

**ASHLAND CITY COUNCIL
BUSINESS MEETING MINUTES
Tuesday, October 15, 2024**

5:00 PM Executive Session

Mayor Graham and Councilors DuQuenne, Bloom, Dahle, Kaplan, and Hansen were present. Western Rivers Conservancy Director Mik McKee, Associate Project Manager Elijah Dwoskin, Acting City Attorney Doug McGeary, City Manager Sabrina Cotta, Parks and Recreation Director Rocky Houston, City Recorder Alissa Kolodzinski, and Parks Commissioner Jim Bachman were also present. Attending from the media were Morgan Rothborne of Ashland.News and Susan Hiland from the Grants Pass Daily Courier.

1. To conduct deliberations with persons designated by the governing body to negotiate real property transactions pursuant to ORS 192.660 (2)(e).

6:00 PM Business Meeting

I. CALL TO ORDER

Mayor Graham called the meeting to order at 6:03 p.m.

- a. Land Acknowledgement**

Councilor Dahle read the land acknowledgement.

II. PLEDGE OF ALLEGIANCE

Councilor Hansen led the pledge of allegiance.

III. ROLL CALL

Mayor Graham, Councilors Dahle, DuQuenne, Kaplan, and Hansen were present. Hyatt and Bloom were absent.

IV. MAYOR'S/ CHAIR OF THE COUNCIL ANNOUNCEMENT

V. APPROVAL OF MINUTES

- a. Minutes of September 30, 2024, Study Session
- b. Minutes of October 1, 2024, Business Meeting

Kaplan/Hansen m/s to approve the minutes.

Roll Call Vote: Councilor DuQuenne, Kaplan, Dahle, and Hansen. YES. Motion passed.

VI. CONSENT AGENDA

- a. Contract Approval with Emergency Communications of Southern Oregon
- b. Resolution 2024-27 NHMP Adoption
- c. Public Arts Advisory Committee Appointment

Dahle/Kaplan m/s to approve the consent agenda.

Roll Call Vote: Councilor DuQuenne, Kaplan, Dahle, and Hansen. YES. Motion passed.

Mayor Graham thanked Christi McLain and Patricia Way for stepping forward to serve on the Public Arts Advisory Committee.

VII. CONTRACTS

PUBLIC FORUM

15 Minutes – Public input or comment on City business not included on the agenda.

Paul Mozina- Ashland spoke that Councilor Dahle became the Council Liaison for Oregon for Safer Technology (OST) regarding amending AMC Chapter 13. The City hired Nancy Warner to write the ordinance. The City posted Chapter 16 amendments on February 13 for public comment, but OST did not learn of Warner's authorship of the ordinance until March 4. Mozina spoke that OST felt Dahle was not forthright.

VIII. PUBLIC HEARING

a. Ordinance 3247 – An ordinance amending the Ashland Urban Growth Boundary map to correct an error for the properties at 375 and 475 East Nevada St. Community Development Director Brandon Goldman provided a presentation (see attached). Goldman spoke that this amendment was discussed at a public hearing on August 6, 2024, when the Council directed staff to draft an ordinance under provisions of the 1982 Urban Growth Management Agreement. The emergency language would allow the applicant to immediately proceed with the County application. Kaplan asked if there were other implications with the emergency designation. Goldman and McGeary confirmed there were no other implications other than to allow the applicant to move more quickly.

Public Hearing open

Sydnee Dreyer – attorney on behalf of the applicant. Spoke that this has been a seven-year process, and the emergency declaration would allow her client to move their project forward.

Public Hearing Closed

DuQuenne/ Kaplan m/s to adopt Ordinance No. 3247 titled "AN ORDINANCE AMENDING THE ASHLAND URBAN GROWTH BOUNDARY MAP TO CORRECT AN ERROR, AND AN EMERGENCY IS DECLARED TO TAKE EFFECT ON ITS PASSAGE", correcting the mapping error in the Urban Growth Boundary and declaring an emergency, allowing this ordinance to take effect immediately upon passage.

