



## CITY COUNCIL STUDY SESSION DRAFT MINUTES

Monday, May 2, 2022

Held Electronically

View on Channel 9 or Channels 180 and 181 (for Charter Communications customers)  
or live stream via [rvtv.sou.edu](http://rvtv.sou.edu) select RVTV Prime.

**Written and oral testimony will be accepted for public input. For written testimony, email [public-testimony@ashland.or.us](mailto:public-testimony@ashland.or.us) using the subject line: Ashland City Council Public Testimony.**

**For oral testimony, fill out a Speaker Request Form at [ashland.or.us/speakerrequest](http://ashland.or.us/speakerrequest) and return to the City Recorder. The deadline for submitting written testimony or speaker request forms will be on Monday, May 2<sup>nd</sup> at 10 a.m. and must comply with Council Rules to be accepted.**

**Mayor Akins called the Study Session to order at 5:30 p.m.**

1. Public Input (15 minutes, maximum)  
None.
2. Systems Development Charges Update

City Manager Joe Lessard gave a brief Staff report.

Public Works Director introduced Deb Galardi. Ms. Galardi went over a PowerPoint Presentation (*see attached*).

Items discussed were:

- SDC Update Scope
- SDC Program Elements
  - Project List
  - SDC Methodology
  - SDC Schedule
  - Policies and Procedures (City Code)
- SDC Methodology Components
  - Reimbursement Fee
  - Improvement Fee
  - Compliance Costs
- Basic SDC Equation
- Preliminary Water Costs
- Single Family Dwelling Water Use
- Single Family House Size Distributin
- Water Use/House Size Relationship is Non – Linear
- Other Considerations
- Role of Baseline Value
- Preliminary SDCs for Single Family
- Multifamily Water SDC
- Commercial Water SDCs

- Stormwater SDCs and Costs
- SDC Phasing
- Residential Water SDC Comparison
- Commercial Water SDC Comparison (2” Meter)
- Residential Stormwater SDC Comparison (3,000 SQ FT)
- SDC Policies
  - Collection of charge
  - SDC Financing
- Summer Committee Feedback & Recommendations
- SDC Implementation & Updating

Council discussed long-term financing.

Council discussed the CIP.

Council discussed the importance of having a Water Treatment Plant.

Council discussed suggested next steps.

### 3. Water Supply & Storage Report

Mr. Fluery gave a brief Staff Report and presented a PowerPoint (*see attached*).

Items discussed were:

- Water Sources
- Current Status
- TID
- Not connected to Emigrant Lake for any water supply.
- TAP
- All sources
- Water consumption
- Water Management Strategy
- Water System Planning
- Water Management and Conservation plan update
- Regional Water Planning
- Water Conservation & Efficiency

### 4. Look Ahead

Mr. Lessard went over the Look Ahead

Councilor DuQuenne went over Junteenth activities.

### 5. Adjournment

The Study Session was adjourned at 7:13 PM

Respectfully Submitted by:

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City Recorder Melissa Huhtala

Attest:

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Mayor Akins

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Administrator's office at (541) 488-6002 (TTY phone number 1-800-735-2900). Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting (28 CFR 35.102-35.104 ADA Title I).*



# SYSTEM DEVELOPMENT CHARGES

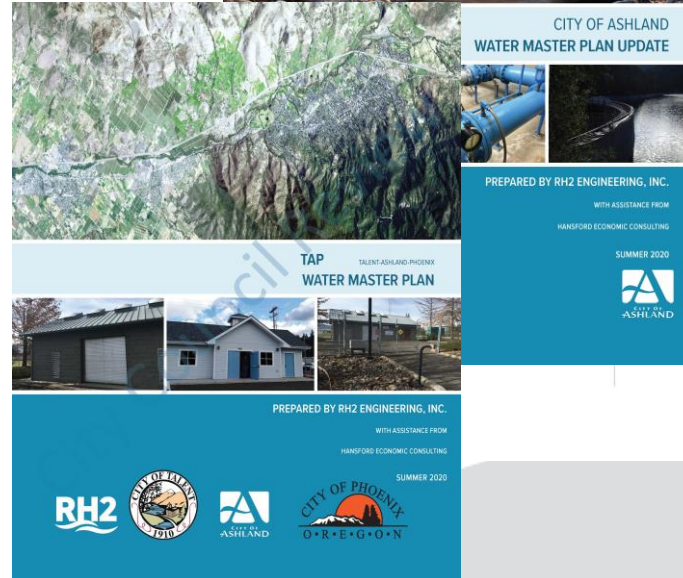
CITY COUNCIL MEETING  
MAY 2, 2022



Galardi Rothstein Group

# SDC UPDATE SCOPE

- Determine growth-Related infrastructure costs
- Evaluate fee structures
- Review other SDC-related policies and practices
- Work with SDC Advisory Committee to develop recommendations



**KJ** Kennedy Jenks

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503-423-4000

In Coordination with:  
**Barney & Worth, Inc.**  
FCS Group

**Stormwater and Drainage  
Master Plan**

19 November 2020

CITY OF ASHLAND  
WATER MASTER PLAN UPDATE

PREPARED BY RH2 ENGINEERING, INC.

WITH ASSISTANCE FROM  
HANSFORD ECONOMIC CONSULTING

SUMMER 2020



Prepared for  
**The City of Ashland**  
20 East Main Street  
Ashland, Oregon 97520

KJ Project No. 1796053100

PREPARED BY RH2 ENGINEERING, INC.

