



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

AGENDA

11:15 a.m. LUNCH

11:30 a.m. STUDY SESSION – System Development Charges Primer - (Beau Belikoff Finance Manager, Shawn Koorn HDR, Inc.)

12:15 p.m. BOARD MEETING

1. Roll Call

2. Pledge of Allegiance

3. Comments from the Audience

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

4. Consent Calendar

4.1 Approval or Correction of the Minutes of the Last Regular Meeting of February 4, 2026

4.2 Quarterly Letter to Mayor and Council

5. Items Removed from Consent Calendar

6. Resolution No. 2015, A RESOLUTION Awarding and Authorizing the General Manager to Execute an Agreement with Spectrum Business for Fiber Network Services, Not to Exceed \$213,264.00

7. 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.

8. Propositions and Remarks from the Commissioners

9. Adjourn

DATES TO REMEMBER*					
DATE	DAY	TYPE OF MEETING	STUDY SESSION TOPIC	REGULAR MEETING	LOCATION
03/04/26	Wed.	Board Meeting	Capital Budget Part I 2025-26	12:15 p.m.	Prescott Room, Police Dept.
03/18/26	Wed.	Board Meeting	Capital Budget Part II 2025-26	12:15 p.m.	Prescott Room, Police Dept.
04/1/26	Wed.	Board Meeting	TBD	12:15 p.m.	Prescott Room, Police Dept.
04/15/26	Wed.	Board Meeting	SDCs, CLAs, & Fees	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_IFcDaM4QQfewOAru-myR0g

Meeting passcode: 240565



To join by phone, call:

(669) 900-6833

Meeting ID Number: 885 8244 4770

Meeting passcode: 240565



Memorandum

TO: Commissioners Jason Anderson, John Dailey, Bob Mylenek, Brian Sjothun, and David Wright
FROM: Brad Taylor, General Manager
DATE: Wednesday, February 18, 2026
SUBJECT: Item 4.2 – Quarterly Letter to the Mayor and City Council
OBJECTIVE: Board Approval

Issue

The letter to the Mayor and City Council for the second quarter of Fiscal Year 2025-26 along with the financials, Consumption Report, and Watershed Report.

Discussion

Medford Water is required by Section 19 of the Medford Charter to make full reports of the business transacted by it and of the condition of its funds once every three months to the City Council. If the board members agree to the contents of the letter for the second quarter of FY25-26, the Chair and General Manager will sign, and it will be forwarded to the Mayor and Council members.

Financial Impact

n/a

Requested Board Action

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



February 18, 2026

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 second quarter of Fiscal Year 2025–26, along with the Consumption and Watershed Reports.

Highlights from the second quarter include the following:

- Provided an update on the Risk and Resiliency Assessment and Emergency Response Plan.
- Awarded a goods and services contract to Pacific Electrical Contractors to replace aging critical electrical equipment at the Duff Water Treatment Plant.
- Completed a comprehensive rate study and adopted new water rates to be effective March 1, 2026.
- Awarded a contract with RH2 Engineering, Inc. for consulting services for design on Zone 1 Pumping and Transmission improvements to meet future growth requirements.
- Received Government Finance Officers Association (GFOA) Budget Award for Fiscal Year 2026.
- Approved the annual audit.