Discussion: DuQuenne and Kaplan offered thanks for the clarity of the presentation.

Roll Call Vote: Councilor Dahle, Kaplan, DuQuenne, and Hansen. YES. Motion passed

b. First Reading – ORD 3244 Amending AMC 2.10 to Establish Uniform Policies and Operating Procedures for City Council and Management Advisory Committees
Acting City Attorney Doug McGeary spoke about the changes made since the last meeting:

- Addition of Municipal Audit Committee on the list of exclusions
- Up to two non-voting students per committee
- Chair or Co-Chair term shall be one year with no more than two consecutive terms
- Staff time – request for additional staff time is at the approval of Council
- Included an option for attendance by electronic attendance or not

Dahle asked that language in 2.10.065 regarding expectation for diversity, equity, and inclusion (DEI) be changed to include all committees and commissions, and that members of standing advisory committees will be appointed by Council. Graham asked if Management Advisory Committees (MAC's) should be included. Cotta responded that they are not held to public meeting law and do not need to be included. Council concluded that commissions should be included in the DEI language, and that specifics of students will be addressed in the related resolution. The Council decided to remove section 2.10.048 ATTENDANCE BY ELECTRONIC COMMUNICATION and adjust language in section 2.10.020 to allow for electronic communication. The ordinance will return after these edits for a first reading.

IX. PUBLIC FORUM

15 Minutes – Public input or comment on City business not included on the agenda.

X. SPECIAL PRESENTATIONS

Water Treatment Plant Funding

Public Works Director Scott Fleury provided a presentation (see attached).

- Water Treatment Plant Funding Resolution
 - Resolution 2024-05 authorized borrowing for improvements and allowed for it to be put on the November ballot, which the community petitioned for.
 - Yes vote = support of resolution
 - No vote = does not support the resolution
- EPA funding – Water Infrastructure Financing and Innovation Act (WIFIA) interest rate has lowered to 4.16 percent over 35 years and acts as a line of credit
 - Repayment is through water rate revenues and interest is only paid on the amount of the loan borrowed as reimbursements during the project.
- Other funding options include:
 - Revenue Bond. Repayment is through water rate revenues and interest accrues immediately on the full amount sold at a 30-year term at 4.20 percent.
 - General obligation bond. Property tax basis is obligated and has implications.
 - Oregon Safe Drinking Water Fund – funding is capped at around \$6 million and may include principal forgiveness of about \$3 Million which the City applied for and may have access to in the spring of 2025.
 - Grants – Bipartisan Infrastructure Law (BIL) has funds for municipalities dealing with emerging algal toxins. Ashland qualifies for just under \$10 million and City is listed as an intended recipient in spring of 2025 for ozone pretreatment.

- o FEMA BRIC Grant– The Council has now adopted the Natural Hazard Mitigation Plan. This qualified the City for the Building Resilient Infrastructure Communities (BRIC) Grant. This process takes 12 to 36 months to know if it will be received. The City has initiated the process and was approved to move to the next step which is expected to take about eight months. The rest of the process could take 12 to 16 months before receiving a decision and the maximum award is \$50 million and requires a 25 percent match of non-federal funds.

Kaplan summarized the different funding options presented and noted there is still a significant funding gap given the potential grant award amounts and Safe water loan cap. Fleury responded that the plan would be to delay drawing against the WIFIA loan as long as possible if approved. The water fund has a significant cash balance to begin the project, and the City would use the Safe fund loan and BIL grant next. Kaplan clarified with Fleury that having the WIFIA loan in place would allow a contractor to begin the work and would only be used as needed in deference to other potential funding. Finance Director Mariane Berry clarified the City would not sign an agreement for work unless funding was in place. Berry added the City has a low debt ratio and is in good financial shape to manage the favorable terms included in the WIFIA loan. DuQuenne asked if the projected cost includes the demolition of the existing plant. Fleury responded that the city would maintain the facility and continue to generate power at the powerhouse and remove the chemical treatment equipment. DuQuenne asked about the requirement for an environmental impact study. Fleury responded that the City has necessary permits in place for the last step in the environmental review process, which is review by the National Marine Fisheries. Dahle asked if regular financial reporting on a project of this magnitude could be made publicly available. Berry responded that the financials will already be tracked, so it can be added to the City's quarterly financial reports for public view.

