



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 – Annual Budget Approval (Finance Manager, Beau Belikoff)

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 May 6, 2026

4.2 Quarterly Letter to Mayor and Council

5. Items Removed from Consent Calendar

6. Resolution No. 2022, A RESOLUTION Awarding and Authorizing the General Manager to Execute a One-Year Contract with Two Annual Options to Renew in the Amount Not-to-Exceed \$205,000.00 with Baker Tilly for Auditing Services

7. Resolution No. 2023, A RESOLUTION, Awarding and Authorizing the General Manager to Execute a Construction Contract in the Amount of \$31,025,750.00 with Slayden Constructors for the Capital Hill 12 Million Gallon Reservoir Construction Project

8. Resolution No. 2024, A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract Amendment in the Amount of \$763,065.00 with RH2 Engineering, Inc. for Engineering Services Related to Part E of the Distribution System Resilient Backbone Project

9. 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.

10. Propositions and Remarks from the Commissioners

11. Adjourn

DATES TO REMEMBER*					
DATE	DAY	TYPE OF MEETING	STUDY SESSION TOPIC	REGULAR MEETING	LOCATION
<i>Monday, May 25, 2026 – Offices closed in observance of the Memorial Day Holiday</i>					
06/03/26	Wed.	Board Meeting	Insurance Update & Rules and Regulations Update	12:15 p.m.	Room 151, Lausmann Annex Building
06/17/26	Wed.	Board Meeting	Demand/Population Forecasting	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_XgZleR1gRiGFO5BXOSG3Qg
 Meeting passcode: 515332



To join by phone, call:
 (669) 900-6833
 Meeting ID Number: 818 6771 4116 Meeting passcode: 515332



Memorandum

TO: Commissioners Jason Anderson, John Dailey, Bob Mylenek, Brian Sjothun, and David Wright
FROM: Brad Taylor, General Manager
DATE: Wednesday, May 20, 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 third 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 third 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 third quarter letter to the Mayor and City Council.



May 20, 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 third quarter of Fiscal Year 2025–26, along with the Consumption and Watershed Reports.

Highlights from the third quarter (January to March 2026) include the following:

- Approved the Government Finance Officers Association (GFOA) contract for Enterprise Resource Planning by Resolution 2014.
- Issued multi-year contracts with Hunter Communications and Spectrum Business for fiber services to support critical Information Technology infrastructure.
- Implemented new water rates effective March 1, 2026.
- Received an Honor award from the American Council of Engineering Companies for the Duff Water Treatment Plant 65-MGD expansion project.
- Current snowpack and precipitation levels are on par with some of the lowest years on record. Additional information about the water supply outlook can be viewed at <https://www.medfordwater.org/your-water/water-supply-outlook/>
- Capital projects (design and/or construction) for fiscal year 2025/26 remain on budget and on schedule. This includes Distribution SCADA Upgrades, Operation Center, Barnett Pump Station, Capital Hill Reservoir, and many other smaller projects.

If the Mayor or Council members have any questions, feel free to contact our office at any time, or Garrett West, Council Liaison. We continue to work on format issues of this report to ensure that it is meeting expectations.

