

**CITY COUNCIL STUDY SESSION
DRAFT MINUTES
Monday, January 6, 2020
Council Chambers, 1175 E. Main Street**

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

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

1. Public Input (15 minutes, maximum)

Huelz Gutcheon – Ashland – Spoke in concern about having enough local water and food. He spoke regarding building houses and the importance of solar panels.

Ray Mallette – Ashland – Spoke of regarding Chapter 5 of the new Water Master Plan (WMP). He spoke that no additional evaluations for supply were performed. He questioned if the 2011 WMP study determined that there would be no climate impact leading out to 2040 and beyond. He suggested to receive information in terms of what assumptions were made and the need to look at the long-term projections.

Les Stone – Ashland – Spoke regarding the Master Water Plan (WMP). She suggested to have the CEAP goals included in the WMP.

2. Water Master Plan Update Presentation

City Administrator Kelly Madding introduced Deputy Public Works Director Scott Fleury.

Fleury introduced RH2 Project Manager Rachel Lanigan and Conservation Analyst Julie Smitherman. Fleury thanked the Ashland Water Advisory Committee for all their work on the Water Master Plan.

Lanigan presented Council with a PowerPoint (*see attached*).

Items discussed were:

- Water Master Plan (WMP) Overview.
 - Required by health authority.
 - Required every 20 years but usually happen more frequently.
 - New requirement for seismic risk. But Ashland is exempt due to the location.
 - Purpose of the plan.
 - What is included in a Water Master Plan.
- Changes since last Water Master Plan (WMP).
 - 2012 WMP had a heavy focus on long-term supply.
 - TAP system.

- Capacity and location.
 - Lower population projections.
- Demand Projections.
 - Historic demand.
 - Previous master plan projections.
 - Current projections.
 - Average per day demand projections.
- Construction of the new Park Estates Pump Station.
- Construction of the Terrace Street Pump Station.
- Updated hydraulic model.
- Master Plan Key takeaways.
 - Integration of the new water plant.
 - Water flow chart.
 - Identified transmission improvements.
 - Gravity supply.
 - CIP Short-Term.
 - CIP Mid-Term.
 - CIP Long-Term.
 - Possible rezoning.
 - Recommendation for new pump station and control valve.
 - Relocation and resizing of Granite storage.
 - TAP Master Plan.
 - Pipe improvements.
 - Project prioritizations.
- Financial Recommendations.
 - Minimize borrowing by using strategic planning.
 - Rate recommendation.
 - Adjust System Development Charges (SDC).
 - Continue annual reserves.
 - List of funding sources the city could consider.
 - Projected cash flow.

Staff recommends adoption of the plan.

Questions:

Council discussed climate change projections and conservation programs.

Rosenthal thanked Staff and the Ashland Water Advisory Committee for their work on this project. He suggested that in the Climate and Energy Plan be addressed in the final report. Graham spoke that the Climate Policy Commission could help with these issues.

Slattery suggested to have a Public Forum on this topic before it comes back to Council.

Jensen thanked Staff. Council discussed rate increases in comparison to surrounding cities.

The Study Session was adjourned at 6:36 PM and Executive Session began at 6:40 PM.

The City Council will hold an Executive Session immediately following the Study Session to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed, pursuant to ORS 192.660(2)(h).

The Executive Session adjourned at 7:25 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).

January 6, 2020



CITY OF ASHLAND WATER MASTER PLAN UPDATE CITY COUNCIL STUDY SESSION

AGENDA

- Master Plan Overview
- Changes Since Last Water Master Plan
- Key Takeaways
- Financial Recommendations
- AWAC Recommendation for Adoption

MASTER PLAN OVERVIEW

MASTER PLAN REQUIREMENT

- Required by Oregon Health Authority

- *OAR 333-061-0060(5)*

(5) A master plan is required for every community water system with 300 or more service connections or serving more than 1,000 people and shall be maintained by the water supplier for the duration of the period to which the plan applies. Master plans shall be prepared by a professional engineer registered in Oregon and submitted to the Authority for review and approval.

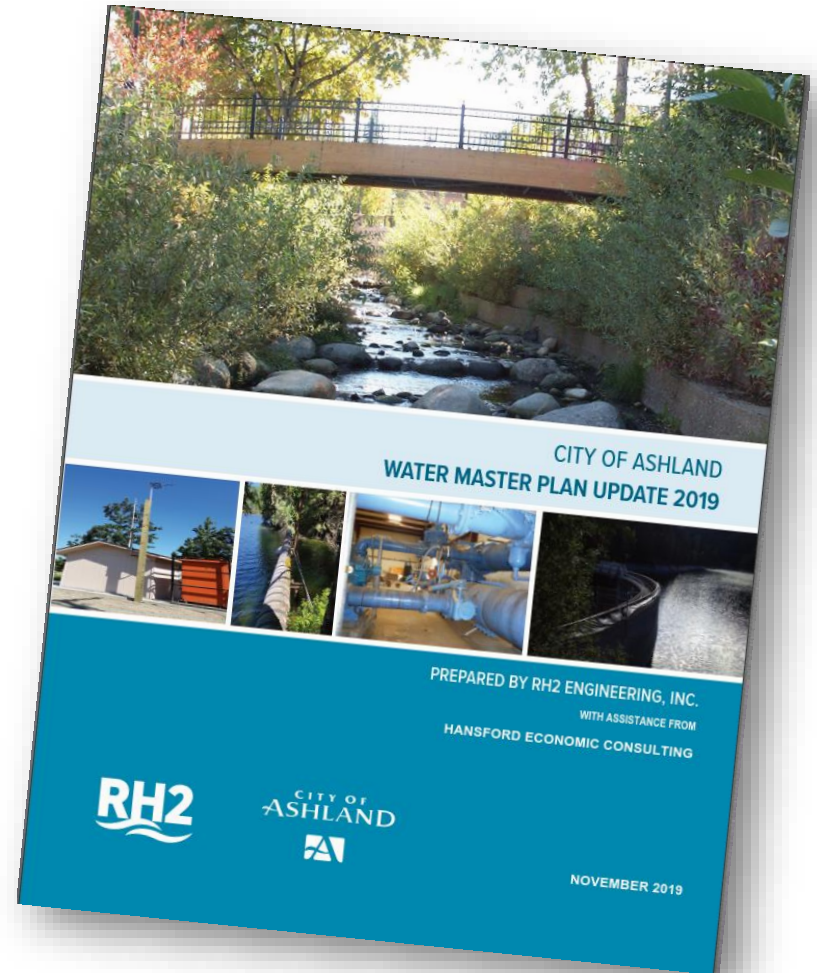
(a) Each master plan shall evaluate the needs of the water system for at least a **twenty year period** and shall include, but not be limited to, the following elements:

- New Requirement: Seismic Risk and Mitigation Plan

- Ashland is exempt

MASTER PLAN PURPOSE

- Provide guidance for selecting and prioritizing water system improvement projects
 - Selecting the best option among alternatives
 - Prioritizing considering problem areas and other City goals



CITY GOALS FOR 2019 PLAN UPDATE

1. Update the City's 2012 WMP considering new Water Treatment Plant decision
2. Perform a detailed Water Conservation Plan
3. Provide an Operations and Maintenance (O&M) Manual with recommendations

WATER MASTER PLAN – WHAT'S INCLUDED?

- Executive Summary
- Chapter 1 – Introduction
- Chapter 2 – Water System Description
- Chapter 3 – Land Use and Population
- Chapter 4 – Water Demands
- Chapter 5 – Water System Analysis
- Chapter 6 – Capital Improvement Plan
- Chapter 7 – Financial Analysis

WATER MASTER PLANS REPRESENT A SINGLE POINT IN TIME





CHANGES SINCE LAST WMP

2012 WATER MASTER PLAN FOCUSED HEAVILY ON LONG-RANGE WATER SUPPLY

- Comprehensive Water Master Plan
- Water Conservation and Reuse Study
 - Water Conservation Plan
 - Water Reuse Study
 - Climate Change Evaluation of Impacts on Watershed
 - Supply Alternatives Evaluation