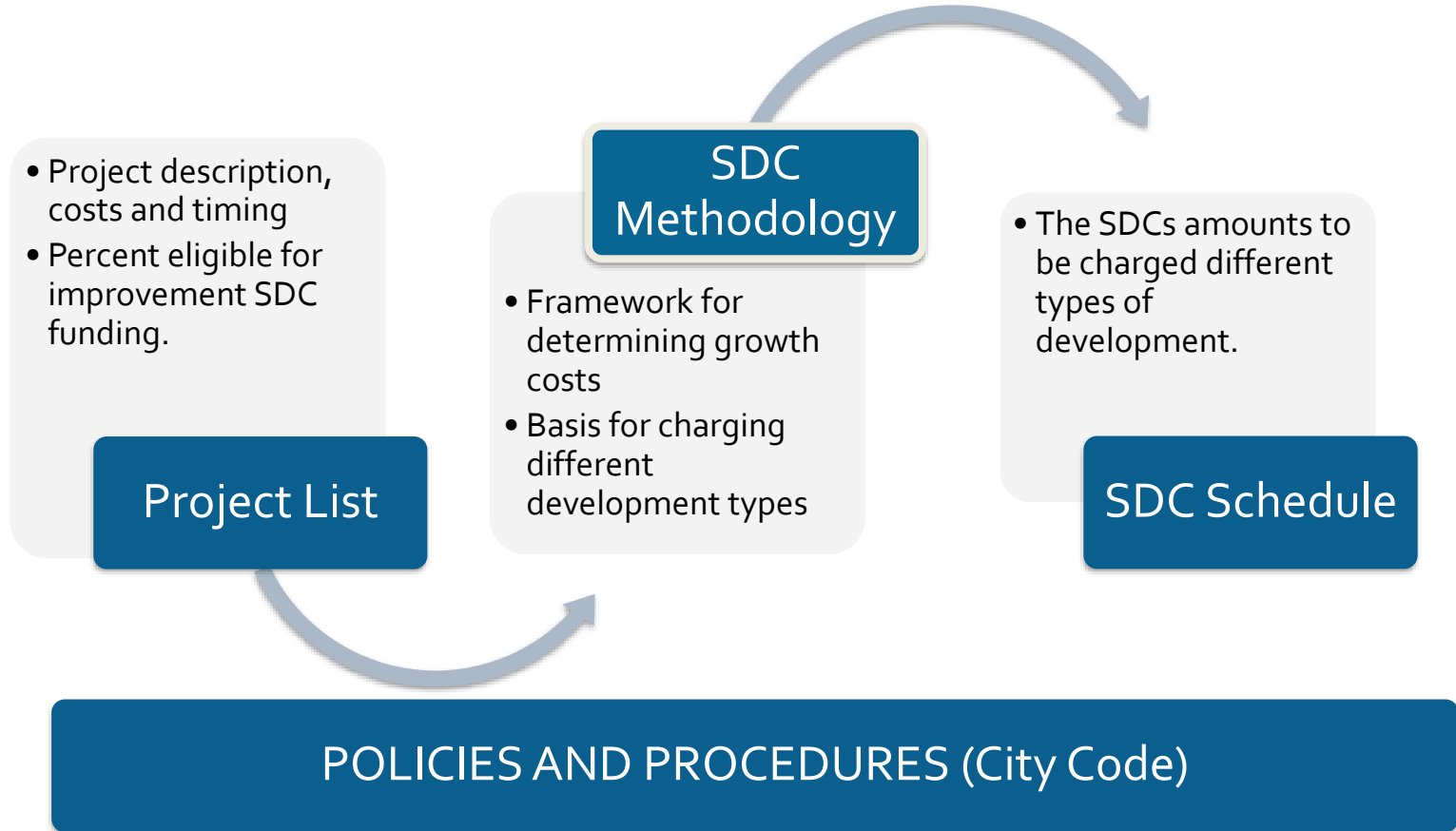
WITH ASSISTANCE FROM  
HANSFORD ECONOMIC CONSULTING

SUMMER 2020



**Galardi Rothstein Group**

# SDC PROGRAM ELEMENTS



# SDC METHODOLOGY COMPONENTS

## Reimbursement Fee

- Existing facility costs net of contributions
- Capacity available for growth

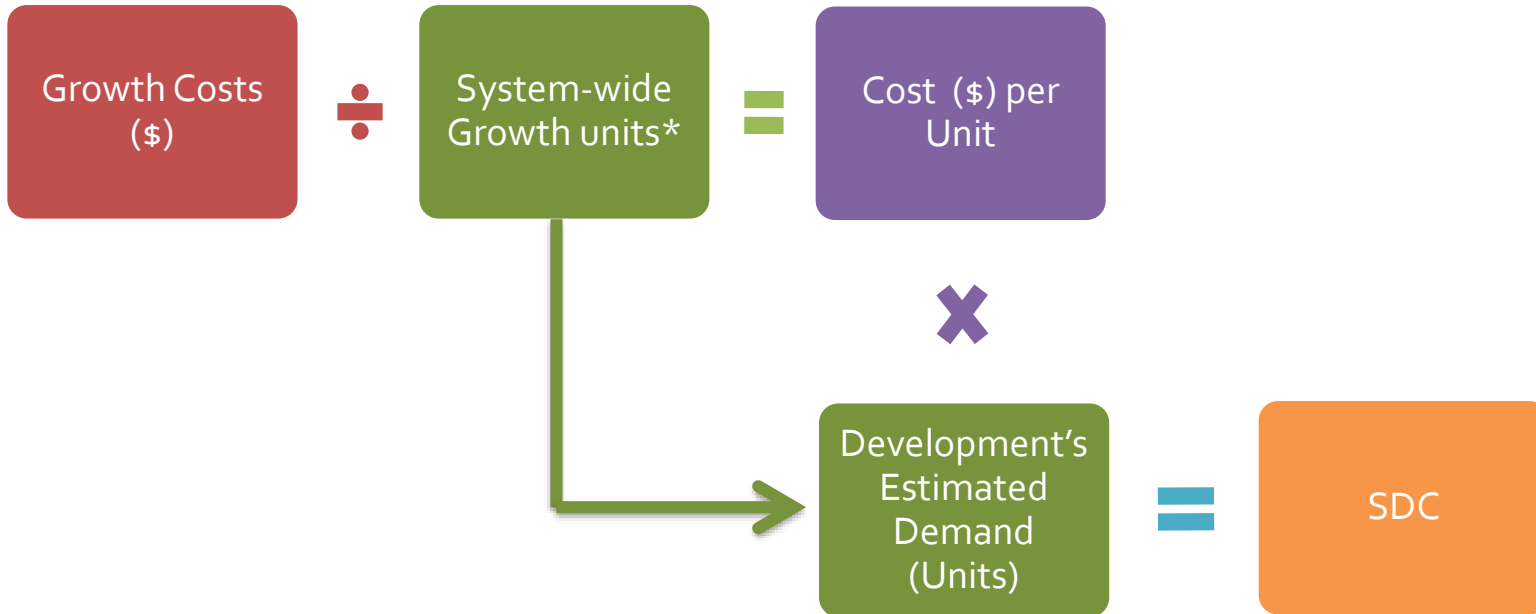
## Improvement Fee

- Projects that increase capacity for growth
- Needed within 2040 period
- Adjusted for inflation as of Jan 2022

## Compliance Costs

- SDC methodology
- Master planning
- SDC accounting

# BASIC SDC EQUATION



\*Units vary by system (e.g., water = peak water demand and drainage = impervious area)

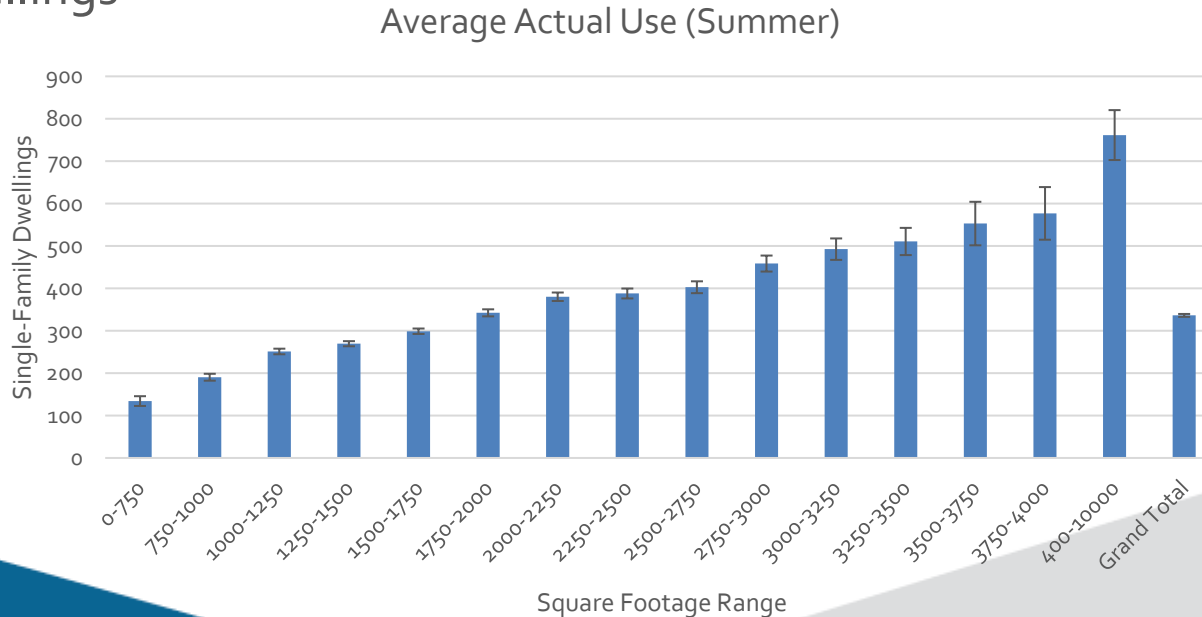


# PRELIMINARY WATER COSTS & SDCS

Scenario/Component	Total Cost (\$2022) <sup>1</sup>	Growth \$
<b>Updated 2040 List</b>		
City system	\$103,831,999	\$16,004,142
TAP (Option 1)	\$6,165,980	\$494,337
Total Improvement	\$109,997,979	\$16,498,479
Reimbursement <sup>2</sup>	\$43,199,860	\$4,489,959
Compliance <sup>3</sup>	\$700,000	\$197,728
<b>Total</b>	<b>\$153,897,839</b>	<b>\$21,186,167</b>
<b>Updated 2040 (no WTP) List</b>		
City system	\$58,202,522	\$8,474,746
TAP (Option 1)	\$6,165,980	\$494,337
Total Improvement	\$64,368,503	\$8,969,083
Reimbursement <sup>2</sup>	\$43,199,860	\$4,848,671
Compliance	\$700,000	\$204,660
<b>Total</b>	<b>\$108,268,362</b>	<b>\$14,022,415</b>
<sup>1</sup> Through April 2022		
<sup>2</sup> Includes Medford Water Commission SDC payments		
<sup>3</sup> Includes master planning, SDC methodology updating and SDC administration for 20-year period.		

