



Eugene City Council

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www.eugene-or.gov

EUGENE CITY COUNCIL AGENDA

May 8, 2017

**7:30 p.m. CITY COUNCIL MEETING and
MEETING OF THE EUGENE URBAN RENEWAL AGENCY
Harris Hall
125 East 8th Avenue
Eugene, Oregon 97401**

**Meeting of May 8, 2017;
Her Honor Mayor Lucy Vinis Presiding**

Councilors

Alan Zelenka, President
Emily Semple
Claire Syrett

Mike Clark, Vice President
Greg Evans
Chris Pryor
Betty Taylor

**7:30 p.m. CITY COUNCIL MEETING and
MEETING OF THE EUGENE URBAN RENEWAL AGENCY
Harris Hall, 125 East 8th Avenue**

1. PUBLIC FORUM

2. CONSENT CALENDAR

(Note: Time permitting, action on the Consent Calendar may be taken at the 5:30 p.m. work session.)

- A. Approval of City Council Minutes**
- B. Approval of Tentative Working Agenda**
- C. Ratification of the Metropolitan Wastewater Management Commission (MWMC) FY18 Regional Wastewater Program Budget and Capital Improvements Program**

The Mayor adjourns the meeting of the Eugene City Council and convenes a meeting of the Eugene Urban Renewal Agency.

**3. EUGENE URBAN RENEWAL AGENCY MEETING:
Disposition of Agripac Building**

The Mayor adjourns the meeting of the Eugene Urban Renewal Agency and convenes a meeting of the Eugene City Council.

4. Committee Reports and Items of Interest

Adjourn.

The Eugene City Council welcomes your interest in these agenda items. This meeting location is wheelchair-accessible. For the hearing impaired, an interpreter can be provided with 48 hours' notice prior to the meeting. Spanish-language interpretation will also be provided with 48 hours' notice. To arrange for these services, contact the receptionist at 541-682-5010. City Council meetings are telecast live on Metro Television, Comcast channel 21, and rebroadcast later in the week.

El consejo de la Ciudad de Eugene agradece su interés en estos asuntos de la agenda. El lugar de la reunión tiene acceso para sillas de ruedas. Se puede proveer a un intérprete para las personas con discapacidad auditiva si avisa con 48 horas de anticipación. También se puede proveer interpretación para español si avisa con 48 horas de anticipación. Para reservar estos servicios llame al 541-682-5010. Las reuniones del consejo de la ciudad se transmiten en vivo por Metro Television, Canal 21 de Comcast y son retransmitidas durante la semana.

<p>For more information, contact the Council Coordinator at 541-682-5010, or visit us online at <i>www.eugene-or.gov</i>.</p>

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Public Forum

Meeting Date: May 8, 2017
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 1
Staff Contact: Beth Forrest
Contact Telephone Number: 541-682-5882

ISSUE STATEMENT

This segment allows citizens the opportunity to express opinions and provide information to the council. Testimony presented during the Public Forum should be on City-related issues and should not address items which have already been heard by a Hearings Official, or are on the present agenda as a public hearing item.

SUGGESTED MOTION

No action is required; this is an informational item only.

FOR MORE INFORMATION

Staff Contact: Beth Forrest
Telephone: 541-682-5882
Staff E-Mail: beth.l.forrest@ci.eugene.or.us

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Approval of City Council Minutes

Meeting Date: May 8, 2017
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 2A
Staff Contact: Beth Forrest
Contact Telephone Number: 541-682-5882

ISSUE STATEMENT

This is a routine item to approve City Council minutes.

SUGGESTED MOTION

Move to approve the following minutes: April 19, 2017, Work Session.

ATTACHMENTS

A. April 19, 2017, Work Session

FOR MORE INFORMATION

Staff Contact: Beth Forrest
Telephone: 541-682-5882
Staff E-Mail: beth.l.forrest@ci.eugene.or.us

MINUTES

**Eugene City Council Work Session
Harris Hall, 125 East 8th Avenue
Eugene, Oregon 97401**

**April 19, 2017
12:00 p.m.**

Councilors Present: Emily Semple, Betty Taylor, Alan Zelenka (*via phone*), Mike Clark, Greg Evans, Claire Syrett, Chris Pryor

Mayor Vinis opened the April 19, 2017, meeting of the Eugene City Council.

1. WORK SESSION: Broadway Plaza Next Steps and Potential Renaming

Community Development Division Manager Mike Kinnison, Senior Planner Nan Laurence, and Associate Urban Design Planner Will Dowdy gave a presentation on the history of Broadway Plaza and ongoing efforts to improve the space.

MOTION AND VOTE: Councilor Taylor, seconded by Councilor Syrett, moved to initiate the process for changing the name of Broadway Plaza to Kesey Square. **PASSED 6:1**, Councilor Clark opposed.

Council discussion:

- Motion to rename makes official what most people have already transitioned to.
- Council has received a lot of input from those who oppose the renaming of Broadway Plaza; efforts to create high-tech center are gaining momentum.
- Explore opportunities related to naming rights and leasing space to support economic growth.
- Recognizing role and legacy of Ken Kesey in the City's cultural history is appropriate.
- Space has evolved from Broadway Plaza to Kesey Square; more public space for family activities is needed.
- Designation of site as public space and its effective use is more important than what it is called.
- Real focus should be on using the space better.
- There is a significant segment of Eugene's population that will not support the renaming due to the controversial reputation of the person being honored; proposed name not appropriate for the "town center" if goal is to be inclusive.

MOTION AND VOTE: Councilor Taylor, seconded by Councilor Syrett, moved to initiate a Metro Plan diagram amendment and rezoning process to consider changing the Broadway Plaza site to the "Government and Education" Metro Plan designation and the "Public Land" zone. **PASSED 7:0.**

Council discussion:

- Project for Public Spaces strongly recommended making the space public and opening the walls to accommodate improvements.
- Approval of motion will simply begin the re-designation/rezoning process.
- Council focus should be on infrastructure improvements that make the space more attractive, flexible, and accessible.
- Shortsighted to pursue changes that will not make the space welcoming to all residents.

- Oppose designation as a city park; plaza needs to remain open as public space for peaceful assembly.
- Purpose of action is for Council to explicitly convey its intent for the site's current and future use.

B. WORK SESSION AND ACTION: Resolution Advocating for the Oregon Legislature's Design of a Healthcare System that Provides Comprehensive Health Care for All Oregon Residents

Council discussion:

- Motion is in response to petition by over 800 citizens in support of the proposed legislation.
- These types of resolutions take council's attention away from important local work.
- Single-payer healthcare system has both its supporters and detractors.
- Appropriate for council to weigh in on issues that could potentially have impact on local residents; huge equity and quality-of-life issue.

MOTION AND VOTE: Councilor Zelenka, seconded by Councilor Semple, moved to adopt a resolution advocating for the Oregon Legislature's design of a healthcare system that provides comprehensive health care for all Oregon residents. **PASSED 6:1, Councilor Clark opposed.**

C. WORK SESSION: South Willamette

Planning Director Robin Hostick provided a brief recap of Envision Eugene goals and strategies and related them to the South Willamette planning process, communication efforts and progress.

MOTION (*with accepted friendly amendments*): Councilor Evans, seconded by Councilor Syrett, moved to direct the city manager to refocus the city's planning efforts, but continue community engagement in South Eugene, on developing special area zones or refinement plans to the River Road/Santa Clara area where significant preparatory work and planning has already occurred by area residents, and to the Hwy 99/Bethel area, which along with the River Road/Santa Clara area contains two of the city's main transportation corridors where multi-unit densities are contemplated by Envision Eugene, and bring back a plan for moving forward on university neighborhoods.

Council discussion:

- Hwy. 99 and Bethel areas have not had a refinement plan in over 30 years.
- Motion recognizes the readiness of residents and appropriateness of the two proposed areas to undertake the work needed to achieve Envision Eugene goals.
- Support refinement plan proposal, but work must also be done to initiate a voluntary annexation program in River Road/Santa Clara area; need residents' support for future planning.
- Efforts to-date on South Willamette have not moved the community toward the goals of Envision Eugene.
- Clarification was made that the proposed motion was initiated by council, based on input from constituents.
- Stakeholders involved in the South Willamette development have not reached consensus on how to proceed.
- Refocusing on River Road, Hwy. 99 and Bethel areas will still allow consensus-building work with community members to continue.
- Time to dedicate staff resources to refinement planning in University neighborhoods; residents there have been patiently waiting.

