

**ASHLAND CITY COUNCIL
STUDY SESSION MINUTES
Monday, October 20, 2025**

Mayor Graham called the meeting to order at 5:30 p.m.

Council Present: Mayor Graham, Councilors Bloom, Dahle, Hansen, Kaplan, and Sherrell.

Via Zoom: DuQuenne

Council Absent: none

Staff Present:

Sabrina Cotta	City Manager
Alissa Kolodzinski	City Recorder
Johan Pedila	City Attorney
Tom McBartlett	Director of Electric

I. Call to Order

II. Reports and Presentations

a. Bonneville Power Administration Provider of Choice Contract

McBartlett introduced Zabyrn Towner from Northwest Requirements Utilities (NRU) who was instrumental in negotiating the contracts with Bonneville Power Administration (BPA) and provided a presentation (see attached.)

Towner presented an overview of NRU, noting that Ashland fits in the middle in terms of size among NRU members. He outlined how BPA offers stable pricing compared to the volatility of market prices and explained the transition between the current 'regional dialogue' contracts and the upcoming 'provider of choice' contracts. The city's current contract expires September 30, 2028, and the new contract must be signed by December 5, 2025, with Bonneville executing no later than December 31, 2025. Towner noted there would be a three-year implementation period before power delivery would start under the new contract.

Key changes in the new contract include:

- More of the lowest-cost tier one power due to revised Canadian treaty and Columbia Generating Station (nuclear plant) uprate project
- A fixed amount of tier one power for the term of the contract, providing greater cost certainty
- Better treatment for small local resources, such as for rooftop solar
- Simplified rate design methodology that prices capacity fairly
- Rate impact credits to mitigate effects of the rate design change

Towner explained that Ashland's load forecast is projected to remain flat through at least 2035, meaning tier-one power should be sufficient without needing tier-two options. The city would need to determine by July 2026 how to serve any above-contract load if growth occurs. Towner recommended that Ashland sign the contract as soon as possible to secure statutory and contractual right to the power given potential interest from the federal administration in using the power for other purposes.

During Council discussion, it was clarified that:

- Ashland has a couple of megawatts of headroom and has been growing at about 0.2% annually. McBartlett works with the BPA forecaster at least once a year to update load projections based on any developments going through planning.
- The new contract is far less restrictive than the current one and allows unlimited resources under one megawatt without tracking requirements, plus up to five megawatts of nameplate capacity of new resources even without load growth.
- The tiered rate structure insulates non-growing utilities from the effects of load growth elsewhere, including from a carbon content perspective.
- Batteries are not treated as resources under the contract, which could be advantageous as there may be financial benefits from using storage to smooth out loads and respond to high demand periods.
- The contract does not impose any wildfire liability from the Bonneville system or from the Pacific Power system onto the City of Ashland.

McBartlett will return the following evening requesting authorization for the City Manager to sign the contract.

b. Ownership of City Buildings – City Hall

Cotta introduced the item, and Pietila provided a presentation (see attached). Pietila noted that while researching city buildings and leases, staff had discovered that the Hargadine Cemetery still required formal action to complete its ownership transfer. House Bill 3017, enacted in 1989, granted authority upon Ashland to assume ownership. However, the Council at that time did not officially finalize the process. This ownership transfer will be presented to the Council as a separate resolution to resolve the matter with the County.

Pietila provided the history of City Hall discussions dating back to the late 1970s and explained that the 7,800 square foot building currently houses 13 employees from administration, human resources, city recorder, and city attorney which is down from 28 employees before a 2020 HVAC/mold issue forced some to relocate.

The deed to the property where City Hall is located contains a reversionary clause specifying that the property should be used for "a public square or plaza and for the erection of a town hall and jail therein." Pietila presented maps showing the deeded property boundaries, which have been confirmed by a surveyor.

Pietila outlined structural issues identified in various studies since 1994, including: unreinforced parapets that are crumbling; lack of shear walls; the potential for the building to slide toward Main Street in an earthquake; outdated HVAC, electrical, and roofing systems, and ADA compliance issues.

Pietila outlined potential liability risks, including Federal liability under Section 1983 for known structural dangers, ADA accessibility issue, Oregon Tort Claims Act exposure if building components fail, OSHA violations and potential unlawful employment practices, and risk of reversion under the deed due to not operating a jail.

Pietila presented three options for council:

1. Continue without action (not recommended)
2. Pursue structural/facility changes without addressing the title (not recommended)
3. Take legal action to secure clean title before making significant improvements

Pietila recommended the third option and noted his office could handle the process in-house with minimal filing fees. He estimated the process could take approximately six months or longer depending on any contestation.

During Council discussion, it was confirmed that any legal action would be filed with Jackson County Circuit Court and the benefit of having a backup contingency plan for city operations was discussed.

Public Comment- A community member stated that there was strong public support for keeping civic activities downtown to maintain vitality when this issue came before council previously.

The Council provided staff direction to pursue option 3: seeking clean title for the property, with subsequent decisions about the building's future to be part of the facilities master planning process.

The Council decided unanimously to extend the meeting for 30 minutes to address the third item.

- c. *Ballot Measure Question: Should Ashland's Charter be Amended to Require Voters Involvement and Approval for City of Ashland Utility Bill Fee or Tax?*

Cotta presented information about a citizens' ballot initiative that would require voter approval for new or increased utility fees. Council can either allow the process to continue with signature collection or refer the measure directly to the ballot through a resolution.

Councilors questioned whether the proposal would require voter approval for annual inflation adjustments to existing fees such as the wildfire, public safety, and parks fees. Pietila confirmed this was a potential interpretation of the measure's language that could create issues with the inflation adjustments previously approved by council.