Fleury outlined the costs of service information. The last water rate study was completed in 2016 and an update is currently in process which will be presented to Council in December. This study will include how to equitably charge different customer classes based on water use and how to allocate Talent Ashland Phoenix (TAP) charges and may reflect additional revenue through sale of excess water to Talent and Phoenix. Kaplan asked when the last water rate increase was. Fleury responded that it was in 2019. Kaplan asked if this has kept up with inflation. Fleury responded no, as the department has seen increases in labor, construction, and material / chemical costs of around 30 percent.

Linda Peterson Adams/Ashland – spoke that a vote on ballot measure 15-234 is not an up or down vote on building the Water Treatment Plant (WTP). It is about how the City finances it. A 'Yes' vote provides the advantages of the WIFIA loan with its favorable terms not found elsewhere. A 'No' vote excludes this option, and financing must be found elsewhere with

unknown terms. A 'Yes' vote provides the greatest flexibility and most advantageous terms for the community's essential needs for decades to come.

XI. ORDINANCES, RESOLUTIONS AND CONTRACTS

a. Resolution 2024-29 Declaring the City Council's Intent to Initiate a Pilot Program for Portable Business Signs in Commercial Zones

Economic Development Specialist Jordan Rooklyn spoke on behalf of Ashland's business community in support of this resolution to create a pilot program for the use portable signs known as sandwich boards. Hansen asked when this program would start. Rooklyn spoke that if approved, the City would work with the Chamber of Commerce to discuss designs with a goal to implement before the holiday season. Hansen asked what metrics would be used for assessment. Rooklyn spoke of quantitative data comparing sales of participants to non-participants as well as qualitative data from business owners. Graham asked about interim assessments during the pilot year. Rooklyn spoke that the Chamber planned for quarterly check-ins and that the program, as an administrative pilot, has the flexibility for staff to make changes as needed and clarified that this is not limited to downtown.

Hansen/ Dahle m/s to adopt Resolution 2024-29.

Discussion: Hansen spoke in support of loosening sign restrictions while maintaining downtown culture. Dahle, DuQuenne, and Kaplan spoke in support of this as a pilot project.

Roll Call Vote: Councilor Dahle, Kaplan, DuQuenne, and Hansen. YES. Motion passed.

XII. UNFINISHED BUSINESS

a. Appointment of Municipal Judge

An appointment will not be made tonight but at a special meeting. Graham asked Council what they would like to see in a municipal judge. Dahle spoke that it is apparent how important a municipal court is to this community. Kaplan is interested to hear about the various types of municipal cases the court handles and would like to see a regular report to the Council from the Judge moving forward. DuQuenne is also interested in a candidate who is willing to be more involved with Council. Hansen spoke about the desire for someone who cares about local issues and loves this community. Graham spoke about the court as an expression of the community in striking the balance between accountability and restoration. The special meeting required to meet the 60-day requirement for appointment will be properly noticed.

XIII. CITY MANAGER REPORT

XIV. NEW BUSINESS

XV. OTHER BUSINESS FROM COUNCIL MEMBERS/REPORTS FROM COUNCIL LIAISONS

Graham spoke that Ashland's 150th anniversary party is set with a free live concert coming to the Lithia Park Bandshell Sunday, October 20th from 2:00-6:00p.m. Dahle expressed special

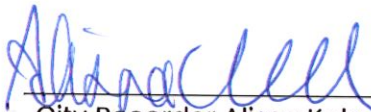
thanks to community members for their work on committees. Kaplan spoke that the CEAP report is being compiled regarding the City's climate energy goals and is looking forward to the full report coming before the Council. DuQuenne welcomed the new members to the Public Arts Committee. Hansen shared that the APRC passed the new Lithia Park Master Plan. Kaplan spoke that the first plaque for the Playwright's Walk was installed in front of the Chamber of Commerce.