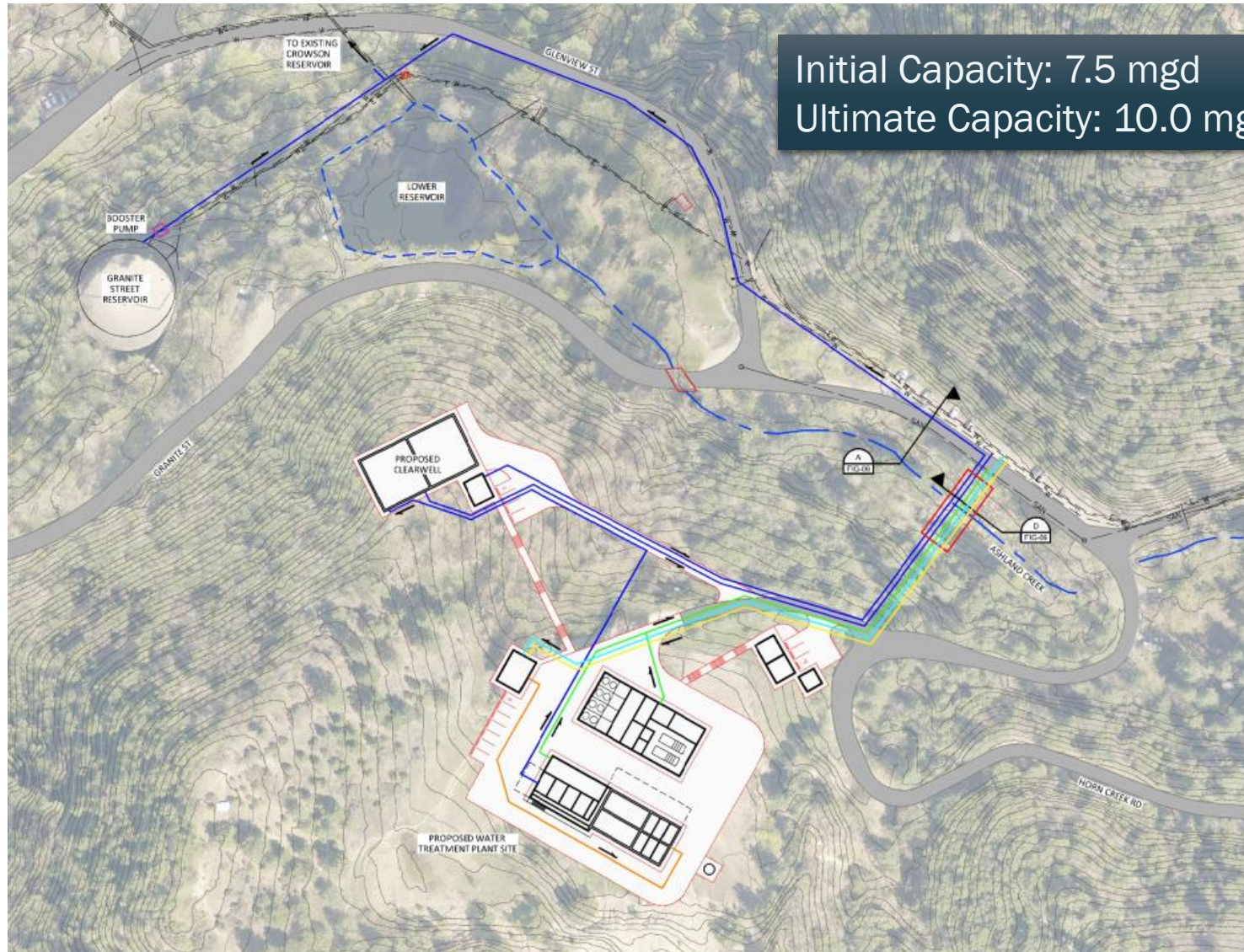


***New 2.5-MGD Water Treatment Plant and/or
TAP Emergency Supply***

2014/2015 CONSTRUCTION OF THE TAP EMERGENCY SUPPLY SYSTEM



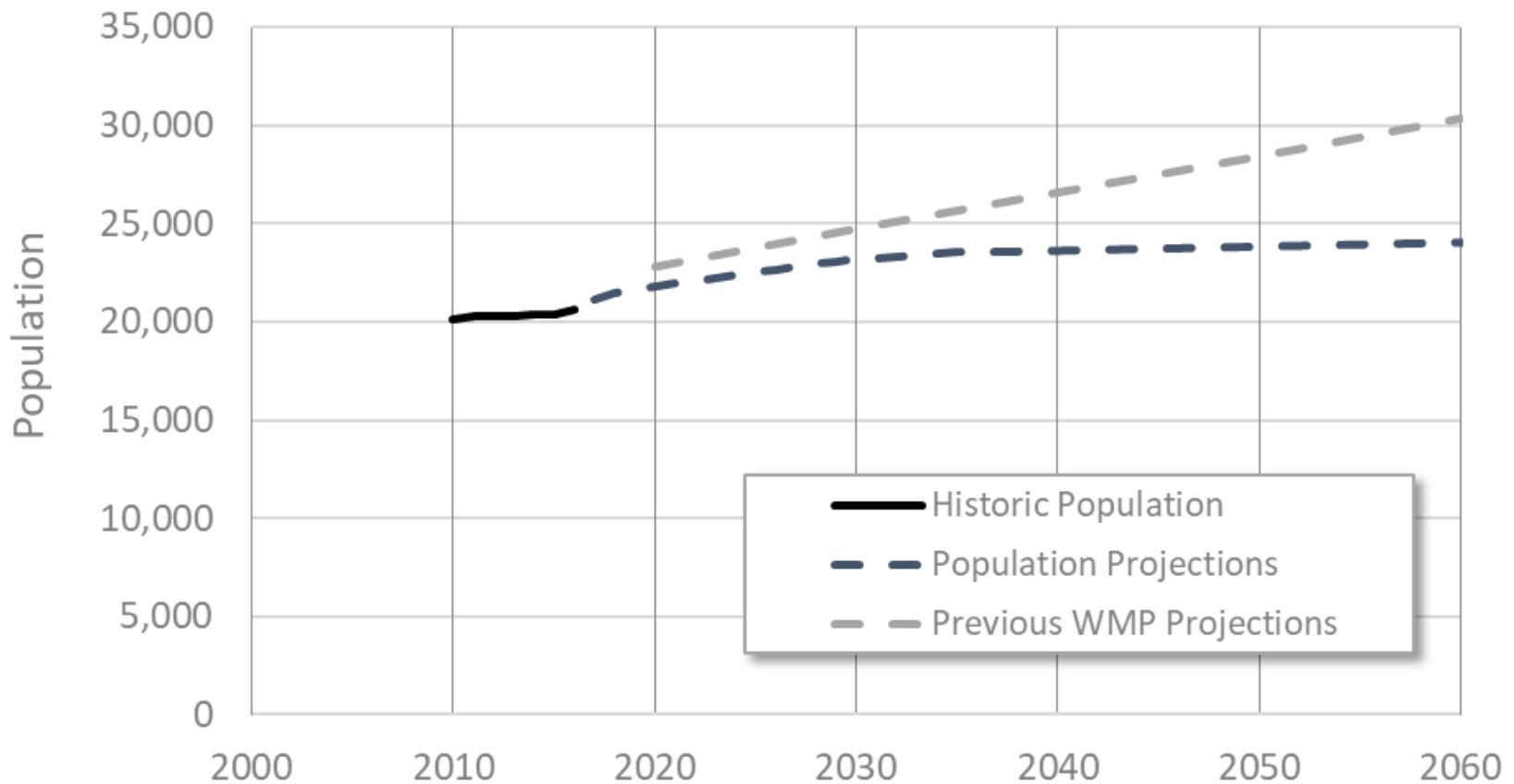
DECISION ON NEW WTP: CAPACITY AND LOCATION