MOTION AND VOTE: Councilor Clark, seconded by Councilor Syrett, moved to extend the meeting by 10 minutes. PASSED 6:0.

- Neighborhoods involved in South Eugene planning efforts are not in favor of proposed motion; their perspective should be prioritized.
- River Road/Santa Clara are ready for refinement planning as a result of work done with neighborhoods; use same model to make progress in South Willamette.

MOTION AND VOTE: Councilor Clark, seconded by Councilor Syrett, moved to extend the meeting by another 10 minutes. PASSED 6:0.

MOTION AND VOTE: Councilor Taylor, seconded by Councilor Clark, moved to postpone the vote on the motion until Monday. PASSED 6:0.

- Either/or nature of proposed motion is counter-productive; different conversation about TSP needed.
- Postponement will allow community members to offer input on motion and future planning efforts.

The motion was tabled until April 24, 2017.

The meeting adjourned at 1:59 p.m.

Respectfully submitted,

Chuck Crockett
Deputy City Recorder

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Approval of Tentative Working Agenda

Meeting Date: May 8, 2017
Department: City Manager's Office
www.eugene-or.gov

Agenda Item Number: 2B
Staff Contact: Beth Forrest
Contact Telephone Number: 541-682-5882

ISSUE STATEMENT

This is a routine item to approve City Council Tentative Working Agenda.

BACKGROUND

On July 31, 2000, the City Council held a process session and discussed the Operating Agreements. Section 2, notes in part that, "The City Manager shall recommend monthly to the council which items should be placed on the council agenda. This recommendation shall be placed on the consent calendar at the regular City Council meetings (regular meetings are those meetings held on the second and fourth Monday of each month in the Council Chamber). If the recommendation contained in the consent calendar is approved, the items shall be brought before the council on a future agenda. If there are concerns about an item, the item may be pulled from the consent calendar at the request of any councilor or the Mayor. A vote shall occur to determine if the item should be included as future council business." Scheduling of this item is in accordance with the Council Operating Agreements.

RELATED CITY POLICIES

There are no policy issues related to this item.

COUNCIL OPTIONS

The council may choose to approve, amend or not approve the tentative agenda.

CITY MANAGER'S RECOMMENDATION

Staff has no recommendation on this item.

SUGGESTED MOTION

Move to approve the items on the Tentative Working Agenda.

ATTACHMENTS

A. Tentative Working Agenda

FOR MORE INFORMATION

Staff Contact: Beth Forrest

Telephone: 541-682-5882

Staff E-Mail: beth.l.forrest@ci.eugene.or.us

EUGENE CITY COUNCIL TENTATIVE WORKING AGENDA

May 4, 2017

MAY 8	MONDAY	
5:30 p.m.	Council Work Session	
Harris Hall	Expected Absences: Zelenka	
A. WS: Yogi Tea Enterprise Zone Extension		45 mins – PDD/Nobel
B. WS: Police Auditor Update		45 mins – CS/Gissiner
7:30 p.m.	Council Meeting	
Harris Hall	Expected Absences: Zelenka	
1. Public Forum		
2. Consent Calendar		
a. Approval of City Council Minutes		CS/Forrest
b. Approval of Tentative Working Agenda		CS/Forrest
c. Ratification of MWMC Budget		PW/Huber
3. Committee Reports and Items of Interest		
4. WS: Disposition of Agripac Building		PDD/Kinnison
MAY 10	WEDNESDAY	
Noon	Council Work Session	
Harris Hall	Expected Absences: Evans, Zelenka	
A. WS: RR Quiet Zone		45 mins – PW/Schoening
B. WS: Vision Zero		45 mins – PW/Inerfeld
5:30 p.m.	Budget Committee Meeting	
B/T Room	Expected Absences: Evans, Zelenka	
A. Budget Committee Meeting		CS/Miller
MAY 15	MONDAY	
5:30 pm	Council Work Session	
Harris Hall	Expected Absences: Vinis	
A. Boards and Commissions Interviews		CMO/Baylor-Pino
7:30 p.m.	Council Public Hearing	
Harris Hall	Expected Absences: Vinis	
A. PH: Ordinance Concerning Economic Development in the Industrial Corridor (CA 17-2)		PDD/Flock
B. PH: Ordinance Concerning Metropolitan Area General Plan Amendment for Parks Plans		POS/Burke
May 17	WEDNESDAY	
Noon	Council Work Session	
Harris Hall	Expected Absences: Vinis	
A. Continuation of Boards and Commissions Interviews		CMO/Baylor-Pino
May 22	MONDAY	
5:30 p.m.	Council Work Session	
Harris Hall	Expected Absences:	
A. WS: Process Session		30 mins – CMO/Cariaga
B. WS: Eugene 2035 Transportation System Plan		60 mins – PW/Inerfeld

A=action; PH=public hearing; WS=work session

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EUGENE CITY COUNCIL TENTATIVE WORKING AGENDA

May 4, 2017

7:30 p.m.

Council Meeting

Harris Hall

Expected Absences:

1. Pledge of Allegiance to the Flag (Memorial Day)
2. Public Forum
3. Consent Calendar
 - a. Approval of City Council Minutes
 - b. Approval of Tentative Working Agenda
 - c. Resolution Annexing Land at 2908 River Rd. (Kreindel,Joel;A 17-2)
 - d. Resolution Annexing Land at NW corner Boyce St. & Berwin Ln. (Lohman;A 17-4)
 - e. Resolution Annexing Two Portions of River Rd. Right-of-Way (A 17-6)
 - f. Resolution Annexing Land South of Thomason Ln. (DT Mini Storage Partnership; A 17-5)
4. Action: Ordinance Concerning Metropolitan Area General Plan Amendment for Park Plans
5. Committee Reports and Items of Interest from Mayor, City Council and City Manager

CS/Forrest
CS/Forrest
PDD/Gioello
PDD/Gioello
PDD/Berg-Johansen
PDD/Sullivan
POS/Burke

MAY 24

WEDNESDAY

**** NOTE: BUDGET COMMITTEE MEETING ADDED ****

Noon

Council Work Session

Harris Hall

Expected Absences:

- A. WS: Envision Eugene

90 min – PDD/Hostick

5:30 p.m.

Budget Committee Meeting

B/T Room

Expected Absences:

- A. Budget Committee Meeting
- B. PH

CS/Miller
CS/Miller

MAY 31

WEDNESDAY

Noon

Council Work Session

Harris Hall

Expected Absences: Pryor

- A. WS: Overview of Chronic Nuisance Code
- B. WS: New Housing Development on Unimproved Roads

45 mins – PDD/Nicholas
45 mins – PW/Schoening

JUNE 12

MONDAY

5:30 p.m.

Council Work Session

Harris Hall

Expected Absences:

- A. WS: Envision Eugene

90 min – PDD/Hostick

7:30 p.m.