Sincerely,

Jason Anderson, Chair
Board of Medford Water Commissioners

Brad Taylor, General Manager
Medford Water

Attachments

**Medford Water Commission
Income Statement
March 31, 2026**

	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	\$ 255,602	\$ -	\$ -	\$ 255,602	\$ 204,492	\$ 5,917,927	\$ 5,290,525
Commercial Sales Inside Gallonage	106,536	-	-	106,536	82,512	2,077,228	1,944,722
Industrial Sales Inside Gallonage	4,549	-	-	4,549	3,759	55,581	46,892
Base Charges Inside	790,593	-	-	790,593	647,804	6,710,989	5,729,211
High Elevation Charges	39,197	-	-	39,197	31,970	460,179	389,445
Fire Services Inside	46,683	-	-	46,683	36,940	388,053	324,398
Residential Sales Outside Gallonage	56,123	-	-	56,123	44,148	931,969	819,024
Commercial Sales Outside Gallonage	24,024	-	-	24,024	18,814	472,112	417,658
Industrial Sales Outside Gallonage	153,097	-	-	153,097	128,794	1,552,513	1,419,611
Base Charges Outside	180,659	-	-	180,659	158,676	1,478,150	1,274,975
Fire Services Outside	13,635	-	-	13,635	13,317	121,648	106,581
Sales to Other Utilities	160,469	-	-	160,469	104,072	2,087,584	1,913,373
Miscellaneous Collections	48,593	-	-	48,593	34,930	422,819	348,561
Connections/Installations	127,832	-	-	127,832	(224,400)	630,509	634,090
Total Operating Revenues	2,007,590	-	-	2,007,590	1,285,828	23,307,260	20,659,066
Operating Expenses							
Source of Supply	64,977	-	-	64,977	64,322	1,268,803	1,034,514
Supply Pumping	60,364	-	-	60,364	25,929	614,096	591,314
Purification	264,311	-	-	264,311	235,991	2,811,871	2,523,378
Transmission	42,663	-	-	42,663	15,782	339,761	257,410
Distribution Pumping	33,888	-	-	33,888	34,158	423,271	386,009
Distribution	452,237	-	-	452,237	419,304	3,613,313	2,694,515
Customer Service, Collection & Meter Reading	203,810	-	-	203,810	219,278	2,017,989	2,174,088
Administrative & General	(22,210)	-	270	(21,940)	(29,845)	1,642,804	1,179,721
Connections/Installations	139,724	-	-	139,724	(225,764)	699,150	652,308
Total Operating Expenses	1,239,764	-	270	1,240,033	759,155	13,431,057	11,493,257
Operating Income Before Depreciation	767,826	-	(270)	767,556	526,673	9,876,203	9,165,809
Depreciation	507,767	-	27,326	535,093	421,505	4,811,808	3,797,589
Total Operating Income	260,059	-	(27,596)	232,463	105,168	5,064,395	5,368,220
Non Operating Revenues (Expenses)							
Charges in Lieu of Assessments	-	-	-	-	-	-	-
Investment Revenue	35,522	(12,637)	25,522	48,407	229,761	1,588,966	2,001,419
Grant Revenue	651	-	-	651	612,175	26,613	894,463
Forest Product Revenue	-	-	-	-	-	789,304	407,870
Debt Proceeds	-	-	-	-	1,286,893	13,940,000	59,999,125
Miscellaneous Revenue	22,024	-	-	22,024	804,053	370,252	906,902
Loss on Disposal of Assets	-	-	-	-	(5,001)	(1,710)	(37,797)
FWRD Expense	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	(1,838,250)	(868,062)
Total Non Operating Revenues (Expenses)	58,198	(12,637)	25,522	71,082	2,927,881	14,875,176	63,303,919
Income Before Contributions	318,257	(12,637)	(2,074)	303,545	3,033,049	19,939,571	68,672,139
Capital Contributions							
System Development Charges	2,589	-	-	2,589	63,156	739,662	1,038,002
Developer Donations (Capitalized)	783,447	-	-	783,447	148,196	2,180,439	2,069,622
Total Income from Contributions	786,036	-	-	786,036	211,351	2,920,102	3,107,624
Net Income	\$ 1,104,293	\$ (12,637)	\$ (2,074)	\$ 1,089,581	\$ 3,244,400	\$ 22,859,673	\$ 71,779,762

