MEDFORD WATER

Meeting of the Board of Water Commissioners

Wednesday, November 18, 2026 – 12:15 p.m.

Lausmann Annex - Room 151

200 S. Ivy Street, Medford, Oregon 97501

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

AGENDA

11:30 a.m. LUNCH

11:45 a.m. STUDY SESSION – Cost of Service Study Presentation - Part II of II (Beau Belikoff Finance Manager, Shawn Koorn and Kevin Lorentzen 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 November 4, 2026

   4.2 Quarterly Letter to Mayor and Council

5. **Items Removed from Consent Calendar**

6. **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.

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

8. **Adjourn**

Meeting locations are generally accessible to persons with disabilities. To request interpreters for hearing impaired or other accommodations for persons with disabilities, please contact our office at (541) 774-2440 or water@medfordwater.org at least three business days prior to the meeting to ensure availability. For TTY, dial 711 or (800) 735-2900.

DATES TO REMEMBER*

DATE	DAY	TYPE OF MEETING	STUDY SESSION TOPIC	REGULAR MEETING	LOCATION
12/2/26	Wed	Board Meeting	TBD	12:15 p.m.	Prescott Room, Police Dept
12/16/26	Wed	Board Meeting	Annual Audit	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_aZLIdNsfQe6jKgxtWZn7QA
Meeting passcode: 482843



To join by phone, call:
(669) 900-6833
Meeting ID Number: 842 5013 7809 Meeting passcode: 482843

Memorandum

TO: Commissioners Jason Anderson, John Dailey, Bob Mylenek, Brian Sjothun, and David Wright
FROM: Brad Taylor, General Manager
DATE: Wednesday, November 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 first quarter of Fiscal Year 2026-27 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 first quarter of FY26-27, 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 first quarter letter to the Mayor and City Council.

MEDFORD WATER

November 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 First quarter of Fiscal Year 2026–27, along with the Consumption and Watershed Reports.

Highlights from the first quarter (July - September 2026) include the following:

- Conducted study sessions focused on comprehensive financial management planning, water distribution operations, SCADA modernization, cybersecurity preparedness, and public outreach associated with major capital projects.
- Approved significant infrastructure investment construction contracts, including Capital Hill Reservoir, ongoing multi-year SCADA system improvements, meter procurement, engineering services, and water main replacement projects supporting reliable water delivery and meeting future system growth.
- Completed annual public hearings and approvals for System Development Charges (SDCs) supporting growth-related water system infrastructure and long-term capital planning.
- Advanced watershed and forest management efforts through ongoing watershed activities, timber sale approvals, logging services contracts, and resource stewardship initiatives.
- Continued implementation of the Comprehensive Financial Management Plan while reviewing operating expenditure policies, federal advocacy efforts, and other initiatives supporting Medford Water's long-term financial sustainability.

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

200 S. Ivy Street – Room 177
Medford, Oregon 97501
Phone: (541) 774-2430
medfordwater.org
water@medfordwater.org
Fax: (541) 774-2555