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

Sincerely,

Jason Anderson, Chair
Board of Medford Water Commissioners

Brad Taylor, General Manager
Medford Water

Attachments

Medford Water Commission
Income Statement
December 31, 2025

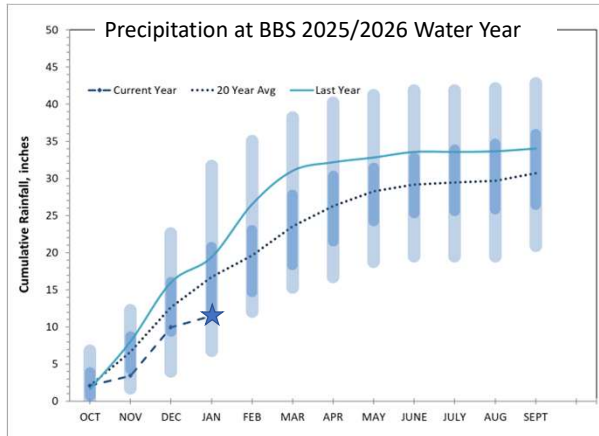
	Water Fund	Construction Fund	Bond Project Fund	Total Current	Total Prior	Total Year to Date	Total Prior Year to Date
Operating Revenues							
Residential Sales Inside Gallonage	\$ 269,111	\$ -	\$ -	\$ 269,111	\$ 227,694	\$ 5,144,471	\$ 4,616,717
Commercial Sales Inside Gallonage	101,802.60	-	-	101,802.60	89,744	1,778,461	1,674,942
Industrial Sales Inside Gallonage	5,934.72	-	-	5,934.72	3,703	41,972	36,735
Base Charges Inside	740,505.72	-	-	740,505.72	635,439	4,440,145	3,809,416
High Elevation Charges	40,410.89	-	-	40,410.89	32,774	341,497	292,176
Fire Services Inside	42,782.16	-	-	42,782.16	35,966	255,727	215,221
Residential Sales Outside Gallonage	59,638.32	-	-	59,638.32	46,454	767,811	680,283
Commercial Sales Outside Gallonage	24,613.57	-	-	24,613.57	19,560	401,173	365,911
Industrial Sales Outside Gallonage	148,224.71	-	-	148,224.71	133,468	1,131,893	1,062,964
Base Charges Outside	162,243.33	-	-	162,243.33	139,832	972,839	836,317
Fire Services Outside	13,588.14	-	-	13,588.14	11,973	80,929	69,318
Sales to Other Utilities	187,427.40	-	-	187,427.40	112,264	1,704,896	1,612,572
Miscellaneous Collections	53,559.00	-	-	53,559.00	46,722	286,742	230,459
Connections/Installations	22,702.35	-	-	22,702.35	37,573	384,877	721,804
Total Operating Revenues	1,872,543.55	-	-	1,872,543.55	1,573,167	17,733,433	16,224,836
Operating Expenses							
Source of Supply	387,393	-	-	387,393	83,254	1,058,431	735,706
Supply Pumping	24,435	-	-	24,435	26,469	501,662	507,187
Purification	272,911	-	-	272,911	190,362	2,059,287	1,901,859
Transmission	32,544	-	-	32,544	16,134	257,676	213,219
Distribution Pumping	45,277	-	-	45,277	40,512	315,397	284,818
Distribution	399,885	-	-	399,885	244,397	2,460,126	1,702,644
Customer Service, Collection & Meter Reading	201,461	-	-	201,461	220,860	1,450,358	1,540,233
Administrative & General	257,217	-	705	257,922	122,709	1,123,321	930,553
Connections/Installations	45,694	-	-	45,694	56,578	361,403	722,636
Total Operating Expenses	1,666,816	-	705	1,667,522	1,001,276	9,587,661	8,538,855
Operating Income Before Depreciation	205,727	-	(705)	205,022	571,891	8,145,772	7,685,980
Depreciation	508,098	-	26,576	534,674	425,161	3,205,491	2,538,563
Total Operating Income	(302,370)	-	(27,281)	(329,652)	146,730	4,940,281	5,147,417
Non Operating Revenues (Expenses)							
Charges in Lieu of Assessments	-	-	-	-	-	-	-
Investment Revenue	94,347	74,215	51,886	220,447	258,868	1,189,339	1,391,286
Grant Revenue	-	-	-	-	20,254	25,962	204,008
Forest Product Revenue	510,192	-	-	510,192	-	784,919	407,870
Debt Proceeds	-	-	-	-	10,126,520	13,940,000	53,354,004
Miscellaneous Revenue	98,056	-	-	98,056	20,000	300,956	83,577
Loss on Disposal of Assets	(1,427)	-	-	(1,427)	(4,403)	(1,710)	(19,457)
FWRD Expense	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	(919,125)	-
Total Non Operating Revenues (Expenses)	701,167	74,215	51,886	827,268	10,421,238	15,320,340	55,421,287
Income Before Contributions	398,797	74,215	24,605	497,616	10,567,968	20,260,621	60,568,704
Capital Contributions							
System Development Charges	31,114	-	-	31,114	137,995	732,328	714,362
Developer Donations (Capitalized)	394,910	-	-	394,910	25,940	1,020,826	1,006,906
Total Income from Contributions	426,024	-	-	426,024	163,935	1,753,154	1,721,268
Net Income	\$ 824,820	\$ 74,215	\$ 24,605	\$ 923,640	\$ 10,731,903	\$ 22,013,775	\$ 62,289,972