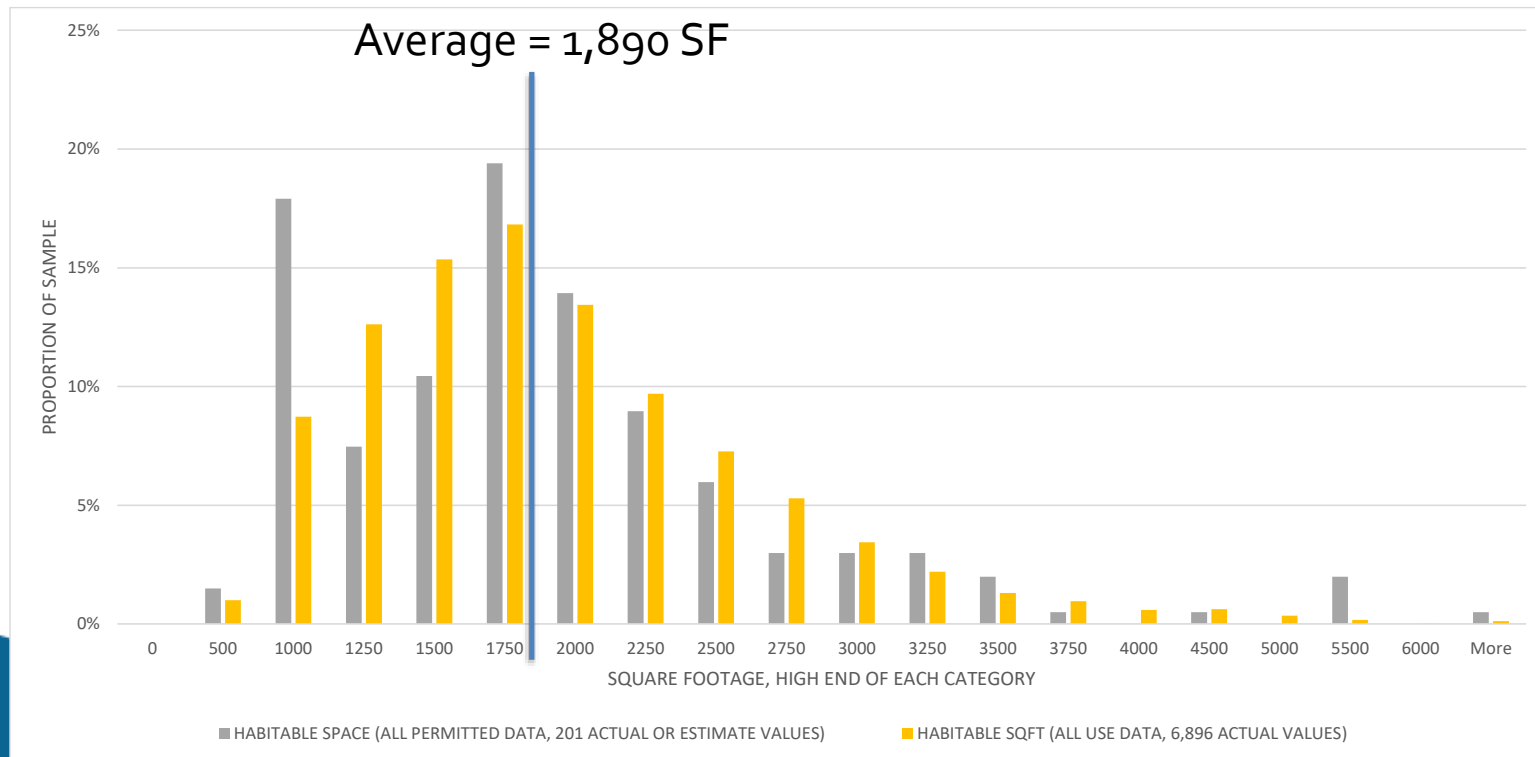
# SINGLE FAMILY DWELLING WATER USE

- Current SDCs scaled based on residential dwelling size
- Summer (peak) water use increases with house size for single family dwellings

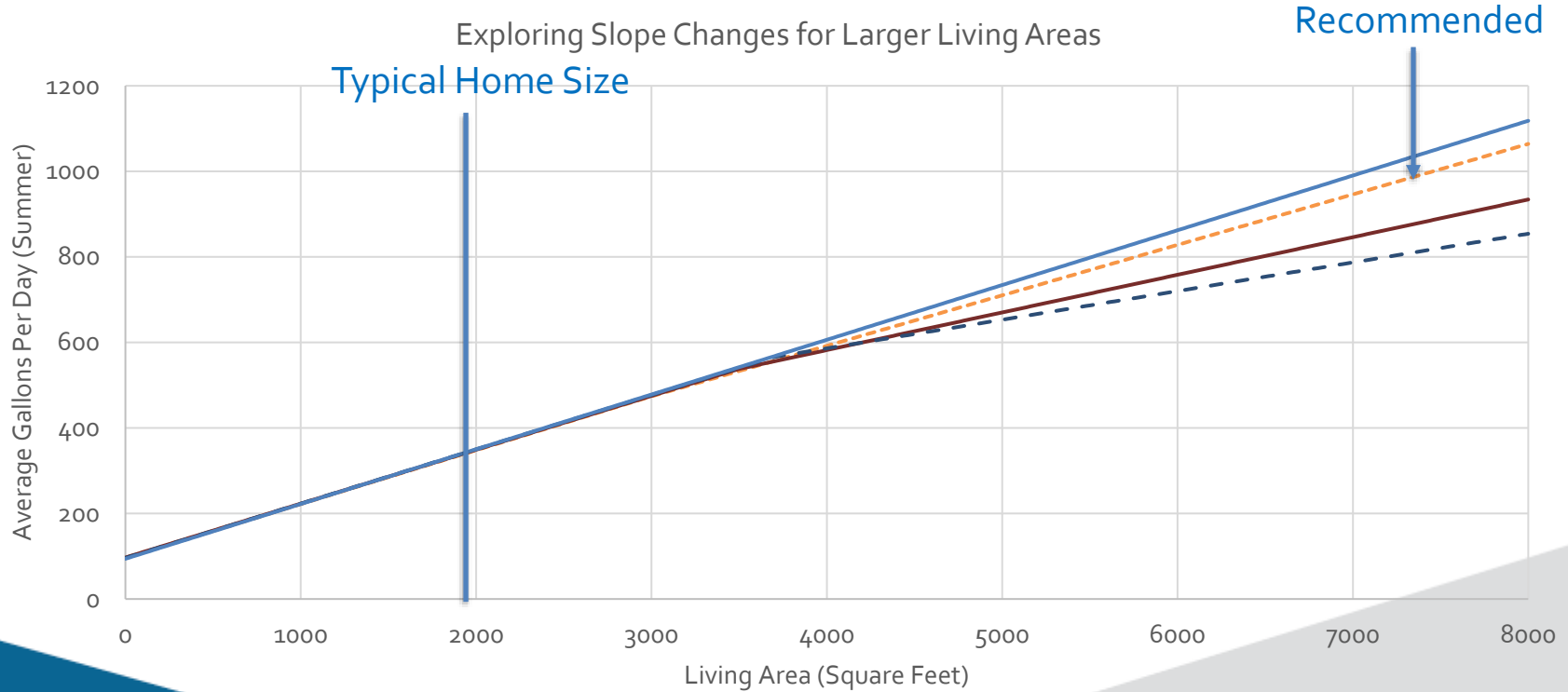


# SINGLE FAMILY HOUSE SIZE DISTRIBUTION

- Based on 5 years of permit data - % of permits > 3,000 sq. ft. = 6-8%



# WATER USE/HOUSE SIZE RELATIONSHIP IS NON-LINEAR

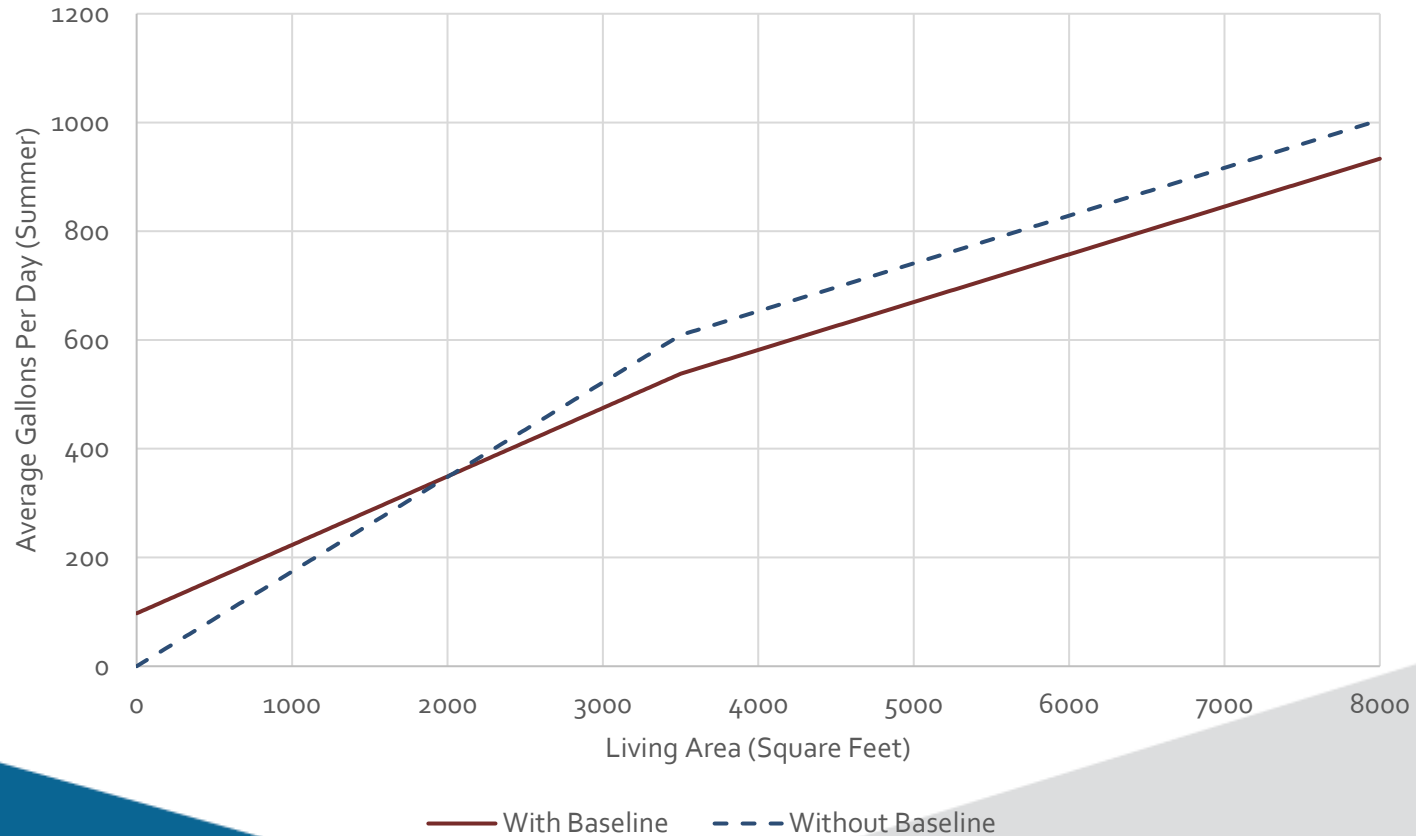


Breakpoints at (square feet):    - - - 3000    — 3500    - - - 3700    — No Breakpoint

