

ASHLAND Water Advisory Committee
MINUTES
July 23, 2019

These minutes are pending approval by this Committee

CALL TO ORDER

Williams called the meeting to order at 4:03 PM

Committee Members Present: Pat Acklin, Joe Graf, Rich Miller, Don Morris, Alex Amarotico, Lesley Adams, Darrell Boldt, John Williams

Committee Members Absent: Kate Jackson, Donna Rhee

Staff present: Scott Fleury, Steve Walker, Kevin Caldwell, Taina Glick, Alistair Andre, Julie Smitherman

ANNOUNCEMENTS

Williams mentioned that Acklin had an editorial published in the paper and she was thanked by the group.

APPROVAL OF MINUTES

Graf/Miller m/s to approve June 25, 2019 minutes. All ayes. Minutes approved as presented.

PUBLIC FORUM

None

Old Business

WTP Update

Fleury presented overview of changes since last meeting. The cost estimate after refining site plans, reducing excavation area, and refining design drawings is \$35.9 million. Some small changes could still be made but will have minimal impact on project cost. Project will be presented at the August 5 study session. Amarotico inquired if solar was included in the new cost estimate. Fleury answered it is not, but staff is considering including a solar option as an alternative bid item. Miller inquired about battery storage. Fleury indicated that backup emergency power is planned as a diesel generator and that power redundancy is still being considered. Amarotico asked about day-to-day operational cost difference between plate settler or actiflow system.

New Business

RH2 Master Plan Update 27:00

Lanigan touched on changes made since the last meeting, summarized changes made since the last water master plan, and discussed financial impacts. Changes and updates include:

- Lower demand estimations
- Addition of TAP
- Decisions made regarding WTP
- Correction of fire flow issues with the addition of a new Park Estates pump station
- Addition of Terrace St pump station for boosting TID water
- Updated hydraulic model which shows increased fire flow concerns increasing pipe projects
- Reduction in number of clear wells
- Pump station capacity optimization to Crowson Reservoir
- Transmission improvements, mostly on Granite St
- Suggested addition of pump station
- Relocation of Granite Reservoir
- Expansion of Alsing service area to improve water quality issues
- Prioritization of CIP projects and addition of projected costs for some projects

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Presentation attached. Committee members decided not to vote to approve WMP until financials and changes made since this meeting can be reviewed in August. One additional meeting will be held on August.

Next Committee meeting August 27, 2019 4:00 pm.

ADJOURNMENT: at 5:23 pm

*Respectfully submitted,
Taina Glick
Public Works Administrative Assistant*

July 23, 2019



CITY OF ASHLAND WATER MASTER PLAN STATUS UPDATE

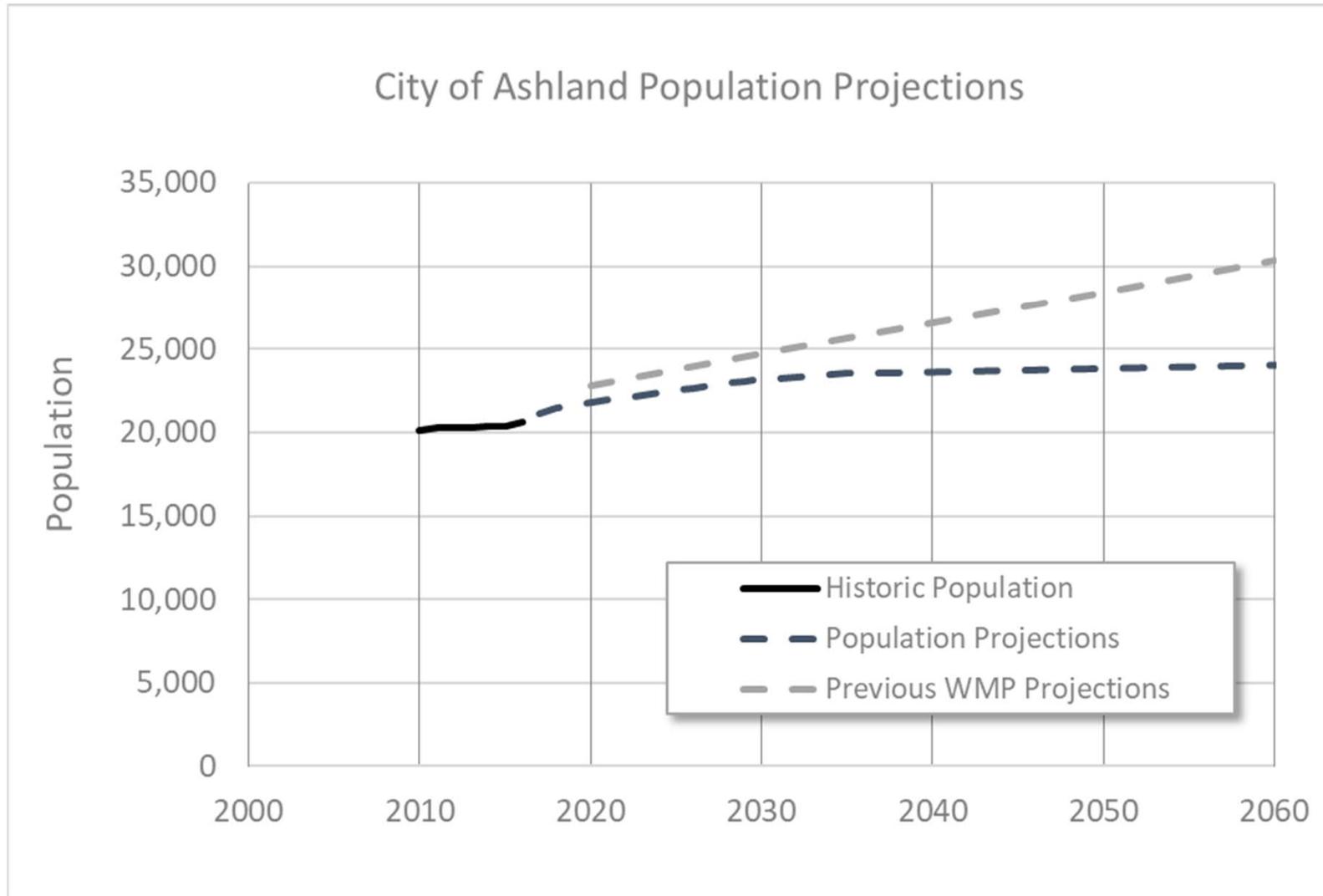
AGENDA

- Final discussion of WMP
 - Changes since last WMP
 - Key Takeaways
- Impacts on Rates
- AWAC Recommendation for Adoption