Medford Water Commission
Balance Sheet
December 31, 2025

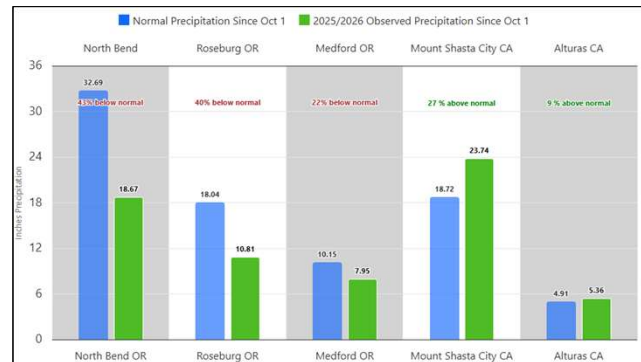
	Water Fund	Construction Fund	Bond Project Fund	Total	Prior Year
Assets					
Current Assets					
Cash	\$ 1,935,367	\$ -	\$ 844,401	\$ 2,779,768	\$ 3,532,246
Revolving Fund Cash	2,940	-	-	2,940	2,940
Cafeteria Plan Cash	60,440	-	-	60,440	51,956
Short Term Investments	21,123,608	11,162,475	13,142,185	45,428,268	48,103,916
Short Term Investments- Future Main Replacements	-	4,320,017	-	4,320,017	4,124,042
Short Term Investments- Future Treatment and Transport	-	634,562	-	634,562	515,180
Short Term Investments- Future Water Rights Development	-	5,316,526	-	5,316,526	5,075,345
Short Term Investments- Vernal Pool Management	-	159,767	-	159,767	152,519
Short Term Restricted Investments	1,238,291	-	-	1,238,291	2,689,380
Short Term Restricted Investments - Retainage	559,951	-	1,666,754	2,226,705	-
SDC Investments	-	-	-	-	-
Notes Receivable	1,411,884	-	-	1,411,884	1,571,725
Accounts Receivable	2,874,939	-	-	2,874,939	2,441,091
Accounts Receivable - Misc.	1,454,573	-	-	1,454,573	1,266,326
Cafeteria Plan Receivable	54,500	-	-	54,500	47,656
Inventory	2,114,387	-	-	2,114,387	1,862,979
Work in Progress	476,997	-	-	476,997	541,846
Prepaid Expenses	277,419	-	-	277,419	283,817
Other Current Assets	23,664	-	-	23,664	8,189
Total Current Assets	33,608,961	21,593,348	15,653,340	70,855,648	72,271,154
Fixed Assets					
Utility Plant / Service	309,360,066	-	18,343,866	327,703,932	240,236,841
Construction in Progress	26,392,608	-	41,575,743	67,968,351	113,964,476
Accumulated Depreciation	(83,656,903)	-	(160,203)	(83,817,106)	(78,335,127)
Total Fixed Assets	252,095,771	-	59,759,406	311,855,176	275,866,189
Total Assets	\$ 285,704,732	\$ 21,593,348	\$ 75,412,745	\$ 382,710,825	\$ 348,137,343
Liabilities & Fund Equity					
Current Liabilities					
Accounts Payable	\$ 1,171,192	\$ -	\$ 1,577,302	\$ 2,748,494	\$ 5,081,220
Retainage Payable	559,951	-	1,738,384	2,298,335	3,268,312
Customer Deposits	223,498	-	-	223,498	146,008
Miscellaneous Deposits	-	-	-	-	463,089
Construction Deposits	730,325	-	-	730,325	787,847
Miscellaneous Payable	139,951	-	-	139,951	166,400
Water Districts Payable	8,590	-	-	8,590	19,049
Accrued Vacation	801,794	-	-	801,794	798,672
Cafeteria Plan Payable	60,440	-	-	60,440	51,956
Other Current Liabilities	5,084	-	-	5,084	4,052
Total Current Liabilities	3,700,826	-	3,315,687	7,016,513	10,786,606
Fund Equity					
Retained Earnings	274,566,852	21,124,686	57,988,998	353,680,537	275,060,765
Total Fund Equity	274,566,852	21,124,686	57,988,998	353,680,537	275,060,765
Net Income - Fiscal YTD	21,377,053	468,661	168,060	22,013,775	62,289,972
Fund Transfers In (Out)	(13,940,000)	-	13,940,000	-	-
Total Liabilities & Fund Equity	\$ 285,704,732	\$ 21,593,348	\$ 75,412,745	\$ 382,710,825	\$ 348,137,343