**Medford Water Commission
Balance Sheet
March 31, 2026**

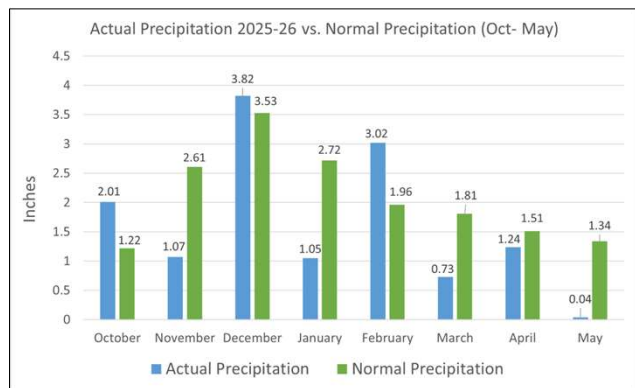
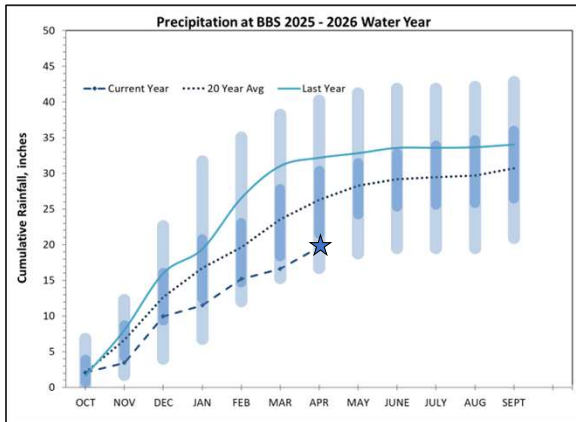
	Water Fund	Construction Fund	Bond Project Fund	Total	Last Year
Assets					
Current Assets					
Cash	\$ 2,923,972	\$ -	\$ 1,004,362	\$ 3,928,333	\$ 3,773,279
Revolving Fund Cash	3,052	-	-	3,052	2,940
Cafeteria Plan Cash	39,971	-	-	39,971	35,540
Short Term Investments	20,753,070	11,224,780	5,461,991	37,439,841	44,011,629
Short Term Investments- Future Main Replacements	-	4,344,130	-	4,344,130	4,179,390
Short Term Investments- Future Treatment and Transport	-	638,104	-	638,104	522,095
Short Term Investments- Future Water Rights Development	-	5,346,201	-	5,346,201	5,143,459
Short Term Investments- Vernal Pool Management	-	160,659	-	160,659	154,566
Short Term Restricted Investments	1,237,902	-	-	1,237,902	1,939,205
Short Term Restricted Investments - Retainage	455,093	-	773,890	1,228,984	1,386,164
SDC Investments	-	-	-	-	-
Notes Receivable	1,398,578	-	-	1,398,578	1,558,417
Accounts Receivable	2,843,086	-	-	2,843,086	2,466,640
Accounts Receivable - Misc.	884,381	-	-	884,381	1,717,780
Cafeteria Plan Receivable	43,470	-	-	43,470	36,786
Inventory	2,336,674	-	-	2,336,674	1,772,724
Work in Progress	436,426	-	-	436,426	489,364
Prepaid Expenses	290,743	-	-	290,743	302,861
Other Current Assets	24,577	-	-	24,577	25,200
Total Current Assets	33,670,995	21,713,874	7,240,243	62,625,112	69,518,038
Fixed Assets					
Utility Plant / Service	310,527,036	-	18,343,866	328,870,902	241,271,200
Construction in Progress	27,519,268	-	49,798,228	77,317,496	122,374,576
Accumulated Depreciation	(85,130,816)	-	(242,181)	(85,372,998)	(79,517,661)
Total Fixed Assets	252,915,488	-	67,899,912	320,815,400	284,128,115
Total Assets	\$ 286,586,483	\$ 21,713,874	\$ 75,140,155	\$ 383,440,512	\$ 353,646,152
Liabilities & Fund Equity					
Current Liabilities					
Accounts Payable	\$ 1,555,364	\$ -	\$ 2,160,461	\$ 3,715,824	\$ 3,407,406
Retainage Payable	455,093	-	865,136	1,320,230	1,443,355
Customer Deposits	228,291	-	-	228,291	165,029
Miscellaneous Deposits	-	-	-	-	-
Construction Deposits	602,725	-	-	602,725	737,020
Miscellaneous Payable	130,851	-	-	130,851	165,721
Water Districts Payable	16,071	-	-	16,071	10,877
Accrued Vacation	842,030	-	-	842,030	836,963
Cafeteria Plan Payable	39,971	-	-	39,971	35,540
Other Current Liabilities	4,309	-	-	4,309	3,714
Total Current Liabilities	3,874,705	-	3,025,597	6,900,302	6,805,624
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	22,084,926	589,188	185,560	22,859,673	71,779,762
Fund Transfers In (Out)	(13,940,000)	-	13,940,000	-	-
Total Liabilities & Fund Equity	\$ 286,586,483	\$ 21,713,874	\$ 75,140,155	\$ 383,440,512	\$ 353,646,152

Watershed Precipitation

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

Big Butte Springs 19.7 inches = 25% Below Normal

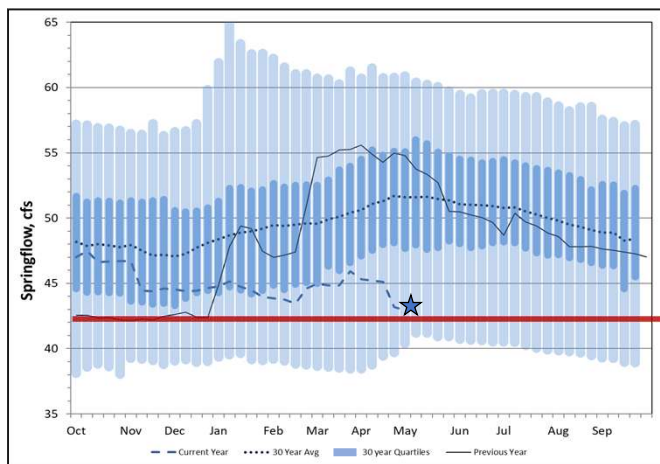
Medford Area 13 inches = 16% Below Normal