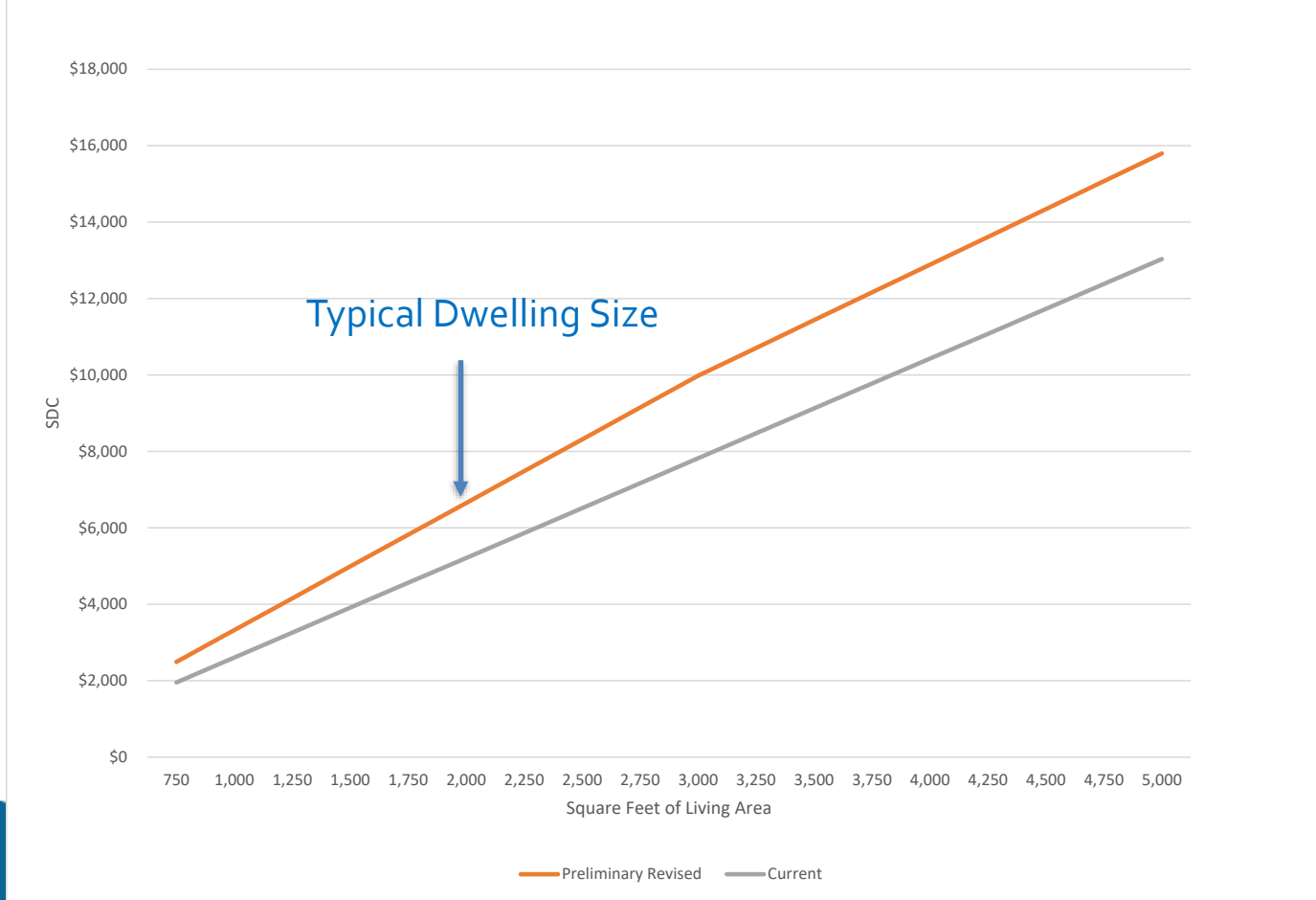
# OTHER CONSIDERATIONS

- Acreage does not improve the model and contributes very little to explaining summer water use compared to living area.
- Data supports a baseline (minimum use); however, the SDC Committee recommends a slope only to provide the greatest scaling potential.

# ROLE OF BASELINE VALUE



# PRELIMINARY SDCS FOR SINGLE FAMILY



\*Water SDC based on project list w/water treatment plant for illustration.

# MULTIFAMILY WATER SDC

- Regression analysis: most important variable for determining water use is the *number* of dwelling units, not *size* of unit
  - Average use per dwelling unit = 154 gpd
  - Preliminary SDC per unit = \$2,854 per dwelling unit
- Current SDC varies by dwelling unit size
  - \$2,607 for 1,000 SQ FT (typical size)
- Flat SDC/dwelling unit consistent with goal for affordable family sized multi-dwelling housing



# COMMERCIAL WATER SDCS\*

- Same SDC as single-family average for 5/8" X 3/4" meter size.
- Revised SDC schedule reflects standard hydraulic capacities by meter size relative to 20 gpm (smallest meter size)

<b>Meter Size</b>	<b>2022 Inflation-Adj.</b>	<b>Existing SDC</b>	<b>% Change</b>
5/8" X 3/4"	\$6,287	\$4,877	29%
3/4"	\$9,431	\$8,129	16%
1"	\$15,718	\$16,257	-3%
1 1/2"	\$31,436	\$26,010	21%
2"	\$50,298	\$56,901	-12%
3"	\$100,596	\$97,543	3%
4"	\$157,181	\$203,213	-23%
6"	\$314,362	\$292,627	7%

\*Water SDC based on project list w/water treatment plant for illustration.

# STORMWATER SDCS AND COSTS

- Stormwater SDCs not increased since 2002
- Improvement SDC only

Scenario/Component	Total \$	Growth \$ <sup>1</sup>	Avg. SF SDC <sup>2</sup>
<b>2040 List</b>			
Improvement	\$6,945,986	\$816,848	\$2,042
Reimbursement	\$0	\$0	\$0
Compliance <sup>3</sup>	\$440,000	\$87,040	\$218
<b>Total</b>	<b>\$7,385,986</b>	<b>\$903,888</b>	<b>\$2,260</b>
<sup>1</sup> Inflation adjusted through April 2022			
<sup>2</sup> Based on 3,000 square feet impervious area			
<sup>3</sup> Includes master planning, SDC methodology updating and SDC administration for 20-year period.			

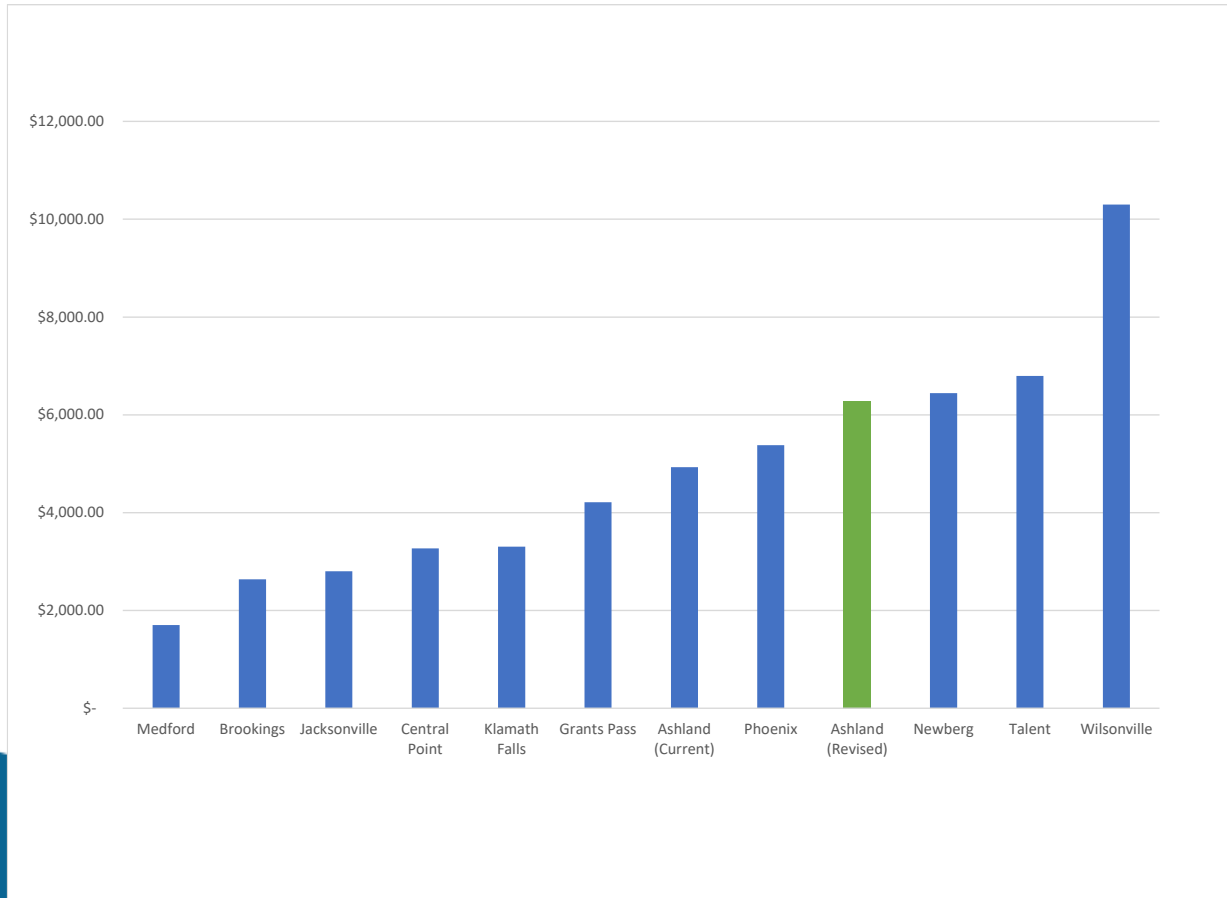
# SDC PHASING

- Committee recommends 3-year phasing (if new water treatment plant included; otherwise, fee would not increase)