Council Meeting

Harris Hall

Expected Absences:

1. Pledge of Allegiance to the Flag (Flag Day)
2. Public Forum
3. Consent Calendar
 - a. Approval of City Council Minutes
 - b. Approval of Tentative Working Agenda
4. Action: Ordinance Concerning Economic Development in the Industrial Corridor (CA 17-2)
5. Action: Eugene 2035 Transportation System Plan
6. Committee Reports: PC, South Willamette EDC, LTD/EmX, OMPOC, McKenzie Watershed

CS/Forrest
CS/Forrest
PDD/Flock
PW/Inerfeld

JUNE 14

WEDNESDAY

Noon

Council Work Session

Harris Hall

Expected Absences:

- A. WS:
- B. WS:

EUGENE CITY COUNCIL TENTATIVE WORKING AGENDA

May 4, 2017

JUNE 19	MONDAY
7:30 p.m.	Council Public Hearing
Harris Hall	Expected Absences: Taylor, Evans
A. PH: Ordinance Concerning RR-SC Urban Facilities Plan Amendment	PDD/Berg-Johansen

JUNE 21	WEDNESDAY
Noon	Council Work Session
Harris Hall	Expected Absences: Taylor, Evans
A. WS:	
B. WS:	

JUNE 26	MONDAY
5:30 p.m.	Council Work Session
Harris Hall	Expected Absences:
A. Committee Reports and Items of Interest	
B. WS: E-Commerce Zone Resolution	45 mins – PDD/Nobel
7:30 p.m.	Council Meeting
Harris Hall	Expected Absences:
1. Public Forum	
2. Consent Calendar	
a. Approval of City Council Minutes	CS/Forrest
b. Approval of Tentative Working Agenda	CS/Forrest
c. Approval of EWEB Electric System Revenue Bonds	CS/Cutsogeorge
3. PH and Action: FY17 Supplemental Budget #2	CS/Miller
4. PH and Action: FY18 Proposed Budget	CS/Miller
5. PH and Action: URA FY18 Proposed Budget	CS/Miller

JUNE 27	TUESDAY	** NOTE: PUBLIC HEARING ADDED **
5:30 p.m.	JEO Public Hearing	
Harris Hall	Expected Absences:	
A. PH: Envision Eugene		

JUNE 28	WEDNESDAY
Noon	Council Work Session
Harris Hall	Expected Absences:
A. WS:	
B. WS:	

JULY 10	MONDAY
5:30 p.m.	Council Work Session
Harris Hall	Expected Absences:
A. Committee Reports: HRC, SC, HSC, LCOG, MPC, PSCC	
B. WS:	
7:30 p.m.	Council Meeting
Harris Hall	Expected Absences:
1. Pledge of Allegiance to the Flag and Reading of the Declaration of Independence (Independence Day)	
2. Public Forum	
3. Consent Calendar	
a. Approval of City Council Minutes	CS/Forrest
b. Approval of Tentative Working Agenda	CS/Forrest
4. Action: Ordinance Concerning RR-SC Urban Facilities Plan Amendment (RA 16-1)	PDD/Berg-Johansen

A=action; PH=public hearing; WS=work session

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EUGENE CITY COUNCIL TENTATIVE WORKING AGENDA

May 4, 2017

JULY 12	WEDNESDAY
Noon Harris Hall A. WS: B. WS:	Council Work Session Expected Absences:
JULY 17	MONDAY
7:30 p.m. Harris Hall A. PH:	Council Public Hearing Expected Absences:
JULY 19	WEDNESDAY
Noon Harris Hall A. WS: B. WS:	Council Work Session Expected Absences:
JULY 24	MONDAY
5:30 p.m. Harris Hall A. WS: B. WS:	Council Work Session Expected Absences:
7:30 p.m. Harris Hall	Council Meeting Expected Absences:
1. Public Forum 2. Consent Calendar a. Approval of City Council Minutes b. Approval of Tentative Working Agenda	CS/Forrest CS/Forrest
JULY 26	WEDNESDAY
Noon Harris Hall A. WS: B. WS:	Council Work Session Expected Absences:

COUNCIL BREAK: JULY 27, 2017 – SEPTEMBER 11, 2017

EUGENE CITY COUNCIL

TENTATIVE WORKING AGENDA

May 4, 2017

ON THE RADAR

Work Session Polls/Council Requests

1. Drones (Taylor).....

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Ratification of the Metropolitan Wastewater Management Commission (MWMC) FY18 Regional Wastewater Program Budget and Capital Improvements Program

Meeting Date: May 8, 2017
Department: Public Works
www.eugene-or.gov

Agenda Item Number: 2C
Staff Contact: John Huberd
Contact Telephone Number: 541-682-8603

ISSUE STATEMENT

This agenda item relates to the ratification of the FY18 budget for the regional wastewater program serving the Eugene/Springfield metro area, as established under the 1977 Intergovernmental Agreement (IGA) between the City of Eugene, the City of Springfield, and Lane County. The regional wastewater program is managed by the Metropolitan Wastewater Management Commission (MWMC) pursuant to the provisions of the IGA. The regional Wastewater budget provides funds for all regional operations, maintenance, administration, and capital project management and implementation for regional facilities. These include the Eugene/Springfield Water Pollution Control Facility, the Biosolids Management Facility, the Biocycle Farm, the Reclaimed Water Facility, and regional wastewater pump stations.

BACKGROUND

The purpose of the regional wastewater program is to protect public health and safety and the environment by providing high quality wastewater management services to the Eugene/Springfield metropolitan area. The MWMC and the regional partners are committed to providing these services in a manner that will achieve, sustain, and promote balance between community, environmental, and economic needs while meeting customer service expectations.

The Commission and the regional wastewater program staffs have worked together to identify the following key outcomes:

1. High environmental standards.
2. Fiscal management that is effective and efficient.
3. A successful intergovernmental partnership.
4. Maximum reliability and useful life of regional assets and infrastructure.
5. Public awareness and understanding of MWMC, the regional wastewater system, and MWMC's objectives for maintaining water quality and a sustainable environment.

These key outcomes and goals are in direct alignment with the City of Eugene Council goals.

Every year MWMC develops a budget that covers resource needs of the operations, maintenance, and capital improvement activities for the regional wastewater program. These activities are divided between Eugene and Springfield. The regional budget combines the portions of the City of Eugene and City of Springfield budgets that are dedicated to the regional wastewater program. The Commission conducted a public hearing on the proposed draft budget for FY18 and subsequently adopted the budget on April 14, 2017. The Commission's adopted budget is attached for Council consideration (see Attachment A). The budget reflects the continuing focus on design and construction of capital improvements in the approved 2004 Facilities Plan, needed to ensure the operation of the Regional Wastewater Facilities meets increasing environmental regulations and the collection and treatment capacity will be available to provide for growth in the service area. The adopted budget includes the financial resources necessary to support the regional program. The personnel, operations and maintenance, and capital outlay budget increases by 3.3% from the FY17 budget.

During the April 8th meeting, the Commission approved an overall 3% increase in the regional wastewater user rates to generate revenue for the proposed budget and, pursuant to the recommendations of the MWMC financial advisor, to address needs for future Capital Improvement Program (CIP) financing consistent with the Commission's Financial Plan policies and net revenue objectives. The revenues generated by the user rate increase are consistent with the MWMC's approved financial plan to maintain an unenhanced credit rating of A and adequately fund operations, administration, capital financing, debt service, and reserves.

RELATED CITY POLICIES

This action item is related to the City Council goals of "Sustainable Development", "Effective, Accountable, Municipal Government" and "Fair, Stable and Adequate Financial Resources".

COUNCIL OPTIONS

1. Approve motion to ratify the FY18 MWMC budget.
2. Return the FY18 MWMC Regional Wastewater Program Budget and Capital Improvements Program to MWMC with specific requests for modification and reconsideration.

CITY MANAGER'S RECOMMENDATION

Ratify the proposed FY18 MWMC Budget and Capital Improvements Program.

SUGGESTED MOTION

Move to ratify the FY18 MWMC Budget.

ATTACHMENTS

- A. Transmittal letter and MWMC FY18 Proposed Regional Wastewater Program Budget and Capital Improvements Program

FOR MORE INFORMATION

Staff Contact: John Huberd, Finance and Administration Manager, Wastewater Division

Telephone: 541-682-8603

Staff E-Mail: john.c.huberd@ci.eugene.or.us

*PARTNERS IN
WASTEWATER
MANAGEMENT*

www.mwmcpartners.org

Metropolitan Wastewater Management Commission



partners in wastewater management

**MWMC
Commission**

Bill Inge
Lane County Citizen
MWMC President

Peter Ruffier
Eugene Citizen
MWMC Vice-President

Doug Keeler
Springfield Citizen

Walt Meyer
Eugene Citizen

Joe Pishioneri
Springfield City Councilor

Pat Farr
Lane County Commissioner

Vacant
Eugene City Councilor

Administration

Matt Stouder
MWMC General Manager
City of Springfield
225 Fifth Street
Springfield, Oregon 97477
(541) 726-3694
FAX (541) 726-2309

Operations

Dave Breitenstein
Interim Director
Wastewater Division
City of Eugene
410 River Avenue
Eugene, Oregon 97404
(541) 682-8600
FAX (541) 682-8601

April 21, 2017

Mr. John Ruiz, City Manager
City of Eugene
125 E. 8th Avenue
Eugene, Oregon 97401

Subject: Metropolitan Wastewater Management Commission (MWMC)
2017-18 Regional Wastewater Program (RWP) Budget and Capital
Improvements Program (CIP)

Dear Mr. Ruiz:

On April 14, 2017 the MWMC held a public hearing on the fiscal year (FY) 2017-18 Regional Wastewater Program (RWP) Budget and Capital Improvements Program (CIP). At this meeting, the FY 2017-18 Budget and CIP were approved. The RWP Budget funds operating and capital project requirements, and maintains targeted contributions to reserves.