Council decided to suspend the rules to allow George Kramer as the chief petitioner to address questions. Kramer explained that his petition aimed to give voters a say in new fees, not necessarily to prevent inflationary increases. He acknowledged he was unaware of the inflation adjustment components when drafting the measure but suggested the council could still propose such adjustments to voters at regular elections if the measure is passed. Kramer explained the intent was to encourage the council to be more deliberate and engage with the community when considering new fees, ensuring that votes take place during regularly scheduled elections to avoid the costs of holding special elections.

Public Comment- A community member spoke in opposition to the measure noting concern regarding misinformation and that citizens already have referendum rights through the existing

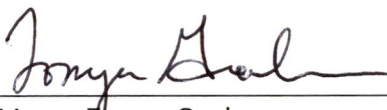
initiative process and that the proposal could create fiscal paralysis for infrastructure development. Another community member also spoke in opposition and shared her experience with misleading messaging during previous ballot measures such as a Parks measure where voters were confused by conflicting information.

As the meeting reached its time limit, direction was given to staff to bring the item back to Council for further discussion.

III. Adjournment of Study Session

The meeting was adjourned at 7:33 p.m.


City Recorder Alissa Kolodzinski


Mayor Tonya Graham



Northwest
Requirements Utilities

• PARTNERS IN POWER •

City of Ashland Provider of Choice Contract Overview

Zabyn Towner, Executive Director

October 20, 2025

1

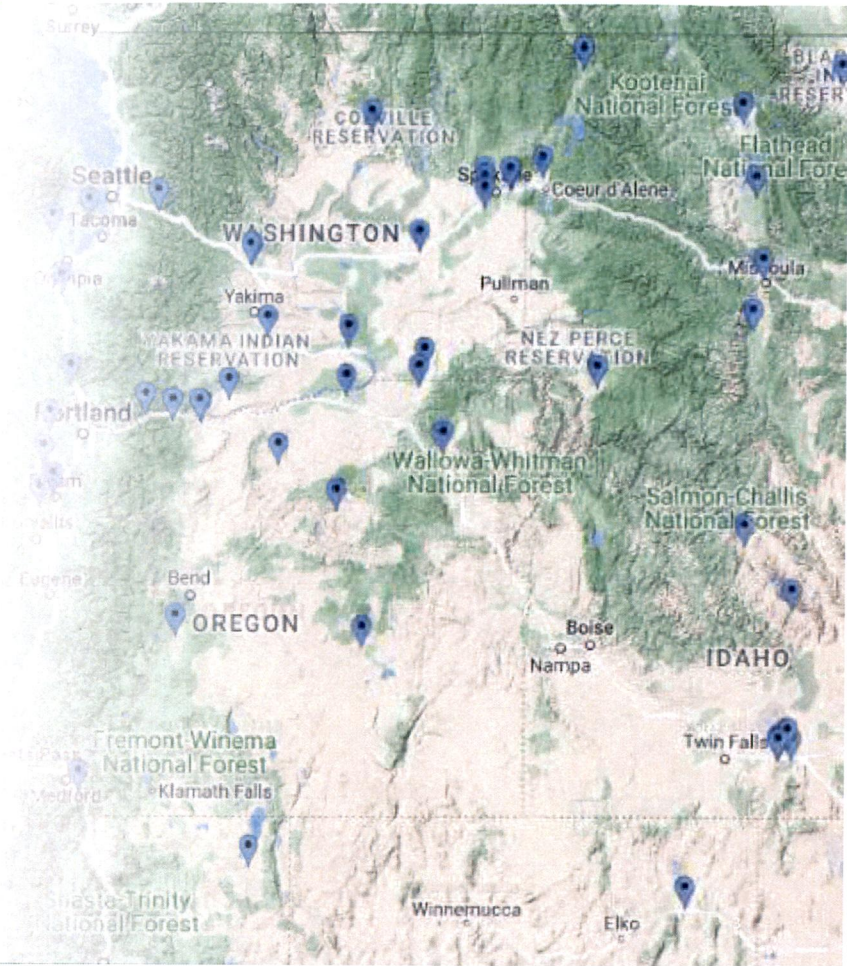
Agenda

- NRU Background
- Value of Bonneville Power
- What is Changing:
 - New Policy
 - New Rate Structure
 - New Contracts