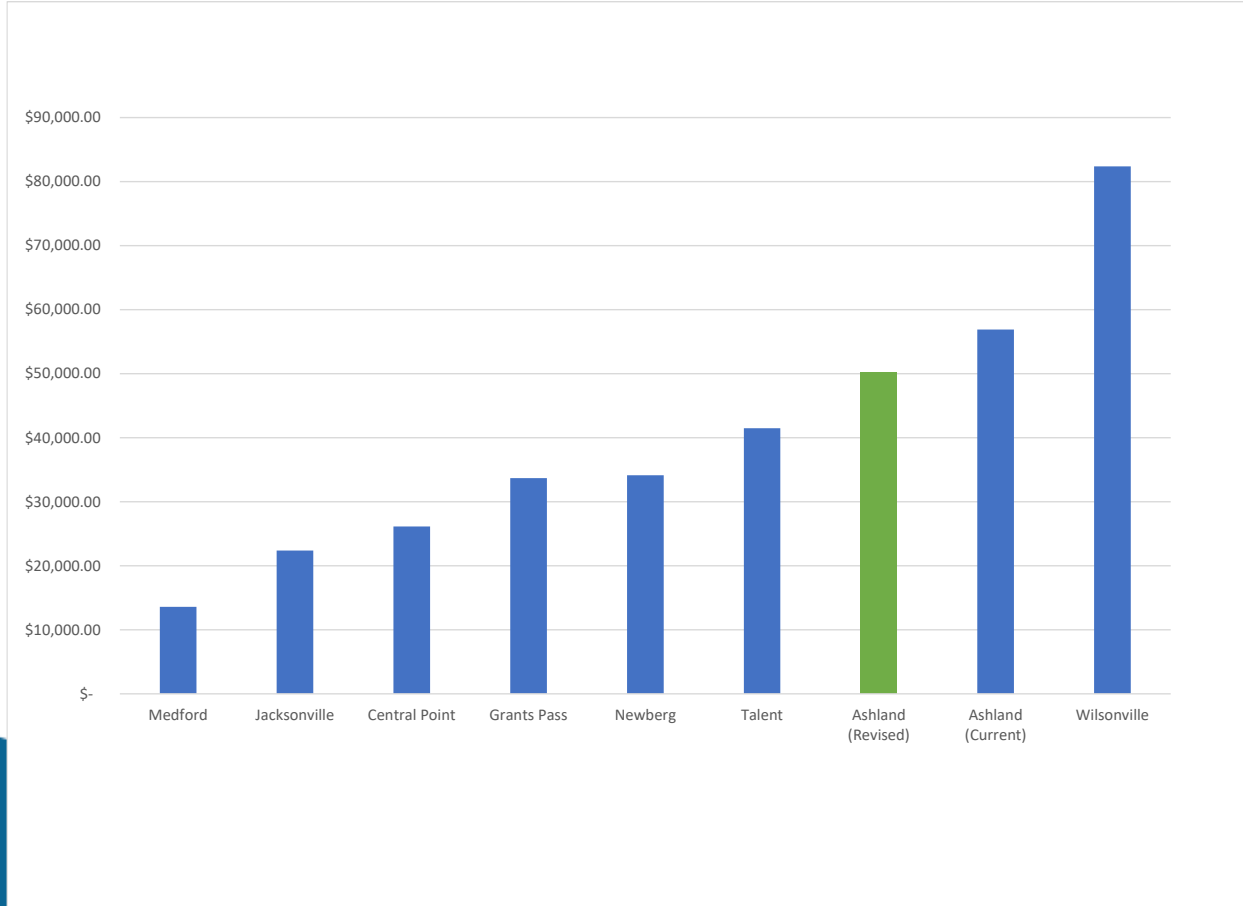
	Water		Drainage	
	Single-Family (1,890 SQ FT)	Multifamily (Per Dwelling Unit)	\$/SQ FT	Single-Family (3,000 SQ FT)
<b>Current<sup>1</sup></b>	\$4,927	\$2,607	\$0.1689	\$507
<b>Updated SDC (no Phase-In)<sup>2</sup></b>	\$6,287	\$2,854	\$0.7532	\$2,260
<b>Increase (No Phase-in)</b>	\$1,360	\$247	\$0.5843	\$1,753
<i>2-year phased increase (\$/yr)</i>	\$680	\$124	\$0.2922	\$876
<b>3-year phased increase (\$/year)</b>	<b>\$453</b>	<b>\$82</b>	<b>\$0.1948</b>	<b>\$584</b>
<b>Phase-In (Year 1 SDC)</b>				
<i>2-year phase-In</i>	\$5,607	\$2,731	\$0.4611	\$1,383
<b>3-year phase-In</b>	<b>\$5,380</b>	<b>\$2,689</b>	<b>\$0.3637</b>	<b>\$1,091</b>
<sup>1</sup> Multifamily water SDC based on 1,000 SQ FT. Drainage SDC not increased since 2002.				
<sup>2</sup> Inflation-adjusted through April 2022.				

# SDC COMPARISON

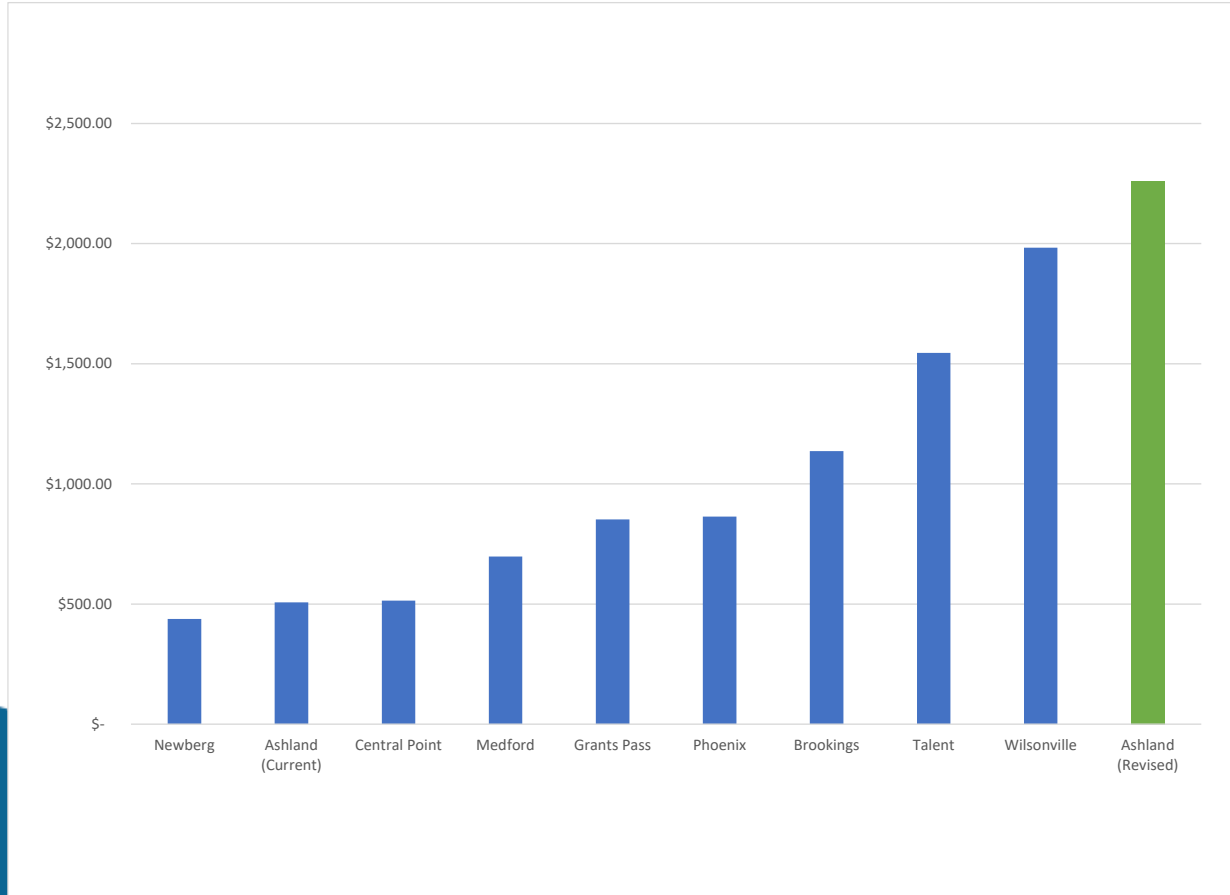
# RESIDENTIAL WATER SDC COMPARISON



# COMMERCIAL WATER SDC COMPARISON (2" METER)



# RESIDENTIAL STORMWATER SDC COMPARISON (3,000 SQ FT)



# Other SDC Policies



# COLLECTION OF CHARGE – TIMING OF PAYMENT

- Current Policy
  - SDC due at building, development or other permit
  - Affordable housing may defer SDC up to sale to ineligible development
- Deferral options considered
  - Single family – time of sale or actual occupancy
  - Other – certificate of occupancy, time of sale, or occupancy
- Committee recommendation:
  - Defer multifamily payments until certificate of occupancy is issued.