Medford Water Commission
Income Statement
September 30, 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	$ 1,149,807	$ -	$ -	$ 1,149,807	$ 1,127,009	$ 4,053,300	$ 3,838,379
Commercial Sales Inside Gallonage	485,239	-	-	485,239	390,676	1,517,390	1,275,227
Industrial Sales Inside Gallonage	9,235	-	-	9,235	9,987	25,009	23,023
Base Charges Inside	848,279	-	-	848,279	740,545	2,541,842	2,219,197
High Elevation Charges	72,295	-	-	72,295	65,091	224,347	200,274
Fire Services Inside	49,501	-	-	49,501	42,783	148,355	127,773
Residential Sales Outside Gallonage	150,407	-	-	150,407	146,337	617,208	570,183
Commercial Sales Outside Gallonage	118,138	-	-	118,138	81,619	373,214	304,671
Industrial Sales Outside Gallonage	236,153	-	-	236,153	195,135	793,149	652,819
Base Charges Outside	184,089	-	-	184,089	162,349	554,191	486,564
Fire Services Outside	15,214	-	-	15,214	14,027	45,664	40,645
Sales to Other Utilities	514,031	-	-	514,031	345,049	1,851,436	1,221,525
Miscellaneous Collections	53,324	-	-	53,324	48,674	145,009	135,972
Connections/Installations	144,639	-	-	144,639	122,832	291,271	257,350
Miscellaneous Revenue	43,980	-	-	43,980	15,178	44,630	122,755
Total Operating Revenues	**4,074,332**	**-**	**-**	**4,074,332**	**3,507,292**	**13,226,014**	**11,476,358**
Operating Expenses							
Source of Supply	77,992	-	-	77,992	74,213	275,540	254,231
Supply Pumping	153,581	-	-	153,581	117,611	453,932	367,567
Purification	431,163	-	-	431,163	317,033	1,478,881	1,221,991
Transmission	16,301	-	-	16,301	53,453	50,157	117,109
Distribution Pumping	54,168	-	-	54,168	57,210	167,341	184,967
Distribution	339,239	-	-	339,239	409,274	1,063,893	1,407,927
Customer Service, Collection & Meter Reading	204,227	-	-	204,227	197,612	780,622	775,222
Administrative & General	114,486	-	-	114,486	172,748	595,804	529,465
Connections/Installations	141,864	-	-	141,864	88,900	244,329	215,742
Total Operating Expenses	**1,533,021**	**-**	**-**	**1,533,021**	**1,488,054**	**5,110,499**	**5,074,221**
Operating Income Before Depreciation	**2,541,311**	**-**	**-**	**2,541,311**	**2,019,238**	**8,115,515**	**6,402,137**
Depreciation	551,776	-	69,404	621,180	533,941	1,860,906	1,602,430
Total Operating Income	**1,989,535**	**-**	**(69,404)**	**1,920,131**	**1,485,297**	**6,254,610**	**4,799,707**
Non Operating Revenues (Expenses)							
Charges in Lieu of Assessments	-	-	-	-	-	-	-
Investment Revenue	52,724	(28,609)	-	24,114	196,170	275,779	538,513
Grant Revenue	-	-	-	-	-	-	25,962
Forest Product Revenue	-	-	-	-	-	-	-
Debt Proceeds	-	-	-	-	-	-	13,940,000
Loss on Disposal of Assets	-	-	-	-	(283)	-	(283)
FWRD Expense	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	(919,125)	(919,125)
Subsidy - Affordability Support	-	-	-	-	-	(18,000)	(18,500)
Grant Expenses	(10,251)	-	-	(10,251)	-	(10,251)	(28,710)
Total Non Operating Revenues (Expenses)	**42,472**	**(28,609)**	**-**	**13,863**	**195,887**	**(671,597)**	**13,537,857**
Income Before Contributions	**2,032,008**	**(28,609)**	**(69,404)**	**1,933,994**	**1,681,184**	**5,583,013**	**18,337,564**
Capital Contributions							
System Development Charges	236,090	-	-	236,090	137,328	799,845	416,303
Developer Donations (Capitalized)	16,411	-	-	16,411	346,308	1,425,570	464,815
Total Income from Contributions	**252,501**	**-**	**-**	**252,501**	**483,636**	**2,225,414**	**881,118**
Net Income	**$ 2,284,508**	**$ (28,609)**	**$ (69,404)**	**$ 2,186,495**	**$ 2,164,820**	**$ 7,808,427**	**$ 19,218,682**