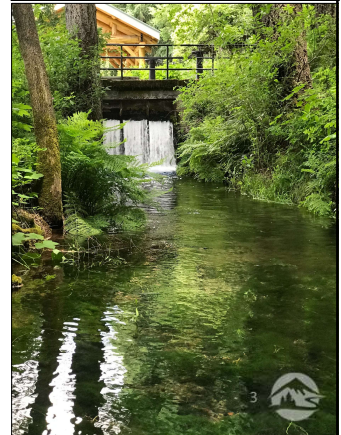
Big Butte Springs Flows

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

- Spring flows are enough to fill two full pipes
- Decreased to pipe and a half on April 20th to allow more water to flow down Big Butte Creek for use by EPID

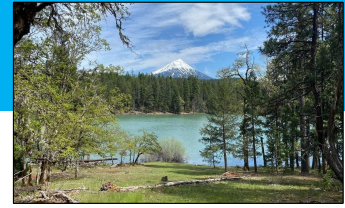


Minimum flow for 2 full pipes

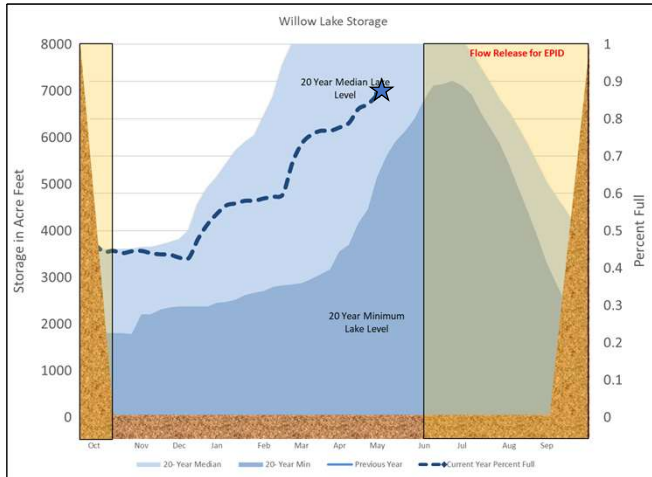


Willow Lake Storage

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



Willow Lake is owned and operated by Medford Water and was constructed to store water for EPID to use for irrigation purposes



- Willow Lake is 83% full
- EPID started irrigation season on April 22, 2026
- Big Butte Creek stream flows are low, and Willow Lake is not full
- To make sure EPID is provided their full water right, MW must increase flows in Big Butte Creek
- Now at pipe and a half rather than release water from Willow Lake





2025-26 FISCAL YEAR WATER CONSUMPTION & SERVICES Third Quarter

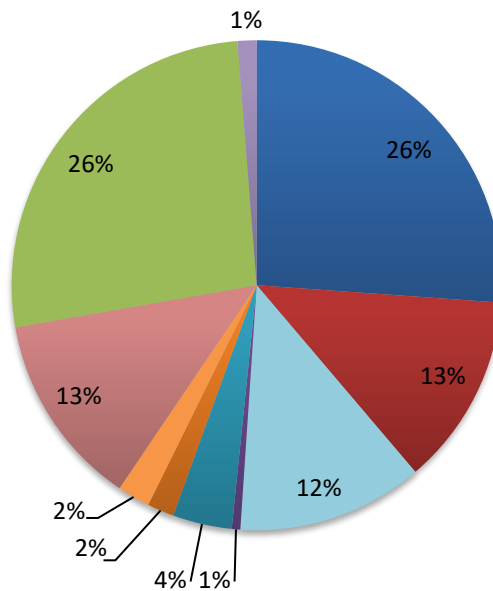
WATER CONSUMPTION - THOUSANDS OF GALLONS

	CONSUMPTION Jan-Mar 2026	CONSUMPTION Jan-Mar 2025	CHANGE IN CONSUMPTION
INSIDE SINGLE-FAMILY RESIDENTIAL	316,384	314,620	0.56%
INSIDE MULTIPLE-FAMILY RESIDENTIAL	153,210	155,757	-1.64%
INSIDE COMMERCIAL	148,642	158,157	-6.02%
INSIDE INDUSTRIAL	6,813	5,881	15.85%
OUTSIDE SINGLE-FAMILY RESIDENTIAL	47,352	46,209	2.47%
OUTSIDE MULTIPLE-FAMILY RESIDENTIAL	21,317	20,421	4.39%
OUTSIDE COMMERCIAL	26,136	22,094	18.29%
OUTSIDE INDUSTRIAL	154,726	151,744	1.97%
SALES TO PARTNER CITIES	320,854	300,153	6.90%
SALES TO WATER DISTRICT	15,197	18,384	-17.34%
TOTAL WATER CONSUMPTION	1,210,631	1,193,420	1.44%