XVI. ADJOURNMENT

Hansen/DuQuenne m/s to adjourn. All in favor. The meeting was adjourned at 7:56 p.m.

Respectfully Submitted by:

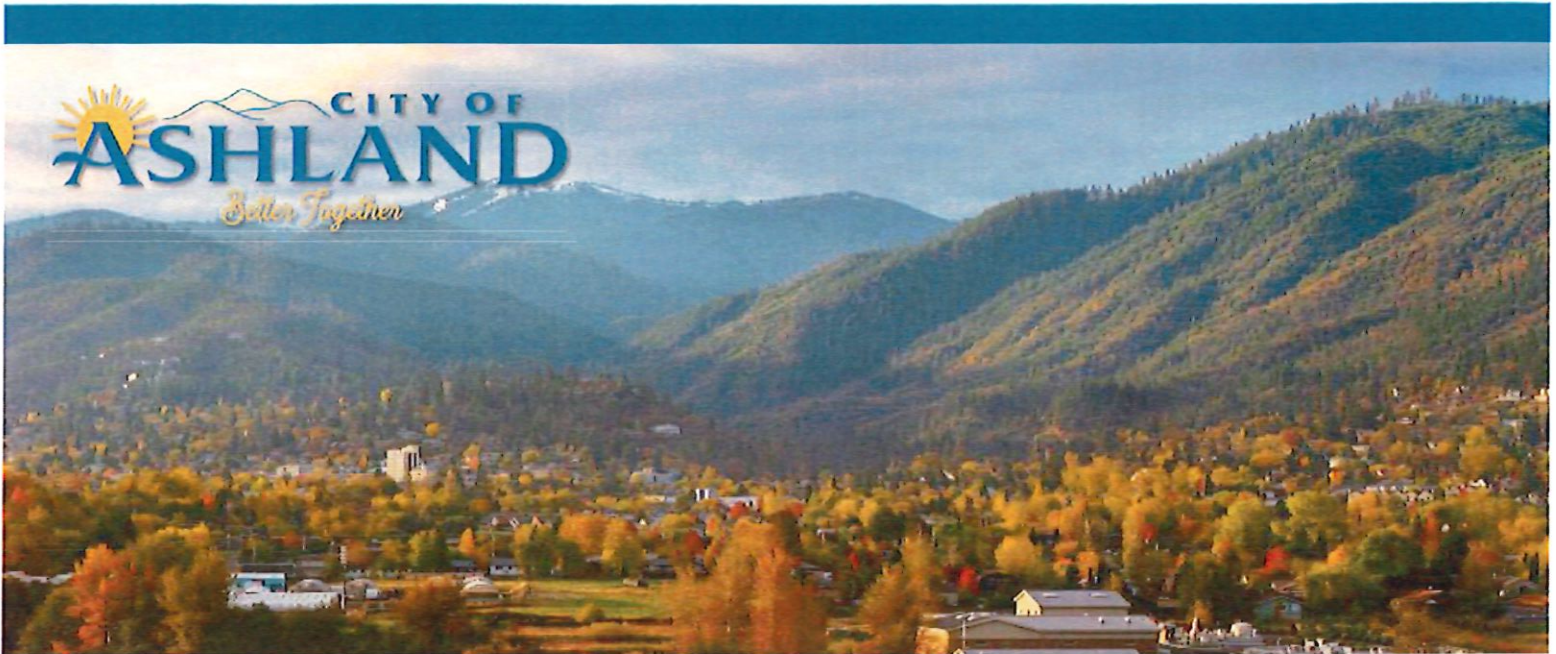
Attest:



City Recorder Alissa Kolodzinski



Mayor Tonya Graham



UGB Map Error Correction Request

CITY COUNCIL
OCTOBER 15TH, 2024

The request before you is to approve an ordinance (Ordinance 3247) to correct a mapping error in the Urban Growth Boundary (UGB) for properties located at 375 and 475 East Nevada Street.