Consistent with the Intergovernmental Agreement, the RWP Budget and CIP need to be ratified by the governing bodies of Eugene, Springfield and Lane County prior to final adoption by MWMC. Please forward the enclosed budget and CIP document to the Eugene City Council for their consideration on May 8, 2017. If I can be of any additional assistance, please contact me at 541-726-3694.

Thank you for your consideration and assistance in this matter.

Sincerely,

A handwritten signature in blue ink that reads "Matt Stouder".

Matt Stouder
MWMC General Manager

Preliminary REGIONAL WASTEWATER PROGRAM BUDGET AND CAPITAL IMPROVEMENTS PROGRAM



Metropolitan Wastewater Management Commission



partners in wastewater management

A decorative graphic at the bottom of the page showing a dynamic splash of water with many bubbles and droplets.

Fiscal Year 2017-18

Preliminary
REGIONAL WASTEWATER PROGRAM
BUDGET
and
CAPITAL IMPROVEMENTS PROGRAM
Fiscal Year 2017-18

The Metropolitan Wastewater Management Commission adopted its Operating Budget and Capital Improvements Program (CIP) for FY 17-18 on April 14, 2017. The Budget and CIP are currently scheduled for consideration and ratification by the Springfield City Council on May 1, 2017, the Eugene City Council on May 8, 2017, and the Lane County Board of Commissioners on May 9, 2017. The Commission is scheduled for final consideration and ratification of the Budget and CIP on June 9, 2017.

COMMISSION MEMBERS:

Bill Inge, President (Lane County)
Peter Ruffier, Vice President (Eugene)
Pat Farr (Lane County)
Doug Keeler (Springfield)
Walt Meyer (Eugene)
Joe Pishioneri (Springfield)
Pending Appointment (Eugene)

STAFF:

Anette Spickard, MWMC Executive Officer/Springfield Development and Public Works Director
Matthew Stouder, MWMC General Manager/Springfield Environmental Services Manager
Dave Breitenstein, Interim Eugene Wastewater Division Director
Robert Duey, MWMC Finance Officer/Springfield Finance Director

www.mwmcpartners.org

MWMC's Video Series may be viewed at:
www.youtube.com/c/MWMCPartners

METROPOLITAN WASTEWATER MANAGEMENT COMMISSION***Preliminary* FY 17-18 BUDGET AND CAPITAL IMPROVEMENTS PROGRAM
for the****REGIONAL WASTEWATER PROGRAM****TABLE OF CONTENTS****PROGRAM OVERVIEW**

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BUDGET MESSAGE

Members of the Metropolitan Wastewater Management Commission (MWMC) MWMCs' Customers and Partnering Agencies

We are pleased to present the Metropolitan Wastewater Management Commission's (MWMC) budget for fiscal year 2017-18 (FY 17-18). This budget funds operations, administration, and capital projects planned for the Regional Wastewater Program (RWP). The MWMC administration and Capital Improvements Program (CIP) components of the budget are reflected in the City of Springfield's RWP budget. The operations, maintenance, equipment replacement, and major rehabilitation components are reflected in the City of Eugene's RWP budget. The Cities' Industrial Pretreatment Programs, managed locally in compliance with the MWMC Model Ordinance, also are included in the RWP budget.

The MWMC has been quietly providing high-quality wastewater services to the metropolitan area for 40 years. The combined Eugene-Springfield population is about 224,300, with the MWMC providing wastewater services for approximately 77,600 residential and commercial accounts. The MWMC is committed to clean water, the community's health, and the local environment.



This budget reflects a continued focus on design and construction of capital improvements planned to ensure that operation of the Regional Wastewater Facilities meets environmental regulations, and that adequate capacity will be provided to meet the needs of a growing service area. The Capital Budget for FY 17-18 is \$35,544,000.

The FY 17-18 RWP Operating Budget for personnel services, materials and services and capital outlay expense is \$18,288,200, reflecting a 3.3% increase when compared to the prior year adopted budget. The FY 17-18 budget includes Debt Service payments that total \$5,458,032 as scheduled repayment of the \$32.7 million for revenue bonds issued in May 2016, and \$20.8 million in Clean Water SRF loans to fund the Facilities Plan capital improvements.

REGIONAL WASTEWATER PROGRAM RESOURCE AND EXPENDITURE SUMMARY			
	ADOPTED BUDGET 2016-17	AMENDED BUDGET 2016-17	<i>PROPOSED</i> BUDGET 2017-18
RESOURCES			
Beginning Cash	\$72,837,846	\$79,981,812	\$86,330,937
User Fees	31,327,500	31,327,500	32,482,000
Internal Transfers	13,570,191	13,570,191	16,871,350
Miscellaneous	1,061,110	1,061,110	1,060,760
System Development Charges	1,200,000	1,200,000	1,430,000
Interest	403,200	403,200	458,300
	<u>\$120,399,847</u>	<u>\$127,543,813</u>	<u>\$138,633,347</u>
EXPENDITURES			
Reserves	\$46,682,964	\$56,790,882	\$62,471,765
Capital Projects	36,941,600	33,848,248	35,544,000
Internal Transfers	13,570,191	13,570,191	16,871,350
Operations	13,899,707	14,029,107	14,346,300
Debt Service	5,504,462	5,504,462	5,458,032
Administration	3,800,923	3,800,923	3,941,900
	<u>\$120,399,847</u>	<u>\$127,543,813</u>	<u>\$138,633,347</u>

For FY 17-18 user fee revenues (including septage service and SDC compliance charges) are projected at \$32,482,000. This level of revenue is based on a recommended 3% increase in regional wastewater user fees in order to continue to meet the net revenue objectives.

In summary, the FY 17-18 budget implements the Commission's adopted Financial Plan policies, funding operations and administration sufficiently to maintain existing levels of service and to meet the environmental performance necessary for compliance with the National Pollutant Discharge Elimination System (NPDES) permit issued to the MWMC and the two Cities.

Respectfully submitted,



Anette Spickard
MWMC Executive Officer

ACRONYMS AND EXPLANATIONS

AMCP – Asset Management Capital Program. The AMCP implements the projects and activities necessary to maintain functionality, lifespan, and effectiveness of the MWMC facility assets on an ongoing basis. The AMCP is administered by the City of Eugene for the MWMC.

ARRA – American Reinvestment and Recovery Act. This funding was part of the federal government’s economic stimulus program and issued loans under favorable conditions to stimulate infrastructure and capital project investment.

BMF – Biosolids Management Facility. The Biosolids Management Facility is an important part of processing wastewater where biosolids generated from the treatment of wastewater are turned into nutrient rich, beneficial organic materials.

CIP – Capital Improvements Program. This program implements projects outlined in the 2004 Facilities Plan and includes projects that improve performance, or expand treatment or hydraulic capacity of existing facilities.

CMOM – Capacity Management and Maintenance Program. The CMOM program addresses wet weather issues such as inflow and infiltration with the goal to eliminate sanitary sewer overflows to the extent possible and safeguard the hydraulic capacity of the regional wastewater treatment facility.

CWSRF – Clean Water State Revolving Fund. The Clean Water State Revolving Fund loan program is a federal program administered by the Oregon DEQ that provides low-cost loans for the planning, design and construction of various water pollution control activities. (DEQ)

EMS – Environmental Management System. An EMS is a framework to determine the environmental impacts of an organization’s business practices and develop strategies to address those impacts.

ESD – Environmental Services Division. The ESD is a division of the City of Springfield’s Development and Public Works Department that promotes and protects the community’s health, safety, and welfare by providing professional leadership in the protection of the local environment, responsive customer service, and effective administration for the Regional Wastewater Program.