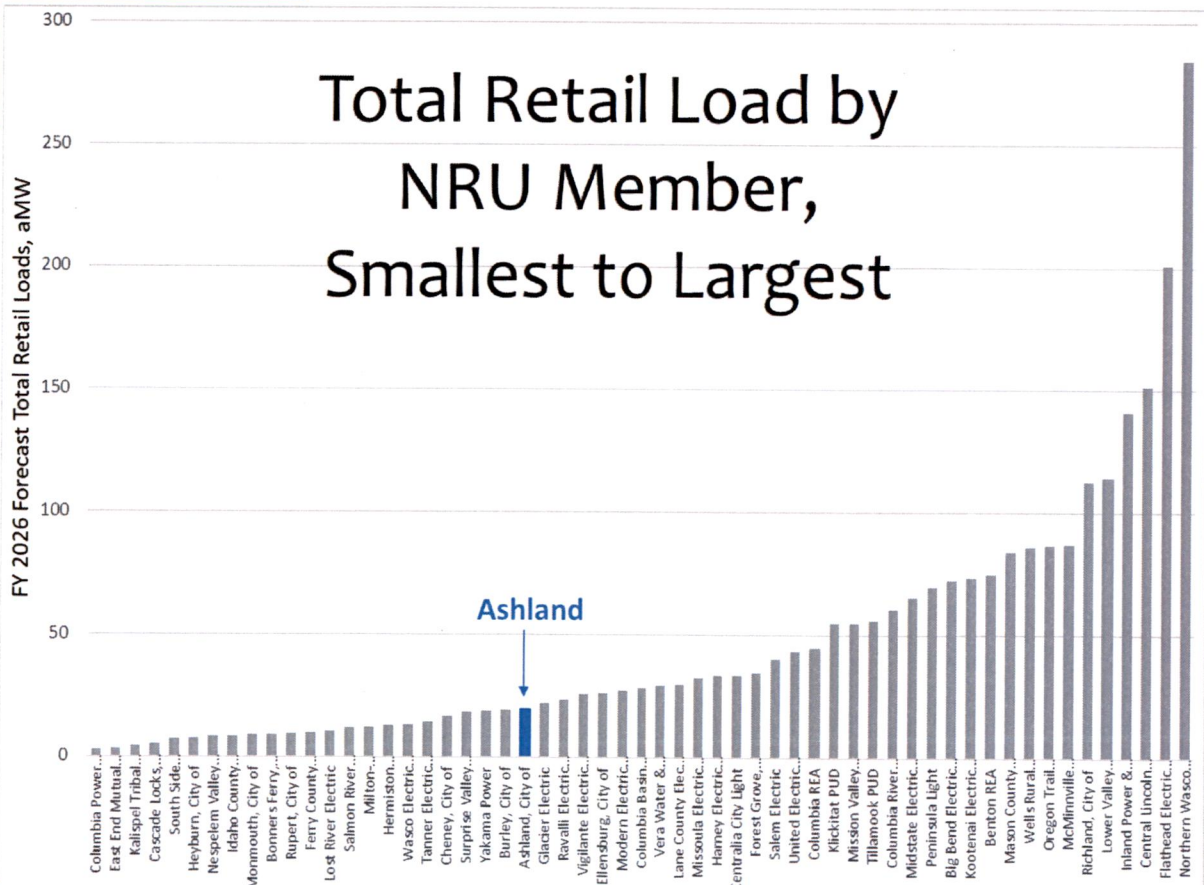
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NRU: Who We Are

- 57 retail utilities, and one Generation & Transmission cooperative, with load in 8 states.
- All NRU members are **Load Following** customers with **Network Integration Transmission Service (NITS)** agreements.
- NRU members are typically smaller, more rural utilities.
- Board of Directors: all members have one equal vote.
- ~37% of BPA Tier 1 load



Total Retail Load by NRU Member, Smallest to Largest



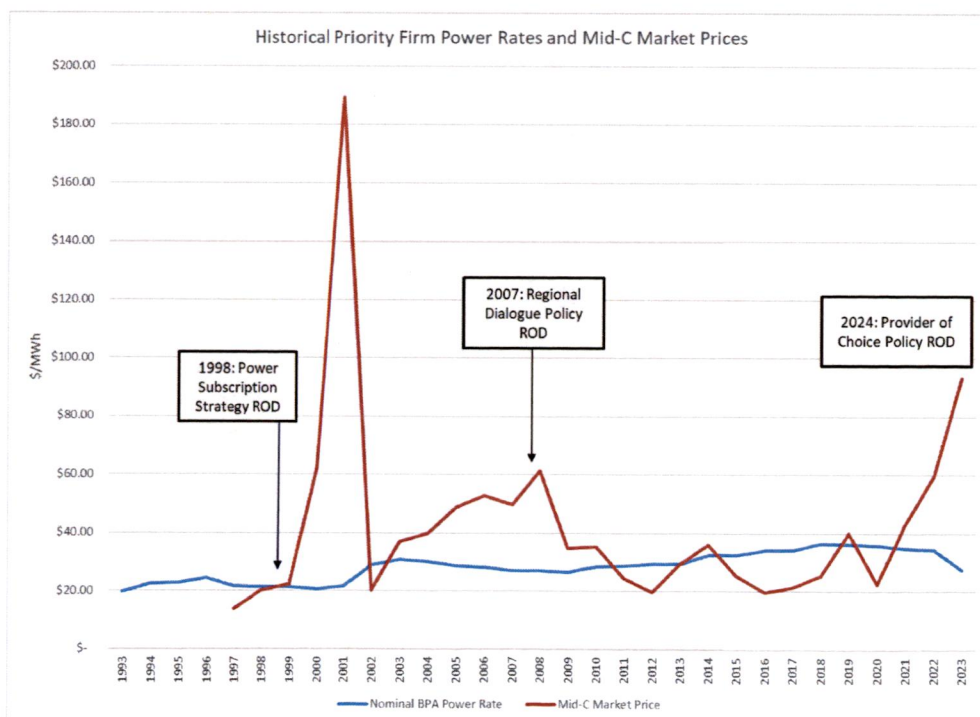
NRU's Mission Statement

NRU *advocates* on behalf of its members for **cost-effective and reliable wholesale power supply** and transmission service (including transfer service).