Medford Water Commission
Balance Sheet
September 30, 2026

	Water Fund	Construction Fund	Bond Project Fund	Total	Last Year
Assets					
Current Assets					
Cash	$ 3,097,261	$ -	$ -	$ 3,097,261	$ 2,973,088
Revolving Fund Cash	2,940	-	-	2,940	2,940
Cafeteria Plan Cash	17,643	-	-	17,643	9,519
Short Term Investments	19,794,800	11,330,852	-	31,125,653	46,130,171
Short Term Investments- Future Main Replacements	-	4,385,182	-	4,385,182	4,274,632
Short Term Investments- Future Treatment and Transport	-	1,234,388	-	1,234,388	627,896
Short Term Investments- Future Water Rights Development	-	5,396,722	-	5,396,722	5,260,671
Short Term Investments- Vernal Pool Management	-	162,177	-	162,177	158,089
Short Term Restricted Investments	1,221,762	-	-	1,221,762	1,243,941
Short Term Restricted Investments - Retainage	740,392	-	1,069,452	1,809,844	2,023,752
SDC Investments	-	-	-	-	-
Notes Receivable	1,243,089	-	-	1,243,089	1,484,500
Accounts Receivable	4,822,645	-	-	4,822,645	4,716,764
Accounts Receivable - Misc.	1,079,939	-	-	1,079,939	1,979,204
Cafeteria Plan Receivable	12,285	-	-	12,285	9,782
Inventory	2,218,629	-	-	2,218,629	2,147,066
Work in Progress	327,288	-	-	327,288	354,958
Prepaid Expenses	341,892	-	-	341,892	318,739
Other Current Assets	24,476	-	-	24,476	24,581
Total Current Assets	**34,945,042**	**22,509,321**	**1,069,452**	**58,523,814**	**73,740,293**
Fixed Assets					
Utility Plant / Service	326,322,145	-	42,310,183	368,632,329	326,351,313
Construction in Progress	26,972,871	-	30,067,049	57,039,920	62,193,657
Accumulated Depreciation	(86,318,004)	-	(533,755)	(86,851,759)	(82,214,259)
Total Fixed Assets	**266,977,012**	**-**	**71,843,478**	**338,820,490**	**306,330,711**
Total Assets	***$ 301,922,054***	***$ 22,509,321***	***$ 72,912,930***	***$ 397,344,304***	***$ 380,071,004***
Liabilities & Fund Equity					
Current Liabilities					
Accounts Payable	$ 4,178,812	$ -	$ -	$ 4,178,812	$ 3,108,170
Retainage Payable	788,942	-	1,069,452	1,858,394	2,091,203
Customer Deposits	254,342	-	-	254,342	210,498
Miscellaneous Deposits	-	-	-	-	-
Construction Deposits	531,924	-	-	531,924	677,805
Miscellaneous Payable	367	-	-	367	140,081
Water Districts Payable	35,201	-	-	35,201	16,810
Accrued Vacation	883,546	-	-	883,546	917,724
Cafeteria Plan Payable	15,318	-	-	15,318	9,519
Other Current Liabilities	4,122	-	-	4,122	(25)
Total Current Liabilities	**6,692,575**	**-**	**1,069,452**	**7,762,027**	**7,171,785**
Fund Equity					
Retained Earnings	287,298,787	22,423,374	72,051,690	381,773,851	353,680,537
Total Fund Equity	**287,298,787**	**22,423,374**	**72,051,690**	**381,773,851**	**353,680,537**
Net Income - Fiscal YTD	**7,930,692**	**85,947**	**(208,212)**	**7,808,427**	**19,218,682**
Fund Transfers In (Out)	**-**	**-**	**-**	**-**	**-**
Total Liabilities & Fund Equity	***$ 301,922,054***	***$ 22,509,321***	***$ 72,912,930***	***$ 397,344,304***	***$ 380,071,004***