IGA – Intergovernmental Agreement. Pursuant to ORS 190.010, ORS 190.080, and ORS 190.085, the IGA is an agreement between the cities of Eugene and Springfield and Lane County that created the MWMC as an entity with the authority to provide resources and support as defined in the IGA for the Regional Wastewater Program.

MWMC – Metropolitan Wastewater Management Commission. The MWMC is the Commission responsible for the oversight of the Regional Wastewater Program. In this role, the MWMC protects the health and safety of our local environment by providing high-quality management of wastewater conveyance and treatment to the Eugene-Springfield community. The Commission is responsible for the oversight of the Regional Wastewater Program.

NPDES – National Pollutant Discharge Elimination System permit. The NPDES permit program is administered by the Oregon Department of Environmental Quality (DEQ) in fulfillment of federal Clean Water Act requirements. The NPDES permit includes planning and technology requirements as well as numeric limits on effluent water quality.

RWP – Regional Wastewater Program. Under the oversight of the MWMC, the purpose of the RWP is to protect public health and safety and the environment by providing high quality wastewater management services to the Eugene-Springfield metropolitan area. The MWMC and the regional partners are committed to providing these services in a manner that will achieve, sustain, and promote balance between community, environmental, and economic needs while meeting customer service expectations.

SDC – System Development Charge. SDCs are charges imposed on development so that government may recover the capital needed to provide sufficient capacity in infrastructure systems to accommodate the development.

SRF – Clean Water State Revolving Fund. The Clean Water State Revolving Fund loan program is a federal program administered by the Oregon DEQ that provides low-cost loans for the planning, design and construction of various water pollution control activities. (DEQ)

SSO – Sanitary Sewer Overflows. Discharges of raw sewage.

TMDL – Total Maximum Daily Load. The federal Clean Water Act defines *Total Maximum Daily Load* as the maximum amount of any pollutant that can be safely assimilated by a waterway in one day without significant degradation of water quality.

TSS – Total Suspended Solids. Organic and inorganic materials that are suspended in water.

WPCF – Regional Water Pollution Control Facility. The WPCF is a state-of-the-art facility providing treatment of the wastewater coming from the Eugene/Springfield metropolitan area. The WPCF is located on River Avenue in Eugene. The treatment plant and 49 pump stations distributed across Eugene and Springfield operate 24 hours a day, 7 days a week, 365 days a year to collect and treat wastewater from homes, businesses and industries before returning the cleaned water, or effluent, to the Willamette River. Through advanced technology and processes, the facility cleans, on average, up to 30 million gallons of wastewater every day.

WWFMP – Wet Weather Flow Management Plan. This plan evaluated and determined the most cost-effective combination of collection system and treatment facility upgrades needed to manage excessive wet weather wastewater flows in the Eugene/Springfield metropolitan area.

REGIONAL WASTEWATER PROGRAM OVERVIEW

The Metropolitan Wastewater Management Commission

The Metropolitan Wastewater Management Commission (MWMC) was formed by Eugene, Springfield, and Lane County through an intergovernmental agreement (IGA) in 1977 to provide wastewater collection and treatment services for the Eugene-Springfield metropolitan area. The seven-member Commission is composed of members appointed by the City Councils of Eugene (3 representatives), Springfield (2 representatives) and the Lane County Board of Commissioners (2 representatives). Since its inception, the Commission, in accordance with the IGA, has been responsible for oversight of the Regional Wastewater Program (RWP) including: construction, maintenance, and operation of the regional sewerage facilities; adoption of financing plans; adoption of budgets, user fees and connection fees; adoption of minimum standards for industrial pretreatment and local sewage collection systems; and recommendations for the expansion of regional facilities to meet future community growth. Staffing and services have been provided in various ways over the 40 years of MWMC's existence. Since 1983, the Commission has contracted with the Cities of Springfield and Eugene for all staffing and services necessary to maintain and support the RWP. Lane County's partnership has involved participation on the Commission and support to the Lane County Metropolitan Wastewater Service District (CSD), which managed the proceeds and repayment of general obligation bonds issued to construct RWP facilities.

Regional Wastewater Program Purpose and Key Outcomes

The purpose of the RWP is to protect public health and safety and the environment by providing high quality wastewater management services to the Eugene-Springfield metropolitan area. The MWMC and the regional partners are committed to providing these services in a manner that will achieve, sustain, and promote balance between community, environmental, and economic needs while meeting customer service expectations. Since the mid-1990s, the Commission and RWP staff have worked together to identify key outcome areas within which to focus annual work plan and budget priorities. The FY 17-18 RWP work plans and budget reflect a focus on the following key outcomes or goals. In carrying out the daily activities of managing the regional wastewater system, we will strive to achieve and maintain:

1. *High environmental standards;*
2. *Fiscal management that is effective and efficient;*
3. *A successful intergovernmental partnership;*
4. *Maximum reliability and useful life of regional assets and infrastructure;*
5. *Public awareness and understanding of MWMC, the regional wastewater system, and MWMC's objectives of maintaining water quality and a sustainable environment.*

The Commission believes that these outcomes, if achieved in the long term, will demonstrate success of the RWP in carrying out its purpose. In order to determine whether we are successful, indicators of performance and targets have been identified for each key outcome. Tracking performance relative to identified targets over time assists in managing the RWP to achieve desired results. The following indicators and performance targets provide an important framework for the development of the FY 17-18 RWP Operating Budget, Capital Improvements Program and associated work plans.

Outcome 1: *Achieve and maintain high environmental standards.*

Indicators:	Performance:		
	FY 15-16 Actual	FY 16-17 Estimated Actual	FY 17-18 Target
• Amount of wastewater treated to water quality standards	100%; 12.2 billion gallons	100%; 12.4 billion gallons	100%; 12.7 billion gallons
• Compliance with environmental performance requirements of all permits	In compliance	In compliance	In compliance
• MWMC target for high quality biosolids	<50% EPA 40CFR Part 503.13 -Table 3 Pollutant Concentrations: Policy Met	<50% EPA 40CFR Part 503.13 -Table 3 Pollutant Concentrations: Policy Met	<50% EPA 40CFR Part 503.13 -Table 3 Pollutant Concentrations: Policy Met
• Volume of reclaimed water beneficially reused	91.3 million gallons	70 million gallons	70 million gallons
• Performance targets under the Environmental Management System are achieved	100% of EMS targets met or on schedule	100% of EMS targets met or on schedule	100% of EMS targets met or on schedule

Outcome 2: *Achieve and maintain fiscal management that is effective and efficient.*

Indicators:	Performance:		
	FY 15-16 Actual	FY 16-17 Estimated Actual	FY 17-18 Target
• Annual budget and rates meet MWMC Financial Plan policies	Policies Met	Policies Met	Policies Met
• Annual audited financial statements	Clean Audit	Clean Audit	Clean Audit
• Uninsured bond rating	AA	AA	A
• Reserves funded at target levels	Yes	Yes	Yes
• Net revenue to debt service coverage ratio	1.75	>1.25	>1.25
• System Development Charges update	---	Adopted and Implemented	---

Outcome 3: Achieve and maintain a successful intergovernmental partnership.

Indicators:	Performance:		
	FY 15-16 Actual	FY 16-17 Estimated Actual	FY 17-18 Target
<ul style="list-style-type: none"> Industrial Pretreatment Program implementation in compliance with state/federal requirements; audit findings addressed 	In compliance	In compliance	In compliance
<ul style="list-style-type: none"> Capacity Management Operations and Maintenance (CMOM) Program development 	Implemented Regional CMOM Program Plan	Implemented Regional CMOM Program annual reporting	---
<ul style="list-style-type: none"> MWMC Facilities Plan projects consistent with CIP budget and schedule 	100% of initiated projects within budget and 86% (6 of 7 projects) on schedule	100% of initiated projects within budget and 100% (6 of 6 projects) on schedule	100% of initiated projects within budget and 50% on schedule

Outcome 4: Maximize reliability and useful life of regional assets and infrastructure.