Initial Capacity: 7.5 mgd
Ultimate Capacity: 10.0 mgd

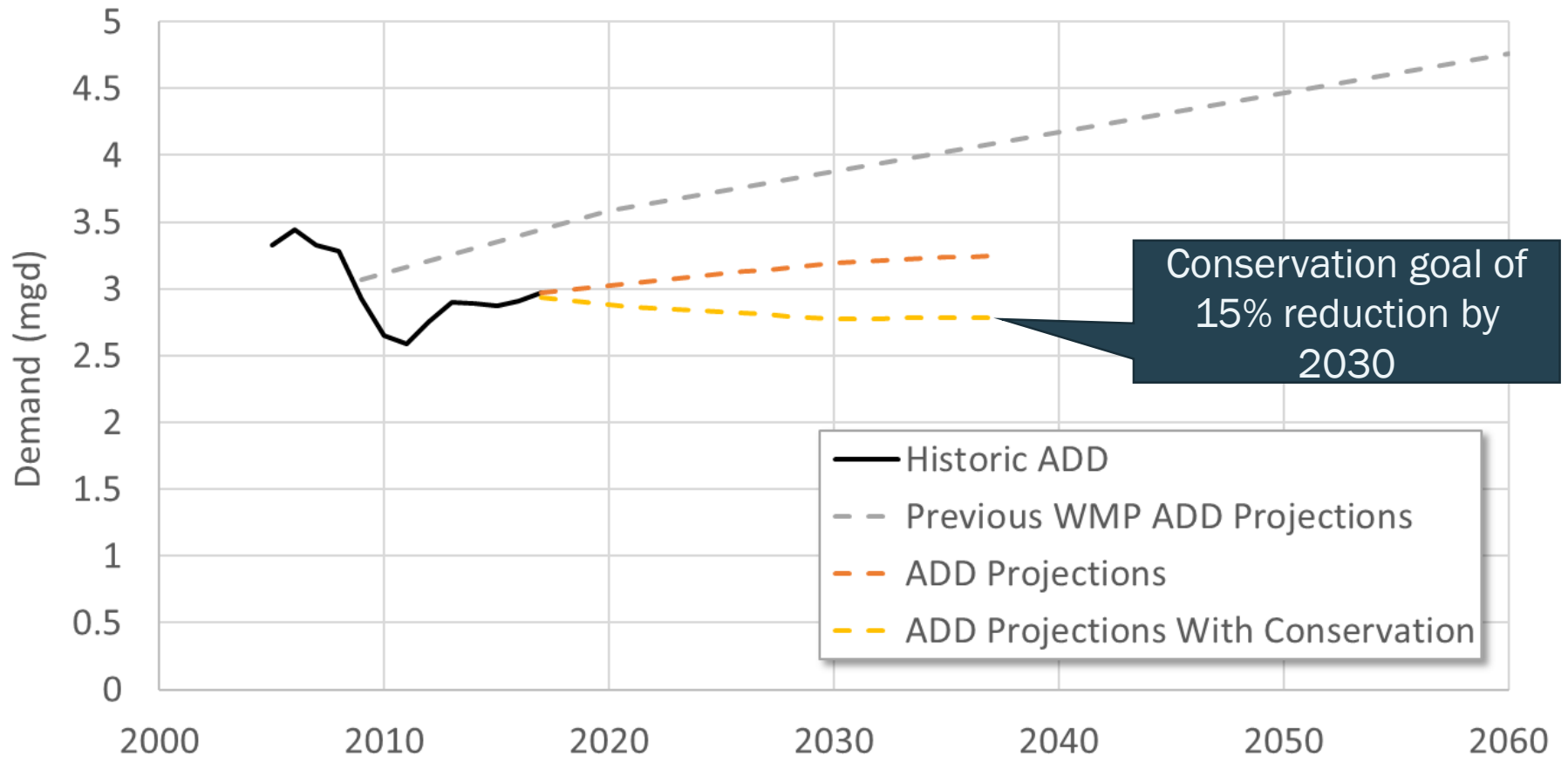
SIGNIFICANTLY LOWER POPULATION PROJECTIONS

City of Ashland Population Projections

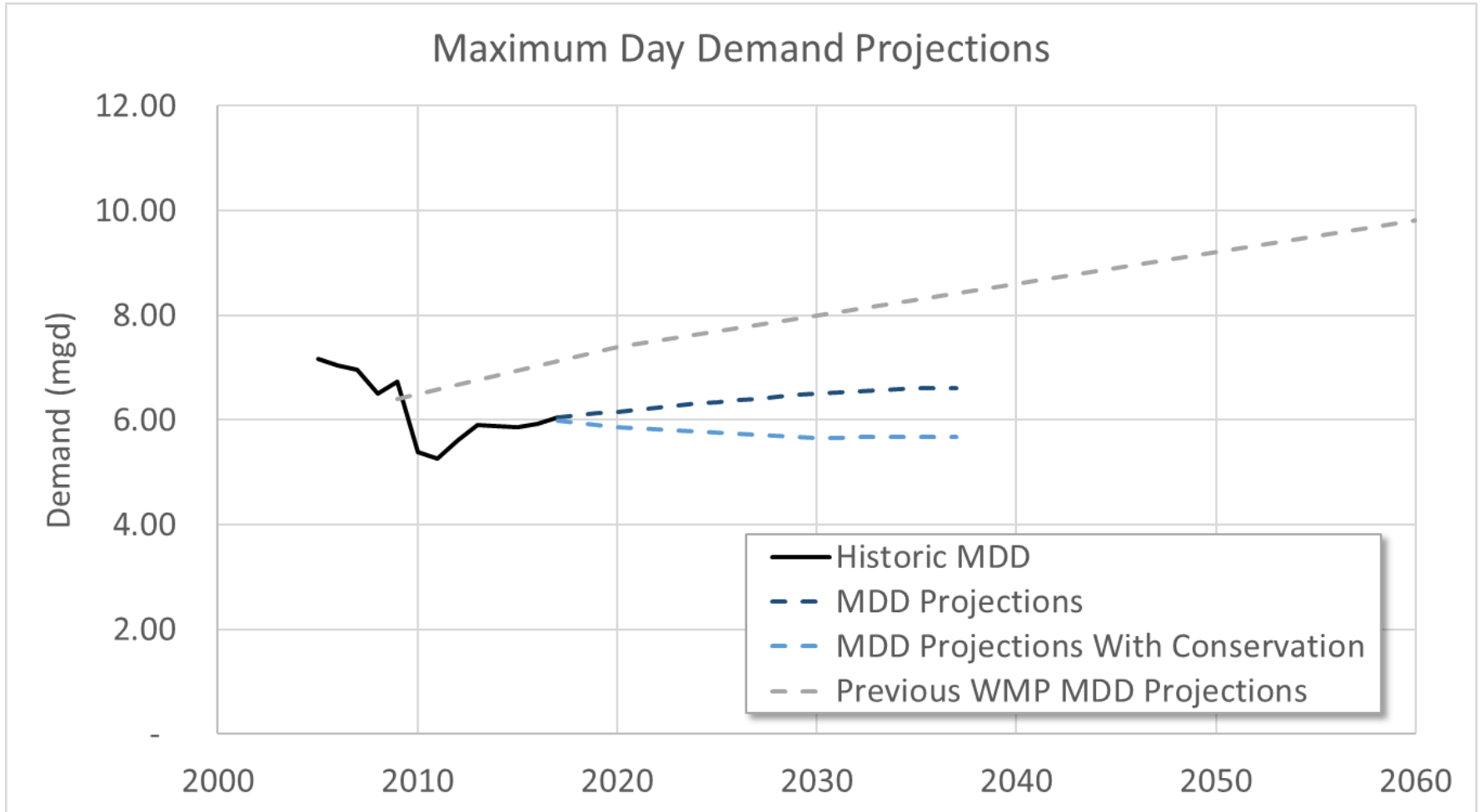


AVERAGE DAY DEMAND PROJECTIONS

Average Day Demand Projections



MAXIMUM DAY DEMAND PROJECTIONS



CONSTRUCTION OF THE NEW PARK ESTATES PUMP STATION

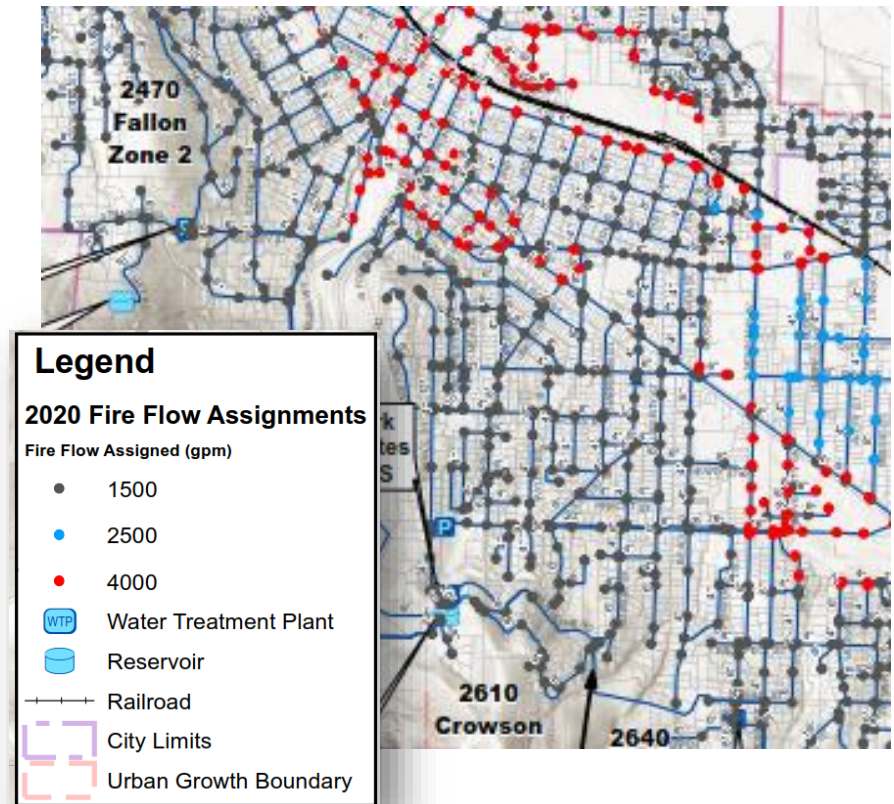
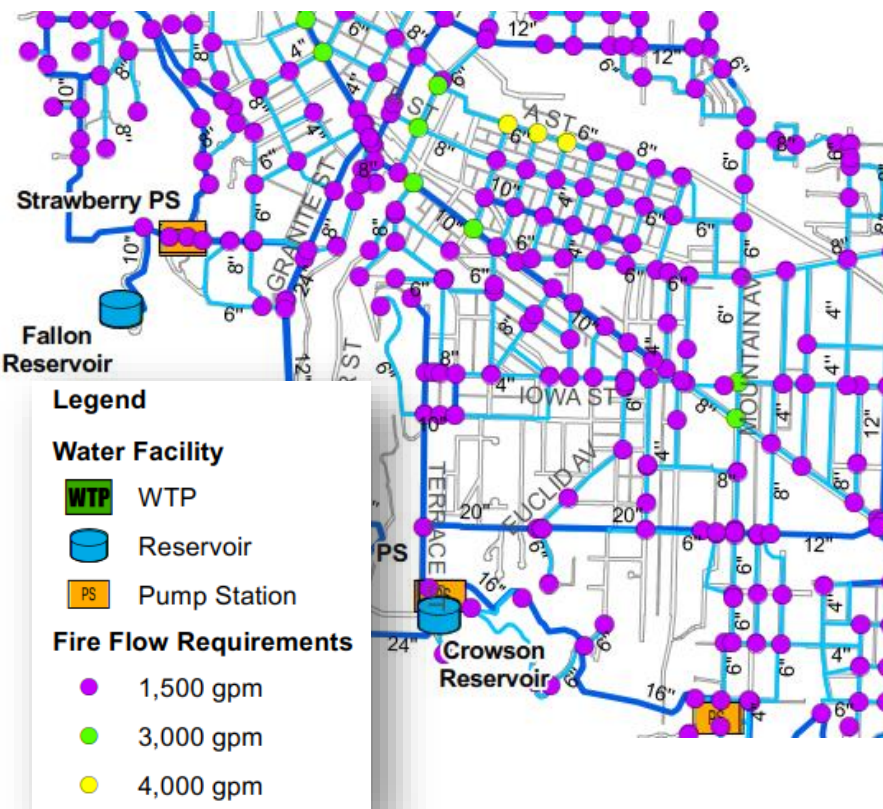