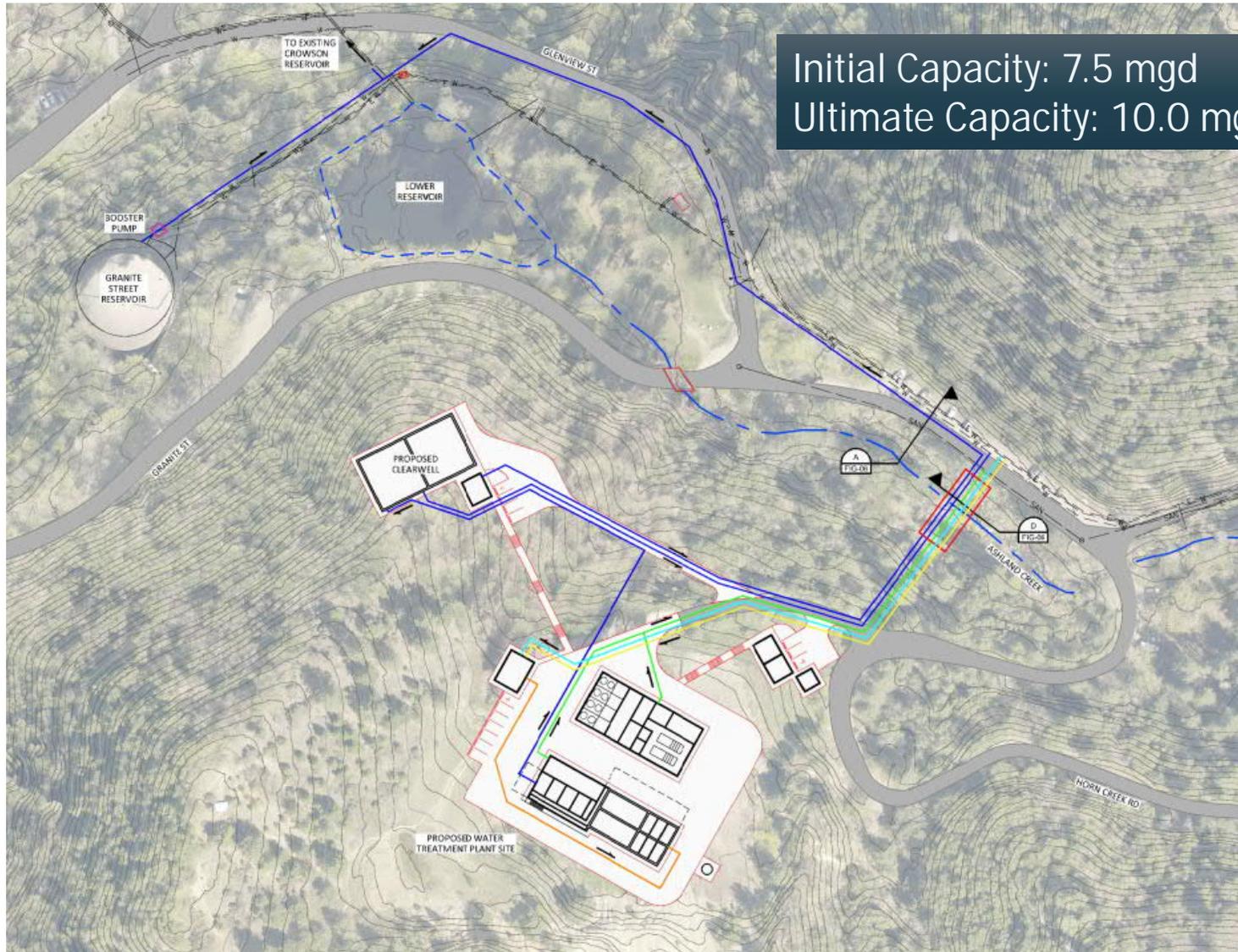


CHANGES SINCE LAST WMP

SIGNIFICANTLY LOWER POPULATION PROJECTIONS



DECISION ON NEW WTP CAPACITY AND LOCATION



Initial Capacity: 7.5 mgd
Ultimate Capacity: 10.0 mgd

CONSTRUCTION OF THE TAP EMERGENCY SUPPLY SYSTEM



CONSTRUCTION OF THE NEW PARK ESTATES PUMP STATION

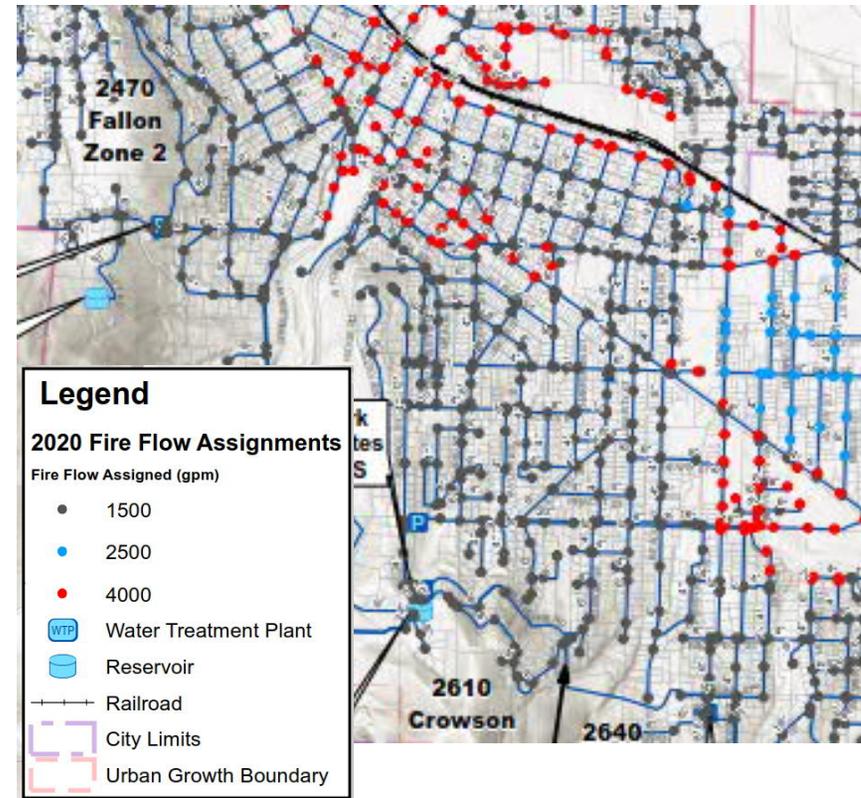
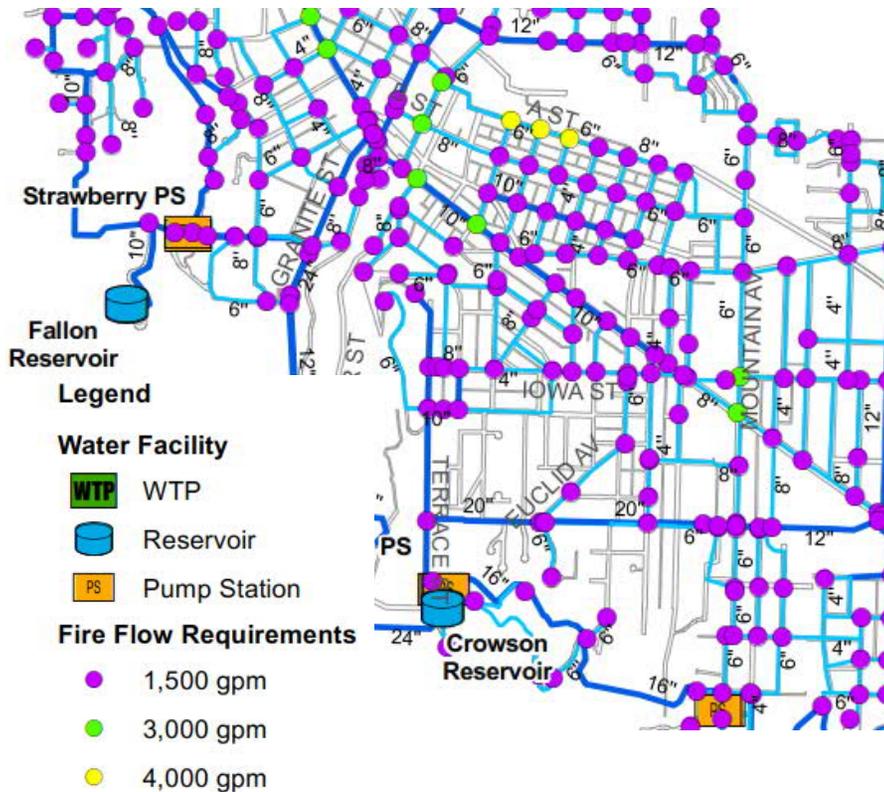


