CITY OF ASHLAND

CITY COUNCIL STUDY SESSION DRAFT MINUTES
Monday, October 5, 2020
Held Electronically
View on Channel 9 or Channels 180 and 181 (for Charter Communications customers)
or live stream via rvtv.sou.edu select RVTV Prime.

Mayor Stromberg called the meeting to Order at 5:30 p.m.

Councilors' Graham, Akins, Seffinger, Rosenthal and Jensen were present. Councilor Slattery was absent.

1. TAP Master Plan Update

Interim City Administrator Adam Hanks introduced Interim Public Works Director Scott Fleury and RH2 Project Engineer Rachel Lanigan.

Fleury gave a brief Staff Report. Lanigan presented a PowerPoint ***(see attached).*** Items discussed were:

- TAP Water System.
- Ashland TAP supply goals.
- Ashland Needs a new supply connection 2040.
- North Phoenix Road new MWC connection.
- Ashland Supply Option #2.
- Cost allocation.
- Recommended cost sharing.
- Financial impacts.
- New TAP IGA recommendation.

Due to the Almeda Fire there could be changes to this plan. Staff spoke that this item will be brought back to Council at a future date.

The Study Session was adjourned at 7:30 PM

Respectfully submitted by:

_____

City Recorder Melissa Huhtala

Attest:

_____

Mayor Stromberg

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).

October 5, 2020

TAP Water Master Plan City Council Study Session

Rachel Lanigan, PE

RH2

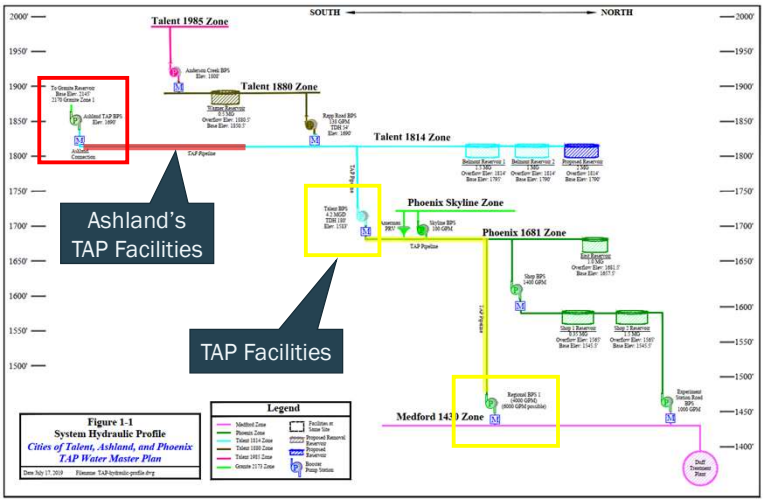
1

Agenda

- City of Ashland's TAP Goals
- Capital Improvement Recommendations
- Cost Sharing
- Financial Impacts
- Recommendations for updated TAP Intergovernmental Agreement

2

TAP Water System



Ashland's TAP Goals

Ashland's TAP Supply Goals

- Redundancy
  - Emergencies
  - Ashland Water Treatment Plant Disruptions
  - Drought Management
  - 2.13 millions of gallons per day (mgd) in 2020
  - 3.0 mgd by 2030
- Reliability
  - Backup power at all facilities

5

Capital Improvement Recommendations

6

TAP Needs a New Supply Connection by 2040

Table 4-5
Regional BPS Total Capacity Evaluation in gallons per minute (gpm)

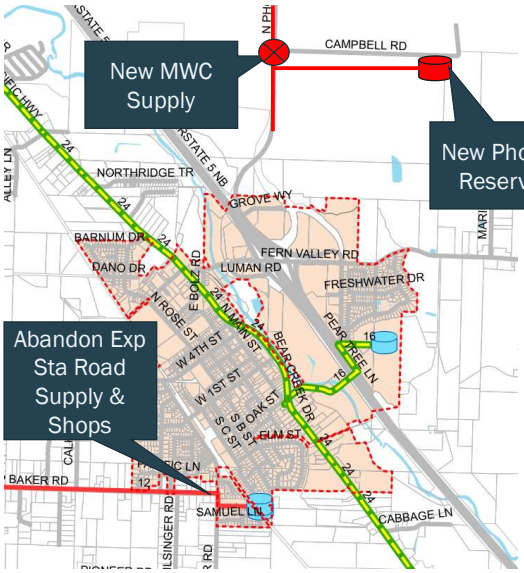
Year	Full TAP Maximum Day Demands* (gpm)	Experiment Station Road BPS Supply (gpm)	Regional BPS Total Capacity (gpm)	Surplus/ (Deficit) (gpm)
2020	4,563	292	4,500	229
2030	5,609	292	4,500	(817)
2040	6,215	-	4,500	(1,715)
2070	6,542	-	4,500	(3,041)