CONSTRUCTION OF THE TERRACE ST PUMP STATION



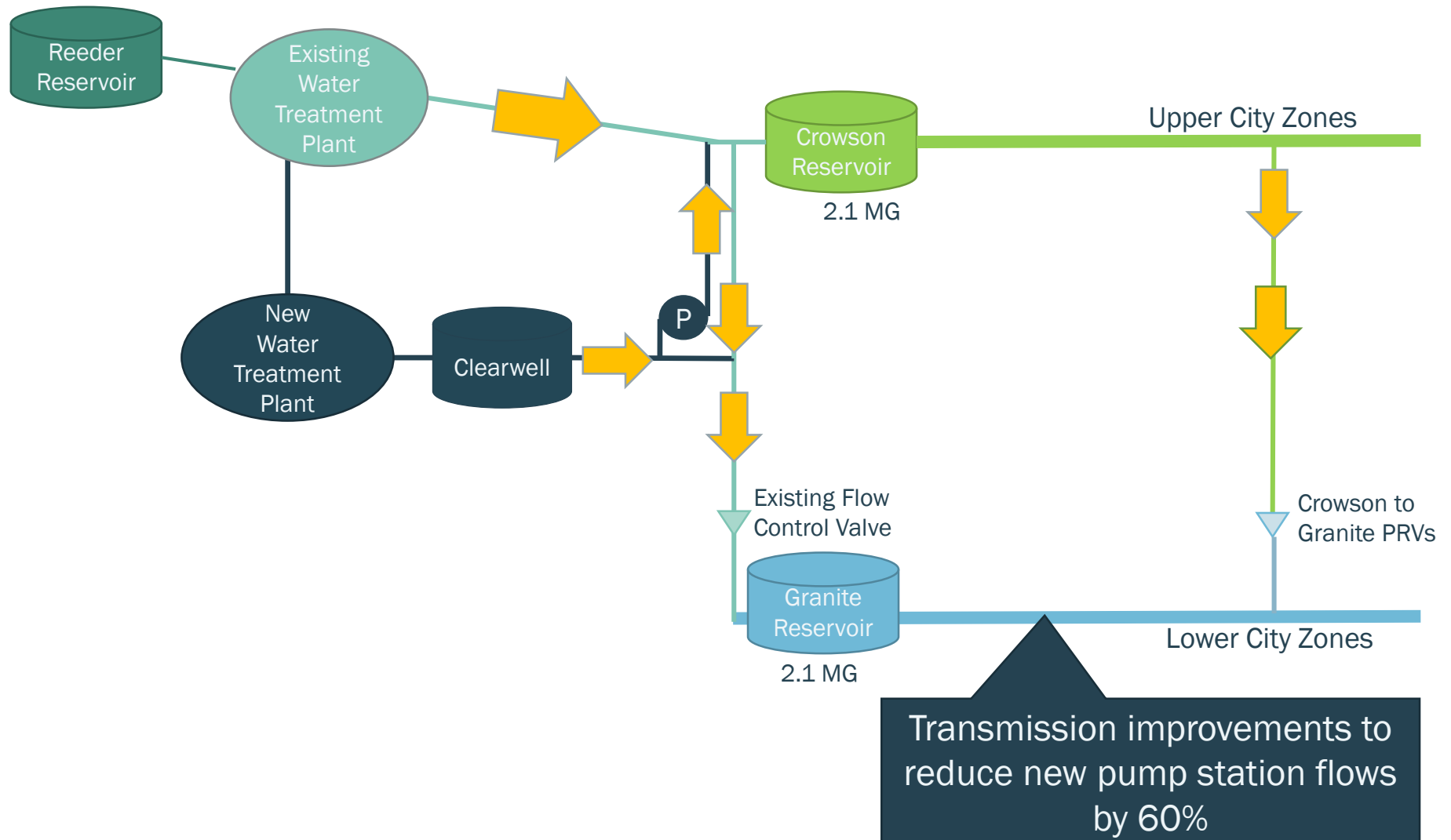
UPDATED HYDRAULIC MODEL

- More nodes representing hydrants
- Improved fire flow allocation
 - More fire flow issues identified