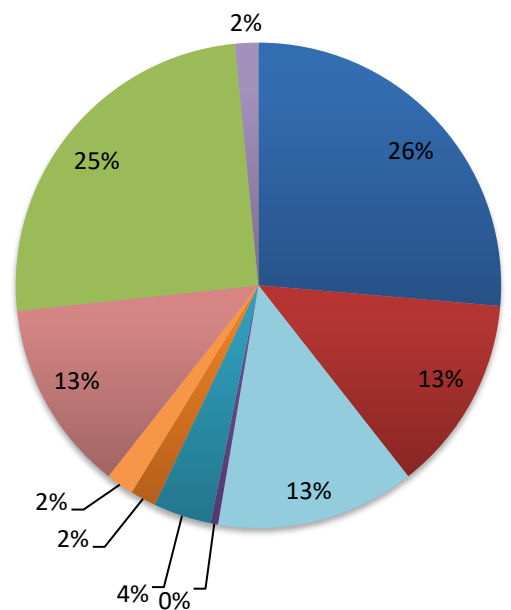
Percentage of Total Consumption for Quarter

- INSIDE SFR
- INSIDE MFR
- INSIDE COM.
- INSIDE IND.
- OUTSIDE SFR
- OUTSIDE MFR
- OUTSIDE COM.
- OUTSIDE IND.
- PARTNER CITIES
- WATER DISTRICT

Q3-2026



Q3-2025



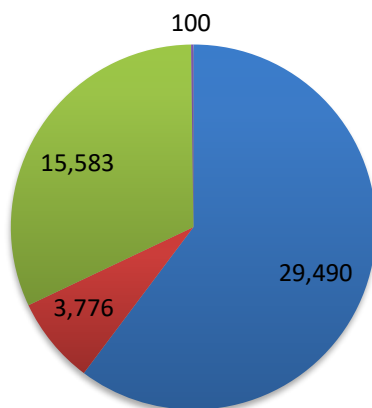
WATER SERVICES TO MARCH 31, 2025

	<u>SERVICES</u> <u>MAR 2026</u>	<u>SERVICES</u> <u>MAR 2025</u>	<u>CHANGE IN</u> <u>SERVICES</u>
<u>INSIDE CITY</u>			
RESIDENTIAL - SINGLE-FAMILY	23,426	23,290	136
RESIDENTIAL - MULTIPLE-FAMILY	2,644	2,604	40
COMMERCIAL	2,818	2,797	21
INDUSTRIAL	53	49	4
FIRE SERVICES	549	539	10
<i>SUBTOTAL - INSIDE CITY</i>	<u>29,490</u>	<u>29,279</u>	<u>211</u>
<u>OUTSIDE CITY</u>			
RESIDENTIAL - SINGLE-FAMILY	3,225	3,206	19
RESIDENTIAL - MULTIPLE FAMILY	90	90	0
COMMERCIAL	254	249	5
INDUSTRIAL	112	114	-2
PARTNER CITIES	6	6	0
FIRE SERVICES	89	90	-1
<i>SUBTOTAL - OUTSIDE CITY</i>	<u>3,776</u>	<u>3,755</u>	<u>21</u>
<u>PARTNER CITIES</u>			
CITY OF CENTRAL POINT	6,904	6,884	20
CITY OF JACKSONVILLE	1,571	1,564	7
CITY OF EAGLE POINT	3,719	3,680	39
CITY OF PHOENIX	1,214	1,211	3
CITY OF TALENT	2,175	2,210	-35
<i>SUBTOTAL - PARTNER CITIES</i>	<u>15,583</u>	<u>15,549</u>	<u>34</u>
<u>WATER DISTRICT</u>			
ELK CITY	100	103	-3
<i>SUBTOTAL - WATER DISTRICT</i>	<u>100</u>	<u>103</u>	<u>-3</u>
TOTAL WATER SERVICES	<u>48,949</u>	<u>48,686</u>	<u>263</u>