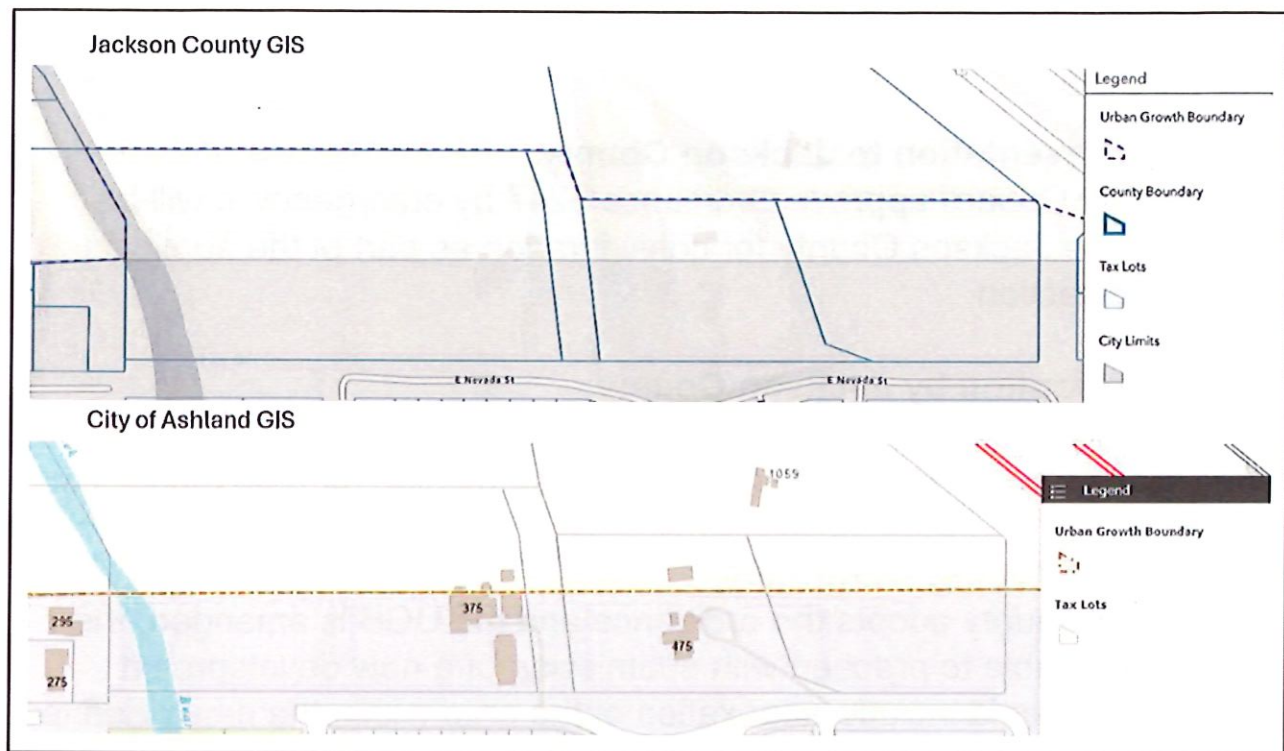
This correction is necessary to align the UGB between the City of Ashland and Jackson County's maps, ensuring consistency between the two jurisdictions.

On August 6, 2024, the Ashland City Council held a public hearing to review the UGB discrepancy for 375 and 475 East Nevada St.

The Council directed staff to proceed with preparing an ordinance to correct the mapping error under the provisions of the 1982 Urban Growth Management Agreement (UGMA).