CONSTRUCTION OF THE TERRACE ST PUMP STATION



UPDATED HYDRAULIC MODEL

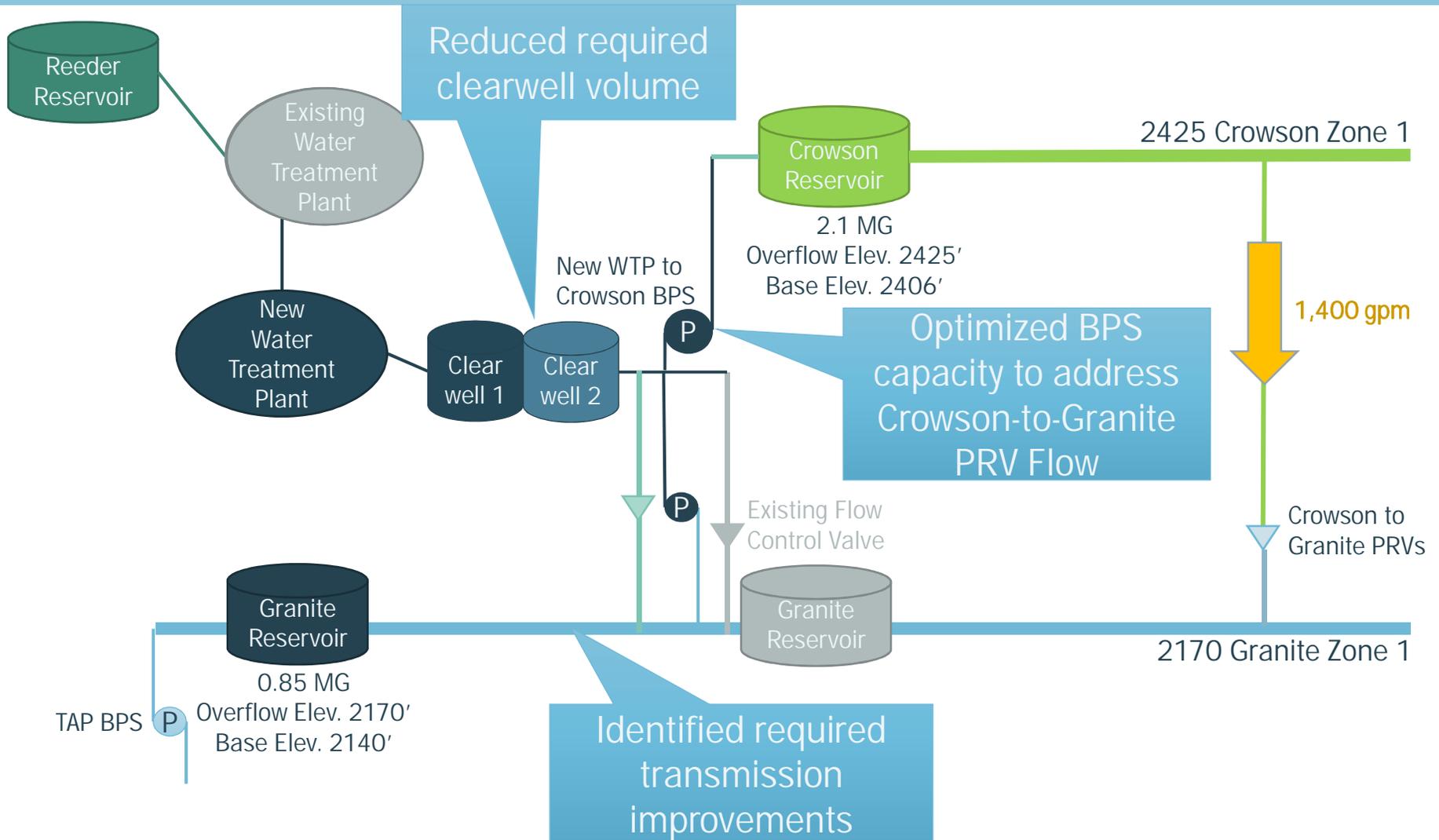
- More nodes representing hydrants
 - More fire flow issues identified