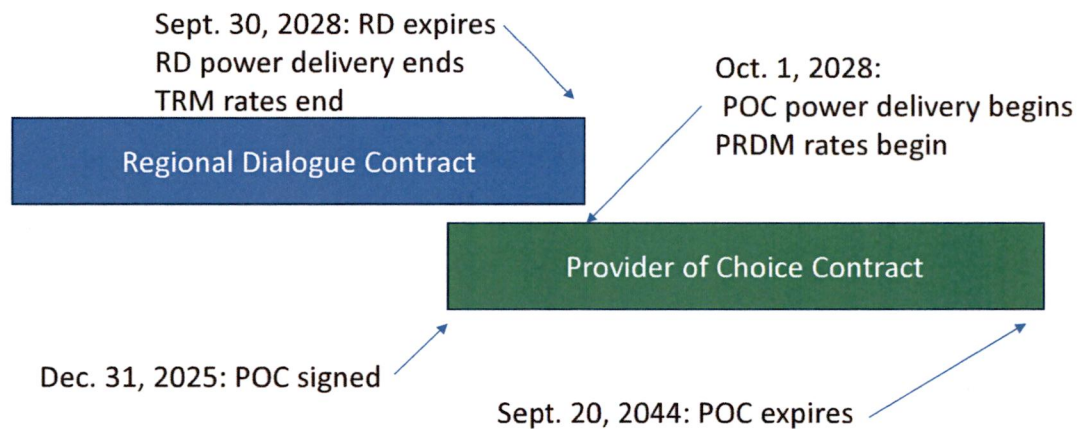
NRU *educates and informs* members and other stakeholders about **BPA and other regional power supply** and transmission issues.

NRU *supports* members' goal of **preserving the historical benefits of BPA power and transmission services** (including transfer service) while also working for a policy framework and helping members understand options for cost-effective and reliable above-Contract High Water Mark power and transmission services.

The Value of Bonneville Power



Contract Transition Timeline



What is Changing?

1. New Policy:
 - Provider of Choice Policy
2. New Rate Structure:
 - Public Rate Design Methodology
3. New Contracts
 - Provider of Choice Contracts

Provider of Choice Policy

- More Tier 1 and Tier 2 Power from Bonneville
 - Larger system size
 - Lower Entitlement amounts to Canada: 149-220aMW more
 - Columbia Generating Station: 170 aMW more
 - Additional resources possible
 - Guaranteed, fixed amount for term of contract
- Better treatment of small, local resources

Public Rate Design Methodology

TRM:

- Customer Charge
- Load Shaping Charge
- Load Shaping True Up
- Demand Charge
- CDQ

Conveyed through a mix of non-industry standard, \$/TOCA and \$/MWh

PRDM:

- Energy Charges
- Energy True Up
- Peak Load Variance Charge
- Demand Charge
- RICs

Conveyed through \$/MWh

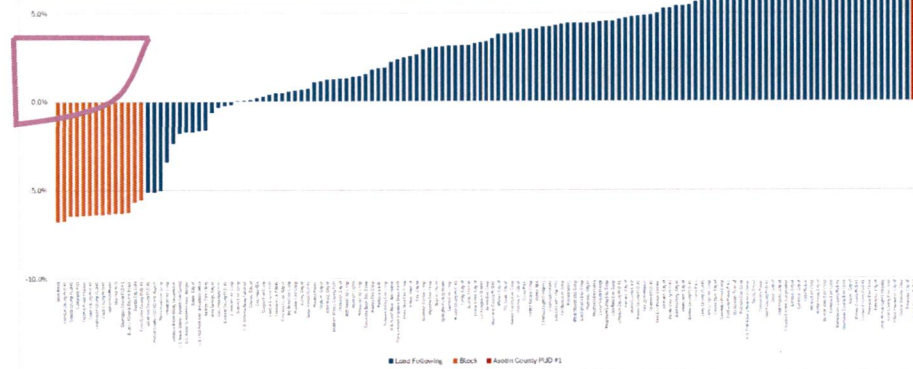
TOCA and \$/MWh units collect the same amount of money, but they do impact cash flow a bit

TOCA? = means "Tier 1 Cost Allocator" essentially a customer's share of the system

PRDM: Value of Rate Credits

RICm

- Set RICm credits at a level to achieve max 2% rate increase in the first rate period
- Take the dollars for that rate impact mitigation (inside green area) and assign as a charge to those receiving the largest negative rate impacts (pink area)
- Phase out rate mitigation credits by decreasing credit by \$0.15/MWh each rate period
- Charges for those customers in pink area would decrease on a set schedule to accommodate the \$0.15/MWh phase-out of RICm credits
- In the last rate period, there would still be remaining RICm amounts (credits and charges)



Provider of Choice Contracts

Load Following Contract Summary

BPA's Obligation

- Serve the utility's Net Requirement load (Total load less any non-federal resources)
- Provide power shaped to actual hourly usage
- Manage resource balancing and system reliability

Customer Obligation

- Work with BPA to forecast load and provide any required data
- Decide how to serve Above-CHWM Load (Tier 2 or non-federal resources)
- Pay BPA for Tier 1 service and any selected Tier 2 service

Contract Changes: *Improvements*

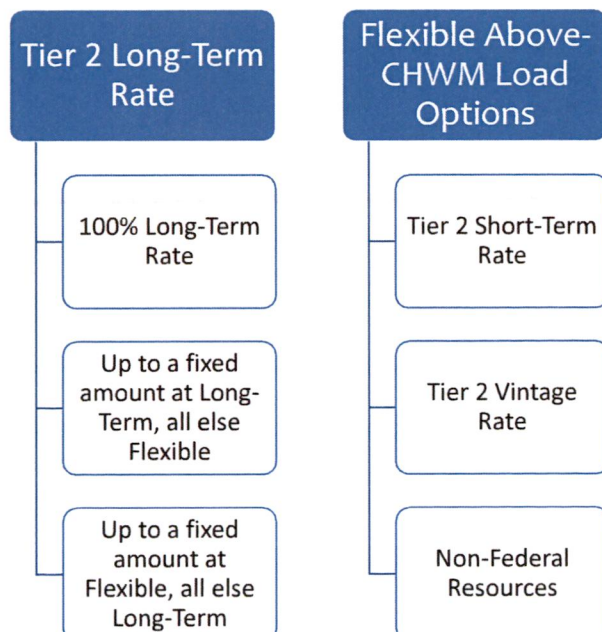
- **Small Non-Federal Resource Allowances**
 - Existing small resources not listed in the contract.
 - Can add unlimited small resources (1 MW nameplate) without tracking requirements.
 - Non-federal resources up to 5 MW nameplate, in aggregate, can be dedicated to load at any time, even if your load is not growing.
- **Product Switching**
 - Moved timing allowing one-time right to change product from a specific date to a "window"; effective date of switch can happen between 10/1/2032 and 10/1/2040.
- **Above-CHWM Load elections**
 - Simplified elections by removing Notice Deadlines & Purchase Periods (3-year notice for a 5-year commitment) and making Short-Term Tier 2 a by rate period election.