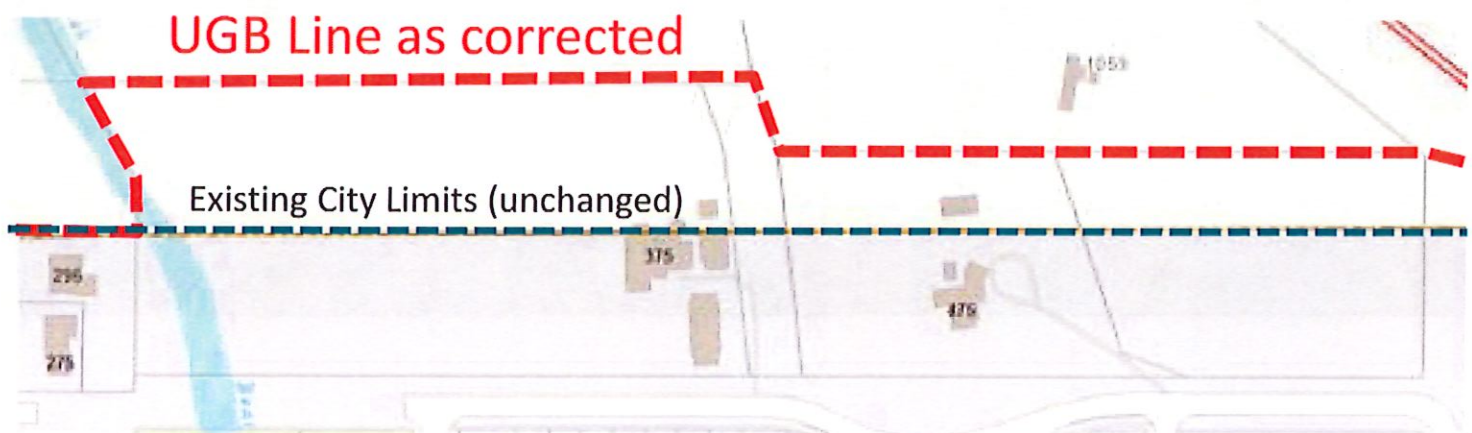
•**Ordinance 3247** is presented to correct the UGB error, and is proposed to be approved as an emergency to allow the applicant to immediately proceed with the County application for correction.





UGB Line adjusted, City Limits Remain Unchanged:

The ordinance corrects the UGB but does not alter the City Limits boundary. Future development on these properties will require annexation to bring the UGB areas into the City limits