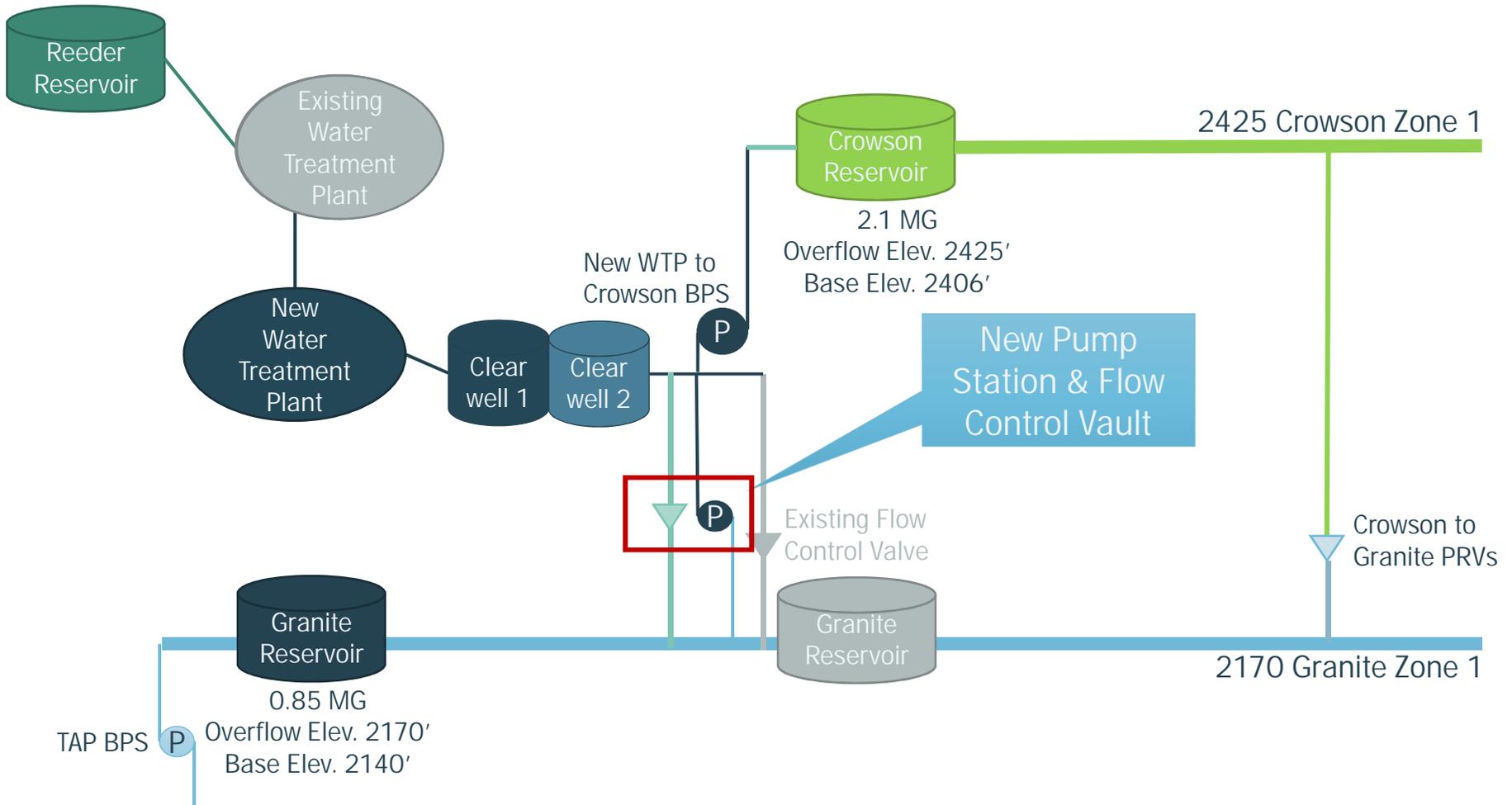


KEY WATER MASTER PLAN UPDATE TAKEAWAYS

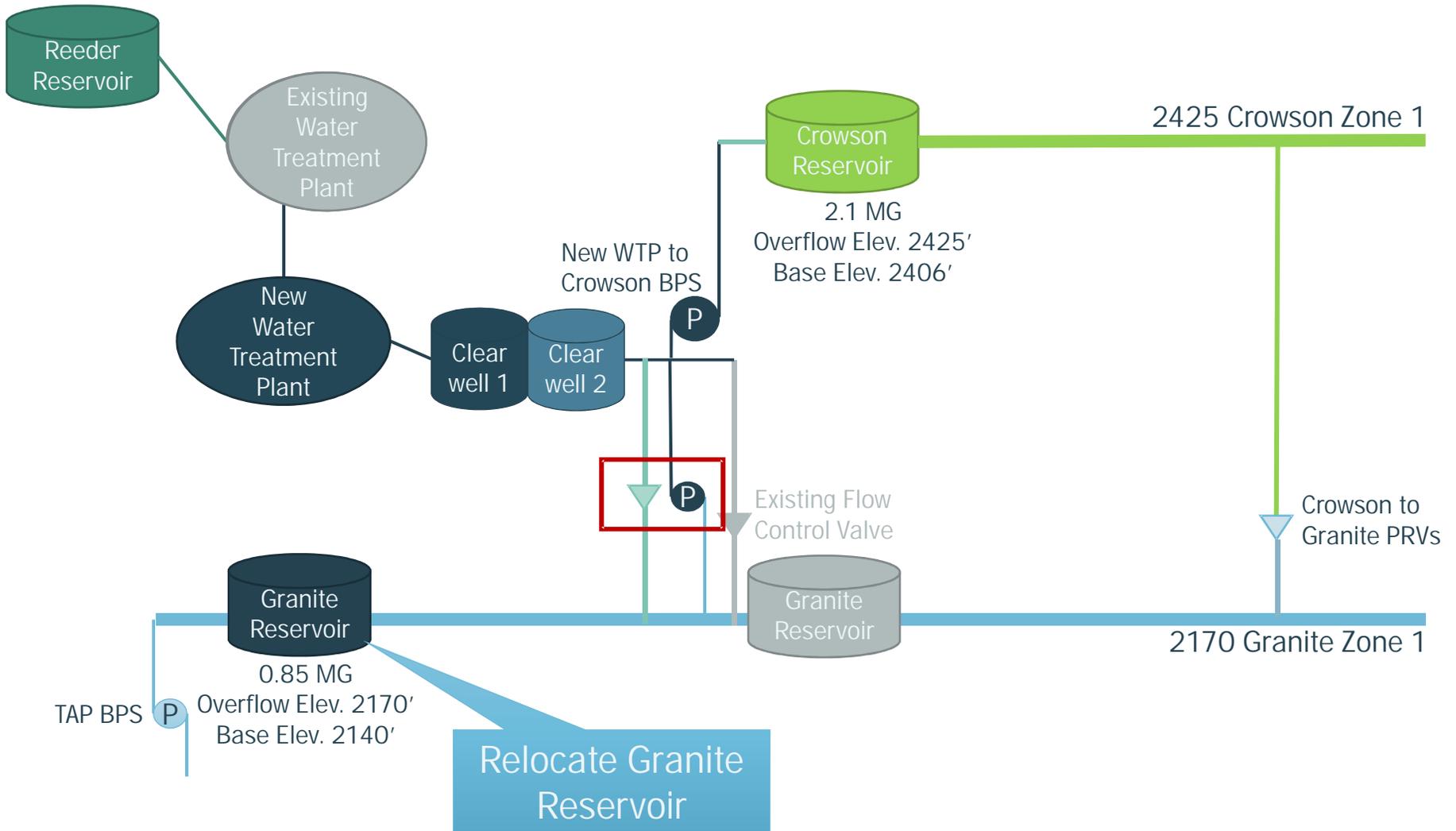
INTEGRATION OF THE NEW WTP



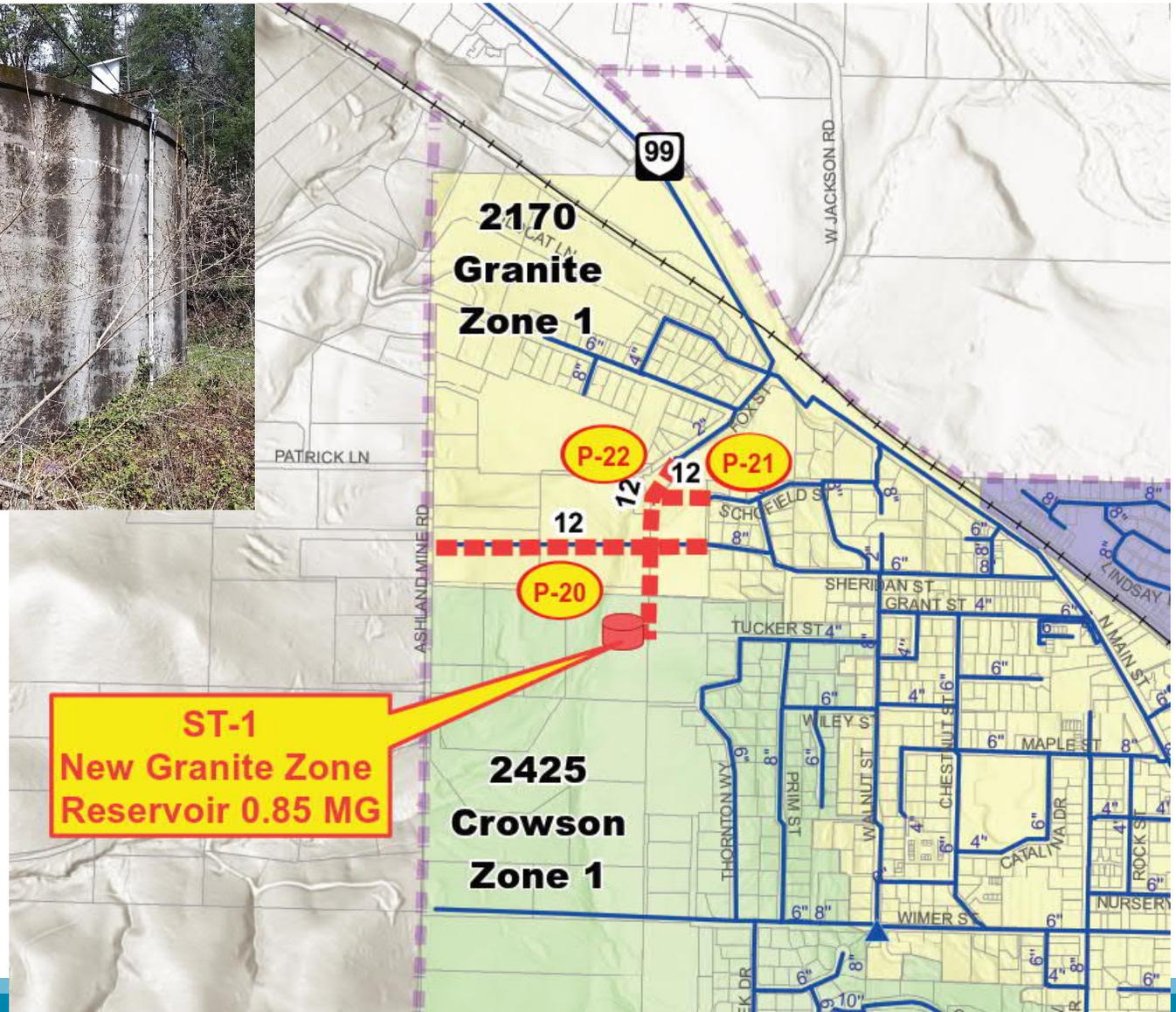