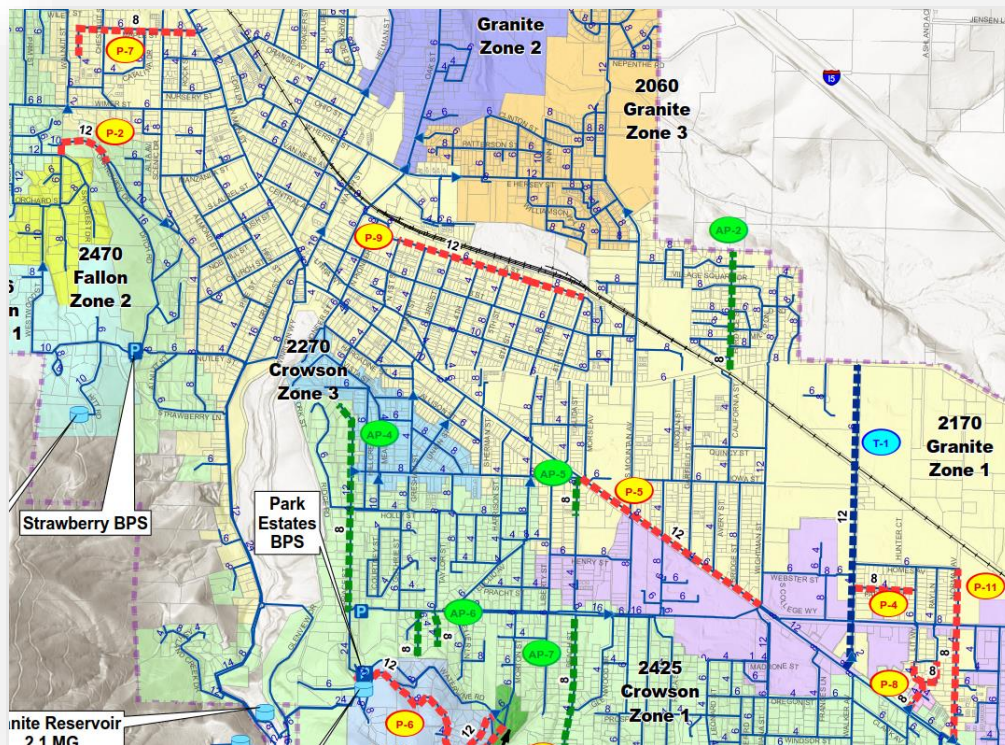


WATER MASTER PLAN KEY TAKEAWAYS

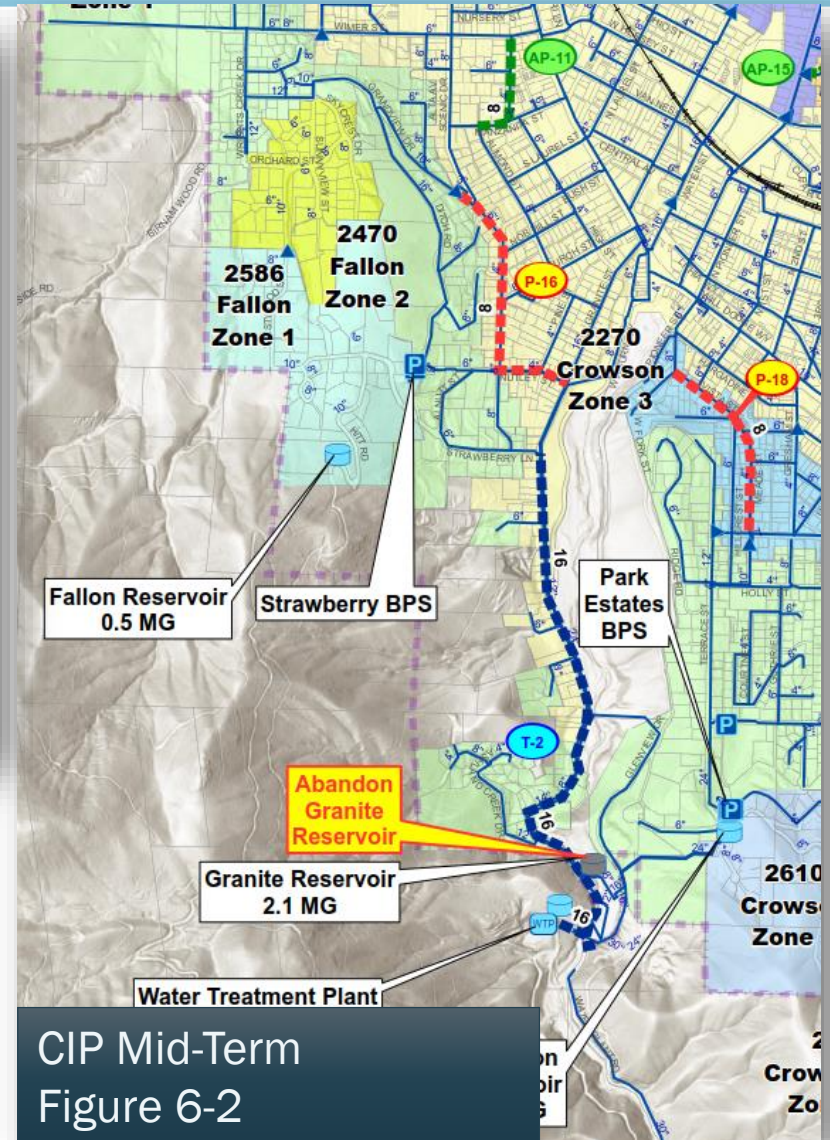
INTEGRATION OF THE NEW WATER PLANT



TRANSMISSION PROJECTS TO OPTIMIZE GRAVITY SUPPLY



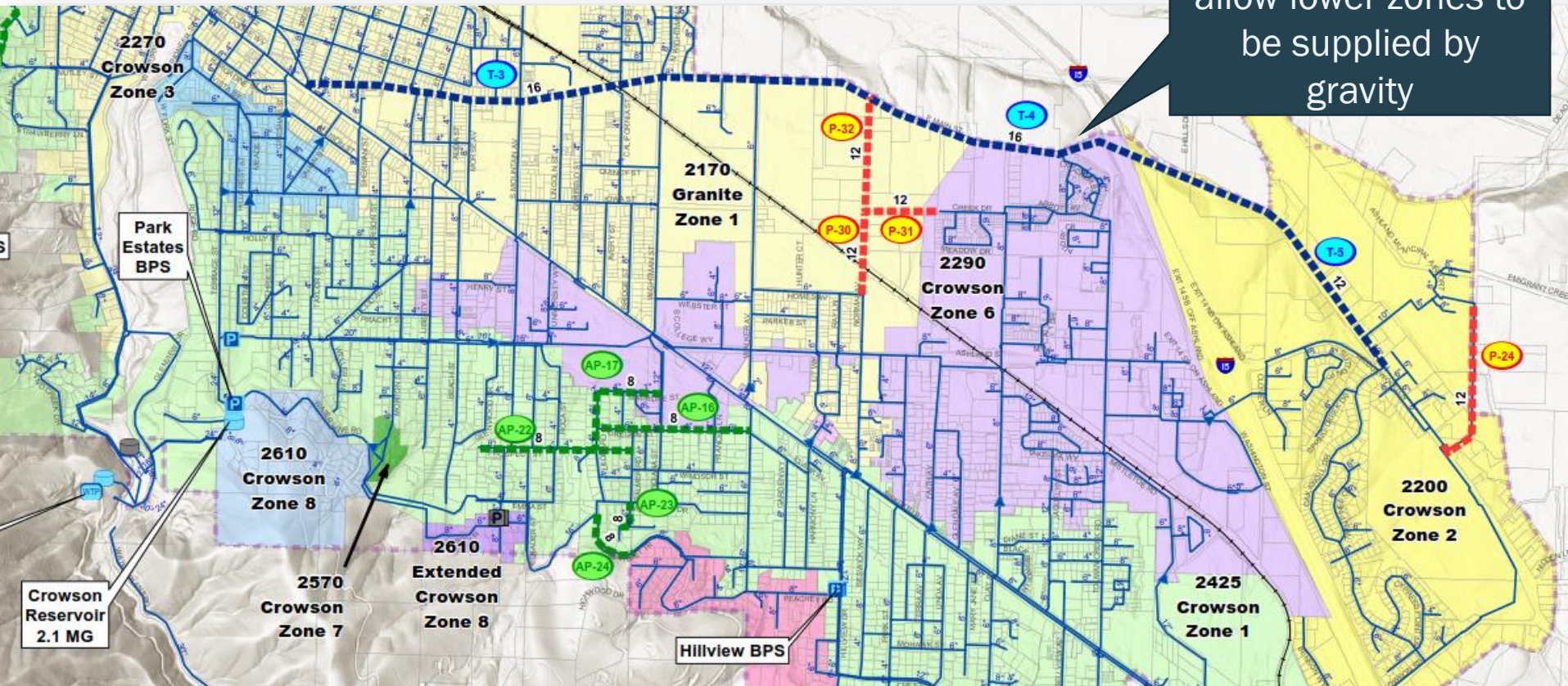
CIP Short-Term
Figure 6-1



CIP Mid-Term
Figure 6-2