**Demands may change based on rebuilding, expanding to include the Charlotte Anne Water District, or additional conservation by Talent and Phoenix*

Supply Recommendations

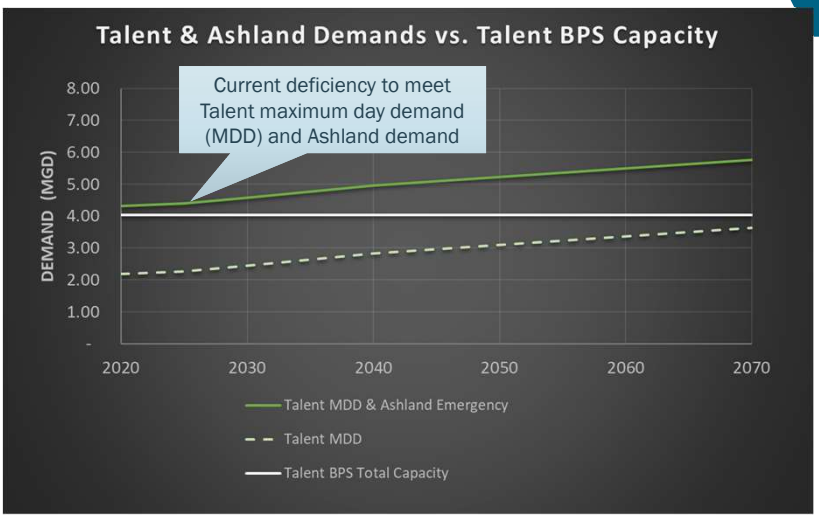
- Short-Term:
  - Install larger pump at Regional BPS
  - Ashland supply to Talent and Phoenix
- Long-Term:
  - New Connection to Medford Water Commission to provide capacity and redundancy

N Phoenix Road New MWC Connection

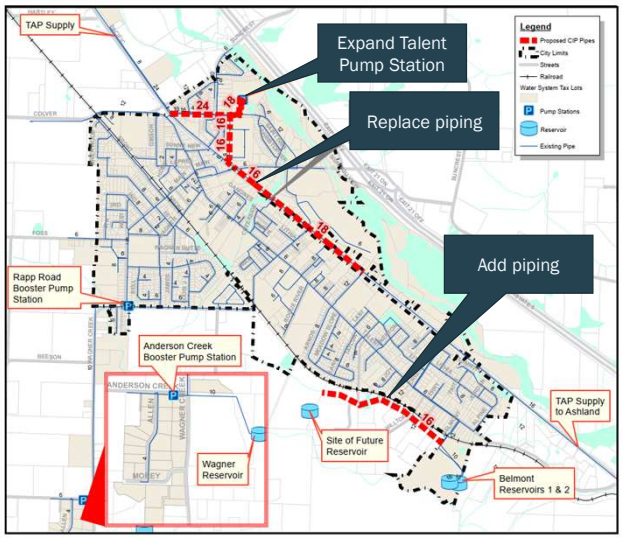


- Gravity Supply – No Pumping
- Pay higher rates for Medford Water Commission (MWC) to boost water
- Requires Extensive MWC Coordination