# SDC FINANCING – INSTALLMENT PAYMENTS

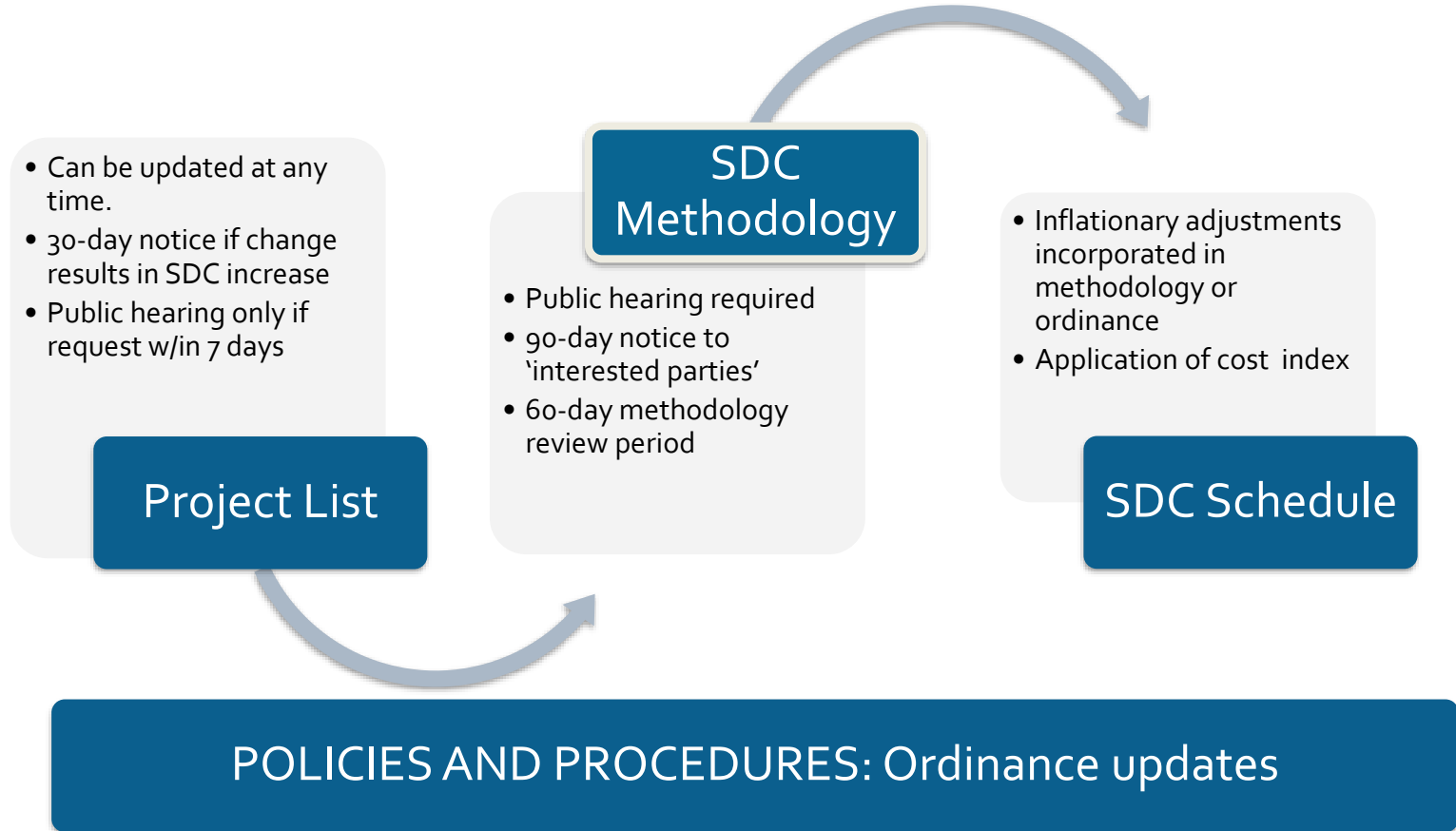
	Number of Payments	Interest Rate/Fees	Eligibility
Current	Up to 10 (per year)	6% (5-year loan); 7% (10-year loan)	>\$1,000; <\$200,000
Recommended	Up to 30 years	Tie to prime rate	No maximum

\*Subject to lien on property

# SUMMARY COMMITTEE FEEDBACK & RECOMMENDATIONS

- Water SDC Structure
  - No baseline; upper breakpoint at 3,000 SQ FT
  - Multifamily flat SDC per dwelling unit
  - Commercial based on meter size w/updated factors
- 3-year Phase-In of SDC Increase
- Deferral of SDC collection for multifamily to certificate of occupancy
- Extend time period for financing; tie to prime rate; remove value cap

# SDC IMPLEMENTATION & UPDATING



# DISCUSSION



**City of Ashland  
Water Resources 2022**

# Water Sources

- Reeder Reservoir

- 800 Acre feet (260 MG)
  - East & West Forks
    - 2 MGD to 20+ MGD Daily Supply
    - Snowpack Driven

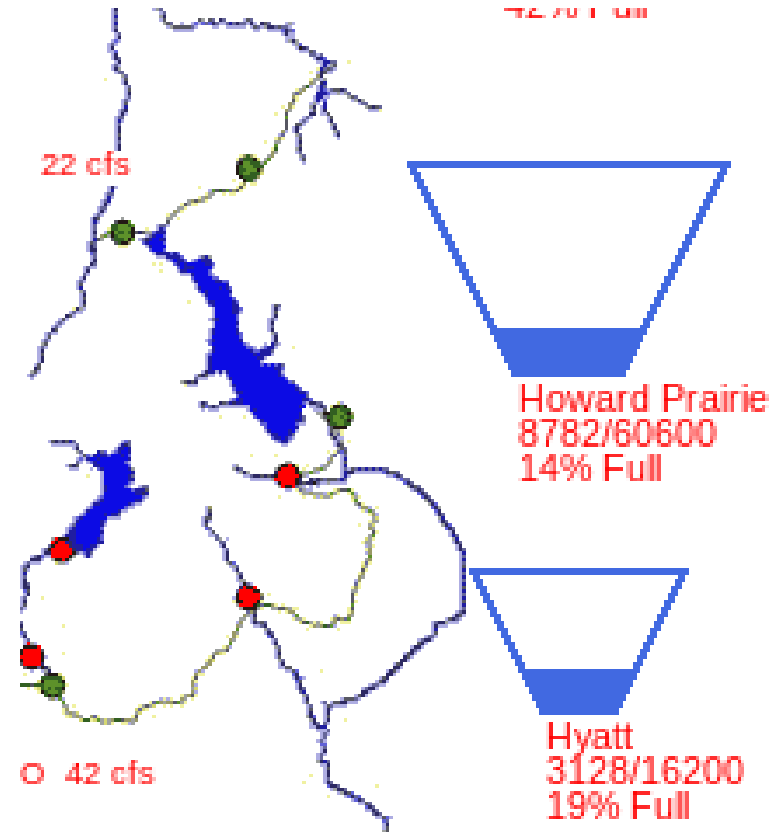
- Reeder Reservoir - Current

- 93.2% full
- 1.88 MGD Production
- East & West Forks Supply
  - 9.7 MGD/Day



# Water Sources

- Talent Irrigation District (TID)
  - 1369 Acre-Feet (446 MG) of Water Right
  - Available May-October
  - Delivered from Howard Prairie and Hyatt Lakes through the canal System to Ashland
    - Can be used as a supplemental source for Treated Water
    - Pumped to Water Treatment Plant
- Expect diminished irrigation season
- Not connected to Emigrant Lake