Contract Changes:

Preparing for the future

- **Western Resource Adequacy Program (WRAP)**
 - Move from Unspecified Resource Amounts to Committed Power Purchases.
- **Day-Ahead Markets**
 - There will be a public process to discuss day-ahead market implementation and any necessary contract amendments.
- **Renewable Energy Credits (RECs) and Environmental Attributes**
 - After each rate period, BPA will hold a public process to allocate environmental attributes and RECs based on generation associated with each rate pool.
- **New Large Single Loads and NR rate service**
 - If a customer requests BPA to serve an NLSL at the NR rate, BPA will conduct a study (up to 3 years) at the customer's expense.

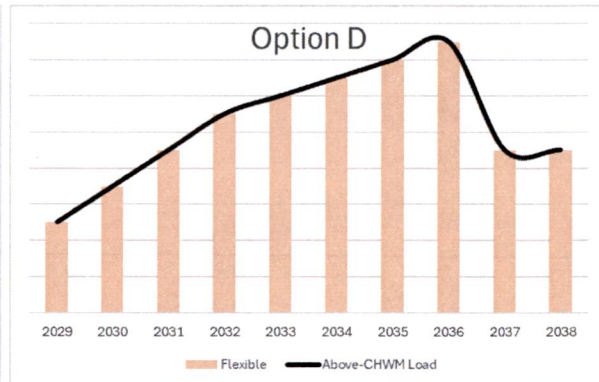
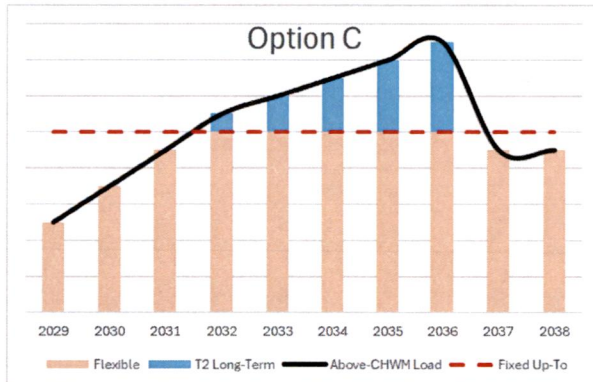
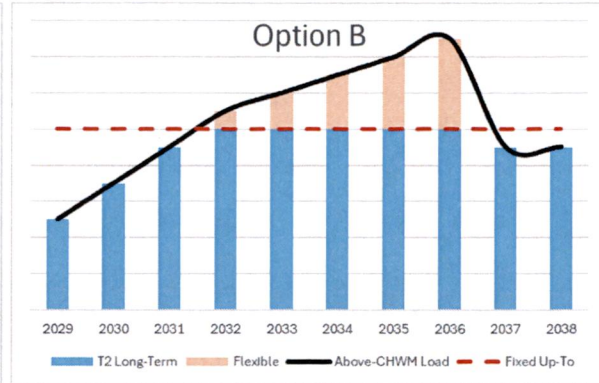
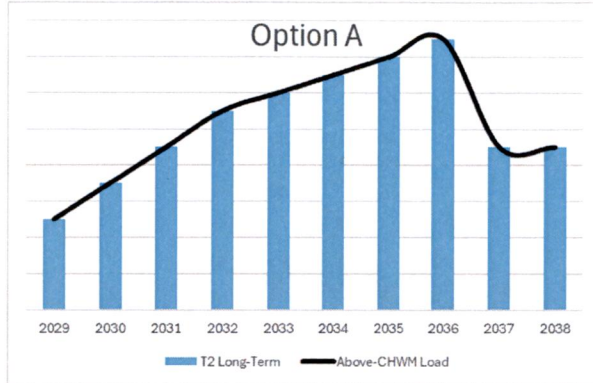
Above-CHWM Load Options



- **Timing to elect Long-Term amounts:**
 - 60 days after CHWMs are published (July 2026)
 - Election for the term of the agreement, with some off-ramps
- **Timing to elect specific Flexible option amounts:**
 - 14 months prior to each rate period for the upcoming rate period
 - For example, July 2027 election for FY2029 and FY2030.
 - Longer commitments for some non-federal resources and Tier 2 Vintage

Blue – Tier 2 Long-Term – one time election in July 2026

Orange – “Flexible” means the options of Tier 2 Short-Term, Tier 2 Vintage, and/or Non-Federal – election every two years



Tier 2 Options

Attributes	T2 Long-Term	T2 Short-Term	T2 Vintage
Resources included in Tier 2 cost pool?	Combination of Tier 1 firm surplus, generating resources, market purchases	Market purchases	Specific generating resource
Rate Stability or Price Certainty?	Medium, will vary based on supply/demand, price will be more certain over time	Least stable, price will be tied to market plus adders	Most stable, power cost will be locked in contract
Supply or Demand Risk?	No, although supply/demand can impact the rate	Yes, supply risk - BPA may not acquire all requested amounts	Yes, both risks - Uncertain when BPA will offer and a utility can over commit
Greenhouse gas content?	Will vary by resource mix	Highest, unspecified sources	Depends, may be lowest if carbon-free resource