Talent Pump Station Limitations

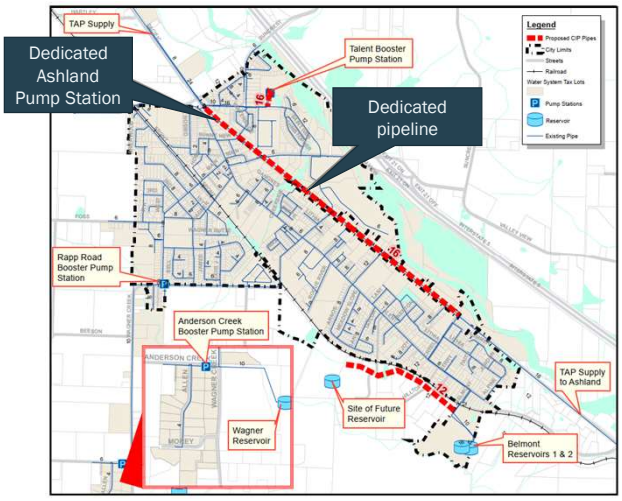


Ashland Supply Option 1 – Joint System



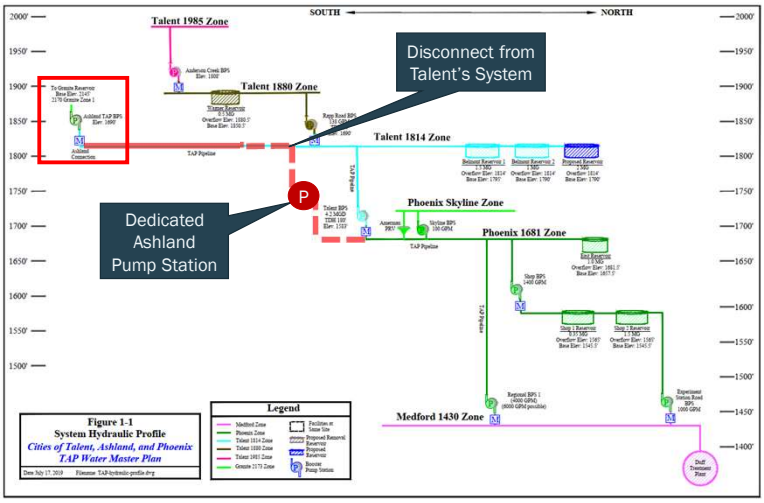
11

Ashland Supply Option 2 – Dedicated Ashland Pump Station



12

Ashland Supply Option 2 – Dedicated Ashland Pump Station



13

Total Buildout TAP Capital Improvement Plan

CATEGORY	OPTION 1 – Joint Ashland/Talent System	OPTION 2 – Dedicated Ashland Pump Station
SUPPLY	$7,589,000	$7,589,000
PUMP STATIONS	$995,000	$2,720,000
PIPELINES	$6,031,000	$6,316,000
RECOMMENDED STUDIES	$515,000	$515,000
TOTAL CIP	**$15.1M**	**$17.1M**

14

15

Historical Flow Allocation For Cost Sharing

City	2000 TAP IGA 2050 Capacity Allocation (MGD)			2000 TAP IGA Amend 1	2017 Recommended Cost-Share[3]
	Flow-Based Percent of Capacity (%)	ADD[1]	MDD[2]	MDD	MDD
Talent	58.83%	1.858	3.972	4.0	2.2
Ashland	19.78%	1.600	1.600	1.6	2.1
Phoenix	21.78%	1.406	3.012	3.0	1.4
Total	**100%**	**4.864**	**8.584**	**8.6**	**5.7**

1. ADD = Average Daily Demand (MGD)
2. MDD = Maximum Daily Demand (MGD)
3. Based on historic use; recommended revisiting in a TAP Water Master Plan

Larger than RBPS Capacity

16

Recommended Cost Sharing

- Capital Projects
  - Cost sharing based on the capacity each City needs compared to capacity already purchased.
- Operation and Maintenance (including Depreciation)
  - Cost sharing based on actual use

Each project was assigned a cost share based on capacity needed

Table 3
Summary of CIP Costs by City -Option 2

Infrastructure	Cost Share by City: Phoenix	Talent	Ashland	Estimated Cost	Cost Responsibility by City: Phoenix	Talent	Ashland
Regional Booster (RBPS)	*capacity cost share [1]*			PUMP STATIONS			
Replace (1) 50-hp pump with 125-hp	50.00%	0.00%	50.00%	$50,000	$25,000	$0	$25,000
Programming Updates	33.33%	33.33%	33.33%	$35,000	$11,667	$11,667	$11,667
Subtotal RBPS				**$85,000**	**$36,667**	**$11,667**	**$36,667**
Talent Booster (TBPS) [3]							
Install 50-hp pump for operations	0.00%	100.00%	0.00%	$50,000	$0	$50,000	$0
Programming Updates	0.00%	100.00%	0.00%	$25,000	$0	$25,000	$0
Generator Upgrade	0.00%	100.00%	0.00%	$250,000	$0	$250,000	$0
Additional Hydraulic Analysis	0.00%	50.00%	50.00%	$12,000	$0	$6,000	$6,000
Seismic Upgrades	0.00%	100.00%	0.00%	$70,000	$0	$70,000	$0
Expansion	0.00%	100.00%	0.00%	$178,000	$0	$178,000	$0
Subtotal TBPS				**$585,000**	**$0**	**$579,000**	**$6,000**
New Ashland Booster Pump Station [4]	0.00%	0.00%	100.00%	**$2,050,000**	**$0**	**$0**	**$2,050,000**
Adjust for Previous Improvements to TBPS [5]				**$0**	**$0**	**$171,500**	**($171,500)**
Total Pump Stations				**$2,720,000**	**$36,667**	**$762,167**	**$1,921,167**
N. Phoenix Rd	*capacity cost share*			NEW SUPPLY			
MWC Study	65.66%	0.00%	34.34%	$50,000	$32,832	$0	$17,168
Master Meter Connection	65.66%	0.00%	34.34%	$325,000	$213,407	$0	$111,593
Pipe Improvements to 2030	35.50%	0.00%	64.50%	$2,871,000	$1,019,205	$0	$1,851,795
Pipe Improvements to 2040	100.00%	0.00%	0.00%	$3,053,000	$3,053,000	$0	$0
Pipe Improvements through Buildout	65.66%	0.00%	34.34%	$1,127,000	$740,031	$0	$386,969
Total N. Phoenix Rd Supply Project				**$7,426,000**	**$5,058,475**	**$0**	**$2,367,525**
Ashland Non-Peak Supply Connection	52.11%	47.89%	0.00%	**$163,000**	**$84,944**	**$78,056**	**$0**
Total New Supply				**$7,589,000**	**$5,143,419**	**$78,056**	**$2,367,525**