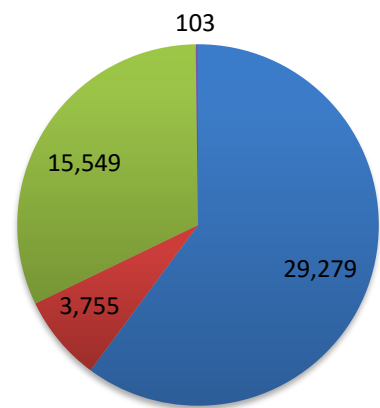
**Number of Services
in March**

- INSIDE CITY
- OUTSIDE CITY
- PARTNER CITIES
- WATER DISTRICT

MAR 2026



MAR 2025





Memorandum

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

FROM: Beau Belikoff; Finance Manager

DATE: Wednesday, May 20, 2026

SUBJECT: Item 6.0 - Resolution 2022, Authorization of a Contract with Baker Tilly for Auditing Services

OBJECTIVE: Board Approval

Issue

The existing auditing services contract reached the end of its term, requiring Medford Water to solicit proposals for continued audit coverage. As a water utility with unique operational and regulatory considerations, it is important to secure an auditor with demonstrated experience in governmental and utility-sector engagements to ensure accurate reporting, compliance, and a smooth audit process. Because the anticipated cost of the new multi-year contract exceeds the General Manager's purchasing authority, Board approval is required.

Discussion

Medford Water conducted the solicitation in full accordance with our established procurement policies. Five firms were invited to participate, and two submitted complete and timely proposals, which is typical for specialized public-sector audit services. The evaluation team—comprised of staff and one board member—scored each proposal using the criteria published in the RFP to ensure the process remained competitive, transparent, and fully compliant with procurement requirements.

As a component unit whose financial statements roll up into the City of Medford's annual audit, selecting Baker Tilly provides added value through continuity and alignment with the City's reporting structure. Additionally, because Baker Tilly serves as the current auditor for the City of Medford, they bring direct familiarity with local governmental reporting requirements and established audit processes, which helps reduce transition risk and supports consistent, streamlined financial reporting across both entities.

Financial Impact

The total one-year contract with two annual options to renew is not-to-exceed \$205,000. This amount includes the estimated CPI-based adjustments applicable to the renewal years. Annual audit costs have been incorporated into the FY26/27 proposed budget, and future-year estimates will be included as part of the normal budgeting process. The contract amount represents the maximum authorization, and actual expenditures will be based on the annual audit work performed.

Requested Action

Staff recommends approval of Resolution 2022, authorizing the General Manager to enter into a contract in the amount not-to-exceed \$205,000 with Baker Tilly.

RESOLUTION NO. 2022

A RESOLUTION Awarding and Authorizing the General Manager to Execute a One-Year Contract with Two Annual Options to Renew in the Amount Not -to-Exceed \$205,000.00 with Baker Tilly for Auditing Services

WHEREAS, Medford Water issued a Request for Proposals for Auditing Services to five firms in January 2026; and

WHEREAS, two timely responses to the solicitation were received; one from Talbot Korvola & Warwick and one from Baker Tilly; and

WHEREAS, the Medford Water evaluation team scored each proposal according to the evaluation criteria stated in the solicitation. Baker Tilly received the highest score; and

WHEREAS, Baker Tilly is the proposer best qualified to render auditing services specified in the aforesaid solicitation; and

WHEREAS, the Baker Tilly pricing includes CPI-based adjustments for the optional renewal years, which are accounted for within the total not-to-exceed amount; and

WHEREAS, the value of the contract, not-to-exceed \$205,000.00 for Auditing 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 initial one-year and two additional one-year options to renew in an amount not-to-exceed \$205,000.00 for Auditing Services is hereby awarded to Baker Tilly. The not-to-exceed amount includes an estimated CPI-based adjustments applicable to the renewal years.

SECTION 2. That the General Manager is hereby authorized and directed to execute said contract, payments for said contract up to \$205,000.00, and any contract amendments not exceeding 25 percent of the original contract 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 of its passage on this 20th day of May 2026.

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

Jason Anderson, Chair



Memorandum

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

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

DATE: Wednesday, May 20, 2026

SUBJECT: Item 7.0 – Resolution 2023, Authorizing the General Manager to Execute a Construction Contract with Slayden Constructors for the Capital Hill 12 Million Gallon Reservoir Construction Project

OBJECTIVE: Board Approval

Issue

Staff is seeking Board approval of a resolution to award a contract in the amount of \$31,025,750.00 to Slayden Constructors for construction of the new Capital Hill 12 Million Gallon (MG) Reservoir. Because the total contract amount exceeds the General Manager's purchasing authority, Board approval is required.