Watershed Precipitation 2025-26 Water Year (Oct 1st – Sept. 30th)

Big Butte Springs 11.5 inches = 30% Below Normal



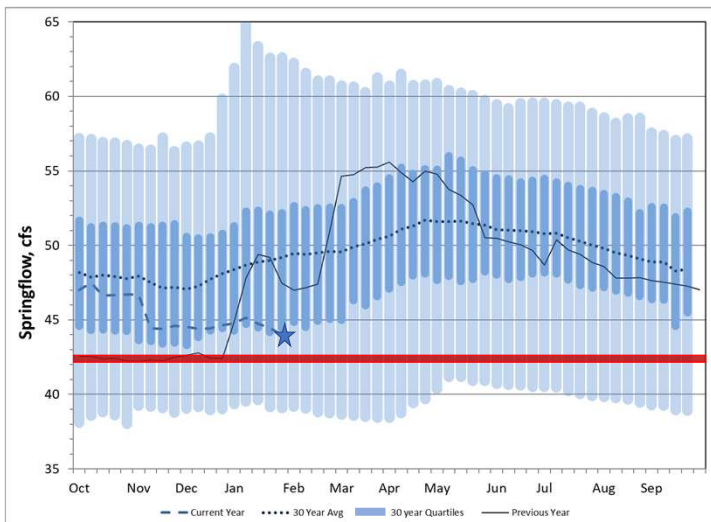
Medford Area 7.95 inches = 22% Below Normal



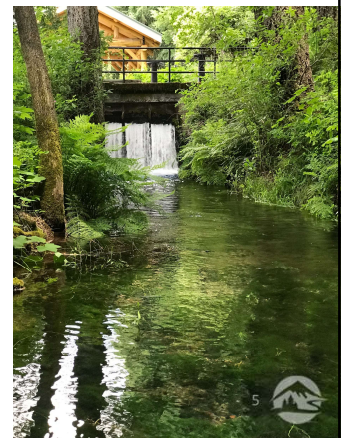
BBS Springflow

2025-26 Water Year (Oct 1st – Sept. 30th)

Able to fill two full pipes – Currently at pipe and a half – Demand is lower this time of year

