

**CITY OF  
ASHLAND**  
ASHLAND WATER ADVISORY COMMITTEE  
MINUTES  
OCTOBER 26, 2011

**CALL TO ORDER**

Mike Faught called the meeting to order at 4:06 p.m. in the Siskiyou Room, 51 Winburn Way.

**Committee Members Present:**

Pat Acklin  
Alex Amarotico  
Darrell Boldt  
Kate Jackson  
Donna Mickley  
Don Morris  
Amy Patton  
Donna Rhee  
Councilor Carol Voisin  
John Williams

**Consultants:**

Rachel Lanigan (Carollo Engineering)  
David Kraska (Carollo Engineering)  
Shaun Pigott Associates, LLC

**Staff Members:**

Mike Faught, Public Works Director  
Pieter Smeenk, Public Works Associate Engineer  
Lee Tuneberg, Administrative Services Director  
Jodi Vizzini, Public Works Office Assistant  
Steve Walker, Water Quality Supervisor

**Public:**

Doug Gentry  
Joseph Graf  
Bill Heimann  
Allan Peterson

**Absent Members:**

Lesley Adams  
Rich Whitley (Chair)

**APPROVAL OF MINUTES**

1. August 24, 2011 AWAC Minutes.

**Smeenk / Morris m/s to approve the minutes of August 24, 2011. Voice Vote: all AYES. Motion passed.**

2. September 28, 2011 AWAC Minutes.

The Committee agreed to postpone approval of the September 28, 2011 minutes until the next meeting.

**ADJUSTMENTS TO THE AGENDA**

The Committee agreed to move the public forum to the end of the agenda.

**DISCUSSIONS AND DECISIONS:**

**Current State of the Water System:**

Mr. Faught facilitated the meeting in Rich Whitley's (Chair) absence. He began by introducing Shaun Pigott to the Committee and explained Mr. Pigott would be sharing the financial piece at the end of the presentation. Dave Kraska and Rachel Lanigan presented information on the Fire Protection Improvements and Life Cycle Costs and answered questions from the Committee.

Mr. Faught explained that he wanted the Committee to see a snapshot of what happens when not planning ahead. He emphasized that Mr. Pigott will relate this to funding strategies at the end of the meeting. Mr. Faught introduced Lee Tuneberg, who was in attendance to help with the financial part of the conversation.

Mr. Faught, Mr. Smeenk, and Steve Walker answered questions from the Committee on pipe replacement and life cycle costs.

*Ashland Water Advisory Committee  
October 26, 2011  
Page 1 of 3*

### **Capital Improvements Plan Options:**

Ms. Lanigan reviewed the proposed capital improvement projects (CIP) to address system deficiencies. The Committee looked at graphs that were presented and asked specific questions on existing pipe useful life, end of life, the risk of catastrophic pipe bursts, and leak detection programs.

The Committee was directed to look at the spreadsheets distributed which illustrated the costs for the second Water Treatment Plant (WTP) and Partial Talent Ashland Pipeline (TAP). Mr. Kraska gave an introduction to Mr. Pigott's presentation by summarizing the challenges and the CIPs. Mr. Faught asked Mr. Kraska to clarify the Park Estates distribution project proposed at \$1.8 million. He also drew attention to the Bridge Option as a third option for the Committee to consider.

### **Financial Background & Preliminary Look at Rate Impacts**

The Committee was given a handout titled "Water Conservation and Reuse Study and Comprehensive Water Master Plan" which included information on the *Water Utility Financial Background and Preliminary Look at Rate Impacts*. Mr. Pigott explained that he would be highlighting three objectives for the discussion; water utilities, usage patterns, and the three options which include a second WTP, Partial TAP, and the Bridging strategy, and would illustrate a comparative revenue profile of what each might look like over the next ten years. Mr. Pigott began the presentation by discussing the City's financial position as demonstrated in the handout, which recaps the financial position of the City.

The Committee was directed to look at the three-year trends in the City's water use in regards to residential, commercial, government and irrigation. A series of questions were asked regarding conservation, consumption, and curtailment as it related to the charts included in the handout. Mr. Pigott directed the Committee's attention to the base and use rate structure chart, leading up to the preliminary rate results as it relates to the three master plan capital improvement options and the cost associated with each option: second WTP (\$28.6 million), Partial TAP (\$26 million), and the Bridge strategy option (\$18 million).

Mr. Pigott explained the funding options, assuming current SDC revenue amounts, including revenue bonds and general obligation bonds. He clarified the revenue requirements for each option over a ten year period and the resulting preliminary rate profile for residential water users in a chart demonstrated in the handout. The Committee asked clarifying questions regarding the preliminary rate chart as it relates to the three options, and meeting the 2018 requirements for water supply.

### **Final CIP Recommendation**

The Committee moved into analyzing the three options at hand. Pat Acklin stated the Bridge option produces more water, but does not provide redundancy. Mr. Faught reminded the Committee that the goal has been redundancy and therefore AWAC came up with two supply options based on this goal. The Bridge option was based on the cost impact of the other two options, yet it does not meet the redundancy goal.

Mr. Faught encouraged the Committee to spend the remainder of the meeting discussing the three options and come to a decision. Discussions involved conservation, demographics, hardening the existing WTP, phasing the project, risk analysis, and funding options. The Committee suggested making a pro/con list to compare the second WTP and the Partial TAP options. The discussion focused on Ashland water rights, redundancy, and meeting the water demand in 2038.

Mr. Faught asked the Committee which direction to proceed at this point; the second WTP, and/or Partial TAP, or the Bridge option, and emphasized this is what AWAC will be taking to the community. Don Morris stressed he would be uncomfortable if the Committee made a choice that does not meet the redundancy goal. Mr. Faught confirmed that he heard a consensus from the Committee that the redundancy goal is a solid priority and AWAC should move forward with this goal. The Committee unanimously agreed that the Bridge option does not meet this goal and therefore should not be considered. Mr. Faught suggested scheduling another meeting to allow more time before making a final decision. Ms. Acklin stated this decision is too big to rush.

Mr. Faught addressed the Committee's attention to the public in attendance and asked if they would like to add input to what they heard.

## **PUBLIC FORUM**

**Doug Gentry/574 Long Way**/Stated as an Economics professor at SOU and a member of the City's Budget Committee he was very relieved to hear the information, presented especially regarding the rate structure. His concern was that the Committee needs to take more time to strategically look at the rate pricing structure and funding. Overall, he was impressed with the work the Committee is doing.

**Joseph Graf/1160 Fern Street**/Stated he supports the Committee's decision to keep working towards making a decision, and not kicking the can to the next AWAC Committee.

**Bill Heimann/647 Siskiyou Blvd**/Concurred and added he appreciates the work being done as it is a complicated issue.

**Allen Peterson/807 Beach**/Stated he is a fairly new resident of Ashland and was attending the meeting to get information.

Prior to the conclusion of the meeting Mr. Faught stated the Committee's next steps will be to wrestle the financials with the second WTP or Partial TAP and/or the combination of both. He added that an additional agenda item for the next meeting will be the public outreach and how AWAC should include the community in the decision.

## **ADJOURNMENT**

Meeting adjourned 6:00 p.m.

*Respectfully submitted,  
Jodi Vizzini, Office Assistant II*