Indicators:	Performance:		
	FY 15-16 Actual	FY 16-17 Estimated Actual	FY 17-18 Target
<ul style="list-style-type: none"> Preventive maintenance completed on time (best practices benchmark is 90%) 	95%	95%	90%
<ul style="list-style-type: none"> Preventative maintenance to corrective maintenance ratio (benchmark 4:1-6:1) 	5.4:1	5:1	5:1
<ul style="list-style-type: none"> Emergency maintenance required (best practices benchmark is <2% of labor hours) 	0.8%	1%	<2%
<ul style="list-style-type: none"> Asset management (AM) processes and practices review and development 	---	AM “gap analysis” with initial outcomes	AM processes and practices refinements

Outcome 5: *Achieve and maintain public awareness and understanding of MWMC, the regional wastewater system, and MWMC's objectives of maintaining water quality and a sustainable environment.*

Indicators:	Performance:		
	FY 15-16 Actual	FY 16-17 Estimated Actual	FY 17-18 Target
• Communications Plan	Update of plan completed	Initial implementation of high priority elements	Continue implementation and refresh as needed
• Create and distribute e-newsletters	4 Newsletters	Increase distribution by 10% and readership by 10%	Increase distribution by 10% and readership by 10%
• Pollution prevention campaigns	4 Campaigns	2 campaigns/3 sponsorships; reaching 20% of residents in service area	2 campaigns/4 sponsorships; reaching 20% of residents in service area
• Provide tours of the Water Pollution Control Facility	Provided tours for about 750 people	Provide tours for more than 750 people	Provide tours for more than 750 people
• MWMC website traffic	Increased unique visitor levels with launch of video series	New website launched	Increase unique visitors by 15%
• Community survey	Results used to develop Communications Plan	Annual Review of Data	---
• Develop video series	Final production completed and public release	---	---

Roles and Responsibilities

In order to effectively oversee and manage the RWP, the partner agencies provide all staffing and services to the MWMC. The following sections describe the roles and responsibilities of each of the partner agencies, and how intergovernmental coordination occurs on behalf of the Commission.

City of Eugene

The City of Eugene supports the RWP through representation on the MWMC, provision of operation and maintenance services, and active participation on interagency project teams and committees. Three of the seven MWMC members represent Eugene – two citizens and one City Councilor. Pursuant to the Intergovernmental Agreement (IGA), the Eugene Wastewater Division operates and maintains the Regional Water Pollution Control Facility (WPCF), the Biosolids Management Facility (BMF) and associated residuals and reclaimed water activities, along with regional wastewater pumping stations and transmission sewers. In support of the RWP, the Division also provides technical services for wastewater treatment; management of equipment replacement and infrastructure rehabilitation; biosolids treatment and recycling; industrial source control (in conjunction with Springfield staff); and regional laboratory services for wastewater and water quality analyses. These services are provided under contract with the MWMC through the regional funding of 77.40 full-time equivalent (FTE) employees.

City of Springfield

The City of Springfield supports the RWP through representation on the MWMC, provision of MWMC administration services, and active coordination of and participation on interagency project teams and committees. Two MWMC members represent Springfield – one citizen and one City Councilor. Pursuant to the IGA, the Springfield Development and Public Works Director, and the Environmental Services Manager serve as the MWMC Executive Officer and General Manager, respectively. The Environmental Services Division and Finance Department staff provide ongoing staff support to the Commission and administration of the RWP in the following areas: legal and risk management services; financial management and accounting; coordination and management of public policy; regulatory and permit compliance issues; coordination between the Commission and the governing bodies; long-range capital project planning, design, and construction management; coordination of public information, education, and citizen involvement programs; and coordination and development of regional budgets, rate proposals, and revenue projections. Springfield staff also provides local implementation of the Industrial Pretreatment Program, as well as billing coordination and customer service. These services are provided under contract with the MWMC through the regional funding of 14.60 FTE of Development and Public Works Department staff and 0.96 FTE of Finance Department staff, for a total 15.56 FTE as reflected in the FY 17-18 Budget.

Lane County

Lane County supports the RWP through representation on the MWMC, including two MWMC members that represent Lane County – one citizen and one County Commissioner. Lane County's partnership initially included providing support to manage the proceeds and repayment of the RWP general obligation bonds to finance the local share of the RWP facilities construction. These bonds were paid in full in 2002. The County, while not presently providing sewerage, has the authority under its charter to do so. The Urban Growth Boundary includes the two Cities (urban lands) and certain unincorporated areas surrounding the Cities which lies

entirely within the County. Federal funding policy requires sewage treatment and disposal within the Urban Growth Boundary to be provided on a unified, metropolitan basis.

Interagency Coordination

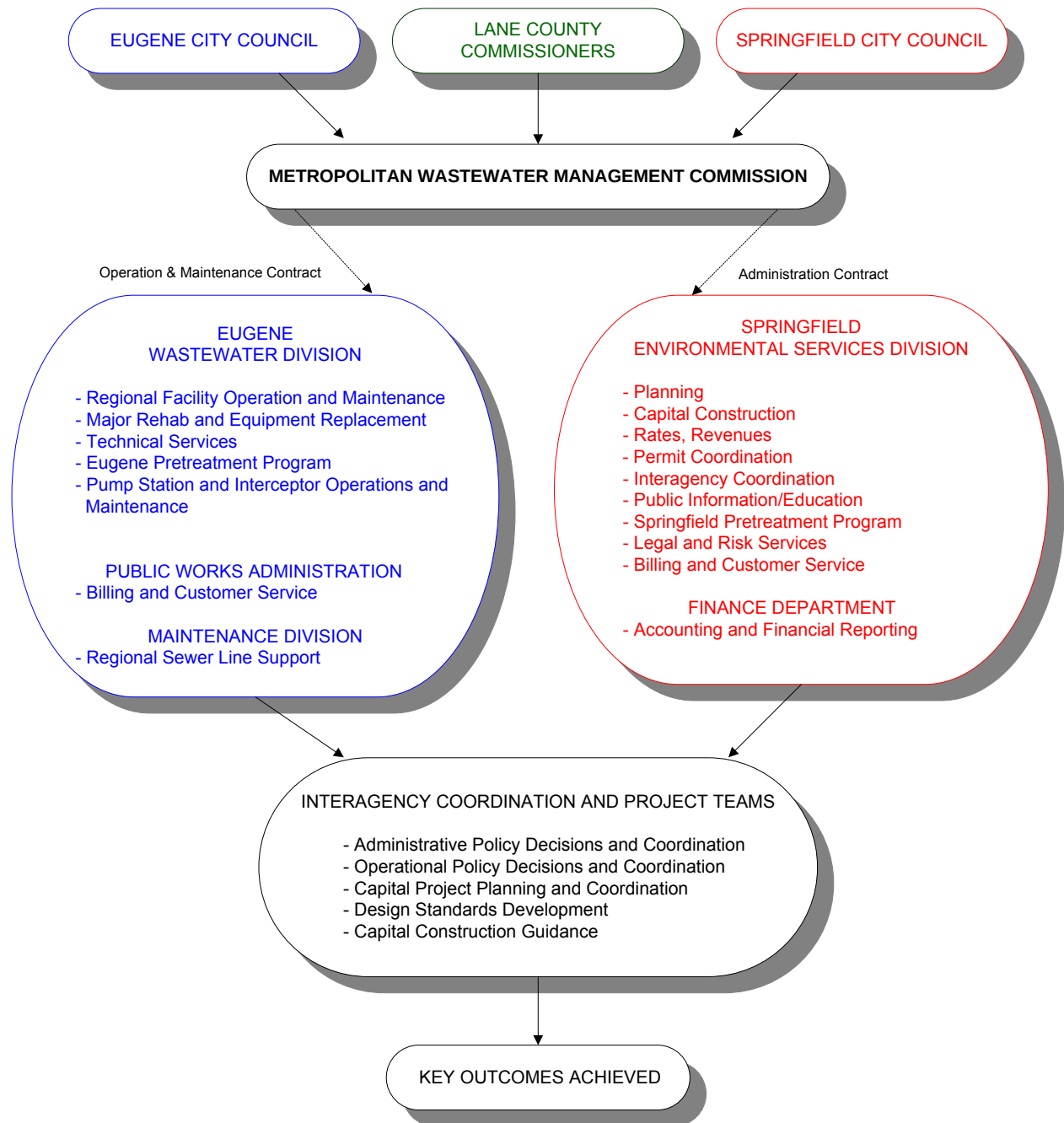
The effectiveness of the MWMC and the RWP depends on extensive coordination, especially between Springfield and Eugene staff, who provide ongoing program support. This coordination occurs in several ways. The Springfield ESD/MWMC General Manager and the Eugene Wastewater Division Director coordinate regularly to ensure adequate communication and consistent implementation of policies and practices as appropriate. The Eugene and Springfield Industrial Pretreatment Program supervisors and staff meet regularly to ensure consistent implementation of the Model Industrial Pretreatment Ordinance. Additionally, interagency project teams provide input on and coordination of ongoing MWMC administration issues and ad hoc project needs.