Discussion

A component of the Distribution System Resilient Backbone is a new, seismically resilient 12 MG reservoir at the Capital Hill reservoir complex in East Medford. The existing reservoir complex includes 3 water storage structures built in 1908, 1924, and 1946 respectively. The project will replace the existing 12 MG of storage with a contemporary, seismically resilient 12 MG reservoir. The project also incorporates new reservoir overflow elements, new inlet and outlet piping, a new dechlorination facility, and necessary offsite piping in Valley View Avenue. The project is currently anticipated to be completed by June 30, 2028, although that timeline will be clarified once the General Contractor provides a more comprehensive construction schedule.

The bid period closed on May 5th, 2026, and Medford Water was provided with five bids. The bid summary is as follows:

1. Slayden Constructors	\$31,025,750.00
2. Knife River Materials	\$31,191,250.00
3. Emery & Sons	\$31,827,300.00
4. HP Civil	\$33,204,666.66
5. McClure & Sons	\$33,280,999.00

The bids were reviewed and a Notice of Intent to Award was issued to Slayden Constructors on May 7th, 2026. There have been no protests of the bid. Staff anticipate a Notice to Proceed being issued in mid-June 2026.

Financial Impact

This is a multi-year project. The proposed Fiscal Year 2026/27 CIP Budget includes \$9,500,000 for the Capital Hill 12 MG Reservoir Construction project. The project will span 2 fiscal year budget cycles. The anticipated costs for FY 26/27 construction-related activities is within the proposed budget.

Requested Board Action

Staff recommends approval of this Resolution, Authorizing the General Manager to Execute a Construction Contract with Slayden Constructors for the Capital Hill 12 MG Reservoir Construction project in the amount of \$31,025,750.00 and any additional contract amendments not exceeding 5% of the original contract amount.

RESOLUTION NO. 2023

A RESOLUTION, Awarding and Authorizing the General Manager to Execute a Construction Contract in the Amount of \$31,025,750.00 with Slayden Constructors for the Capital Hill 12 Million Gallon Reservoir Construction Project

WHEREAS, Medford Water solicited bids for the Capital Hill 12 Million Gallon (MG) Reservoir Construction project through an Invitation to Bid process; and

WHEREAS, five responsive bids were received on May 5, 2026; and

WHEREAS, a review determined that the bid from Slayden Constructors in the amount of \$31,025,750.00 was the lowest responsive bid; and

WHEREAS, a Notice of Intent to Award was issued to Slayden Constructors on May 7, 2026, and no protests of the award were received; and

WHEREAS, Slayden Constructors is qualified and agreeable to render the services specified in the aforesaid Invitation to Bid; and

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 \$31,025,750.00 for the Capital Hill 12 MG Reservoir Construction project is hereby awarded to Slayden Constructors. This authorization exceeds the authority of the General Manager as defined in Section 1.02 of Medford Water's Contracting & Purchasing Regulations.

SECTION 2. That the General Manager is hereby authorized and directed to make payments for said contract up to \$31,025,750, and any additional contract amendments not exceeding 5% of the original contract amount, on behalf of the Board of Water Commissioners.

PASSED at a regular meeting of the Board of Water Commissioners and signed by me in authentication of its passage this 20th day of May 2026.

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

Jason Anderson, Chair



Memorandum

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

FROM: Brian Runyen, PE, Engineering Manager

DATE: Wednesday, May 11, 2026

SUBJECT: Item 8.0 – Resolution 2024, Awarding and Authorizing the General Manager to Execute a Contract Amendment in the Amount of \$763,065.00 with RH2 Engineering, Inc. for Construction Phase Services Related to Part E for the Distribution System Resilient Backbone Project.

OBJECTIVE: Board Approval

Issue

RH2 was previously awarded a contract for the Distribution System Resilient Backbone Project, including planning and design work for the Capital Hill Reservoir Replacement Project.

Additional scope of work has been identified and a scope and fee for construction phase services has been prepared and is recommended to be awarded as an amendment to the current “Distribution System Resilient Backbone” Project contract with RH2.

The total dollar amount of contract amendments to date exceeds the General Manager’s signing authority; therefore, Board approval is needed.

Discussion

The “Distribution System Resilient Backbone” Project consists of five planned phases, as follows, for which additional Resolutions were planned to be brought forth for approval:

Part A – Planning

Part B – Pre-Design of River Zone Storage

Part C – Design and Construction of River Zone Storage

Part D – Pre-Design of Capital Hill Reservoir Replacement

Part E – Design and Construction of Capital Hill Reservoir Replacement

This resolution covers additional scope of services and costs related to Part E as summarized below:

Part E - Design and Construction of Capital Hill Reservoir Replacement

Design work for the Capital Hill Reservoir Replacement is complete, bid documents have been produced and advertised, and Medford Water is in receipt of bids for the construction of Capital Hill Reservoir and associated ancillary work.