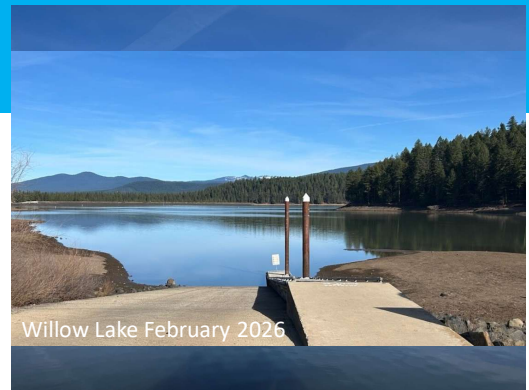
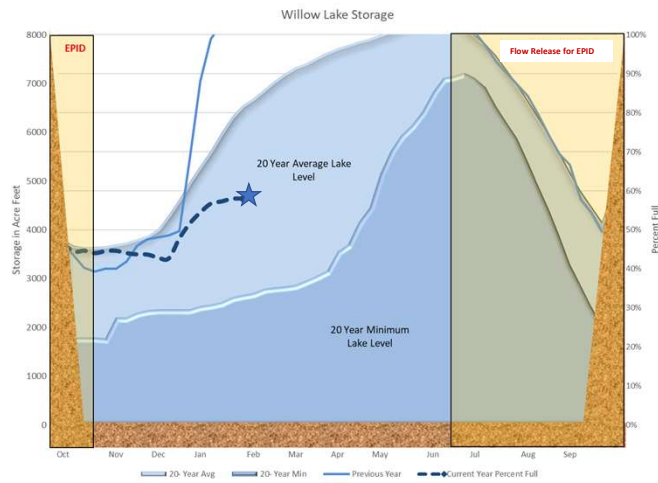


← Minimum flow for 2 full pipes



Willow Lake Storage

2025-26 Water Year (Oct 1st – Sept. 30th)



55% Full



**MEDFORD
WATER**

**2025-26 FISCAL YEAR
WATER CONSUMPTION & SERVICES**
Second Quarter

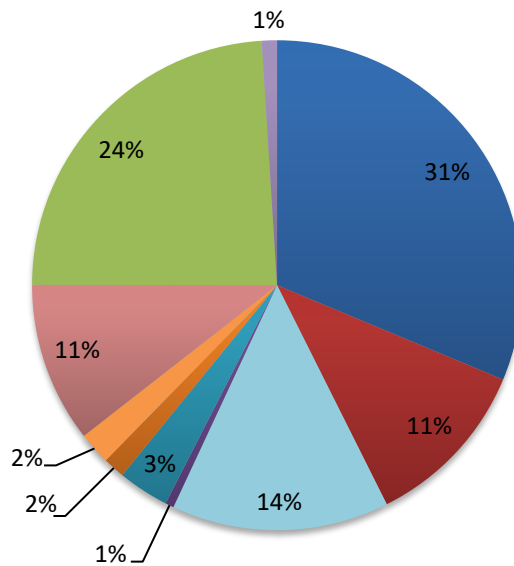
WATER CONSUMPTION - THOUSANDS OF GALLONS

	CONSUMPTION OCT-DEC 2025	CONSUMPTION OCT-DEC 2024	CHANGE IN CONSUMPTION
INSIDE SINGLE-FAMILY RESIDENTIAL	528,281	590,136	-10.48%
INSIDE MULTIPLE-FAMILY RESIDENTIAL	191,051	192,582	-0.79%
INSIDE COMMERCIAL	242,137	274,729	-11.86%
INSIDE INDUSTRIAL	9,513	8,383	13.48%
OUTSIDE SINGLE-FAMILY RESIDENTIAL	56,845	62,784	-9.46%
OUTSIDE MULTIPLE-FAMILY RESIDENTIAL	24,291	23,226	4.59%
OUTSIDE COMMERCIAL	36,003	43,927	-18.04%
OUTSIDE INDUSTRIAL	178,504	193,282	-7.65%
SALES TO OTHER UTILITIES	404,638	478,076	-15.36%
SALES TO WATER DISTRICTS	16,850	17,948	-6.12%
TOTAL WATER CONSUMPTION	1,688,113	1,885,073	-10.45%