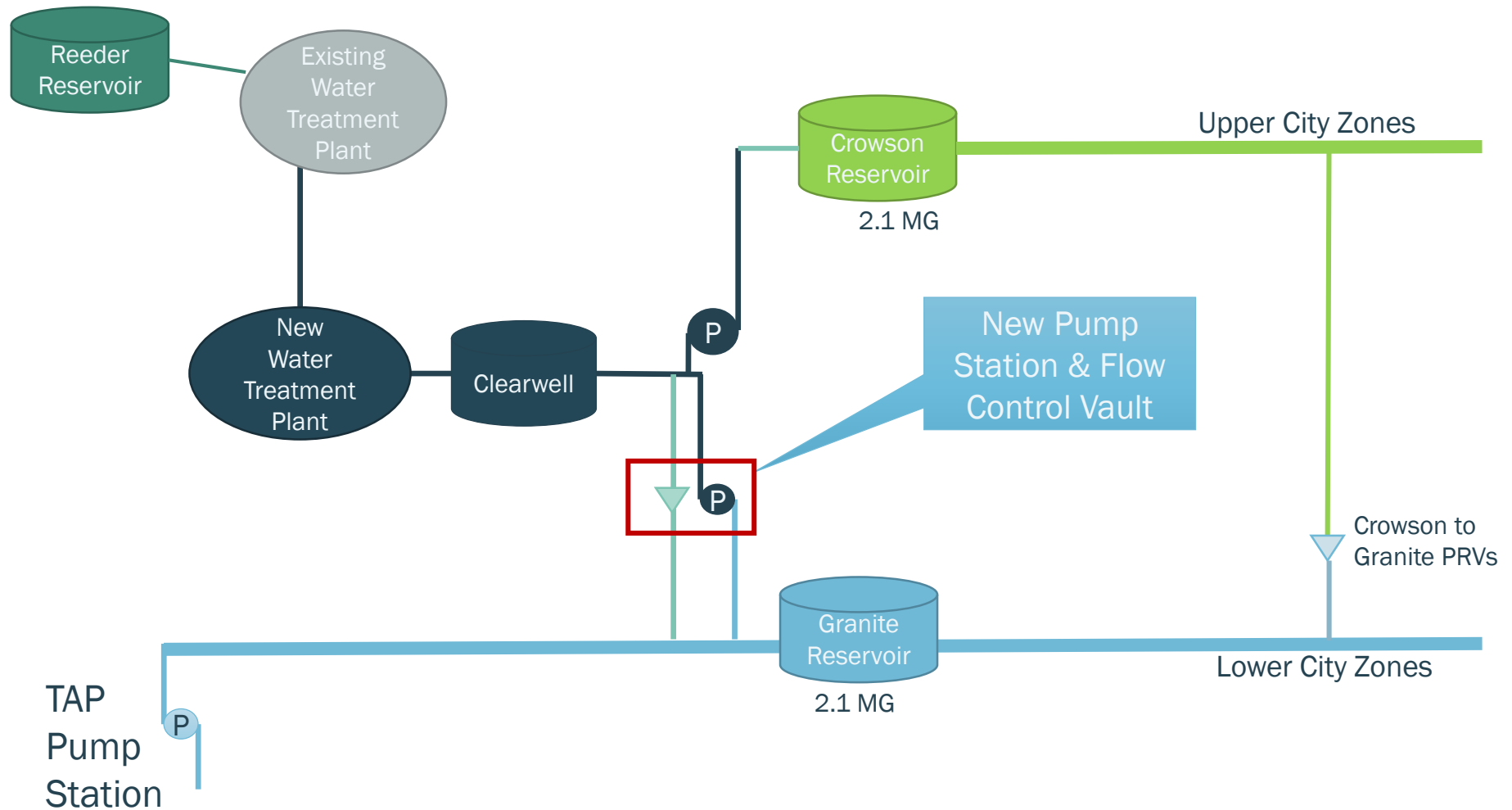
TRANSMISSION PROJECTS TO OPTIMIZE GRAVITY SUPPLY

Transmission pipes
allow lower zones to
be supplied by
gravity

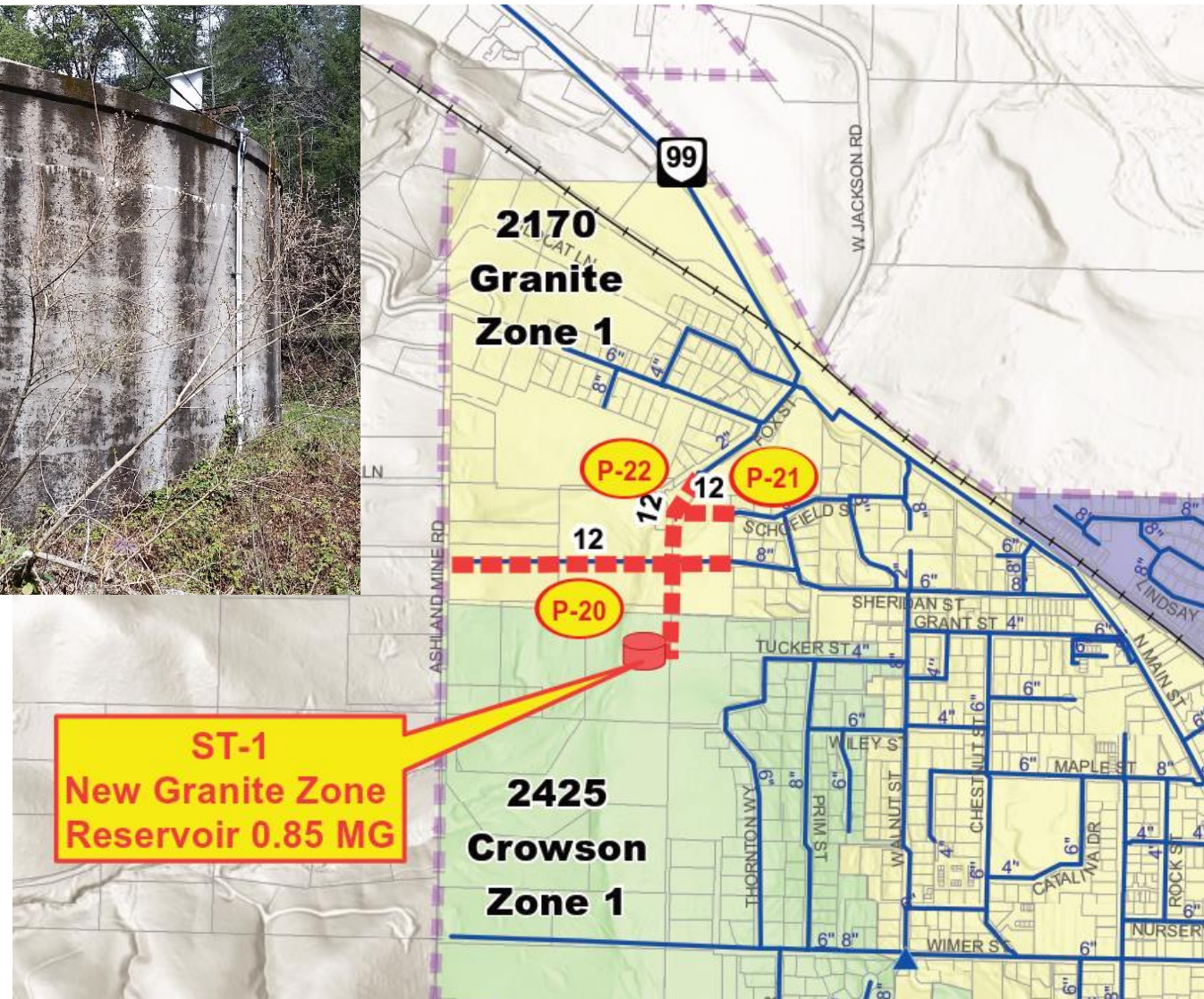


CIP Long-Term Figure 6-3

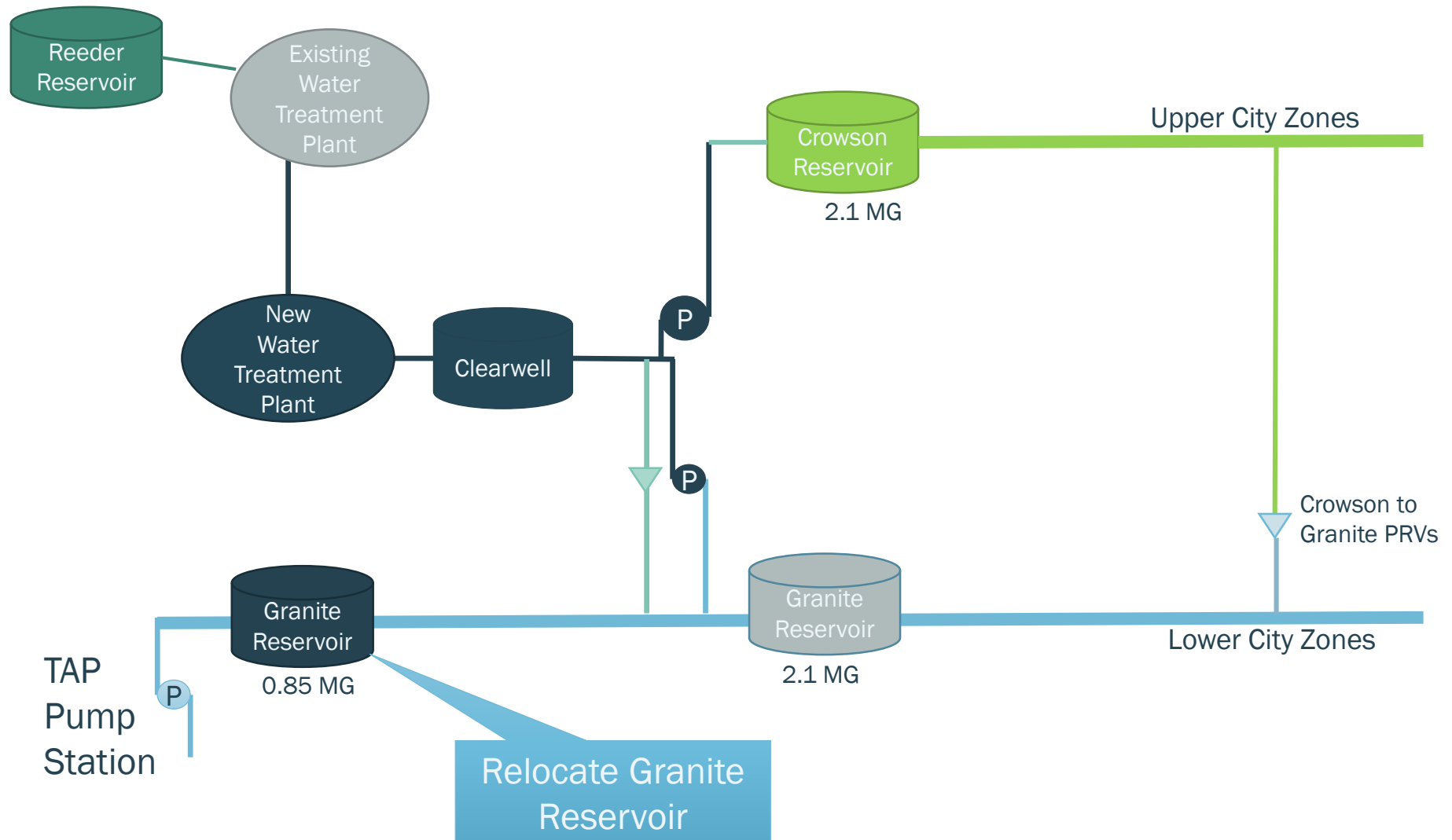
TAP SUPPLY TO HIGHER PRESSURE ZONES



RELOCATE & RESIZE GRANITE ZONE STORAGE