IMPROVING TAP SUPPLY TO HIGHER PRESSURE ZONES



RELOCATING AGING GRANITE RESERVOIR TO OPTIMIZE GRANITE ZONE OPERATIONS



RELOCATING AGING GRANITE RESERVOIR TO OPTIMIZE GRANITE ZONE OPERATIONS



RESOLVING WATER QUALITY ISSUES BY EXPANDING ALSING RESERVOIR AREA

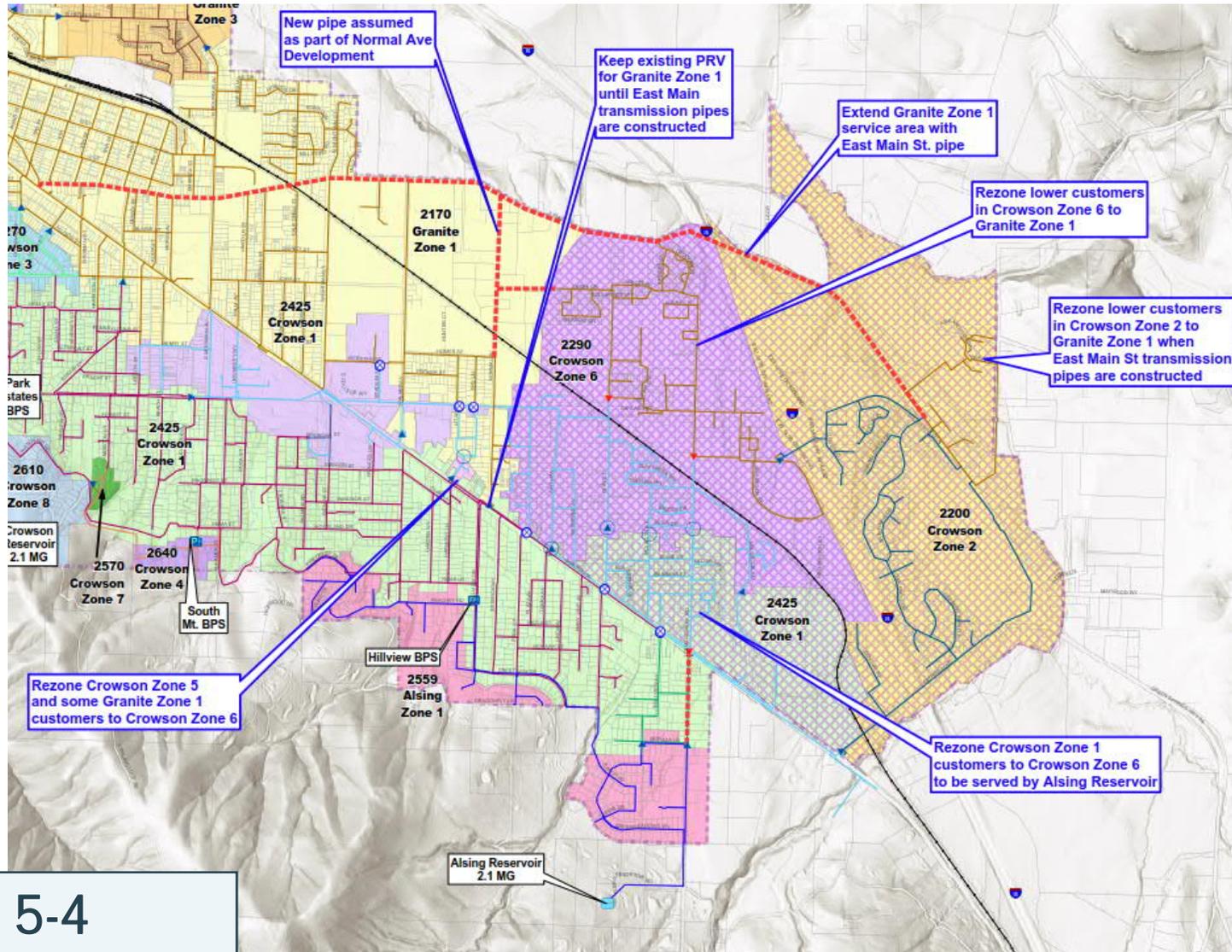


Figure 5-4

COMPLETING PARK ESTATES FIRE IMPROVEMENTS

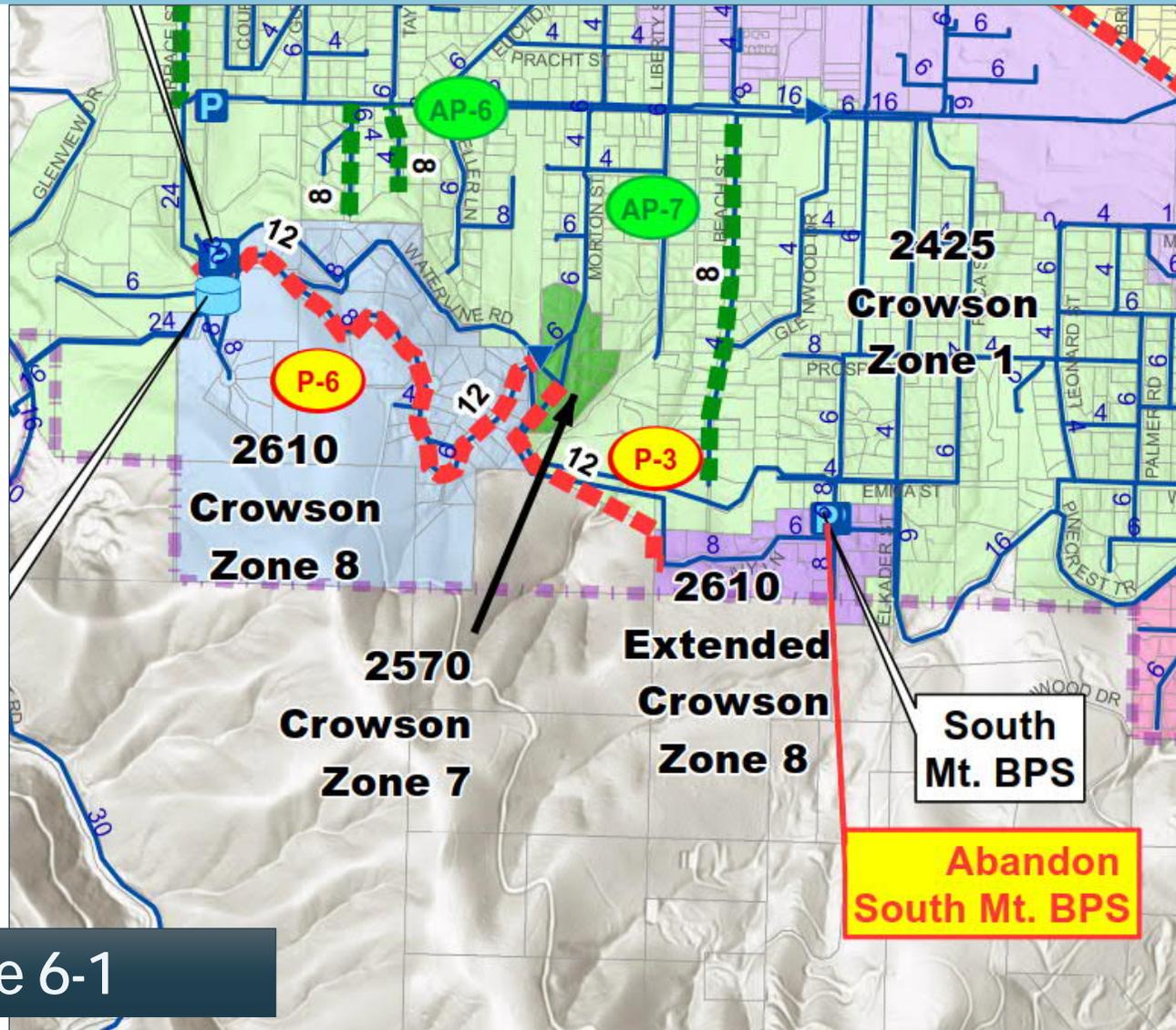
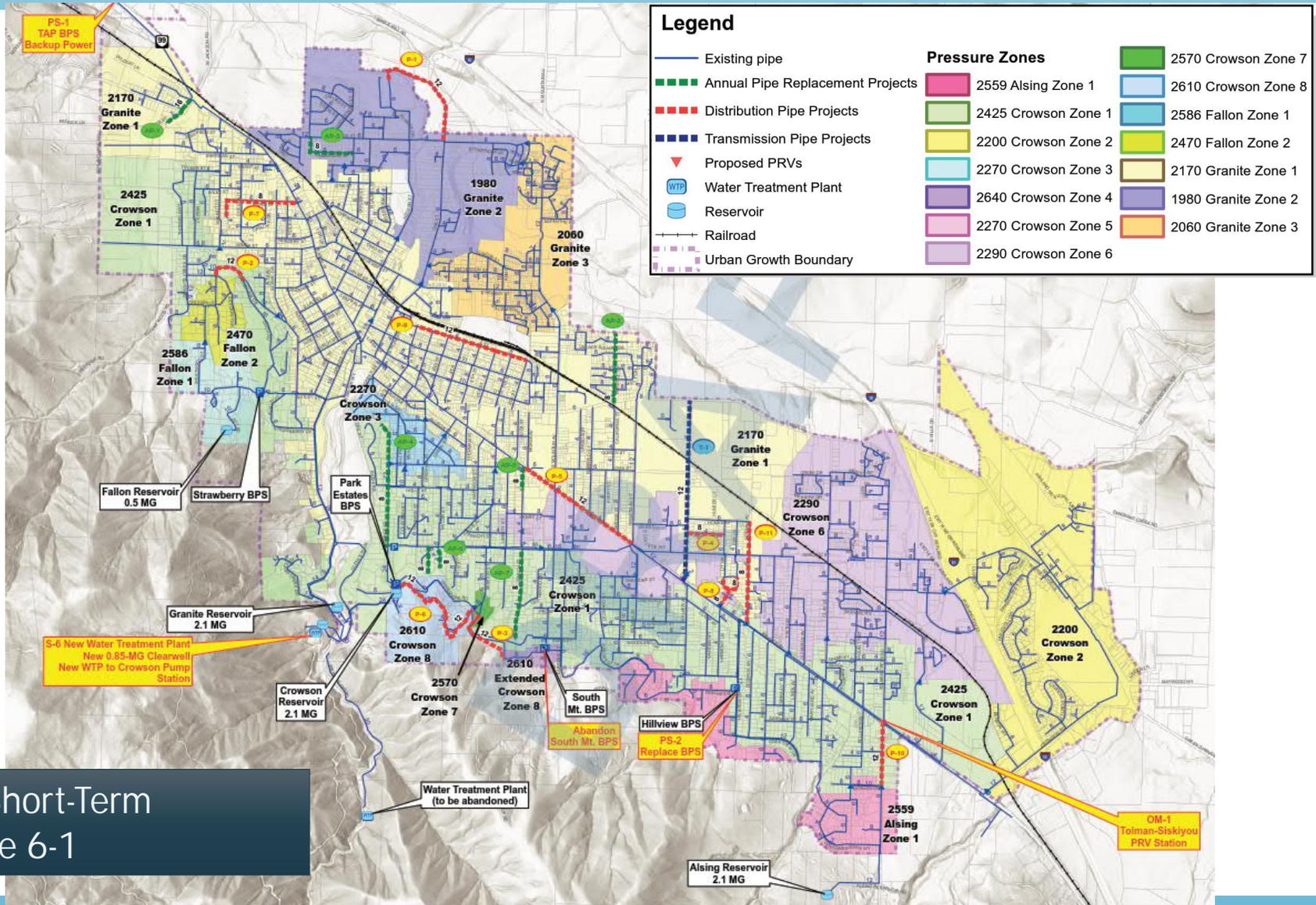