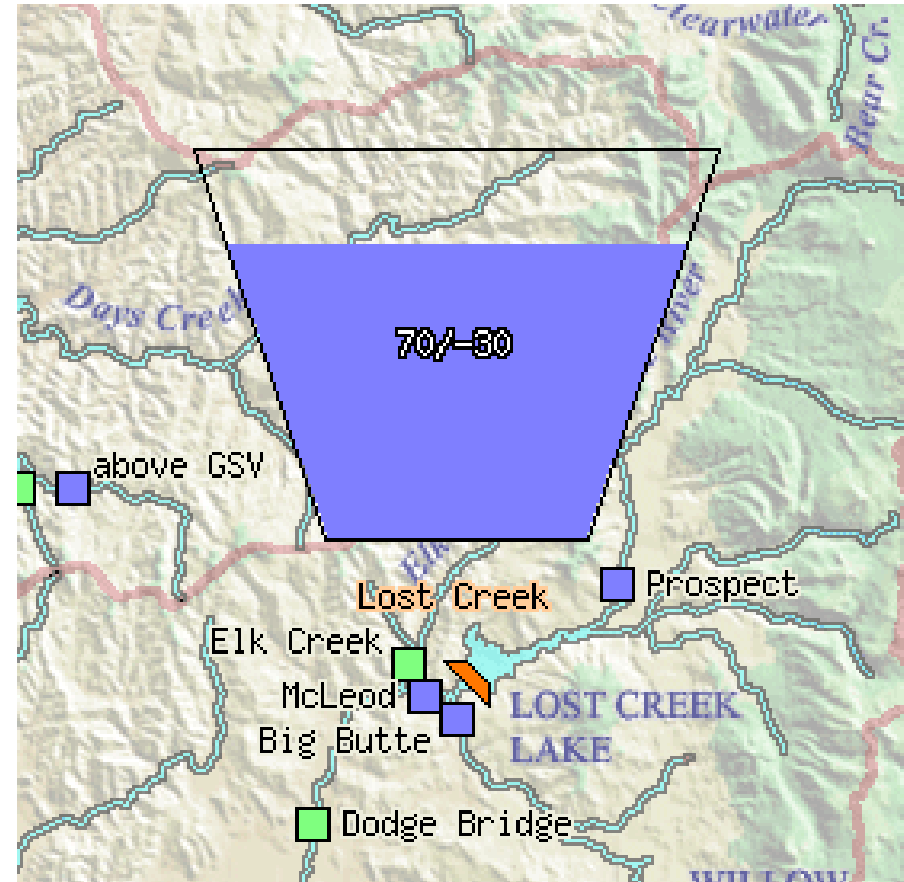


**Current Lake Storage Volumes**



# Water Sources

- Talent – Ashland – Phoenix Intertie (TAP)
  - 1000 Acre-Feet (325 MG) of Water Rights
    - 2.13 MGD Capacity
    - Available Year Round
    - Delivered from Medford Water Commission through the TAP System
    - Fully Treated Water