Non-Federal Resource Option

Pros

- Customer control over what is being purchased for Above-CHWM Load service
- Greater ability to control costs and environmental attributes of Above-CHWM Load service

Cons

- If a customer dedicates a non-federal resource to load, then that resource may be required to serve load until the Administrator grants a loss of resource determination
- Additional customer obligations for managing resource; i.e., transmission and scheduling requirements

Evaluating A-CHWM alternatives

City of Ashland Above-HWM Load Estimates*		
Fiscal Year	Tier 1 Load (aMW)	Above-HWM Load (aMW)
2026	19.22	0.00
2027	19.22	0.00
2028	19.22	0.00
2029	19.38	0.00
2030	19.38	0.00
2031	19.38	0.00
2032	19.38	0.00
2033	19.38	0.00
2034	19.38	0.00
2035	19.38	0.00

*using BP-26 load data and October 2025 CHWM estimates

- Each Above-CHWM Load option balances cost, risk, and flexibility differently.
- Decision drivers:
 - Risk Tolerance – rate volatility and supply/demand risk
 - Budget Certainty – stable, predictable pricing vs potential cost savings
 - Environmental goals – prioritize renewables or a specific resource type?
 - Resource control – direct control over power supply vs complexity of managing non-federal resources

Above-CHWM Load Timeline

Event	Timeline
Long-Term Tier 2 Election Deadline	July 2026 (one-time election)
<i>One-time election deadline is 60-days after final CHWMs are published.</i> <i>* RSS Language finalized concurrent with Tier 2 Election Deadline.</i>	
Short-Term Tier 2 Election Deadline	July 31, 2027 (ongoing, every two years)
<i>Election for subsequent rate periods due 14 months prior to implementation.</i>	

Contract Execution Timeline

Event	Timeline
Customer Request for Offer	April 1 – June 18, 2025
Final PoC Contract Templates Released	June 18, 2025
Contract ROD published	Aug 14, 2025
Contract Offers sent to Customers	Aug 14 – Sept 30, 2025
Customers Must Sign Contracts	No Later than Dec 5, 2025
Bonneville Signs all Contracts	*Upon Receipt from Customer

Bottom Line:

The Provider of Choice power sales contract locks in 16 years of nearly carbon-free power at cost from the Bonneville Power Administration. Its terms provide significant benefit to the City of Ashland.

NRU recommends the City execute the contract as soon as you can.

Questions? Contact NRU Staff

- Zabyrn Towner, Executive Director
ztowner@nru-nw.com
- Matthew Schroettig, Vice President, Policy & Legal Affairs
mschroettig@nru-nw.com
- Emily Traetow, Senior Rates & Policy Director
etraetow@nru-nw.com
- Chris Jones, Director of Transmission Policy & Power Delivery
cjones@nru-nw.com
- Bre Truong, Finance & Administration Manager
btruong@nru-nw.com
- Connor Reiten, Director of External Affairs & Communication
creiten@nru-nw.com



BPA Provider of Choice

October 20, 2025

City of Ashland

This is to inform Council and answer any questions before bringing this contract to a business meeting for signature authorization

Previous Update May 2, 2023

STAFF RECOMMENDATION

Bring the Provider of Choice contract forward at a Business meeting for Council to authorize signature by the City Manager





Background

The current BPA wholesale power purchase contract, known as the Regional Dialogue Contract, expires September 30, 2028

Through an intensive, multi-year, workshop process, the replacement contracts, known as Provider of Choice, are ready to be signed and go into effect October 1, 2028

These new contracts will provide Ashland clean and reliable electricity until September 30, 2044

Highlights

- More flexibility for the City to develop resources
- Rate mitigation tools built into the rate design
- Fixed system size
- 95% carbon free electricity
-





QUESTIONS?





City Hall

Update to Council on the Issues Involving the
Building
October 20, 2025

City of Ashland

Ashland City Hall

20 E. Main St

Background, Correct Misinformation, Highlight Issues, Request Guidance

- History and Description
- Summary of Council Action
- Summary of Building Specific Issues
- General Issues and Brief Potential Risk