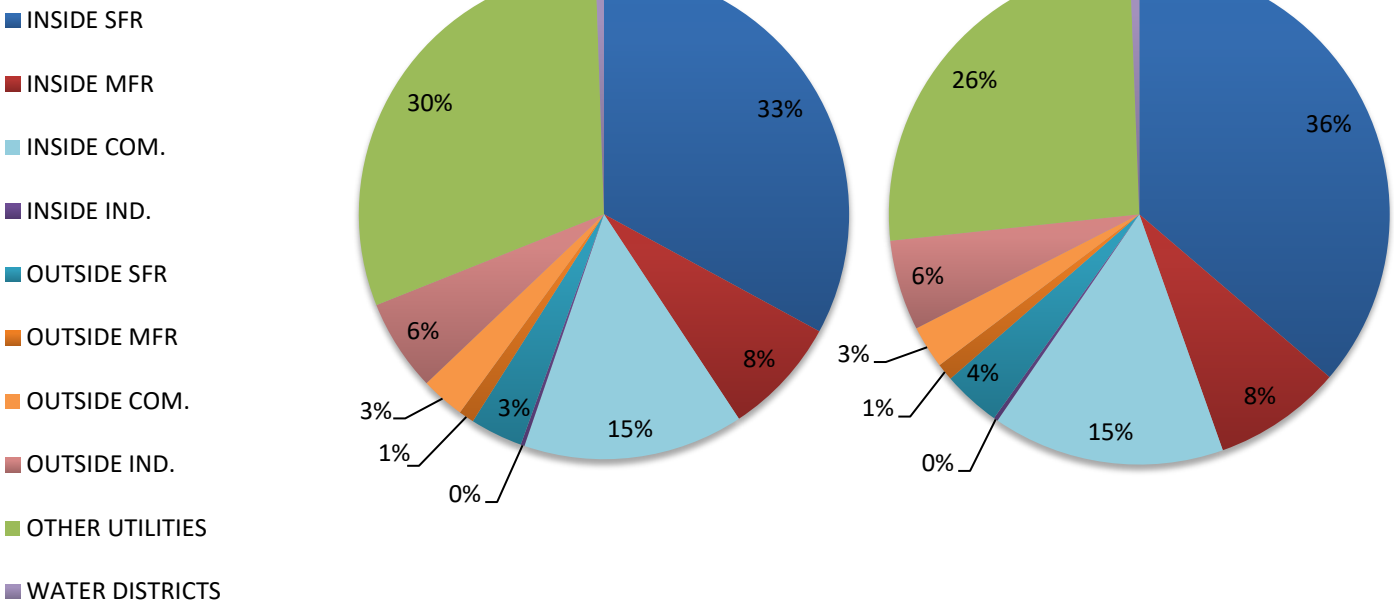
MEDFORD WATER

2026-27 FISCAL YEAR
WATER CONSUMPTION & SERVICES
First Quarter

WATER CONSUMPTION - THOUSANDS OF GALLONS

	CONSUMPTION JUL - SEPT 2026	CONSUMPTION JUL - SEPT 2025	CHANGE IN CONSUMPTION
INSIDE SINGLE-FAMILY RESIDENTIAL	1,350,352	1,442,034	-6.36%
INSIDE MULTIPLE-FAMILY RESIDENTIAL	319,515	330,773	-3.40%
INSIDE COMMERCIAL	596,267	596,117	0.03%
INSIDE INDUSTRIAL	10,377	10,860	-4.45%
OUTSIDE SINGLE-FAMILY RESIDENTIAL	142,231	148,796	-4.41%
OUTSIDE MULTIPLE-FAMILY RESIDENTIAL	41,642	43,990	-5.34%
OUTSIDE COMMERCIAL	118,430	110,051	7.61%
OUTSIDE INDUSTRIAL	248,658	232,303	7.04%
SALES TO PARTNER CITIES	1,250,741	1,037,178	20.59%
SALES TO WATER DISTRICTS	22,367	23,869	-6.29%
TOTAL WATER CONSUMPTION	**4,100,580**	**3,975,971**	**3.13%**