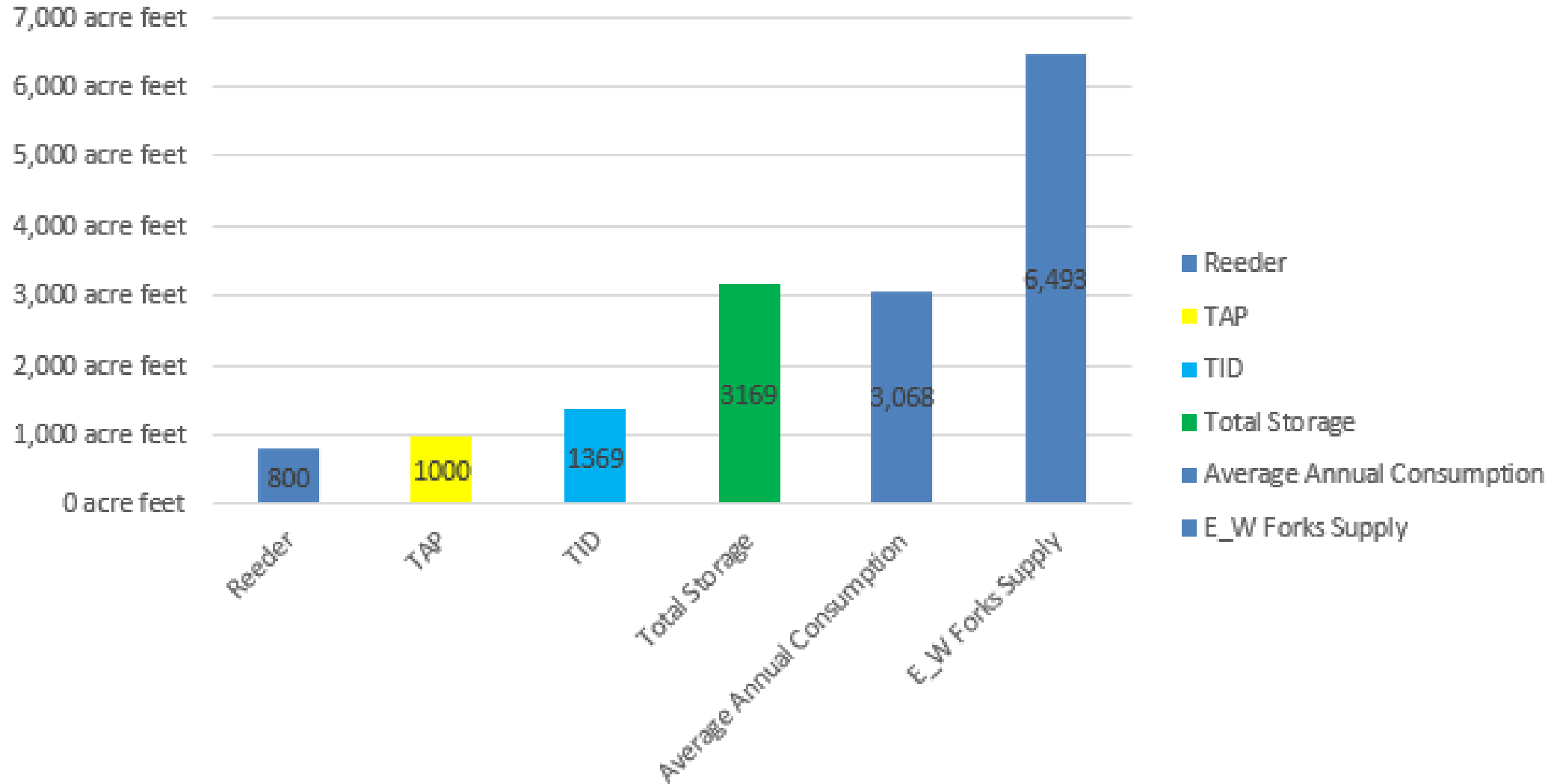


**Lost Creek Lake Current Storage Volume**

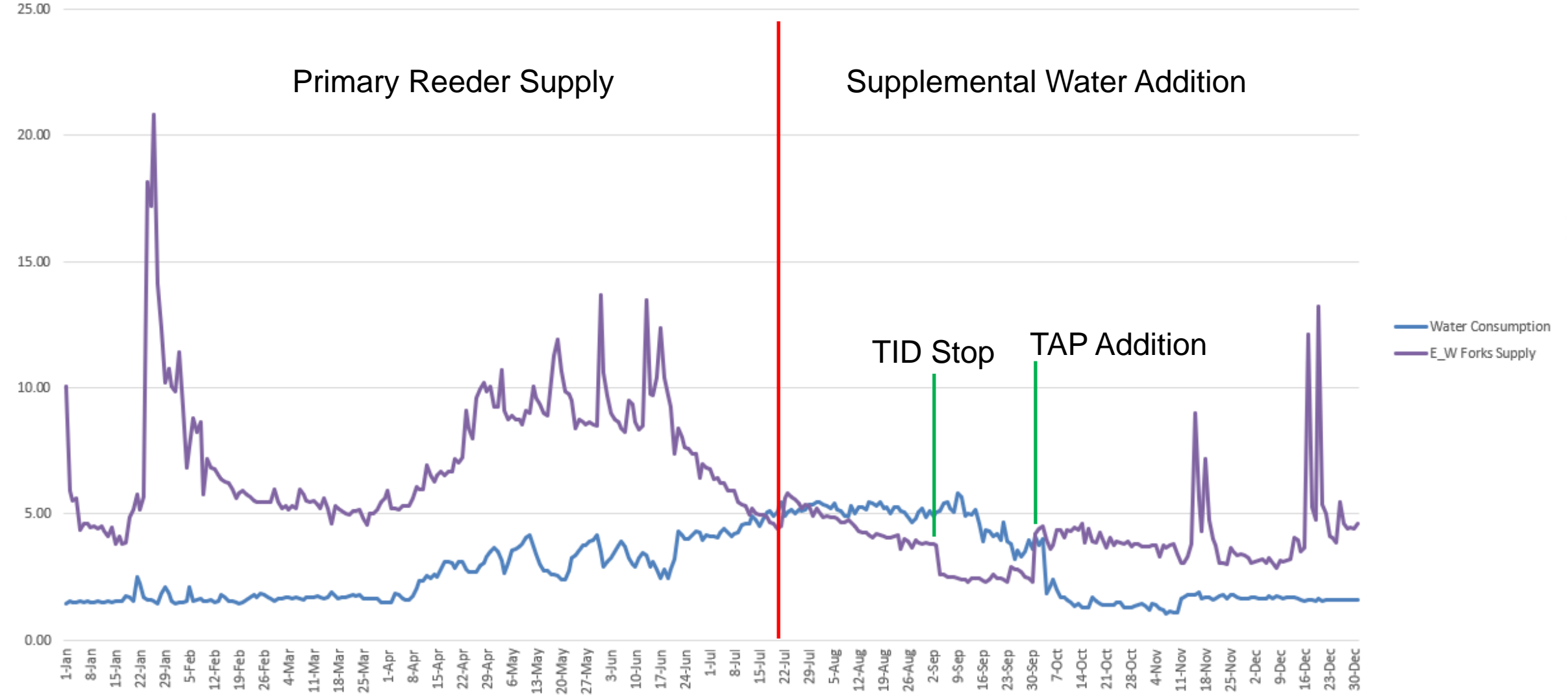
# Water Supply – All Sources



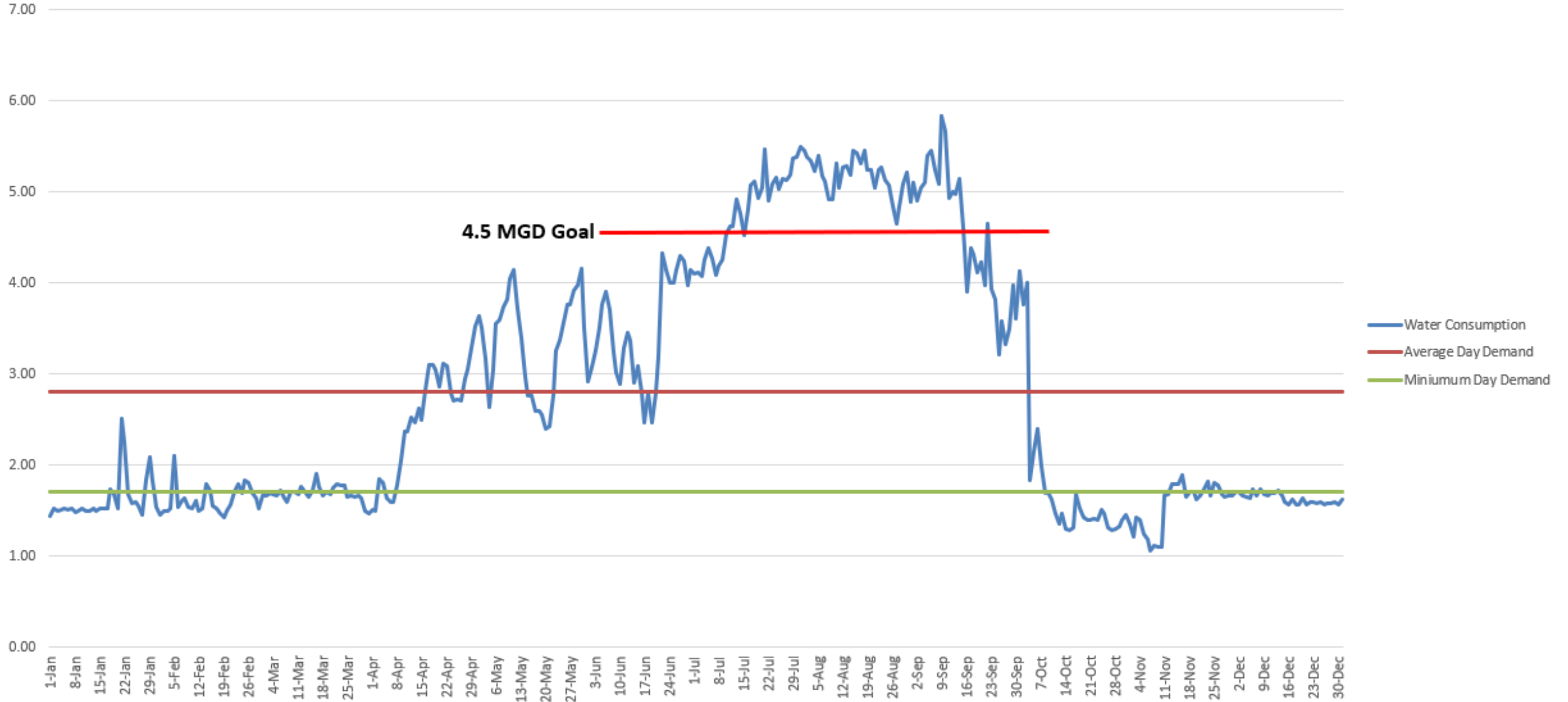
City of Ashland Water Storage & Supply Capabilities



# Water Consumption



# Water Consumption



# Water Management Strategy

- **2022 Expectations**
  - Snowpack 62% of 30-year median
  - TID Limited for Irrigation only & Shortened Season
  - No Expected Reductions from TAP Supply
- **Conservation** – long term reduction strategy
  - Conservation Protects Supply
  - Use Reeder Source year round
  - Supplement with additional sources as necessary
    - TID first if available
    - TAP
  - Voluntary Reductions
- **Curtailement** – a short term response to a water shortage
- **Cost Effective System Management**
  - Supply resiliency without need for additional raw water storage systems

# Water System Planning



CITY OF ASHLAND  
WATER MASTER PLAN UPDATE

- Ashland Master Plans
  - 2012 Water Master Plan – Supply Planning
  - 2020 Water Master Plan
  - 2020 TAP Master Plan
  - 2013 Water Management and Conservation Plan
  - **2023 Water Management and Conservation Plan Update**
    - **Supply Analysis**
    - **Climate Change Impacts**
  
- 2022 Regional Water Planning
  - Coordinated Water Rights Management
  - Water Sharing Plan



CITY OF ASHLAND  
WATER MANAGEMENT  
CONSERVATION PLAN  
December 17, 2013

Prepared by: Lyell McFarland

# Water Supply 2022 – Dashboard

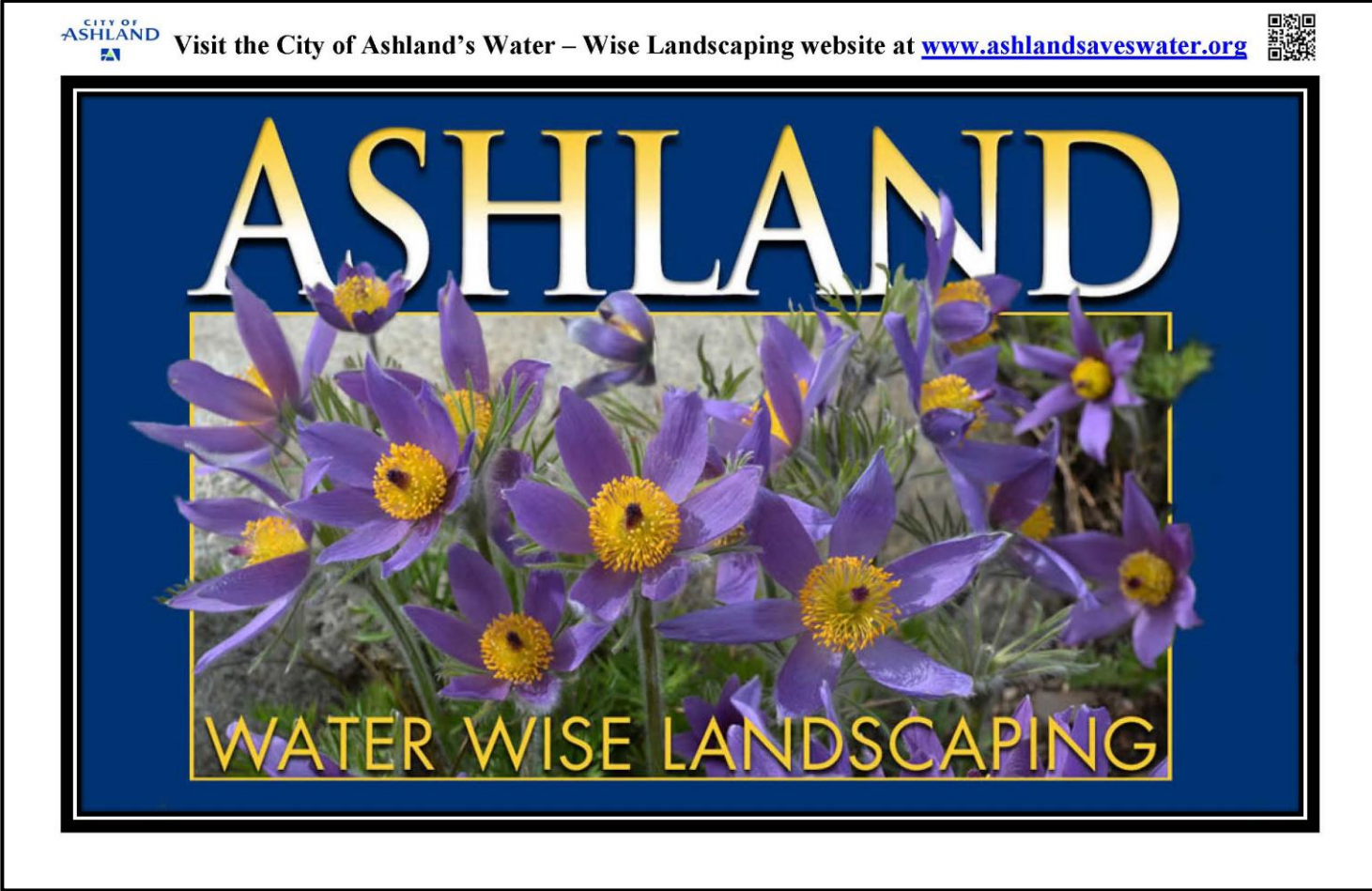
- Comprehensive Water Supply Dashboard
  - [gis.ashland.or.us/waterusage](https://gis.ashland.or.us/waterusage)



# Water Conservation & Efficiency



- [Ashland.or.us/watersupply](http://Ashland.or.us/watersupply)
- [Ashlandsaveswater.org](http://Ashlandsaveswater.org)





# Questions and Discussion?