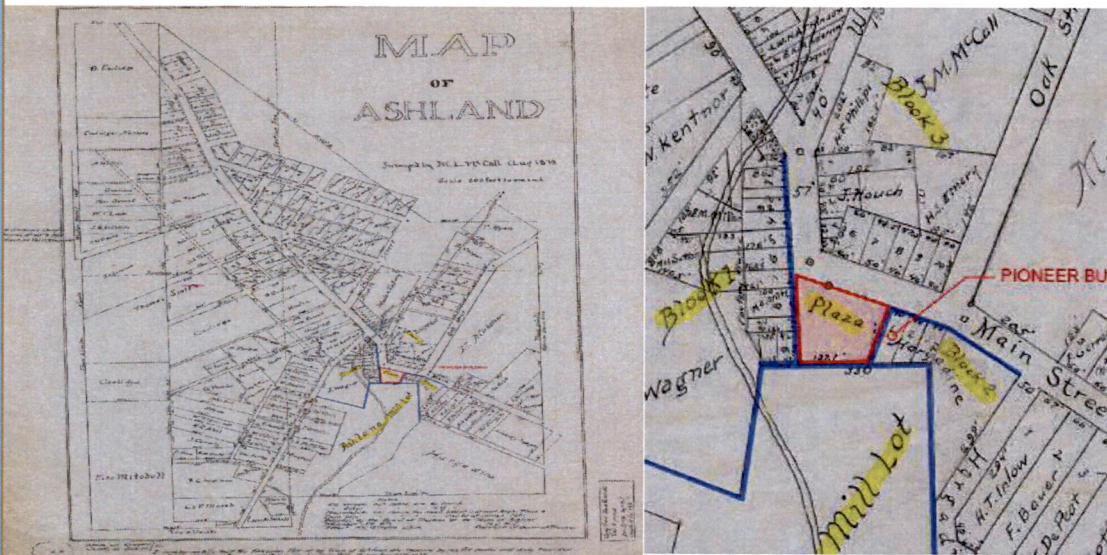


City Hall Building Description

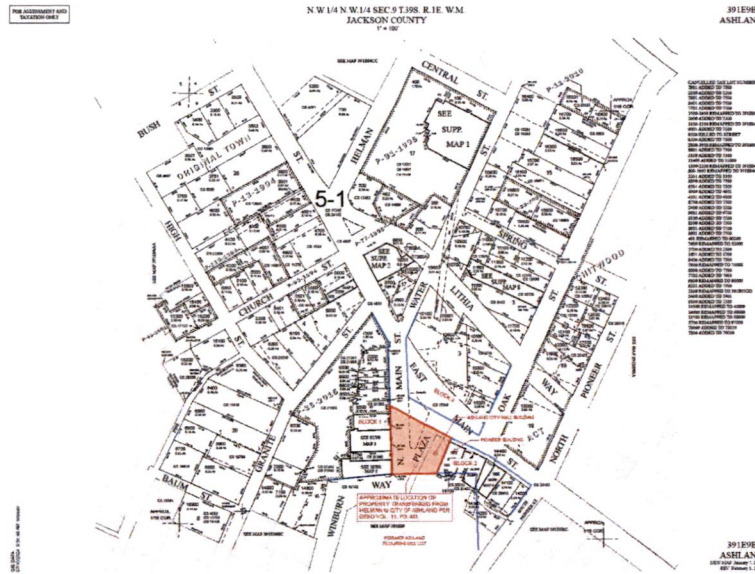
- 7,745 square feet in size.
- Administration, Human Resources, the City Recorder, and the City Attorney.
- A total of 13 employees.



Deed Property Boundary

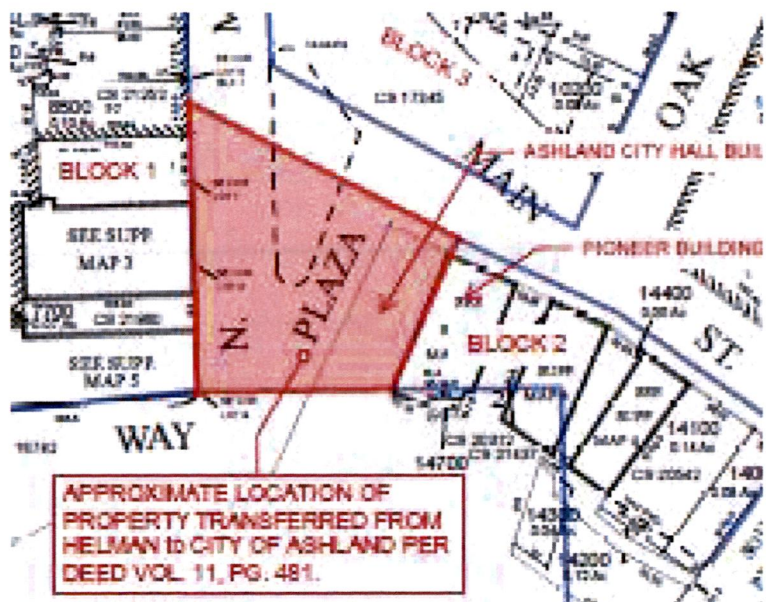


Deed Property Boundary



Deed Property Boundary

Area shaded in **RED** reflects the property subject to the reversionary clause



The Helman Parcel (Title)

Deed Language

- "Property of the people of the Town of Ashland and used in common by the people of said town as a public Square or Plaza and also for the erection of a Town Hall and Jail therein."

Reversionary Clause

- For consideration of \$1 the deed "doth by these presents bargain, sell, covey, and quit claim unto the corporation of the Town of Ashland for the purposes aforesaid, and in case of the perversion of the land herein described from the purposes aforesaid by the corporation...it is hereby expressly stipulated that the land hereinafter described shall revert to and again become vested in the parties' the first part as though these presents had never been made."



Summary of Council Actions

- **City Council Study Session:** Council directed staff to develop an updated seismic analysis of the current City Hall. [June 15, 2015 Staff Report](#).
- **City Council Study Session:** Review of the seismic report and cost estimates for improvement. Space needs and alternative analysis to be completed next. [February 1, 2016 Staff Report](#)
- **City Council Study Session:** ORW and staff presentation on alternatives and space needs. [June 20, 2016 Staff Report](#)
- **City Council Study Session:** Alternative/Feasibility presentation on options and public outreach process. [October 17, 2016 Study Session](#)
- **City Council Business Meeting:** Next steps discussion, Ad-Hoc Committee request. [January 17, 2017 Staff Report](#)
- **Council Business Meeting:** Presentation on recommendations from Ad-Hoc Committee. No consensus on options, Council directed staff to bring back options/recommendations for next steps. [October 3, 2017 Staff Report](#)