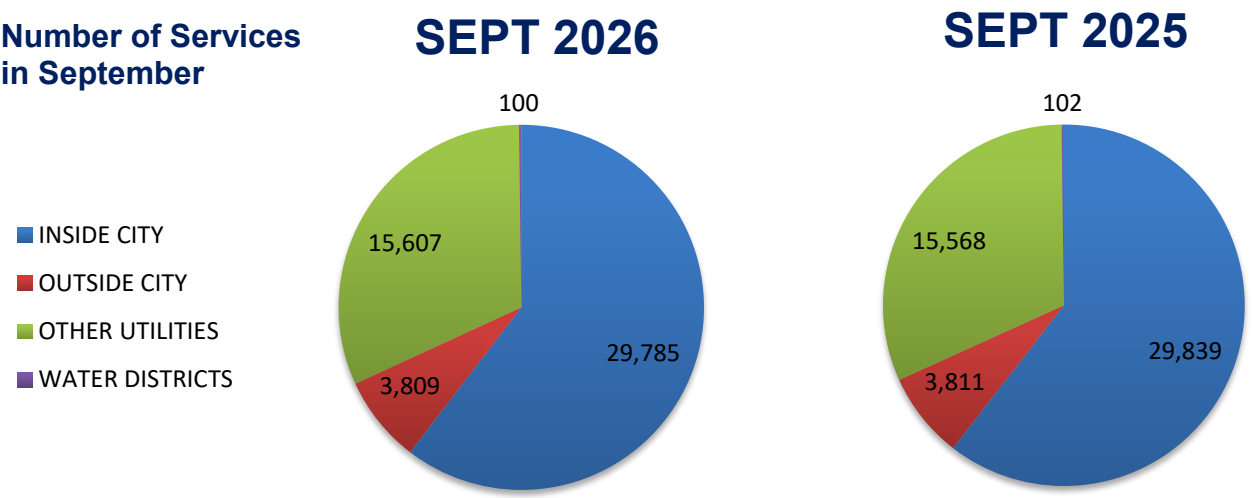
Percentage of Total Consumption for Quarter



WATER SERVICES TO SEPTEMBER 30, 2026

	SERVICES SEPT 2026	SERVICES SEPT 2025	CHANGE IN SERVICES
INSIDE CITY			
RESIDENTIAL - SINGLE-FAMILY	23,670	23,732	-62
RESIDENTIAL - MULTIPLE-FAMILY	2,645	2,650	-5
COMMERCIAL	2,854	2,832	22
INDUSTRIAL	54	54	0
FIRE SERVICES	562	571	-9
SUBTOTAL - INSIDE CITY	**29,785**	**29,839**	**-54**
OUTSIDE CITY			
RESIDENTIAL - SINGLE-FAMILY	3,257	3,236	21
RESIDENTIAL - MULTIPLE FAMILY	91	92	-1
COMMERCIAL	255	250	5
INDUSTRIAL	117	112	5
UTILITIES			0
FIRE SERVICES	89	121	-32
SUBTOTAL - OUTSIDE CITY	**3,809**	**3,811**	**-2**
OTHER UTILITIES			
CITY OF CENTRAL POINT	6,913	6,895	18
CITY OF JACKSONVILLE	1,573	1,569	4
CITY OF EAGLE POINT	3,729	3,715	14
CITY OF PHOENIX	1,214	1,212	2
CITY OF TALENT	2,178	2,177	1
SUBTOTAL - PARTNER CITIES	**15,607**	**15,568**	**39**
WATER DISTRICTS			
ELK CITY	100	102	-2
SUBTOTAL - WATER DISTRICTS	**100**	**102**	**-2**
TOTAL WATER SERVICES	**49,301**	**49,320**	**-19**