Next Steps

- Ordinance Presentation to Jackson County:**

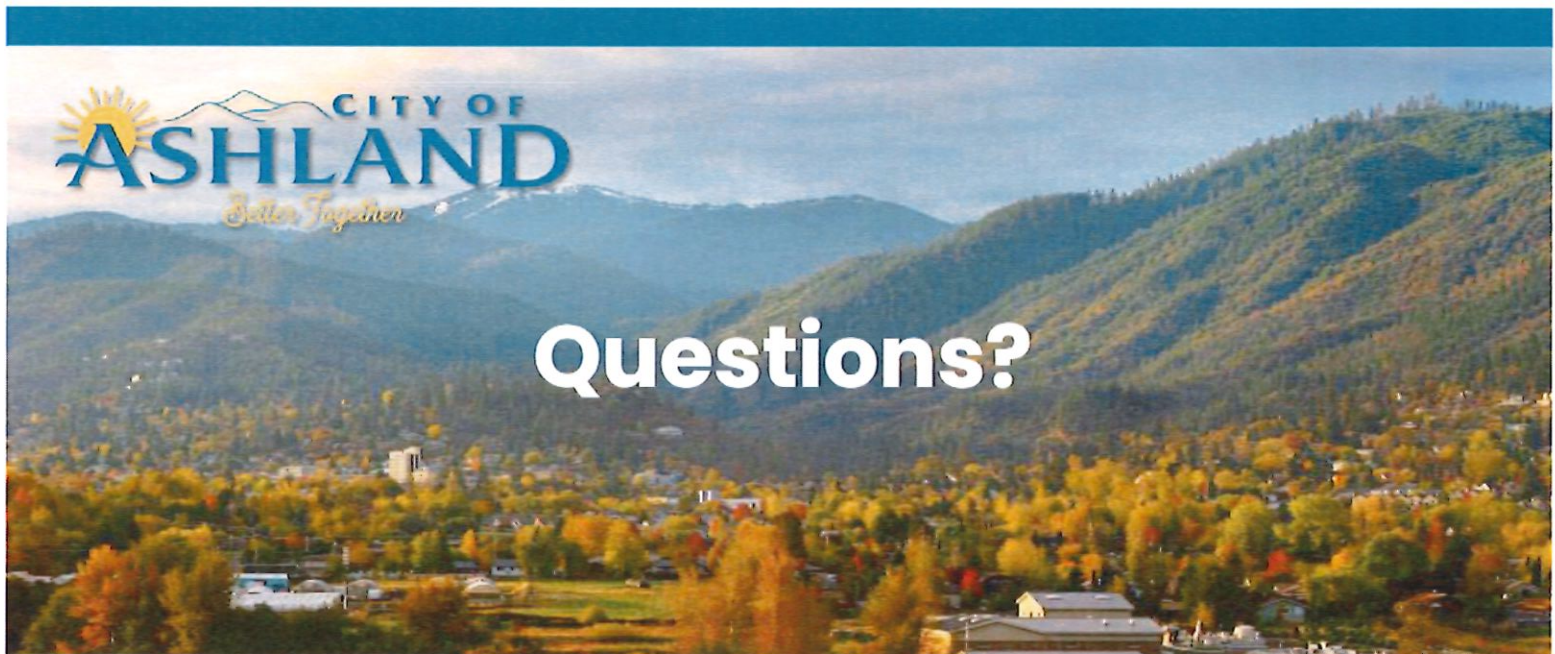
Should the City Council approve Ordinance 3247 by emergency, it will be presented to the Jackson County for consideration as part of the applicants request for correction.

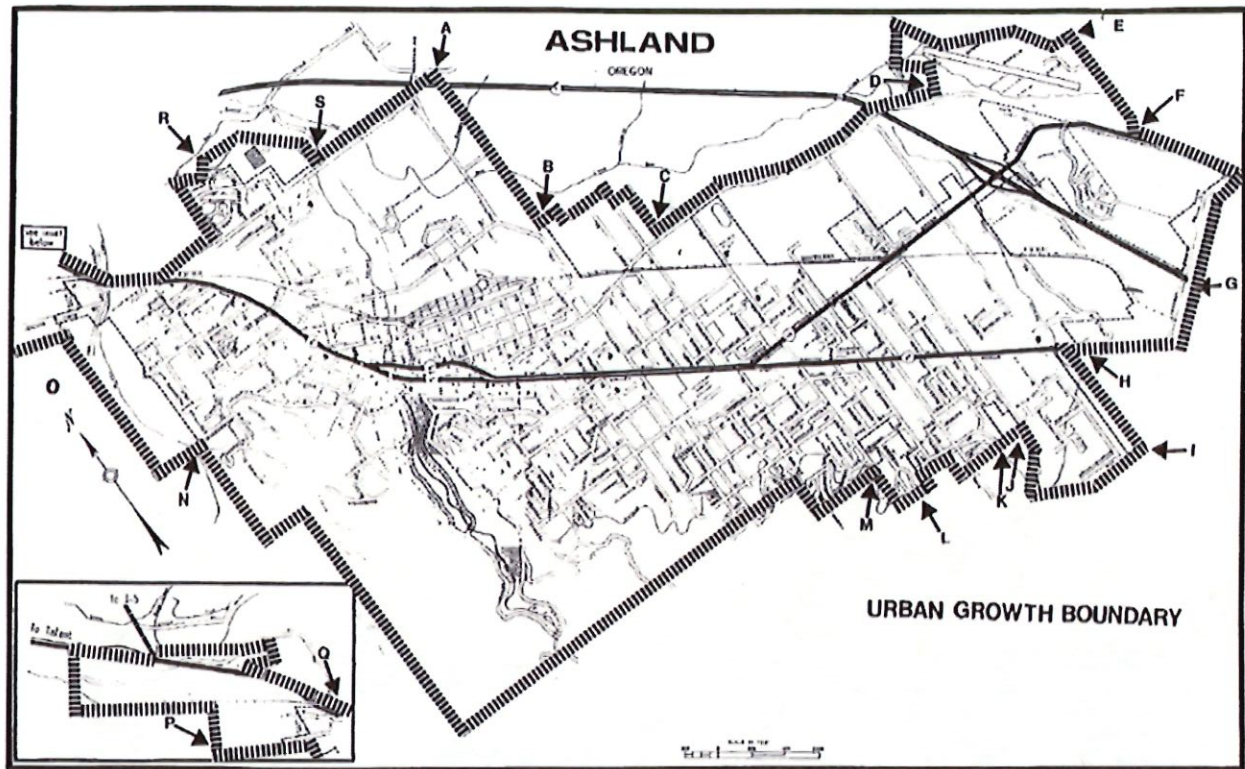
- Ordinance Adoption by Jackson County:**

