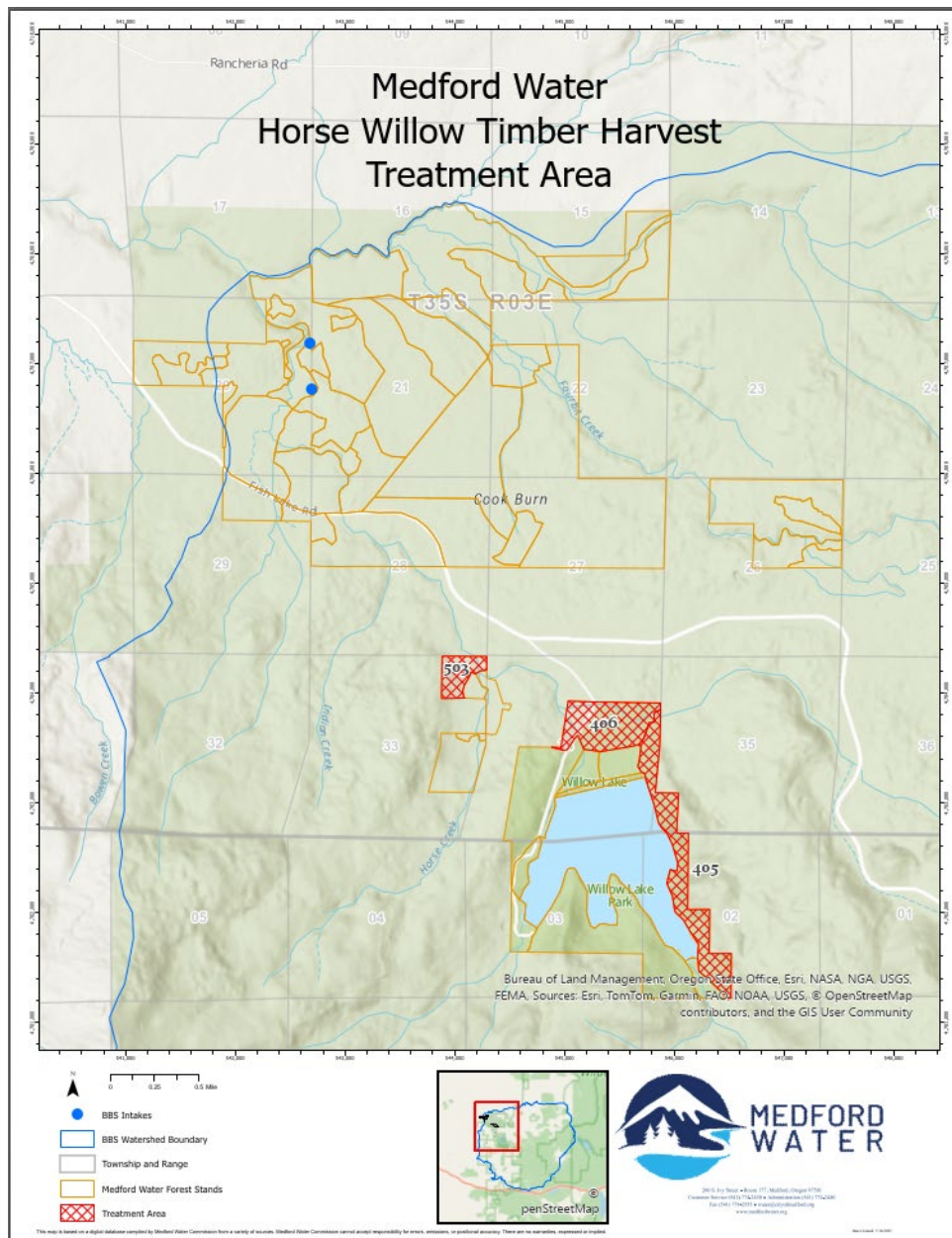


## Financial Impact

The anticipated revenue from the log sale agreements is \$630,612. Actual revenues may vary depending on final harvest volumes. The expenses associated with the harvest are estimated at \$538,413, which includes logging and hauling costs (contract pending), as well as additional slash disposal burning, timber tax, and forestry consulting. After accounting for these costs, the estimated net revenue from the project is approximately \$92,198.

## Requested Board Action

Staff recommends approval of Resolution 2004, authorizing the General Manager to sign agreements with Murphy Veneer, Boise Cascade and Wilson Pro Pole for the sale of delivered logs and pole wood at the unit cost shown in the bid table.



**RESOLUTION NO. 2004**

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

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

WHEREAS, Notice of Intent to Award to Murphy Veneer, Boise Cascade and Wilson Pro Pole was issued on August 22, 2025, and no protests of the award were received; and

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

WHEREAS, the value of the log purchasing agreements exceeds the General Manager's authority;

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

SECTION 1. That log purchase agreements for the Horse Willow Timber Harvest are hereby awarded to Murphy Veneer, Boise Cascade and Wilson Pro Pole.

SECTION 2. That the General Manager is hereby authorized and directed to execute said log purchase agreements up to \$700,000, which are on file in the Office of Medford Water Commission and by reference made a part hereof, is hereby approved. This authorization exceeds the authority of the General Manager as defined in Section 1.02 of the Contracting & Purchasing Regulations.

PASSED at a regular meeting of the Board of Water Commissioners and signed by me in authentication thereof this 17th day of September 2025.

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