Number of Services in September

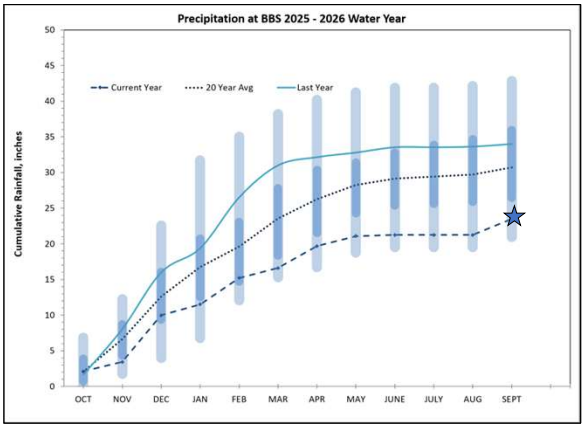


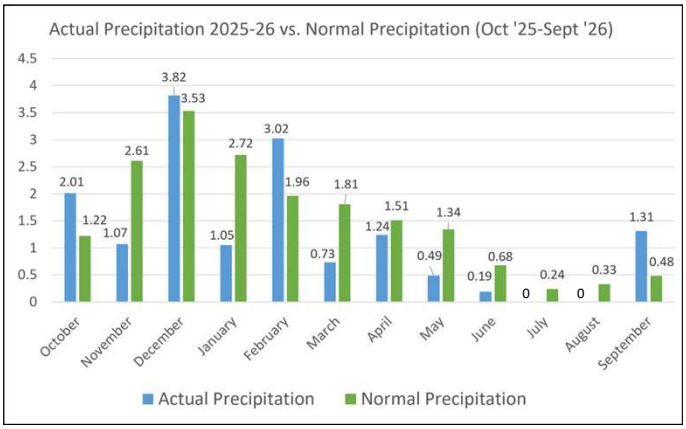
Watershed Precipitation – End of Water Year

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

Big Butte Springs 23.46 inches: 23% Below Normal

Medford Area 14.94 inches: 19% Below Normal



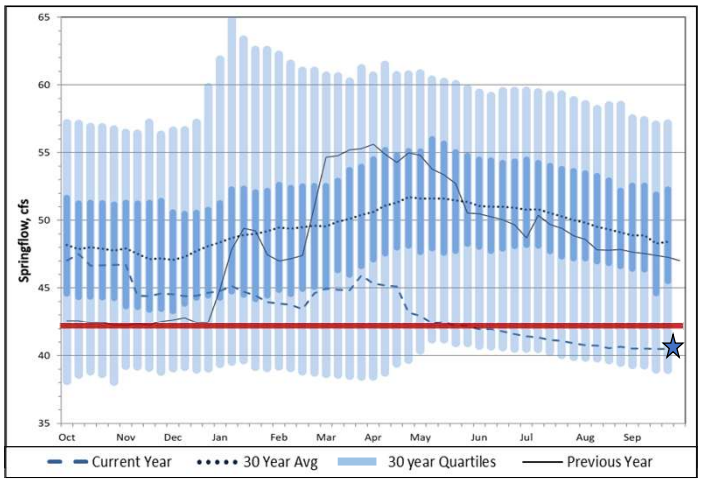


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Big Butte Springs Flows – End of Water Year

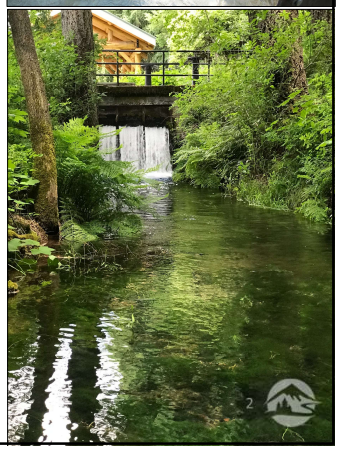
2025-26 Water Year (Oct 1st – Sept. 30th)

- Currently at pipe and a half: Producing approximately 19 MGD
- Spring flows were not quite enough to fill two full pipes this summer



Minimum flow for 2 full pipes





2

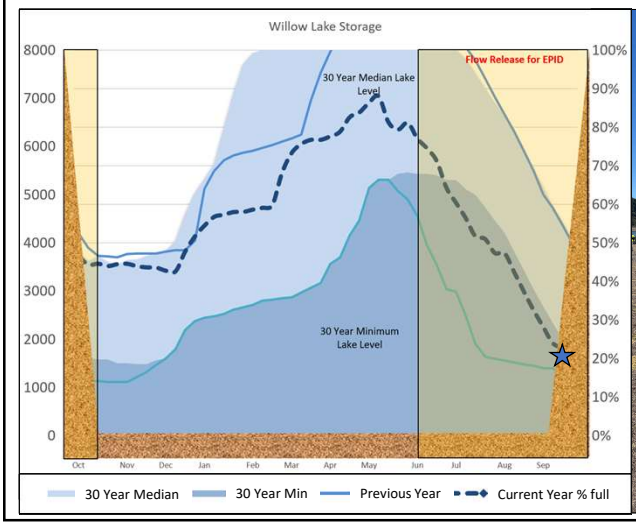
Willow Lake Storage

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



21% full

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



- EPID irrigation season April 22nd – Sept. 9th
- Started the Water Year at 3,550-acre feet
- Ended Water Year at 1,750-acre feet