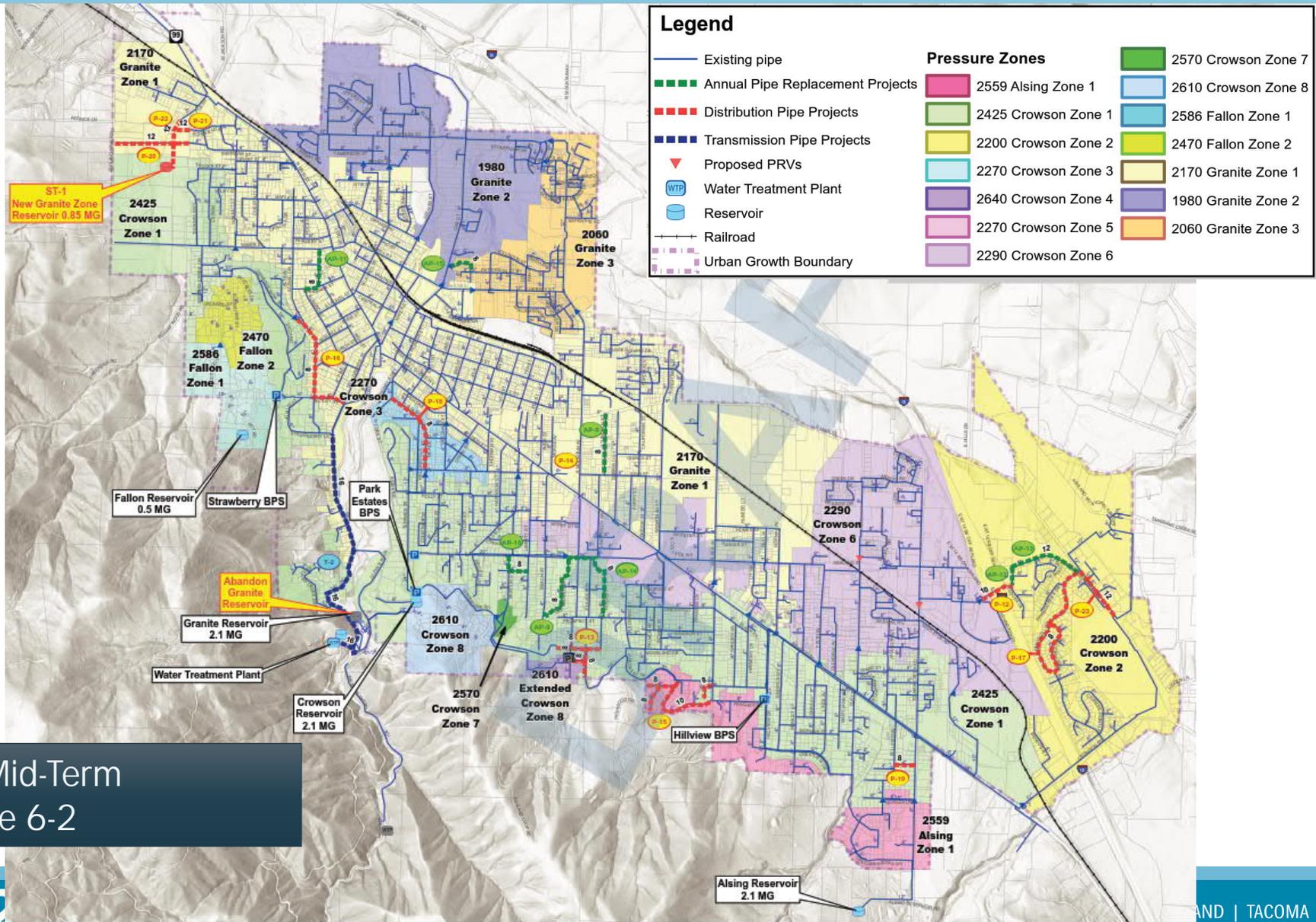
Figure 6-1

SIGNIFICANT CAPACITY IMPROVEMENTS



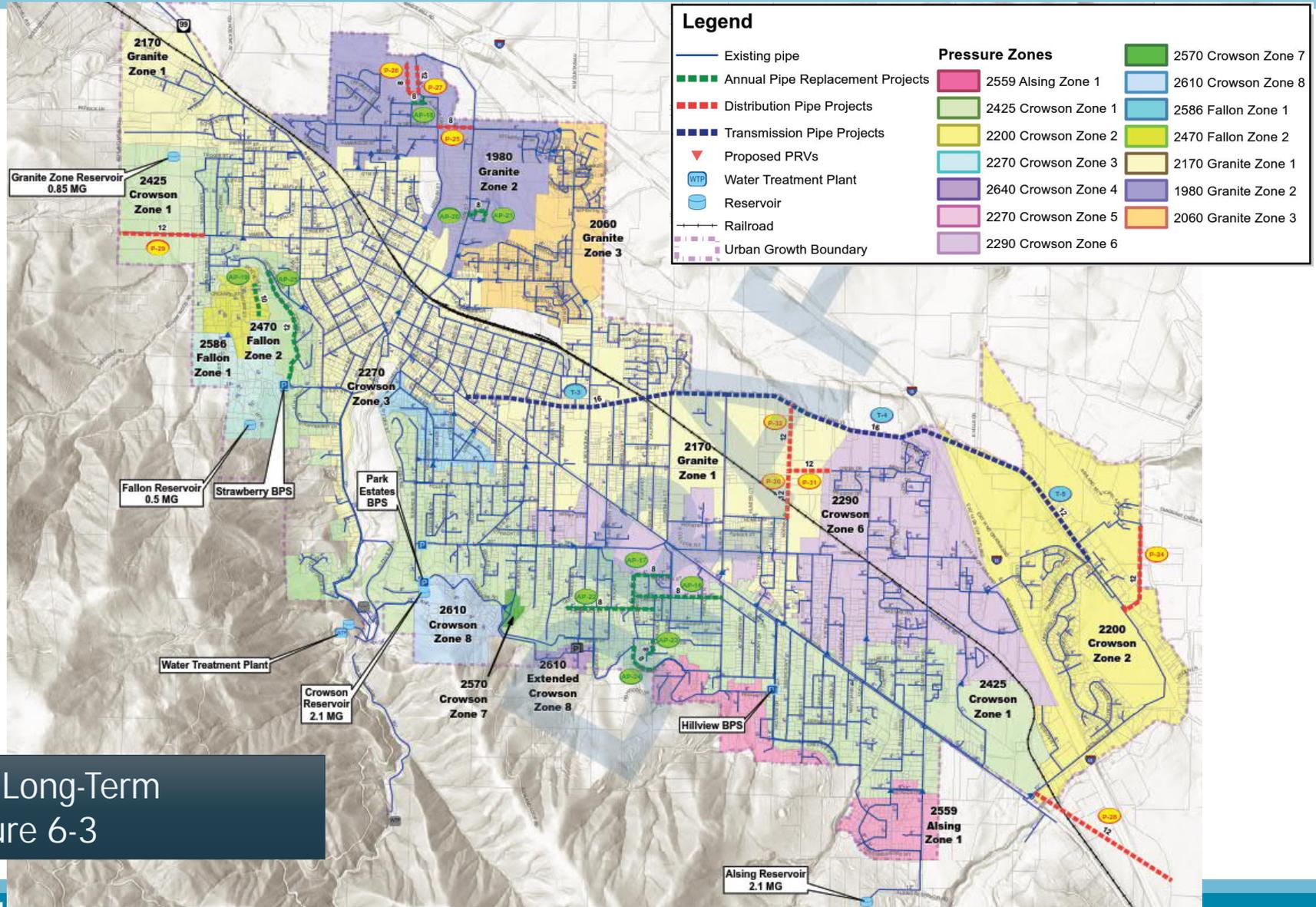
CIP Short-Term
Figure 6-1

SIGNIFICANT CAPACITY IMPROVEMENTS



CIP Mid-Term
Figure 6-2

EXPANDING GRANITE ZONE TO FAR EAST FOR LONG-TERM OPERATIONAL EFFICIENCY



CIP Long-Term
Figure 6-3

PRIORITIZED CIP SHORT-TERM, MID-TERM, AND BEYOND 2040

CATEGORY	TOTAL PROJECT COST	PLANNING PERIOD (YEARS)		
		SHORT-TERM	MID-TERM	LONG-TERM
		FY20-29	FY30-39	FY40+
SUPPLY	\$45.8M	\$41.9M	\$3.4M	\$0.6M
STORAGE	\$2.8M	\$ -	\$2.8M	\$ -
PUMP STATIONS	\$2.5M	\$1.9M	\$0.6M	\$ -
PIPES	\$33.5M	\$10.0M	\$12.3M	\$11.2M
OPERATIONS AND MAINTENANCE	\$2.8M	\$0.9M	\$2.0M	\$ -
RECOMMENDED STUDIES	\$1.0M	\$0.4M	\$0.3M	\$0.3M
TOTAL CIP	\$88.3M	\$55.0M	\$21.3M	\$12.0M



WATER MASTER PLAN FINANCIAL IMPACTS

BACKGROUND

- Full cost-of-service study completed and new rate structure adopted in 2015
- Annual reviews conducted to set rates
- May 2019 the water rate model was updated with a 10-Year Forecast; 4% rate increases recommended for next 10 years
- July 2019 update - Oregon Statutes require financial analysis with Master Plan updates to demonstrate how the City will fund necessary improvements

TOTAL MASTER PLAN CIP COSTS ALLOCATED TO RATES AND SDCS

Master Plan financial chapter discusses funding sources, total CIP estimated costs, and focuses on the short-term CIP funding strategy

Source	Total Master Plan Cost in 2019 \$'s	Percentage
Existing Customers (rates)	\$69.42 M	78.5%
New Customers (SDCs)	\$18.97 M	21.5%
TOTAL	\$88.39 M	100.0%