Summary of Council Actions

- **Council Business Meeting:** Options presented to Council and Council to review information and meet again in December. [October 17, 2017 Staff Report](#)
- **City Council Study Session:** Another discussion on options. [December 4, 2017 Staff Report](#)
- **City Council Business Meeting:** Approved contract with ORW for conceptual design and construction costing for three sites. [July 3, 2018 Staff Report](#)
- **City Council Business Meeting:** ORW conceptual design presentation to Council. [February 5, 2019 Staff Report](#)
- **City Council Study Session:** Another presentation to Council on options. [June 3, 2019 Staff Report](#)
- **City Council Study Session:** Another presentation to Council. [September 30, 2019 Staff Report](#)
- **City Council Business Meeting:** Another presentation and discussion. Council directed staff to bring forward an asset plan for City facilities and properties. Council directed staff to retain City Hall at current location and build new two story or keep and retro existing two story. [October 15, 2019 Staff Report](#)



Summary of Council Actions

- **City Council Business Meeting:** Council approved final design for a new City Hall with ORW. [December 3, 2019 Staff Report](#)
- **City Council Business Meeting:** Council discussed bond measure for City Hall project. [February 4, 2020 Staff Report](#)
- **City Council Business Meeting:** Council approved moving forward with the bond. [February 18, 2020 Staff Report](#)
- **City Council Business Meeting:** Council changed their decision to reconstruct in the existing location to protecting the existing structure and maintain historic structure. [March 3, 2020 Staff Report](#)
- **City Council Business Meeting:** Presentation by ORW on historic preservation renovation of the building. [April 21, 2020 Staff Report](#)



Building Specific Issues (recommendations)

- Parapet bracing for brick parapets above the roof
- Adding steel wall ties to roof/ceiling/floors for all brick/masonry walls
- Installing interior plywood shearwalls on both levels
- Reinforcing the roof diaphragm with steel strapping and perimeter plywood
- Constructing a braced steel frame (or alternative concrete wall) on the north wall



Building Specific Issues (Recommendations)

- Upgrade roof and floor diaphragms to transfer lateral loads to walls
- Improve wall-to-diaphragm connections and add in-plane/out-of-plane ties
- Add bonded and plywood shear walls on multiple grids and floors
- Add special concentric braced frames on north and west walls
- **Minimum objective:** Provide life-safety for exiting only, not full building function after an earthquake



Building Specific Issues

- Options reviewed included full rebuild, expansion with or without historic wall retention, or relocation—all requiring modern seismic and accessibility compliance
- All code-compliant upgrades would be required for major renovations, expansions, or new construction
- Additional upgrades for building systems, ADA, and functionality included in more recent options



Summary

Year	Study/Author	Key Repair Recommendations	Estimated Cost
1994	Miller-Gardner, Inc.	Parapet bracing, wall ties, shearwalls, roof diaphragm, north wall bracing, elevator option	\$314K–\$327K
2015	Miller Consulting Engineers	Updated roof/floor strengthening, shear walls, improved wall connections, braced frames	\$1.36 million (structural only)
2016	ORW Architecture	Full structural/code compliance as part of expansion/new construction or consolidation	\$8.5M–\$19M (remodel/construction)



Summary

Activity	Estimator	Date of Estimate	Cost per Square Foot	Cost of Activity in Q1 2016	Adjusted to January 2023*	Escalated to 2024**	Owner Held Contingency 25%
Seismic Retrofit, Construction Costs Only	Miller Consulting	Dec-15	176	\$ 1,363,740	\$ 1,854,686	\$ 1,947,420	\$ 2,434,275
Flashing, Bracing, Weather-Proofing, etc	Vitus Construction	Jan-16	18	\$ 139,410	\$ 189,598	\$ 199,077	\$ 248,847
Temp. Facilities	Vitus Construction	Jan-16	20	\$ 154,900	\$ 210,664	\$ 221,197	\$ 276,497
Soft Costs	Vitus Construction	Jan-16	42	\$ 325,290	\$ 442,394	\$ 464,514	\$ 580,643
MEP upgrades	Vitus Construction	Jan-16	110	\$ 851,950	\$ 1,158,652	\$ 1,216,585	\$ 1,520,731
ADA upgrades	Vitus Construction	Jan-16	28	\$ 216,860	\$ 294,930	\$ 309,676	\$ 387,095
Fire Suppression	Vitus Construction	Jan-16	15	\$ 116,175	\$ 157,998	\$ 165,898	\$ 207,372
Tenant Improvements	Vitus Construction	Jan-16	185	\$ 1,432,825	\$ 1,948,642	\$ 2,046,074	\$ 2,557,593
Total				\$ 4,601,150	\$ 5,045,120	\$ 6,593,770	\$ 8,242,213

*used published construction costs indices to make this calculation (Mortenson)

**5% inflation estimated for 2023

Mortenson 2016 (Portland) 118

36.56%

Mortenson 2022 (Portland) 186



Non-Structural Building Specific Issues

- Roof beyond useful life and needs replacement
- HVAC beyond useful life and needs replacement
- Electrical system needs to be studied and upgraded
 - IR and ARC Flash study should be conducted
 - May need additional electrical upgrade
- Building does not meet Oregon Building Specialty Structural Code

Potential Current Risk

Existing Conditions

- Known Structural Dangers
- ADA Compliance
- State Building Codes
- HVAC and Electrical
- Roof

○ Jail (ORS Ch 169)

Liability

- Federal
 - 1983/FTCA/ADA
- State
 - OTCA/OSHA/BOLI
- Unlawful Employment Practices
- *Reversion* (Required action)



Additional Considerations (Functional/Not Analyzed)

- Costs
- Efficiency
- Public access



Direction from Council

1. Continue without Action
 1. Make no structural changes
 2. No facility upgrades
2. Pursue Structural/Facility Changes without Title
 1. Cost
 2. Risk of Reversion after improvement
3. Action for Title
 1. If clean title is secured Council can provide further direction as to desired upgrades/uses/divestment