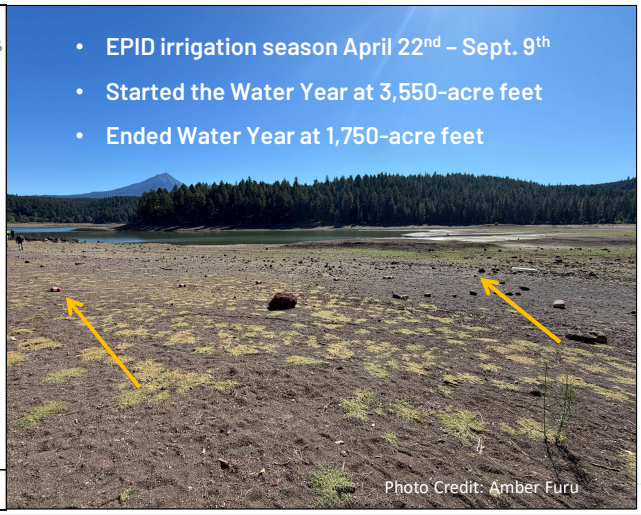
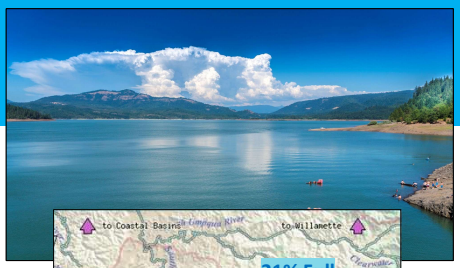


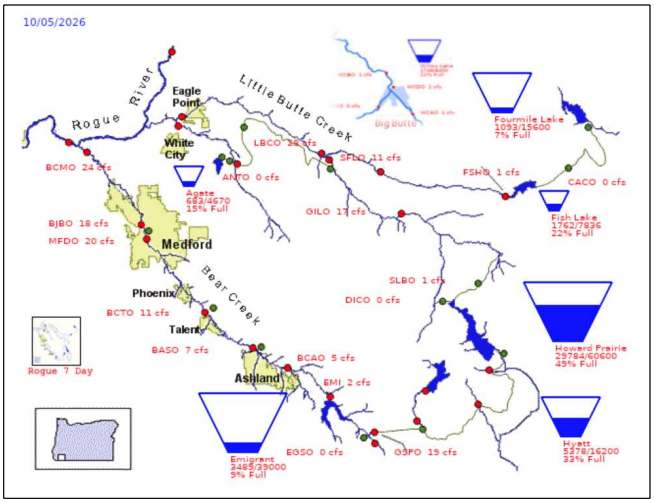
Photo Credit: Amber Furu

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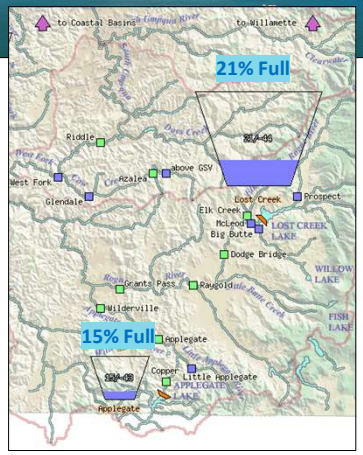
Rogue Basin Reservoir Storage

Local Irrigation Reservoirs & Flood Control Reservoirs





https://www.usbr.gov/pn/hydromet/select.html



https://www.nwd-wc.usace.army.mil/nwp/teacup/rogue/

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