UPDATE OF WATER FUND FINANCIAL MODEL MAY TO JULY 2019

Updated Short-Term Capital Improvements Plan for Next Ten Years

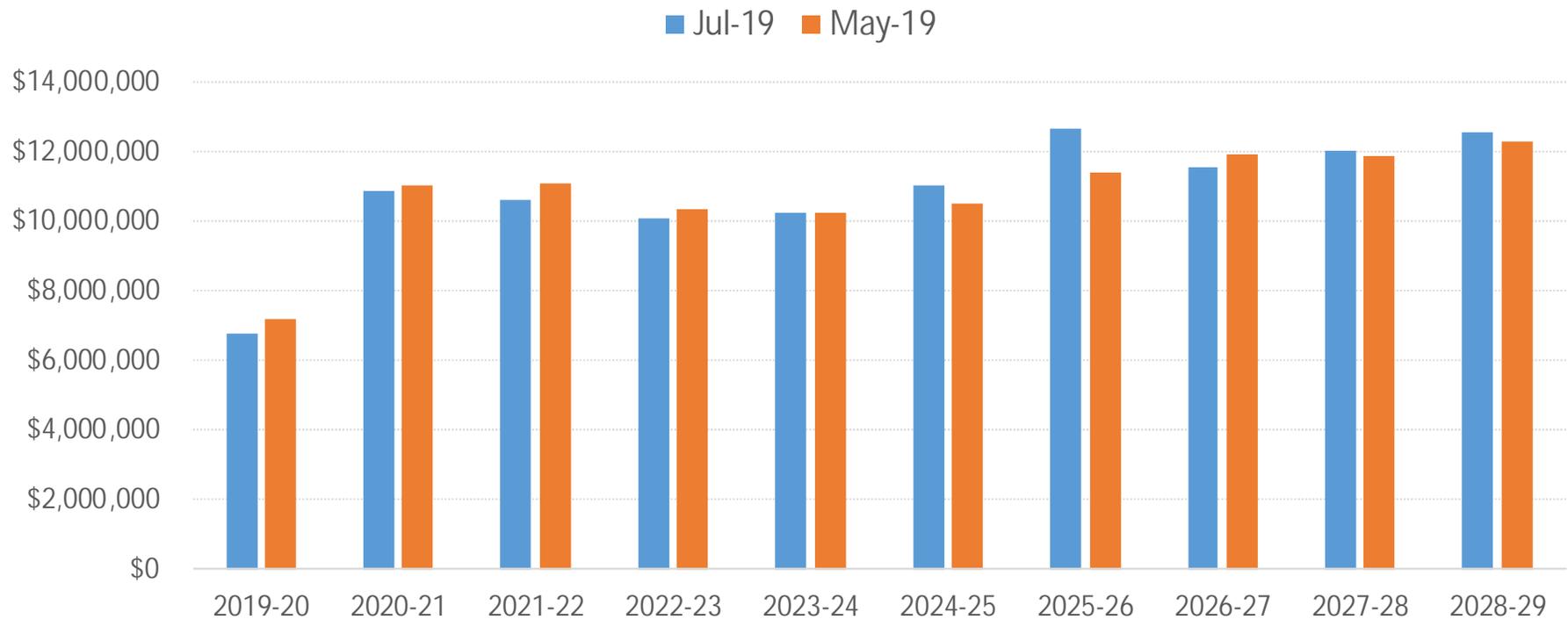
Model	Inflated \$s
May 2019	\$51.76 M
July 2019	\$57.20 M
Difference - Increase	\$5.44 M

10-YEAR CIP FUNDING PLAN IN INFLATED DOLLARS

Source	May	July	July %
Reserves / Cash	\$15.47 M	\$13.22 M	23.1%
SRF Loan (treatment plant) *	\$12.58 M	\$12.58 M	22.0%
SRF Forgiveness (WTP)	\$1.03 M	\$1.03 M	1.8%
DEQ Loan	\$1.30 M	\$1.30 M	2.3%
City Debt	\$20.35 M	\$29.07 M	50.8%
TOTAL	\$51.76 M	\$57.20 M	100.0%

*Remaining amount of loan. Total loan amount is \$13.78 million.

REVENUE REQUIREMENT



MAJOR FINDINGS

Rates

- Can maintain 4.0% increase each year

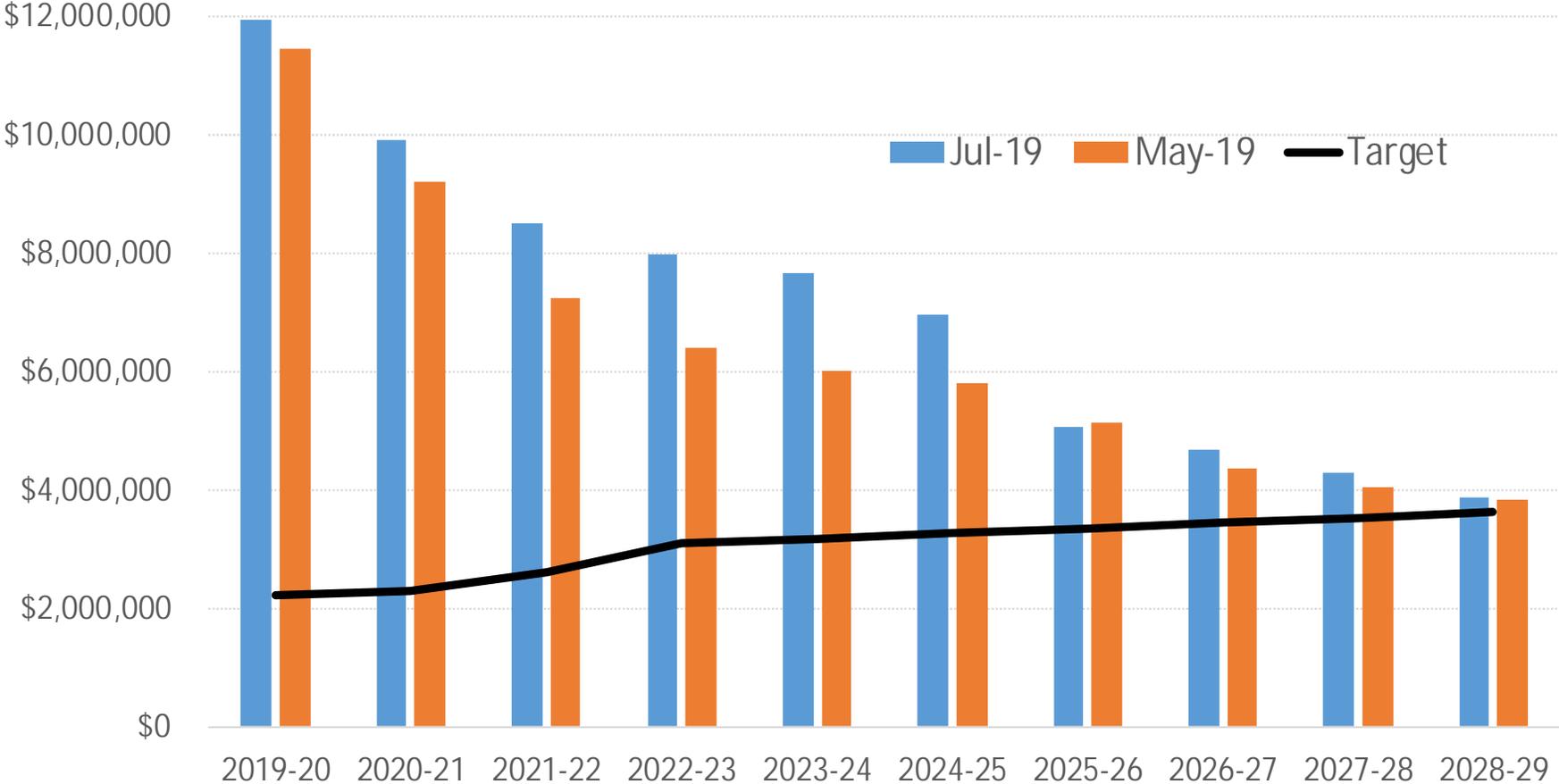
System Development Charges

- Need to be adjusted to account for 2019 Master Plan CIP
- Financial model assumption is \$100,000 SDC Revenue / Year

Cash Flow

- Draw down cash reserves \$9.5 million to pay for WTP (\$6 M), Hillview BPS replacement (\$1.8 M) and smaller projects (\$1.7 M)
- Need to keep cash reserves high next few years due to multiple project activity

PROJECTED CASH FLOW



Excludes bond & loan proceeds and project costs paid for with bond & loan proceeds which may cause cash in the water fund to be greater than or less than shown in projection.



RECOMMENDATION FOR ADOPTION



QUESTIONS?