

Council Business Meeting

September 3, 2019

Agenda Item	TAP Master Plan Intergovernmental Agreement	
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SUMMARY

Before the Council is an Intergovernmental Agreement (IGA) between the cities of Talent, Ashland and Phoenix (TAP) for the development of a TAP Master Plan. The TAP Master Plan will provide a guiding document for the cities of Talent, Ashland and Phoenix to use for maintenance and improvement of the Medford Water Commission (MWC) intertie system to ensure all three communities have a reliable source of water.

POLICIES, PLANS & GOALS SUPPORTED

City Council Goals:

Goal 1: Develop current and long-term budgetary resilience

- Continue to improve the budget process: transparency, rigor, innovation, community involvement, and collaboration
- Evaluate revenue streams

Goal 2: Analyze City departments/programs to gain efficiencies, reduce costs and improve services

- Implement a cost recovery plan and analysis for each department that coincides with the annual review of fees and charges and revenues
- Evaluate and communicate street program timelines and funding security

Goal 3: Enhance and improve transparency & communication

- Develop a robust program to engage with Ashland citizens about City priorities and our progress on those priorities, public input opportunities and processes, how individual citizens can help meet City goals, budgeting and decision-making processes, etc.

Maintain Essential Services-Drinking Water

Continue to leverage resources to develop and/or enhance Value Services

Department Goals:

- Maintain existing infrastructure to meet regulatory requirements and minimize life-cycle costs
- Deliver timely life cycle capital improvement projects
- Maintain and improve infrastructure that enhances the economic vitality of the community
- Evaluate all city infrastructure regarding planning management and financial resources

PREVIOUS COUNCIL ACTION

The Council has taken numerous previous actions over the past two decades with respect to the TAP system including approving investments into the purchase of water rights, initial pipeline upgrades, system development charges and the design and construction of pipeline and pump station improvements.

BACKGROUND AND ADDITIONAL INFORMATION

Ashland's 1998 Water Master Plan projected daily peak water demand would exceed the treatment plant's capacity by 2016. At that time, the preferred solution was connecting into the MWC drinking water supply through an interagency agreement called TAP. The City entered into TAP with an agreement, invested \$2.6 million to upsize

transmission piping from Medford to Talent and purchased Lost Creek water rights as an initial investment for the TAP system.

Following the City Council's decision in 2008 to delay the TAP project, the City began the process of evaluating different options to solve projected peak demand issues. The City adopted an updated water master plan in 2012, which identified the need for a redundant water source during droughts, algae blooms, earthquakes, fire in the watershed, and other water quality issues that could restrict our limited water supply. The TAP project was included in the master plan for such emergencies. The project was originally scheduled for construction in 2015 through the capital improvement program, but significantly diminished snow fall and winter drought conditions led to Council to approve the TAP transmission line and pump station be constructed through an emergency procurement process in 2014. The TAP transmission line and temporary pump station were constructed in the summer of 2014 that provided the community with an emergency source of water. The permanent pump station was constructed and finalized in October 2016. In addition, the City negotiated payment of MWC system develop charges (SDC) necessary for creating the actual connection to the TAP system.

The City has made a significant investment in the TAP system over the past two decades to provide the community with a reliable and redundant source of water. Such an investment requires collaboration and a formal master plan the cities of Talent, Ashland and Phoenix can use moving forward. The TAP system master plan will address significant items shown below:

- Document the existing TAP system facility information;
- Confirm future supply demands for the next 40-year planning horizon;
- Assess the condition and capacity of the existing system for future planning;
- Identify operational constraints and recommends operational adjustments for improved efficiency;
- Develop options for meeting or revising the MWC Purchase Agreements to achieve compliance;
- Develop a Capital Improvement Plan (CIP) to meet future demands and major facility replacements;
- Formalize the TAP system financing to guide the allocation of operational, maintenance, and capital costs between the TAP Partner Cities; and
- Provide recommendations for developing a new TAP IGA between the TAP Partner Cities.

FISCAL IMPACTS

Public Works staff requested a \$50,000 appropriation during the budget process to support the development of a TAP Master Plan. This request was subsequently approved through the formal biennial budget process (BN2019-21). Additional resources include City staff time to participate in the master plan development and management of the formal professional services contract. This includes 2-hour monthly meetings and any additional time for documentation review. Staff expects the project to formally start in September 2019 and wrap-up in spring/summer 2020.

STAFF RECOMMENDATION

Staff recommends approval of the IGA between Talent, Ashland, Phoenix for development of the TAP System Master Plan.

ACTIONS, OPTIONS & POTENTIAL MOTIONS

1. I move to approve an Intergovernmental Agreement between Talent, Ashland and Phoenix for development of the TAP System Master Plan.
2. I recommend staff not continue with this master plan.