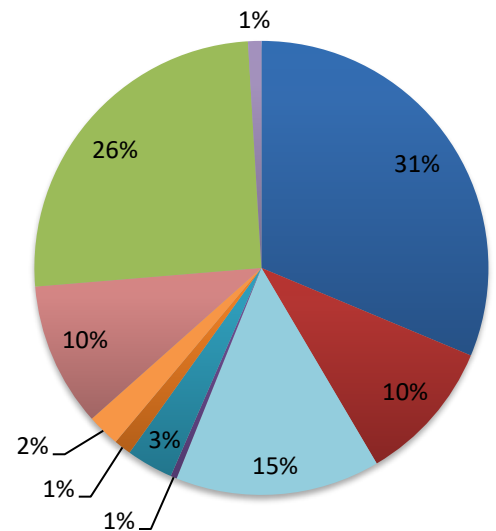
**Percentage of Total
Consumption
for Quarter**

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

Q2-2025



Q2-2024

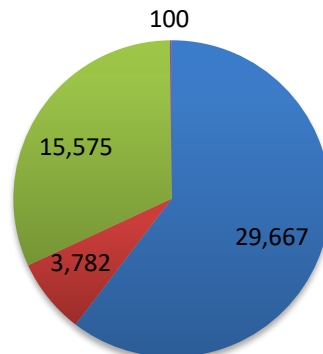


WATER SERVICES TO DECEMBER 31, 2025

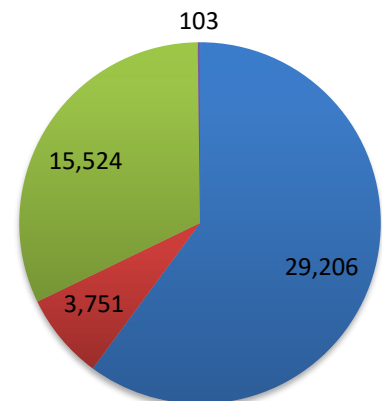
	SERVICES DEC 2025	SERVICES DEC 2024	CHANGE IN SERVICES
<u>INSIDE CITY</u>			
RESIDENTIAL - SINGLE-FAMILY	23,561	23,220	341
RESIDENTIAL - MULTIPLE-FAMILY	2,684	2,597	87
COMMERCIAL	2,822	2,800	22
INDUSTRIAL	53	50	3
FIRE SERVICES	547	539	8
<i>SUBTOTAL - INSIDE CITY</i>	29,667	29,206	461
<u>OUTSIDE CITY</u>			
RESIDENTIAL - SINGLE-FAMILY	3,232	3,202	30
RESIDENTIAL - MULTIPLE FAMILY	90	90	0
COMMERCIAL	252	248	4
INDUSTRIAL	111	114	-3
UTILITIES	6	6	0
FIRE SERVICES	91	91	0
<i>SUBTOTAL - OUTSIDE CITY</i>	3,782	3,751	31
<u>OTHER UTILITIES</u>			
CITY OF CENTRAL POINT	6,898	6,877	21
CITY OF JACKSONVILLE	1,570	1,564	6
CITY OF EAGLE POINT	3,719	3,664	55
CITY OF PHOENIX	1,212	1,210	2
CITY OF TALENT	2,176	2,209	-33
<i>SUBTOTAL - OTHER UTILITIES</i>	15,575	15,524	51
<u>WATER DISTRICTS</u>			
ELK CITY	100	103	-3
<i>SUBTOTAL - WATER DISTRICTS</i>	100	103	-3
TOTAL WATER SERVICES	49,124	48,584	540