NEW STORAGE LOCATIONS IMPROVES TAP OPERATIONS



EXPANDING ALSING SERVICE AREA TO ALLOW FULL USE OF ALSING RESERVOIR

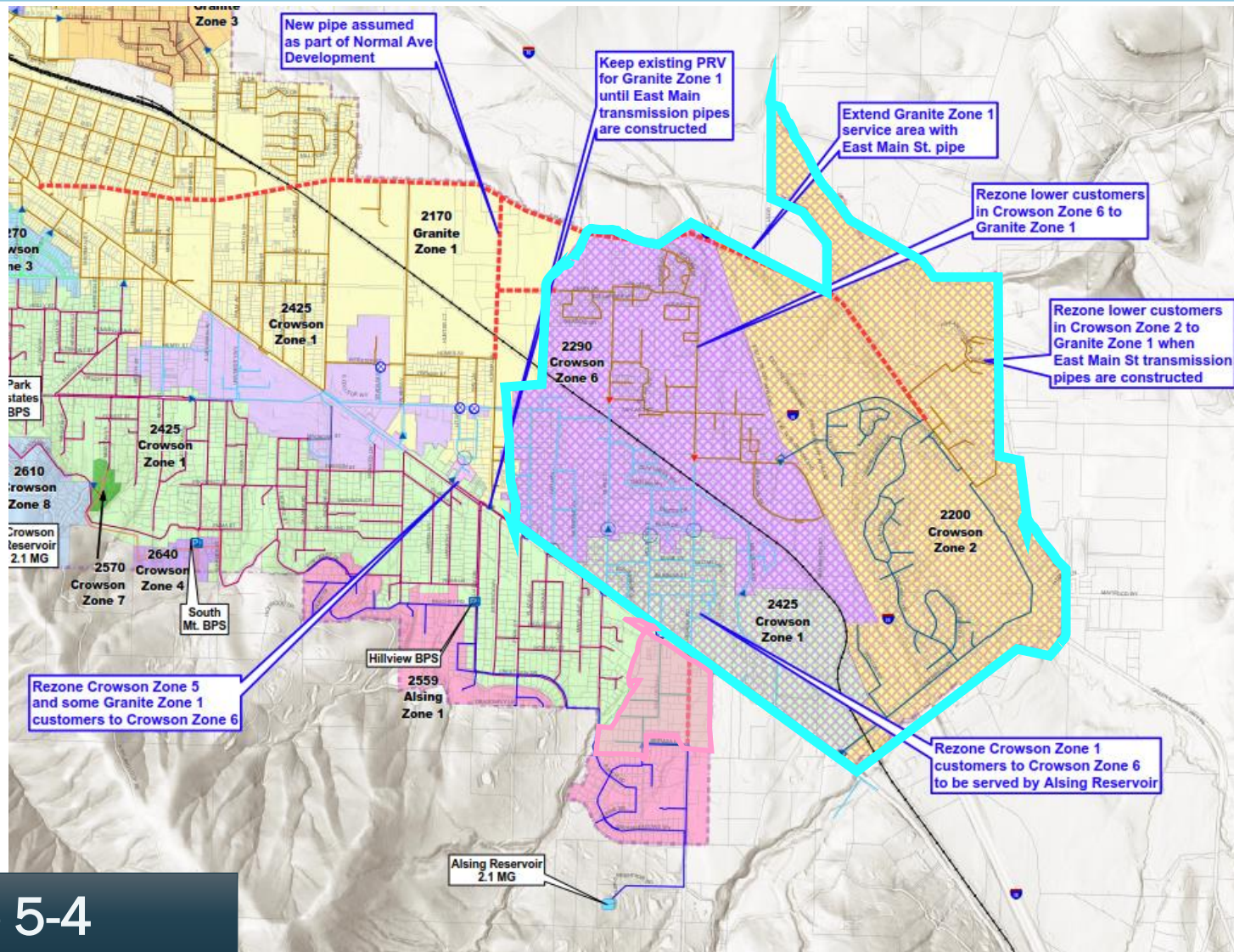


Figure 5-4

COMPLETING PARK ESTATES FIRE IMPROVEMENTS

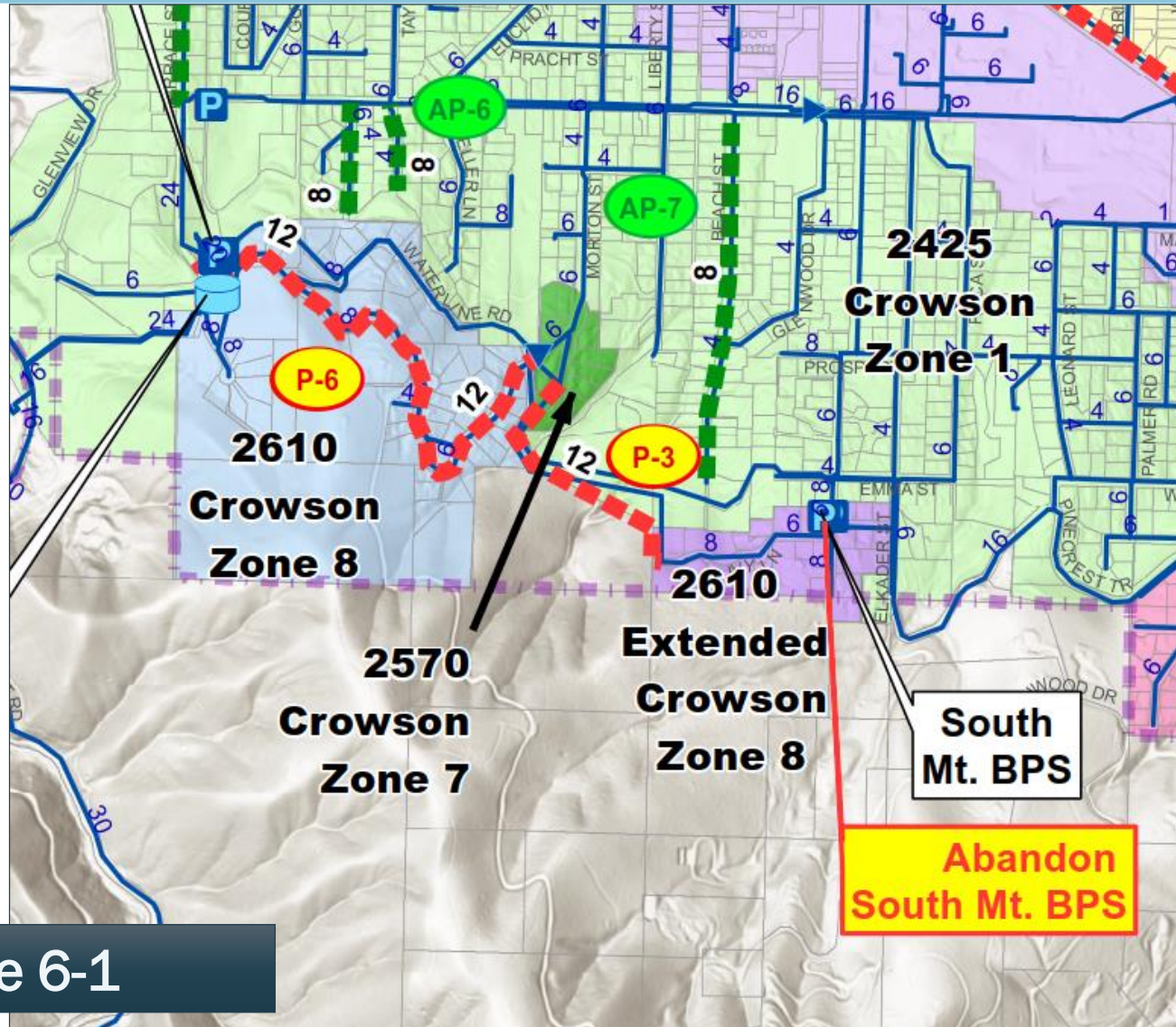
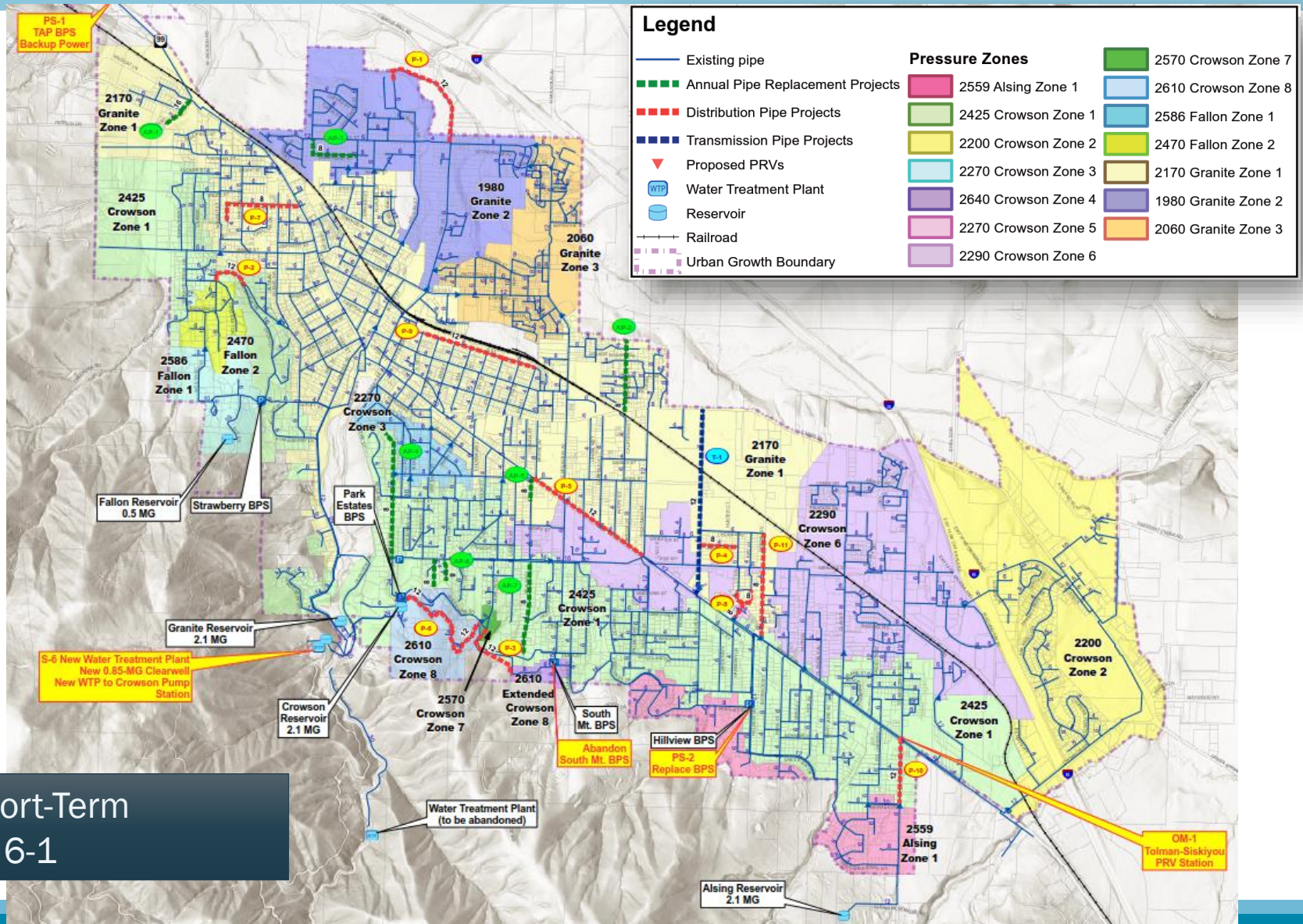