Jackson County will need to conduct a public hearing and adopt an ordinance, ensuring the correction is mutually approved and binding for both jurisdictions.

- Development Process Continues:**

Once Jackson County adopts the ordinance and the UGB is amended, the applicant will be able to proceed with submission of a new development application that would include annexation of the area within the newly defined UGB.







Water Treatment Plant Funding

October 15, 2024 Council Business Meeting

Topics

Agenda

- Resolution To Authorize Borrowing
 - Ballot Measure
- Infrastructure Funding Options
- Water Cost of Service & Rate Study





Water Treatment Plant Funding Resolution

- **Ballot Measure**
 - Resolution 2024-05 –Authorize Borrowing Up to 75 Million for Water System Improvements
 - Language Allows for Referral to Ballot
- **Environmental Protection Agency**
 - Water Infrastructure Financing and Innovation Act (WIFIA)
 - Revenue Pledge for Repayment
 - 35 year term at 4.16% (current)
 - Acts as a Line of Credit
 - Reimbursements are requested when needed during project duration
 - Interest accrues on reimbursed amounts



Water Treatment Plant Funding

- **Revenue Bonds**
 - Revenue Pledge for Repayment
 - 30 year term at 4.20%
 - Collect Full Amount of Funding at Start
 - Interest Accrues on Full Amount Once Received
- **General Obligation Bond**
 - Full Faith and Credit of the City
 - Has Broader Financial Implications to Overall City



Water Treatment Plant Funding

- Safe Drinking Water Revolving Fund Loan
 - State Managed Funding
 - Need Additional Sources to Combine
 - SDWRF Loan/Principal Forgiveness (Spring 2025)
- Grant Potential
 - Bipartisan Infrastructure Law
 - Emerging Contaminants (BIL-EC Spring 2025)
 - Federal Emergency Management Agency (FEMA)
 - Buildings Resilient Infrastructure Communities (BRIC) Grant
 - Natural Hazard Mitigation Plan



Cost of Service – Water

- Last Water Utility Cost of Service Completed in 2016
 - Creates a Defensible Rate Structure
 - Equitable over Customer Classes
- In Process of Updating (Draft Presentation December 2024)
 - Equity and Progressive Structure (Commodity Charge)
 - Fully Allocate TAP Charges Correctly into Rate Structure
- TAP Wholesale Rate
 - Develop non-peak wholesale water rate for sale to Talent and Phoenix
 - Additional revenue
- Low Income Utility Assistance Program
 - Updates to Program and Existing Resolutions

QUESTIONS?