**Number of Services
in December**

DEC 2025



DEC 2024





Memorandum

TO: Commissioners Jason Anderson, John Dailey, Bob Mylenek, Brian Sjothun, David Wright
FROM: Kris Stitt, Information Technology Manager
DATE: Wednesday, February 18, 2026
SUBJECT: Revised: Item 6.0 - Resolution 2015, Awarding and Authorizing the General Manager to Execute an agreement with Spectrum Business for fiber network service
OBJECTIVE: Board Approval

Revision

This memorandum was originally submitted for consideration at the February 4, 2026, board meeting. The accompanying resolution did not include language specifying that the 3-year term applies to each individual connection beginning when the service becomes active; because some services may not be activated for an estimated 12 months, the resolution will remain valid for up to 5 years to allow all services to come online. The resolution has since been updated to include the corrected language. The remainder of this memorandum remains unchanged.

Issue

Medford Water has been utilizing fiber internet services provided by Spectrum Business to provide internet connectivity for our Lausmann Annex (Annex), Robert A. Duff Water Treatment Plant (Duff WTP), and Martin Control Station locations. Those connections were provided as part of a 3-year contract agreement which has recently expired. With the addition of the Medford Water Operation Center (MWOC), and the additional connectivity required for the SCADA network buildout Medford Water would like to enter into a new 3-year agreement with Spectrum Business for fiber connectivity services.

This new agreement would service the MWOC, Duff WTP, and our Capital Hill Reservoir sites. The remaining Annex and Martin Control Station sites would remain on a month-to-month agreement until they are no longer needed.

Discussion

Medford Water utilizes Fiber internet connectivity provided by both Spectrum Business and Hunter Communications to provide internet access for several locations. By utilizing two providers, Medford Water gains added resiliency and can maintain operations even if one carrier goes down.

History

About 3 years ago Medford Water began utilizing Spectrum Business to provide fiber network connectivity to the Annex and the Duff WTP. These connections provide internet connectivity as well as a Virtual Private Network (VPN) connection to handle communications between sites. The Martin Control Station connection was added as part of the early stages of our SCADA upgrade project to provide connectivity back to the treatment plant. At the time these connections fell within the General Managers spending authority. This renewal would exceed that threshold and requires board approval.

Discontinued Services

Medford Water will be able to discontinue services at the Annex location once construction of the MWOC has been completed. We will also be able to migrate the Martin Control Station connection

over to our upcoming SCADA radio network once buildout is complete. We are estimating we will need to keep these connections for up to an additional 18 months.

New Connections

As part of the SCADA upgrade project Medford Water will be utilizing the Capital Hill reservoir and Roxy Ann sites as primary sites for our radio communications network. Radios that service other sites in the distribution system will point back to these locations for their primary communications path. We plan on utilizing a Spectrum Business fiber internet connection at the Capital Hill site to backhaul network traffic back to the SCADA network and for radio frequency coordination. This connection would also be utilized in the future for services related to the reservoir upgrade project.

Medford Water will need to have fiber connectivity at the MWOC site once construction has been completed. These connections will provide internet access for the facility as well as a 10-gigabit fiber Ethernet Private Line (EPL) connection which provides a direct high-speed connection between the MWOC and Duff WTP.

Summary

The proposed 3-year agreement includes fiber internet and EPL connectivity between the MWOC and the Duff WTP as well as a fiber internet connection at the Capital Hill Reservoir. We would continue with our Annex and Martin Control station connections on a month-to-month basis for up to 18 months or until those services can be discontinued.

Future Plans / Additional Connectivity

Medford Water will likely have a similar configuration utilizing Hunter Communications for our Duff WTP and MWOC sites including a connection to Roxy Ann for the SCADA backhaul. We currently utilize services from both Spectrum Business and Hunter to provide resilient connectivity at our Annex and Duff WTP locations. Additionally, Medford Water has connections provided by Hunter Communications to the Conrad and Ross Control Stations which we anticipate will be replaced with the SCADA radio network in the future. We may need to return to the board at a future meeting to present an agreement with Hunter Communications.