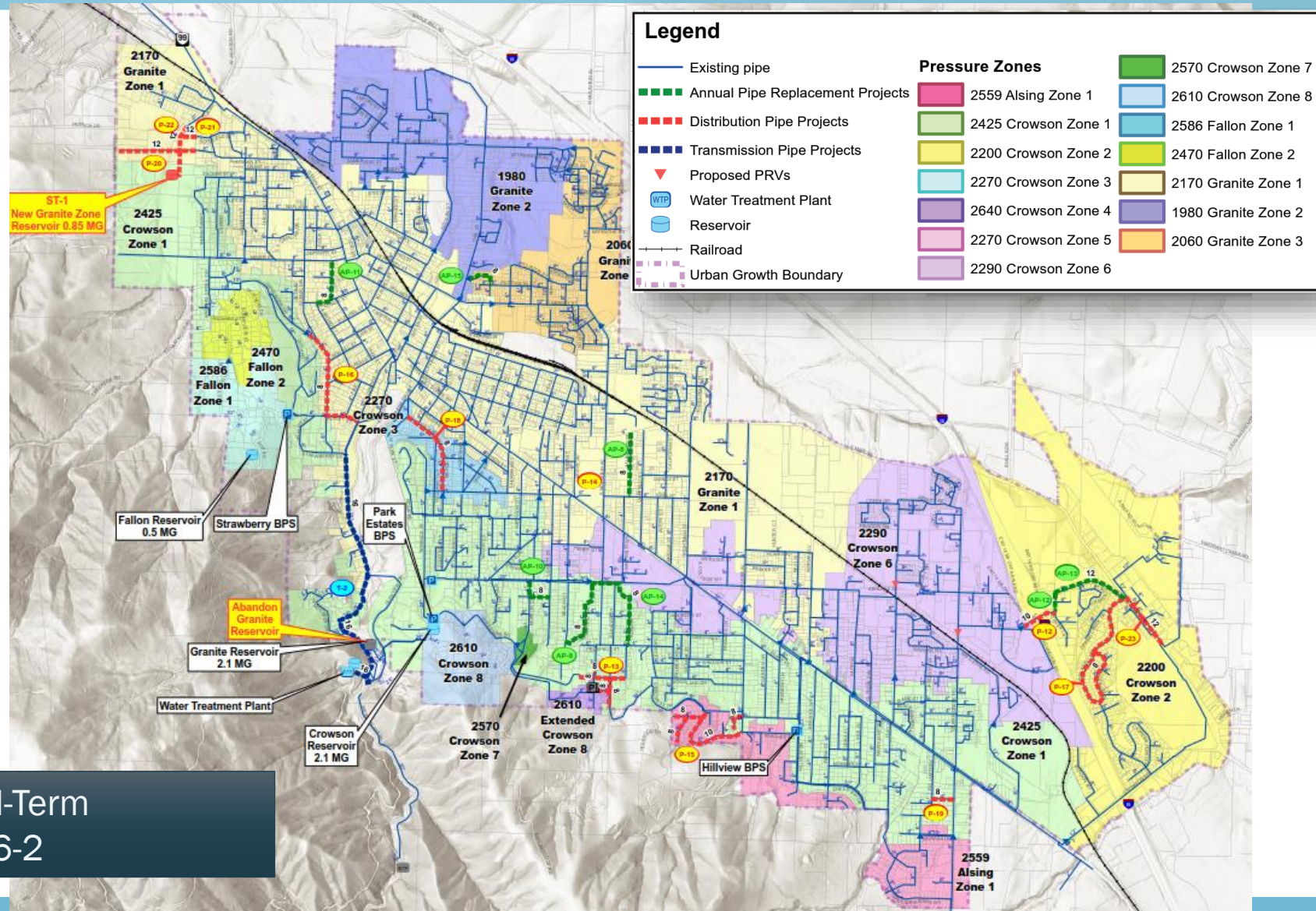
Figure 6-1

SIGNIFICANT PIPE CAPACITY IMPROVEMENTS



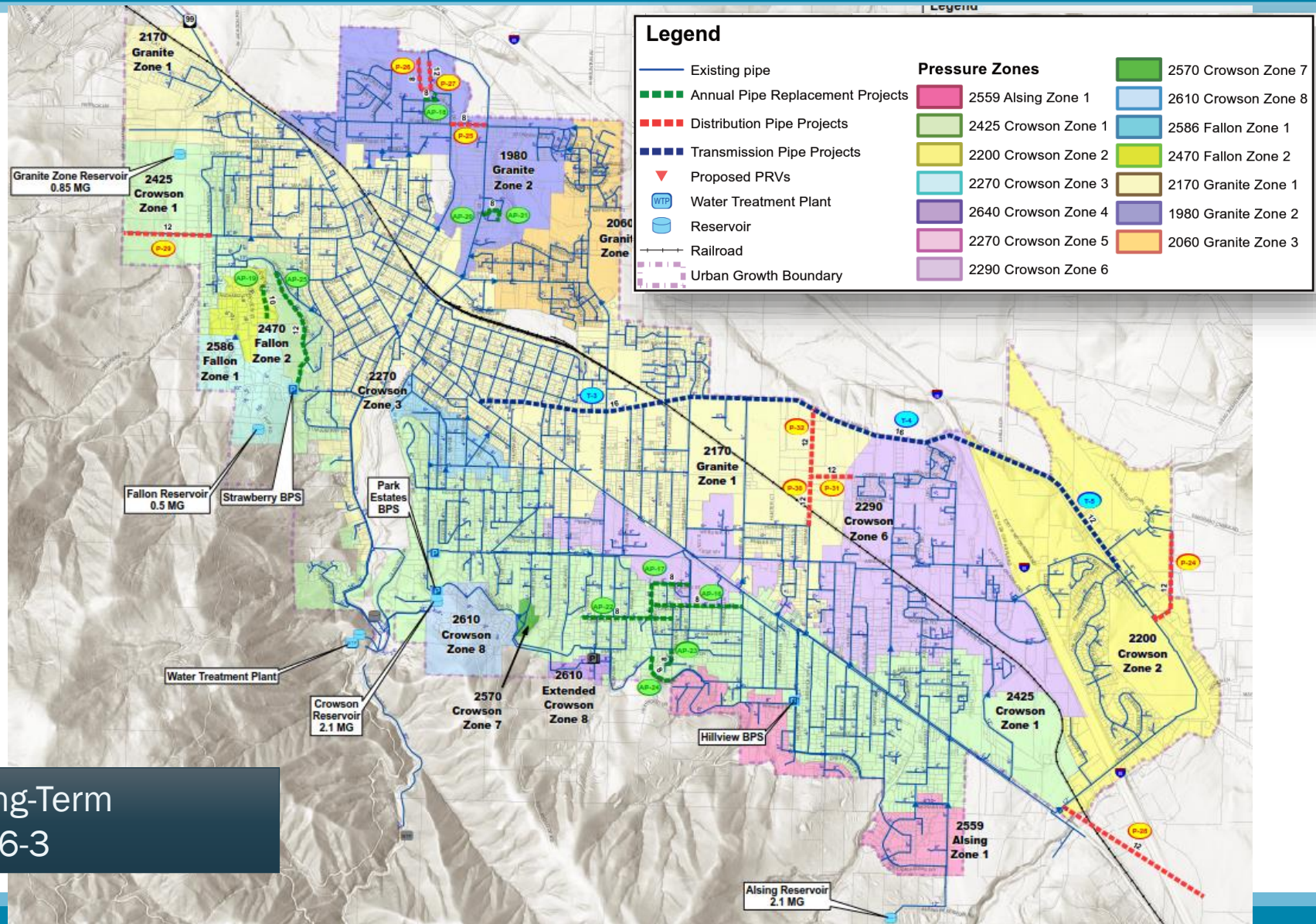
CIP Short-Term
Figure 6-1

SIGNIFICANT PIPE CAPACITY IMPROVEMENTS



CIP Mid-Term
Figure 6-2

SIGNIFICANT PIPE CAPACITY IMPROVEMENTS



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	\$48.3M	\$42.9M	\$4.9M	\$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	\$90.8M	\$56.0M	\$22.8M	\$12.0M

FINANCIAL RECOMMENDATIONS

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 – Water Master Plan CIP was checked in the rate model
 - CIP was adjusted
 - Rates were adjusted

FINANCIAL RECOMMENDATIONS

- Minimize borrowing by strategic planning, rate and SDC adjustments ahead of spending
- Rate Recommendation
 - 4.0%/yr increase first 3 years
 - 4.25%/yr increase next 3 years
 - 4.5%/yr increase final 4 years
- System Development Charges
 - Need to be adjusted to account for 2019 Master Plan CIP
- Continue annual adjustments
- Continue to maintain reserves

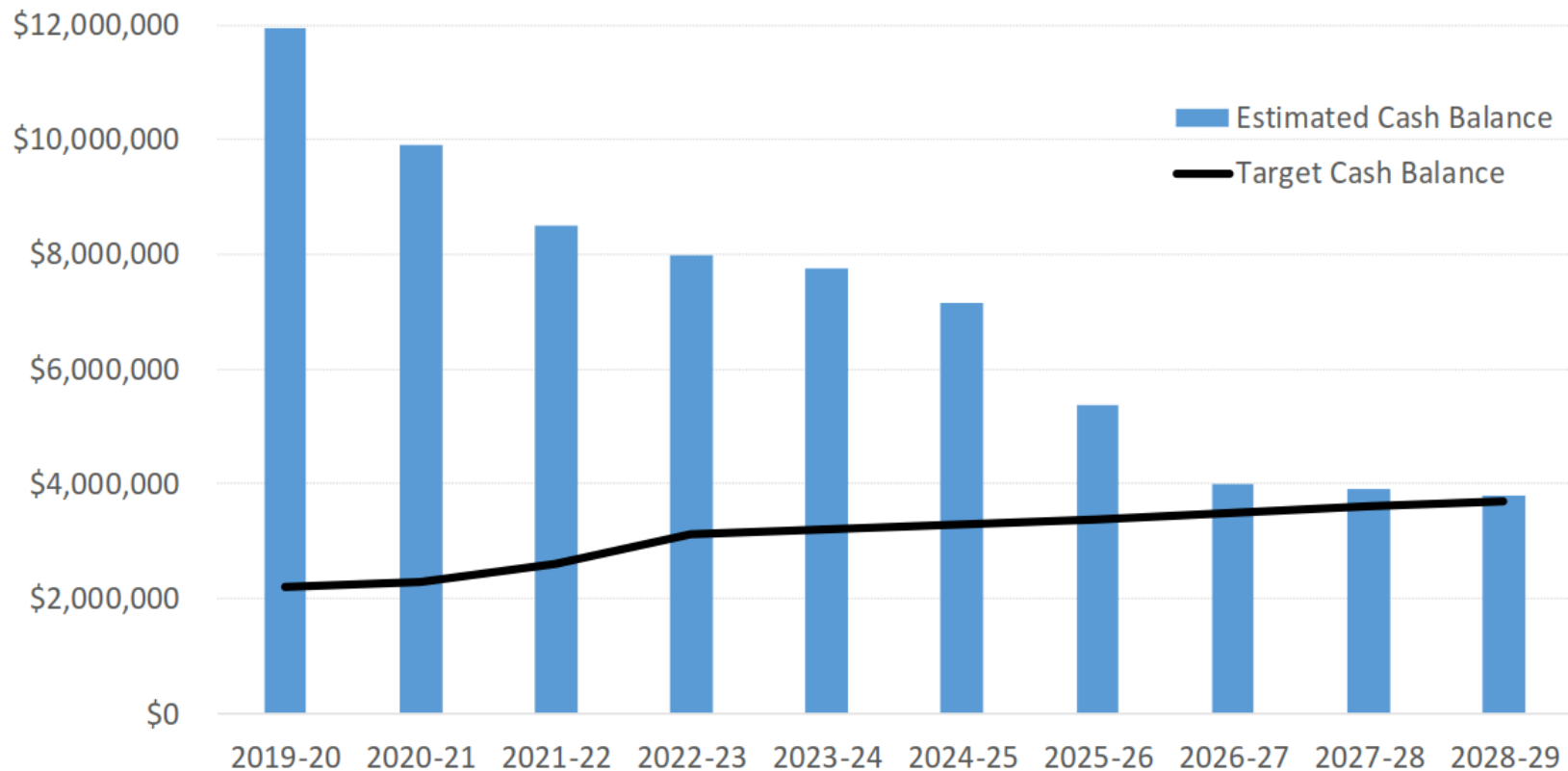
10-YEAR CIP FUNDING PLAN IN INFLATED DOLLARS

Source	\$
Reserves / Cash	\$14.52 M
SRF Loan (WTP) *	\$12.58 M
SRF Forgiveness (WTP)	\$1.03 M
DEQ Loan (TID Canal)	\$1.30 M
City Debt	\$29.07 M
TOTAL	\$58.50 M

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

PROJECTED CASH FLOW

Figure 7-2
Projected Water Fund Cash Balance



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

February 4, 2020



QUESTIONS?