ASHLAND CITY COUNCIL
STUDY SESSION MINUTES
Monday, March 16, 2026

Chair Dahle called the meeting to order at 5:30 p.m.

Council Present: Councilors Dahle, Bloom, DuQuenne, Hansen, Kaplan, and Sherrell.
Present via Zoom: Mayor Graham
Staff Present:

Sabrina Cotta	City Manager
Alissa Kolodzinski	City Recorder
Scott Fleury	Public Works Director

I. **Call to Order**

II. **Reports and Presentations**

a. *Strategic Planning Update*

Ashley Sonoff from SSW Consulting presented an update to Council on the Communications and Engagement Framework for the City's strategic plan development (see presentation in agenda packet). Three overarching engagement goals were outlined: to be intentional and inclusive, to foster a shared understanding of community challenges and opportunities, and to ensure the final plan reflects both community priorities and staff expertise. The project is currently entering Phase 3 of a four-phase process.

The engagement approach aims to meet community members at existing events (rather than creating new stand-alone events) utilizing a broad menu of digital, in-person, and print tools. A preliminary list of community events between April and July was presented as a starting point. Complementary internal engagement with city staff will be conducted through digital surveys and department-level meetings.

Council discussion included how budgetary trade-offs and fiscal realities would be communicated to the public during the engagement process. Sonoff clarified that the initial phase focuses on high-level community priorities and vision, with trade-off discussions occurring in subsequent phases as the plan is refined and ultimately brought to the policy and budget level for Council consideration.

Councilors requested that outreach be expanded to include direct outreach to the Ashland School District (ASD) and Southern Oregon University and also requested the ability to add community groups and events not yet represented on the list, which the consulting team welcomed.

Cotta confirmed that both the stakeholder and the event lists would be distributed to Council via email following the meeting. Council's direction was to review both documents and return feedback identifying any gaps in stakeholders or events, as well as indicating which events individual members were willing to attend or support.

b. *Wastewater and Storm Drain Cost of Service and Rate Overview*

Fleury introduced Josiah Close of HDR Engineering as the consultant on this project and presented an overview of the cost of service and rate analysis for the City's wastewater and storm drain utilities (see agenda packet). The study follows the Water Environment Federation Manual of Practice No. 27 for wastewater and applies comparable methodology to storm drain as a new utility fund.

Key considerations informing the rate study included the introduction of a franchise fee for the storm drain utility (consistent with other city utilities), the appropriateness of the current 90-day operating reserve policy, and the establishment of an equipment replacement reserve fund to smooth future rate impacts from major capital expenditures.

For the wastewater utility, approximately $18.8 million in capital investment is projected over the next five years, with two primary projects: the Head Works facility ($7.4 million) and the Hardisty site (approximately $5 million shared across streets, storm drain, and wastewater). The analysis projects monthly residential bill increases of approximately $2.38 to $3.11 over the five-year study period, calculated on a winter water average basis. The study examined both a status quo rate structure and an alternative structure that would differentiate multifamily rates to better reflect their lower estimated volume contribution relative to single-family residential accounts.

For the storm drain utility, approximately $3.5 million in capital investment is projected over the rate-setting period, with a portion attributable to the Hardisty project. The proposed rate impact is $1.00 per year for fiscal years 2027 through 2029, tapering to $0.75 and $0.50 in subsequent years. A franchise fee of eight percent of rate revenues would be incorporated beginning in fiscal year 2027.

Councilors raised concerns about the comparator chart for wastewater rates, noting that the City's variable rate structure makes direct comparison to peer agencies with flat rates difficult. Fleury and Close acknowledged this and noted that being the water purveyor affords Ashland access to consumption data that many other agencies cannot obtain. Councilors inquired about a reported 50 percent rate increase at Rogue Valley Sewer Services (RVSS) and Close indicated he would investigate and attempt to incorporate forward-looking projections for that agency where available.

Fleury noted that the wastewater system conveys sewage to the treatment plant while the storm drain system conveys surface runoff to local waterways under an MS4 permit issued by DEQ. He confirmed that properties hydraulically disconnected from the storm drain system are not assessed storm drain rates. The council raised questions regarding climate resilience and whether pipe replacement work accounts for projected increases in storm intensity. Fleury explained that the City follows design standards set by RVSS - any change to criteria would require a broader discussion.

Fleury spoke that next steps would include a final presentation to Council including recommendations and draft rate resolutions in the coming months for adopting rates for fiscal year 2027, with subsequent biennium increases brought forward for adoption at the appropriate budget cycle.

III. **Adjournment of Study Session**.

The meeting was adjourned at 7:02 pm.

City Recorder Alissa Kolodzinski

Mayor Tonya Graham