REFERENCES & ATTACHMENTS

Attachment 1: TAP System Master Plan IGA

INTERGOVERNMENTAL AGREEMENT FOR DEVELOPING A TALENT-ASHLAND-PHOENIX (T.A.P.) WATER MASTER PLAN AMONG THE CITY OF ASHLAND, THE CITY OF PHOENIX, AND THE CITY OF TALENT

This Intergovernmental Agreement (hereinafter “Agreement”) is entered into by and among the Cities of Ashland, Phoenix, and Talent, hereinafter collectively referred to herein as “PARTNERS” and ASHLAND, PHOENIX, and TALENT when referred to individually.

RECITALS

- A. The PARTNERS all own and operate separate water systems that supply water to their respective customers;
- B. The PARTNERS recognize the vital importance of providing a reliable source of water to all of their respective customers for public health, safety, and welfare and for sustaining economic development;
- C. The PARTNERS value the important role each utility plays in meeting the water needs of their respective communities;
- D. The PARTNERS enter this Agreement in a spirit of good will and mutual cooperation, with the understanding that development of a T.A.P. Master Plan will improve the current and long-term reliability of individual and collective water systems and is in the highest public interest;
- E. The PARTNERS understand the T.A.P. Master Plan will document the current facility information, confirm future demands, assess condition/capacity of the water system, identify constraints, develop options for meeting or revising the Medford Water Commission (MWC) Purchase Agreements, develop a capital plan, formalize T.A.P. system financing and recommend parameters for an updated IGA among the PARTNERS;
- F. The PARTNERS recognize that developing a T.A.P. Master Plan is the first step and a second step includes an update to the current T.A.P. IGA that defines roles and responsibilities for operations of the T.A.P. system between PARTNER communities; and
- G. The PARTNERS are willing to cooperatively fund development of a T.A.P. Master Plan.

AGREEMENT

The PARTNERS hereby agree to the following:

I. RECITALS/PURPOSE

The above recitals are true and correct and are specifically adopted and incorporated herein as the purpose of this Agreement.

II. DEFINITIONS

- A. TECHNICAL ADVISORY COMMITTEE means a group comprised of at least one representative from each of the PARTNERS. The Technical Advisory Committee function will be to oversee the development of the T.A.P. Master Plan with a qualified consultant to ensure the continued successful operation of the T.A.P. System.
- B. T.A.P. System means the Talent, Ashland, Phoenix water transmission system, including transmission/distribution lines, reservoirs (tanks), pump stations and assorted appurtenances.

III. RESPONSIBILITIES

A. The PARTNERS:

1. Agree to form a TECHNICAL ADVISORY COMMITTEE (hereinafter the "TAC") consisting of at least one member from each of the PARTNER cities.
2. Agree to meet with a qualified consultant throughout the duration of developing the T.A.P. Master Plan (hereinafter the "Plan").
3. Agree to pay the identified, 1/3 total cost of the T.A.P. Master Plan development as provided in Section IV (B) of this Agreement.

B. ASHLAND:

1. Agrees to award and administer a contract, pursuant to Ashland's Public Contracting Code, with a consultant qualified to develop the T.A.P. Master Plan (hereinafter "Consultant") for development of the Plan as described in Section IV.A. of this Agreement.
2. Agrees to pay monthly invoices to Consultant on behalf of the PARTNERS.

C. TALENT:

1. Agrees to reimburse the City of Ashland for Talent's total share of the costs of development of the Plan after the Plan's acceptance by all PARTNERS and within 30 days of invoicing by Ashland.

D. PHOENIX:

2. Agrees to reimburse the City of Ashland for Phoenix's total share of the costs of development of the Plan after the Plan's acceptance by all PARTNERS and within 30 days of invoicing by the City of Ashland.

IV. T.A.P. MASTER PLAN SCOPE AND COST

- A. The final scope of work to develop the T.A.P. Master Plan is attached hereto as Exhibit A and incorporated herein by this reference. The PARTNERS have coordinated and agreed upon the final scope of work through a formal negotiation process with Consultant.
- B. The PARTNERS agree to share the cost of the T.A.P. Master Plan equally (1/3 of the total cost per PARTNER). Exhibit B, which is attached hereto and incorporated herein by this reference, details the cost breakdown for the agreed upon scope of services. The total cost of the T.A.P. Master Plan is \$140,476.00 (one hundred and forty thousand four hundred and seventy-six dollars).

V. ISSUE RESOLUTION

- A. If Consultant determines that there are issues that arise during the development of the Master Plan that may create a conflict among the PARTNERS, Consultant shall bring those issues to the TAC for discussion and resolution. If the TAC is unable to reach a resolution to the conflict, the issues to be resolved shall be presented to the executive officers of the PARTNERS (or their representatives) for resolution.