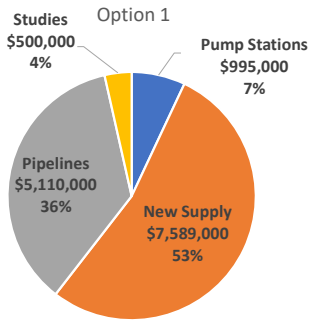
Financial Impacts

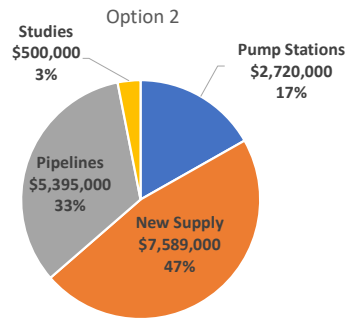
HANSFORD
ECONOMIC CONSULTING

RH2

19

20-year Estimated Costs by Option

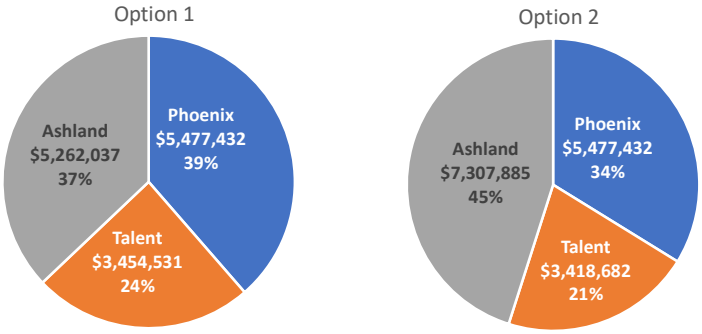




Bellingham | Bothell | East Wenatchee | Issaquah | Medford | Portland | Richland | Tacoma | RH2 Engineering

20

20-year Costs by City



21

Buildout Costs by City by Phase

Figure 4
Estimated CIP Costs by Phase by City

22

Additional costs beyond existing Capital Plans*

Figure 6
Average Annual Additional Cost for TAP by City: Next 10 Years

*Does not include cost of additional purchased water

(Depreciation is at 20%)

Impacts to Rates – 10-year Period

Table 12
High-Level Analysis Impact of TAP System Phase 1 Costs

Item	Phoenix	Talent	Ashland	Phoenix	Talent	Ashland
	OPTION 1			OPTION 2		
CIP - Debt Service [1]	$0	$105,800	$324,400	$0	$201,900	$704,400
Operations & Maintenance	$1,940	($974)	$10,641	$1,940	$641	$9,027
Depreciation @ 20%	$16,428	$30,186	$4,237	$16,428	$30,186	$4,079
Totl Annual Add'l Cost	**$18,368**	**$135,012**	**$339,278**	**$18,368**	**$232,726**	**$717,506**
Approx. Annual Thousands of Gallons Sold (2021-2030)	255,000	313,900	897,600	255,000	313,900	897,600
Cost per Thousand Gallons						
CIP - Debt Service [1]	$0.00	$0.34	$0.36	$0.00	$0.64	$0.78
Operations & Maintenance	$0.01	($0.00)	$0.01	$0.01	$0.00	$0.01
Depreciation @ 20%	$0.06	$0.10	$0.00	$0.06	$0.10	$0.00
Totl Annual Add'l Cost	**$0.07**	**$0.43**	**$0.38**	**$0.07**	**$0.74**	**$0.80**
Monthly Home Use (gallons)	7,500	7,500	7,500	7,500	7,500	7,500
Approx. Monthly Cost Impact	**$0.54**	**$3.23**	**$2.83**	**$0.54**	**$5.56**	**$6.00**
CIP - Debt Service [1]	$0.00	$2.53	$2.71	$0.00	$4.82	$5.89
Operations & Maintenance	$0.06	($0.02)	$0.09	$0.06	$0.02	$0.08
Depreciation @ 20%	$0.48	$0.72	$0.04	$0.48	$0.72	$0.03

Source; HEC July 2020. bill impact

[1] Debt service would not start until at least 6 months after bond sales (likely in second half of the 10-year period).

25

IGA Recommendations

- Use third-party to provide moderating
- Clarify roles and responsibilities
- Document assets
- Formalize Cost-Sharing Method
  - Rather than actual values to provide flexibility
- Improve tracking of Operations and Maintenance
- Formalize funds for asset management/depreciation
- Incorporate regional water rights strategy

26

27