Financial Impact

The total estimated costs of the 3-year agreement with Spectrum Business are estimated to be approximately \$176,400. We are also estimating that it will cost approximately \$36,864 to maintain our Annex and Martin Control Station connectivity, up to the next 18 months. The total cost is estimated to be \$213,264.

Monthly Costs included in the 3-year agreement:

Location	Service	Monthly Costs
Duff Treatment Plant	1GB Fiber Internet	\$ 900
Duff Treatment Plant	10GB Fiber EPL	\$ 1,100
Operation Center	1GB Fiber Internet	\$ 900
Operation Center	10GB Fiber EPL	\$ 1,100
Capital Hill Reservoir	1GB Fiber Internet	\$ 900
	Total:	\$ 4,900
	36-Month Total:	\$ 176,400

Monthly Costs continuing a month-to-month plan for up to the next 18 months:

Location	Service	Monthly Costs
Annex	1GB Fiber Internet	\$ 1,699
Martin Control Station	300MB Fiber Internet	\$ 349
	Total:	\$ 2,048
	18 Month Total:	\$ 36,864

Total estimated costs: \$213,264 (plus taxes/fees)

To account for taxes and fees Medford Water is requesting the authorization allow for the general manager to include up to a 25% contingency.

Although the agreement with Spectrum Business is for a 3-year term. The billing and term length does not begin until the connection has been installed and is usable. For this reason, we request that the length of time allowed by this resolution to be up to 5 years.

This agreement qualifies for an exemption from competitive solicitation per section 2.33 Section C Part 10 (Information Technology, Telecommunications, Software and Hardware Maintenance and Upgrades) of the Medford Water Contracting and Purchasing Regulations.

Requested Board Action

Staff recommends approval of Resolution 2015 to enter into a 3-year agreement with Spectrum Business for fiber network services. In the not to exceed amount of \$213,264 including authorizing the General Manager to approve up to an additional 25% contingency.

RESOLUTION NO. 2015

A RESOLUTION Awarding and Authorizing the General Manager to Execute an Agreement with Spectrum Business for Fiber Network Services, Not to Exceed \$213,264.00

WHEREAS, Medford Water has existing fiber internet connectivity provided by Spectrum Business serving the Lausmann Annex (Annex), Robert A. Duff Water Treatment Plant (Duff WTP), and Martin Control Station where the current agreement has expired; and

WHEREAS, Medford Water will require additional connectivity for the Capital Hill Reservoir and future Medford Water Operation Center (MWOC) locations; and

WHEREAS, Spectrum Business will provide fiber network services to the Duff WTP, MWOC, and Capital Hill Reservoir for a fixed rate 3-year term; and

WHEREAS, Spectrum Business will continue to provide service to the Annex and Martin Control Station locations on a month-to-month basis for an estimated 18-month period or until those services are no longer necessary; and

WHEREAS, the total cost of the 3-year agreement is expected to be \$176,400.00 and the additional month-to-month costs are estimated to be \$36,864.00 for a total estimated cost of \$213,264.00; and

WHEREAS, the 3-year term is for each individual connection and begins when the service becomes active; some services may not be activated for an estimated 12-month period therefore this resolution would be valid for a period of up to 5-years to allow for all services to come online; and

WHEREAS; this contract is exempt from competitive bidding, per the Special Procurement rules of the Medford Water Purchasing Regulations section 2.33C(10); and

WHEREAS, the value of the agreement, not-to-exceed \$213,264.00 to Spectrum Business for fiber network services, 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 contract in an amount not-to-exceed \$213,264.00 for fiber network services, is hereby awarded to Spectrum Business.

SECTION 2. That the General Manager is hereby authorized and directed to execute said contract and payments for said contract up to \$213,264.00, and any contract amendments not exceeding the General Manager's purchasing authority or 25 percent of the original contract amount, on behalf of the Board of Water Commissioners, which 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 February 2026.

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

Jason Anderson, Chair