In support of construction activities, staff solicited a scope and fee for construction phase services from RH2. These activities include but are not limited to:

- Additional bid phase support.
- Pre-construction activities including additional public outreach support.
- Submittal, RFI, and Change Order review and documentation as requested.
- Scheduled Construction Inspection and Observations as requested within budgeted amounts.
- Punchlist inspection.
- Substantial completion and project acceptance documentation.
- Required submittals to Oregon Health Authority for regulatory compliance.
- Record drawings.

This resolution includes a budget increase of \$763,065.00 for Part E.

Financial Impact

This Resolution adds \$763,065.00 to the engineering services budget for the overall Distribution System Resilient Backbone Project, increasing the RH2 contract amount to date to \$2,890,215.00 as detailed in the following table:

RH2 Engineering Consulting Services Contract for the DISTRIBUTION SYSTEM RESILIENT BACKBONE PROJECT

PART	DESCRIPTION	BUDGET TO DATE	THIS RESOLUTION	REV. TOTAL
A	PLANNING	\$ 347,683.00		\$ 347,683.00
	RIVER ZONE (REDUCED PRESSURE ZONE) STORAGE			\$ -
B	Pre-Design of Reduced Pressure Zone Storage	\$ 84,842.00		\$ 84,842.00
C	Design and Construction of River Zone Storage			\$ -
	CAPITAL HILL RESERVOIR REPLACEMENT			\$ -
D	Pre-Design of Capital Hill Reservoir Replacement	\$ 535,107.00		\$ 535,107.00
E	Design, Bid, & Construction Services for Capital Hill Reservoir Replacement	\$ 1,159,518.00	\$ 763,065.00	\$ 1,922,583.00
DSRB PROJECT TOTALS				\$ 2,890,215.00

Consultant design fees for these projects, including this amendment, continue to be below expected ranges as a percent of estimated construction cost.

Total budgeted engineering cost to date (including this amendment) for the Capital Hill Reservoir Replacement (Parts D & E) is 7.9% of the \$31.03 million current construction cost as bid by Slayden Constructors.

Requested Board Action

Staff recommend approval of this Resolution, authorizing the General Manager to execute a Change Order to the contract with RH2, Inc. in the amount of \$763,064.00 for providing the construction phase services for construction of the new Capital Hill Reservoir.

RESOLUTION NO. 2024

A RESOLUTION Awarding and Authorizing the General Manager to Execute a Contract Amendment in the Amount of \$763,065.00 with RH2 Engineering, Inc. for Engineering Services Related to Part E of the Distribution System Resilient Backbone Project

WHEREAS, Medford Water executed a Contract with RH2 Engineering, Inc. on September 3rd, 2021, authorized under Resolution 1783, for \$347,683.00 for “Part A – Planning” of the “Distribution System Resilient Backbone” Project; and

WHEREAS, the project consists of five planned phases, as follows, for which additional Resolutions were planned to be brought forth for approval:

- Part A – Planning
- Part B – Pre-Design of Reduced Pressure Zone Storage
- Part C – Design and Construction of Reduced Pressure Zone Storage
- Part D – Pre-Design of Capital Hill Reservoir Replacement
- Part E – Design and Construction of Capital Hill Reservoir Replacement; and

WHEREAS, Medford Water has executed multiple Contract Amendments with RH2 Engineering, Inc. totaling \$1,779,467.00 for Part D and portions of Parts B & E, authorized under the General Manager’s authority and Resolutions 1839,1923, 1945 and 1995; and

WHEREAS, RH2 Engineering, Inc. has submitted an additional Scope of Work and Budget, totaling 763,065.00, for Part E, and is qualified and agreeable to render the services specified therein; and

WHEREAS, additional amendments for Parts B, C, and E will separately be brought back to the Board for approval and amendment to the contract; and

WHEREAS, the total dollar amount of the Contract Amendments to date exceeds the General Manager’s signing authority as defined in Section 1.02 of Medford Water’s Contracting & Purchasing Regulations;

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 not-to-exceed of \$763,065.00, resulting in a total contract value to \$2,890,215.00, for Engineering Services related to the “Distribution System Resilient Backbone” project is hereby awarded to RH2 Engineering, Inc.

SECTION 2. The General Manager is hereby authorized and directed to execute said contract amendment and payments for said contract amendment with RH2 Engineering, Inc.

PASSED at a regular meeting of the Board of Water Commissioners and signed by me in authentication thereof this 20th day of May 2026.

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

Jason Anderson, Chair