Exhibit 1 on the following page reflects the interagency coordination structure supporting the RWP. Special project teams are typically formed to manage large projects such as design and construction of new facilities. These interagency staff teams are formulated to provide appropriate expertise, operational knowledge, project management, and intergovernmental representation.

Relationship to Eugene and Springfield Local Sewer Programs

The RWP addresses only part of the overall wastewater collection and treatment facilities that serve the Eugene-Springfield metropolitan area. The Cities of Eugene and Springfield both maintain sewer programs that provide for construction and maintenance of local collection systems and pump stations, which discharge to the regional system. Sewer user fees collected by the two Cities include both local and RWP rate components.

EXHIBIT 1
REGIONAL WASTEWATER PROGRAM
INTERAGENCY COORDINATION STRUCTURE



REGIONAL WASTEWATER PROGRAM FY 17-18 BUDGET

The MWMC's RWP Operating Budget provides the Commission and governing bodies with an integrated view of the RWP elements. Exhibit 2 provides a summary of the overall Operating Budget. Separate Springfield and Eugene agency budgets and staffing also are presented within this budget document. Major program areas supported by Springfield and Eugene are described in the pages that follow and are summarized in Exhibit 3 on page 14. Finally, Exhibit 4 on page 15 combines revenues, expenditures, and reserves to illustrate how funding for all aspects of the RWP is provided. It should also be noted that the "Amended Budget FY 16-17" column in all budget tables represents the updated FY 16-17 RWP budget as of February 28, 2017, which reconciled actual beginning balances at July 1, 2016, and approved budget transfers and supplemental requests.

EXHIBIT 2

REGIONAL OPERATING BUDGET SUMMARY: INCLUDING RESERVE CONTRIBUTIONS

	ADOPTED BUDGET FY 16-17	AMENDED BUDGET FY 16-17	PROPOSED BUDGET FY 17-18	CHANGE (1) INCR/(DECR)	
Full-Time Equivalent Staffing Level	92.86	92.86	92.96	0.10	0.1%
Personnel Services (2)	\$10,303,071	\$10,303,071	\$10,796,927	\$493,856	4.8%
Materials & Services (2)	7,234,459	7,363,859	7,383,413	148,954	2.1%
Capital Outlay (2, 3)	163,100	163,100	107,860	(55,240)	-33.9%
Equip Replacement Contribution (4)	250,000	250,000	850,000	600,000	240.0%
Capital Contribution (5)	11,300,000	11,300,000	14,000,000	2,700,000	23.9%
Debt Service Contribution (6)	5,504,462	5,504,462	5,458,032	(46,430)	-0.8%
Working Capital Reserve (7)	900,000	900,000	900,000	0	0.0%
Rate Stability Reserve (8)	2,000,000	2,000,000	2,000,000	0	0.0%
Insurance Reserve (9)	515,000	515,000	515,000	0	0.0%
Operating Reserve (10)	3,798,506	5,513,788	3,582,359	(216,147)	-5.7%
Rate Stabilization Reserve (11)	2,000,000	2,000,000	2,000,000	0	0.0%
SRF Loan Reserve (12)	670,908	670,908	670,908	0	0.0%
Budget Summary	\$44,639,506	\$46,484,188	\$48,264,499	\$3,624,993	8.1%

Notes:

1. The Change column and Percent Change column compare the adopted FY 17-18 Budget with the originally Adopted FY 16-17 Budget column.
2. Personnel Services, Materials and Services, and Capital Outlay budget amounts represent combined Springfield and Eugene Operating Budgets that support the RWP.
3. Capital Outlay does not include CIP, Equipment Replacement, Major Capital Outlay, or Major Rehabilitation, which are capital programs.

4. The Equipment Replacement Contribution is a budgeted transfer of operating revenues to “sinking funds” (reserves) for scheduled future replacement of major equipment, vehicles, and computers. See table on page 21 for year-end balance.
5. The Capital Reserve Contribution is a budgeted transfer of operating revenues to “sinking funds” (reserves). Capital is passed through the Springfield Administration Budget. See table on page 22 for year-end balance.
6. The Debt Service line item is the sum of annual interest and principal payments on the Revenue Bonds and Clean Water State Revolving Fund (SRF) loans made from the Operating Budget (derived from user rates). The total amount of Debt Service budgeted in FY 17-18 is \$5,458,032 the balance of which is budgeted from SDCs.
7. The Working Capital Reserve acts as a revolving account which is drawn down and replenished on a monthly basis to fund Eugene’s and Springfield’s cash flow needs.
8. The Rate Stability Reserve is used to set aside revenues available at year-end after the budgeted Operating Reserve target is met. Internal policy has established a level of \$2 million for the Rate Stability Reserve. See Exhibit 5 on page 20 for year-end balance.
9. The Insurance Reserve was established to set aside funds equivalent to the insurance deductible amount for property and liability insurance coverage, for losses per occurrence.
10. The Operating Reserve is used to account for the accumulated operating revenues net of operations expenditures. The Commission’s adopted policy provides minimum guidelines to establish the Operating Reserve balance at approximately 10% of the adopted Operating Budget. The Operating Reserve provides for contingency funds in the event that unanticipated expenses or revenue shortfalls occur during the budget year.
11. The Rate Stabilization Reserve was established at \$2 million as a result of the 2006 MWMC Revenue Bond Declaration and Covenants. It holds funds that are available if needed, to ensure Debt Service payments can be made.
12. The Clean Water SRF loan reserve is budgeted as required per loan agreements.

