

Council Business Meeting

June 18, 2019

Agenda Item	A Resolution amending the existing surcharge to water meters for the purpose of generating and dedicating General Fund resources for additional work as part of Ashland Forest Resiliency and Wildfire Safety programs	
From	Kelly Madding	City Administrator
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SUMMARY

The Council is being asked to approve Resolution No 2019-20, which increases the current surcharge to water meters for the purpose of generating and dedicating General Fund resources for additional work as part of Ashland Forest Resiliency and Wildfire Safety programs.

POLICIES, PLANS, AND GOALS SUPPORTED

Essential Services: Fire and Emergency Preparedness

Reduce Wildfire and smoke

Address Climate Change

PREVIOUS COUNCIL ACTION

On June 4, 2019, the City Council adopted the 2019-2021 Biennial Budget. Included in the biennial budget was an increase in the Ashland Forest Resiliency fee from \$1.39 to \$3.00 for a standard household water meter.

BACKGROUND AND ADDITIONAL INFORMATION

On May 22, 2019, the Citizens' Budget Committee recommended an increase in the surcharge to water meters for the Ashland Forest Resiliency (AFR) project. The fee was to be increased from \$1.39 to \$3.00, or an increase of \$1.61. On June 4, 2019, during their Business Meeting, the City Council adopted the 2019-2021 City of Ashland Biennial Budget which included the increase in the surcharge to water meters for AFR as recommended by the Citizens' Budget Committee.

In addition, during the Citizens' Budget Committee meetings and at the City Council meeting on June 4 staff recommended that in addition to the surcharge increase the allowable expenditures should broaden to include staff time and to allow for watershed protection to extend beyond simply federal land and onto private and municipal properties. The AFR project has been extraordinarily successful, however maintenance remains necessary and there is a mounting backlog on federal, City, and private lands as trees and brush grow back. Safety and security of the City's water supply and delivery infrastructure is inextricably tied to fire danger within the City's built environment. It is therefore appropriate to dedicate water surcharge funds to wildfire prevention and mitigation staff time spent on wildfire prevention and mitigation programs along with the maintenance of fuels in the most strategic settings for protection of the watershed itself.

FISCAL IMPACTS

The increased AFR fee is projected to yield \$202,500 bringing the total annual revenue to \$377,500.

STAFF RECOMMENDATION

Staff recommends approval of Resolution No. 2019-20.

ACTIONS, OPTIONS, AND POTENTIAL MOTIONS

1. I move to approve Resolution No. 2019-20 setting the work program and timeline for the Financial Sustainability and Community Resilience Ad Hoc Committee.
2. I move to amend Resolution No. 2019-20, in the following ways:

REFERENCES AND ATTACHMENTS

Attachment 1: Resolution 2019-20

Attachment 2: Exhibit A: Water and Irrigation Service Charge by Meter Size

RESOLUTION NO. 2019-20

**A RESOLUTION AMENDING THE EXISTING SURCHARGE TO
WATER METERS FOR THE PURPOSE OF GENERATING AND
DEDICATING GENERAL FUND RESOURCES FOR ADDITIONAL
WORK AS PART OF ASHLAND FOREST RESILIENCY AND WILDFIRE
SAFETY PROGRAMS**

Recitals:

- A. The City of Ashland operates Ashland Water Utility to provide potable water to customers within the City limits of Ashland and to certain customers outside of these boundaries.
- B. The City of Ashland also manages a Wildfire Division that is charged with doing work to protect the watershed and community. The Ashland Forest Resiliency (AFR) and AFR All-lands Program is part of that division's oversight, performed by the Fire Department in the General Fund.
- C. The AFR program's success in the watershed and wildland urban interface requires additional funding estimated at \$377,500 per year to further and maintain the work done to date across federal, private, and municipal properties strategic to the City's water utility, and life and property safety mission.
- D. Protection of the watershed and community has a direct relationship to the City's ability to provide potable water to customers in the amounts needed in sufficient quantities allowed by the size and use of the water meter.
- E. Increasing the existing surcharge on water utility customer meters is a reasonable means of funding increased, ongoing AFR and related Wildfire Division work in that the funding source is rationally related to the goal of ensuring water quality and continuity for the City.
- F. The City Council intends to only use the funds generated by this surcharge for AFR and wildfire safety program activity in the General Fund.

THE CITY OF ASHLAND RESOLVES AS FOLLOWS:

SECTION 1. A \$3.00 per equivalent 3/4" meter surcharge on each water meter per Exhibit A shall be added monthly to the bill of each Ashland water utility customer to provide a funding resource directly to the General Fund, Fire Department, and Wildfire Division for the purpose of added Ashland Forest Resiliency and related wildfire safety work of \$377,500 per year effective July 1, 2019.

SECTION 2. The surcharge revenue is not subject to any franchise fee calculation and is to be directly deposited to the General Fund and accounted for separately.

SECTION 3. Water meters for City and Parks department are exempted from this surcharge since levying this charge would only require passing the impact on to customers through other rates and fees.

This resolution was duly PASSED and ADOPTED this 18th day of June, 2019, and takes effect upon signing by the Mayor.

Melissa Huhtala, City Recorder

SIGNED and APPROVED this 18th day of June, 2019.

John Stromberg, Mayor

Reviewed as to form:

David Lohman, City Attorney

Exhibit A

Water Service Charge by Meter Size:

Meter Size in Inches	Yearlong Monthly Charge by Size
3/4 inch	\$ 3.00
1	\$ 3.00
1.5	\$ 15.01
2	\$ 24.02
3	\$ 48.04
4	\$ 75.06
6	\$ 150.12
8	\$ 240.19

Irrigation Service Charge by Meter Size:

Meter Size in Inches	June - September Monthly Charge by Size
3/4 inch	\$ 3.00
1	\$ 3.00
1.5	\$ 15.01
2	\$ 24.02
3	\$ 48.04
4	\$ 75.06
6	\$ 150.12
8	\$ 240.19