EXHIBIT 3

REGIONAL WASTEWATER PROGRAM OPERATING BUDGET
LINE ITEM SUMMARY BY PROGRAM AREA

	ACTUAL FY 15-16	ADOPTED BUDGET FY 16-17	AMENDED BUDGET FY 16-17	PROPOSED BUDGET FY 17-18	CHANGE INCR/(DECR)	
SPRINGFIELD						
MWMC ADMINISTRATION						
Personnel Services	\$1,184,901	\$1,292,903	\$1,292,903	\$1,363,133	\$70,230	5.4%
Materials & Services	1,516,779	1,917,781	1,917,781	1,982,934	65,153	3.4%
Capital Outlay	0	0	0	0	0	--
TOTAL	\$2,701,680	\$3,210,684	\$3,210,684	\$3,346,067	\$135,383	4.2%
INDUSTRIAL PRETREATMENT						
Personnel Services	\$325,926	\$331,231	\$331,231	\$331,790	\$559	0.2%
Materials & Services	115,532	123,128	123,128	118,969	(4,159)	-3.4%
Capital Outlay	0	0	0	0	0	--
TOTAL	\$441,458	\$454,359	\$454,359	\$450,759	(\$3,600)	-0.8%
ACCOUNTING						
Personnel Services	\$99,729	\$100,698	\$100,698	\$109,819	\$9,121	9.1%
Materials & Services	23,320	35,182	35,182	35,255	73	0.2%
Capital Outlay	0	0	0	0	0	--
TOTAL	\$123,049	\$135,880	\$135,880	\$145,074	\$9,194	6.8%
TOTAL SPRINGFIELD						
Personnel Services	\$1,610,556	\$1,724,832	\$1,724,832	\$1,804,742	\$79,910	4.6%
Materials & Services	1,655,631	2,076,091	2,076,091	2,137,158	61,067	2.9%
Capital Outlay	0	0	0	0	0	--
TOTAL	\$3,266,187	\$3,800,923	\$3,800,923	\$3,941,900	\$140,977	3.7%
EUGENE						
ADMINISTRATIVE SERVICES						
Personnel Services	\$1,618,739	\$1,827,105	\$1,827,105	\$1,898,397	\$71,292	3.9%
Materials & Services	480,728	625,521	669,839	799,774	174,254	27.9%
Capital Outlay	0	0	0	0	\$0	--
TOTAL	\$2,099,467	\$2,452,626	\$2,496,944	\$2,698,171	\$245,546	10.0%
BIOSOLIDS MANAGEMENT						
Personnel Services	\$1,208,307	\$1,276,526	\$1,276,526	\$1,349,421	\$72,895	5.7%
Materials & Services	802,771	1,018,329	1,018,252	970,717	(47,612)	-4.7%
Capital Outlay	0	118,000	118,000	0	(118,000)	--
TOTAL	\$2,011,078	\$2,412,855	\$2,412,778	\$2,320,138	(\$92,717)	-3.8%
INDUSTRIAL SOURCE CONTROL						
Personnel Services	\$600,763	\$572,935	\$572,935	\$602,027	\$29,092	5.1%
Materials & Services	193,106	114,146	113,644	131,681	17,535	15.4%
Capital Outlay	24,756	0	0	0	0	--
TOTAL	\$818,625	\$687,081	\$686,579	\$733,708	\$46,627	6.8%
TREATMENT PLANT						
Personnel Services	\$4,276,122	\$4,527,886	\$4,527,886	\$4,751,387	\$223,501	4.9%
Materials & Services	2,501,588	3,039,851	3,126,079	3,004,047	(35,804)	-1.2%
Capital Outlay	0	0	0	107,860	107,860	--
TOTAL	\$6,777,710	\$7,567,737	\$7,653,965	\$7,863,294	\$295,557	3.9%
REGIONAL PUMP STATIONS						
Personnel Services	\$102,064	\$195,102	\$195,102	\$202,247	\$7,145	3.7%
Materials & Services	349,096	303,748	303,351	289,241	(14,506)	-4.8%
Capital Outlay	0	45,100	45,100	0	(45,100)	--
TOTAL	\$451,160	\$543,950	\$543,553	\$491,488	(\$52,461)	-9.6%
BENEFICIAL REUSE SITE						
Personnel Services	\$147,003	\$178,685	\$178,685	\$188,706	\$10,021	5.6%
Materials & Services	54,451	56,774	56,602	50,794	(5,980)	-10.5%
Capital Outlay	0	0	0	0	0	--
TOTAL	\$201,454	\$235,459	\$235,287	\$239,500	\$4,041	1.7%
TOTAL EUGENE						
Personnel Services	\$7,952,997	\$8,578,239	\$8,578,239	\$8,992,185	\$413,946	4.8%
Materials & Services	4,381,741	5,158,368	5,287,768	5,246,255	87,887	1.7%
Capital Outlay	24,756	163,100	163,100	107,860	(55,240)	-33.9%
TOTAL	\$12,359,494	\$13,899,707	\$14,029,107	\$14,346,300	\$446,593	3.2%
TOTAL REGIONAL BUDGET		\$17,700,630		\$18,288,200	\$587,570	3.3%

NOTE: Does not include Major Rehab, Equipment Replacement or Major Capital Outlay

EXHIBIT 4

REGIONAL WASTEWATER PROGRAM
BUDGET SUMMARY AND COMPARISON

	ADOPTED BUDGET FY 16-17	AMENDED BUDGET FY 16-17	PROPOSED BUDGET FY 17-18	CHANGE * INC(DEC)
<u>OPERATING BUDGET</u>				
Administration	\$3,800,923	\$3,800,923	\$3,941,900	\$140,977
Operations	13,899,707	14,029,107	14,346,300	446,593
Capital Contribution & transfers	11,300,000	11,300,000	14,000,000	2,700,000
Equip Repl - Contribution	250,000	250,000	850,000	600,000
Operating & Revenue Bond Reserves	10,424,414	11,599,696	9,668,267	(756,147)
Debt Service	5,504,462	5,504,462	5,458,032	(46,430)
Total Operating Budget	\$45,179,506	\$46,484,188	\$48,264,499	\$3,084,993
<u>Funding:</u>				
Beginning Balance	\$10,684,205	\$11,988,887	\$12,603,539	\$1,919,334
User Fees	31,325,000	31,325,000	32,475,000	1,150,000
Other	3,166,301	3,166,301	3,181,960	15,659
Total Operating Budget Funding	\$45,175,506	\$46,480,188	\$48,260,499	\$3,084,993
<u>CAPITAL PROGRAM BUDGET</u>				
Increase Digestion Capacity	\$14,720,000	\$14,563,665	\$13,534,000	(1,186,000)
Operations Building Improvements	13,970,000	13,873,253	12,520,000	(1,450,000)
Electrical Distribution System	0	125,000	5,875,000	NA
Thermal Load Implementation 1	131,000	190,550	1,030,000	899,000
Poplar Harvest Mgmt Services	772,000	798,712	330,000	(442,000)
Thermal Load Pre-Implementation	244,000	291,527	180,000	(64,000)
WPCF Lagoon Remove/Decommission	390,000	479,650	92,000	(298,000)
Facility Plan Engineering Services	99,600	58,772	80,000	(19,600)
Capacity Mgmt., Operations, and Maint.	30,000	45,000	0	NA
Biosolids Force Main Rehab	0	50,000	0	NA
Sodium Hypochlorite Conversion	0	50,000	0	NA
<u>Asset Management:</u>				
Equipment Replacement Purchases	381,000	497,098	715,000	334,000
Major Rehab	534,000	615,042	566,000	32,000
Major Capital Outlay	5,670,000	2,262,979	622,000	(5,048,000)
Total Capital Projects	\$36,941,600	\$33,901,248	\$35,544,000	(\$1,397,600)
<u>Funding:</u>				
Equipment Replacement	\$381,000	\$497,098	\$715,000	\$334,000
Capital Bond Fund	10,576,394	10,553,684	9,132,069	(1,444,325)
Capital Reserve	25,984,206	22,850,466	25,696,931	(287,275)
Total Capital Projects Funding	\$36,941,600	\$33,901,248	\$35,544,000	(\$1,397,600)

Note: * The Change (Increase/Decrease) column compares the adopted FY 17-18 budget to the originally adopted FY 16-17 budget column.

OPERATING BUDGET AND RATE HISTORY

The graphs on pages 17 and 18 show the regional residential wastewater service costs over a 5-year period, and a 5-year Regional Operating Budget Comparison. Because the Equipment Replacement, Major Infrastructure Rehabilitation and Major Capital Outlay programs are managed in the Eugene Operating Budget, based on the size, type and budget amount of the project these programs are incorporated into either the 5-year Regional Operating Budget Comparison graph or the 5-Year Capital Programs graph on page 18. The Regional Wastewater Capital Improvement Programs graph on page 18 shows the expenditures over the recent five years in the MWMC's Capital Program and including Asset Management projects. A list of capital projects is located in Exhibit 13 on page 45.

As shown on the Regional Residential Sanitary Sewer Rate graph on page 17, regional sewer user charges have incrementally increased to meet the revenue requirements necessary to fund facility improvements as identified in the 2004 MWMC Facilities Plan. This Plan demonstrated the need for a significant capital investment in new and expanded facilities to meet environmental performance requirements and capacity to serve the community through 2025. Although a portion of these capital improvements can be funded through system development charges (SDCs), much of the funding for approximately \$196 million (in 2006 dollars) in capital improvements over the 20-year period will come from user charges. Since 2004, this has become the major driver of the MWMC's need to increase sewer user rates on an annual basis.

In FY 08-09, there was an 11% user rate increase over FY 07-08 rates applied uniformly across all user classes. This rate increase provided adequate revenue to meet current bond covenants and meet requirements to issue \$50.7 million in bonds in FY 08-09. Additionally, in October of 2008, the Commission adopted an interim user rate increase of 7% due to the closure of Hynix Semiconductor. This increase was necessary to issue new revenue bonds and maintain bond covenants for existing bonds. The typical residential monthly wastewater bill increased an additional \$1.10 per month and went into effect on December 1, 2008.

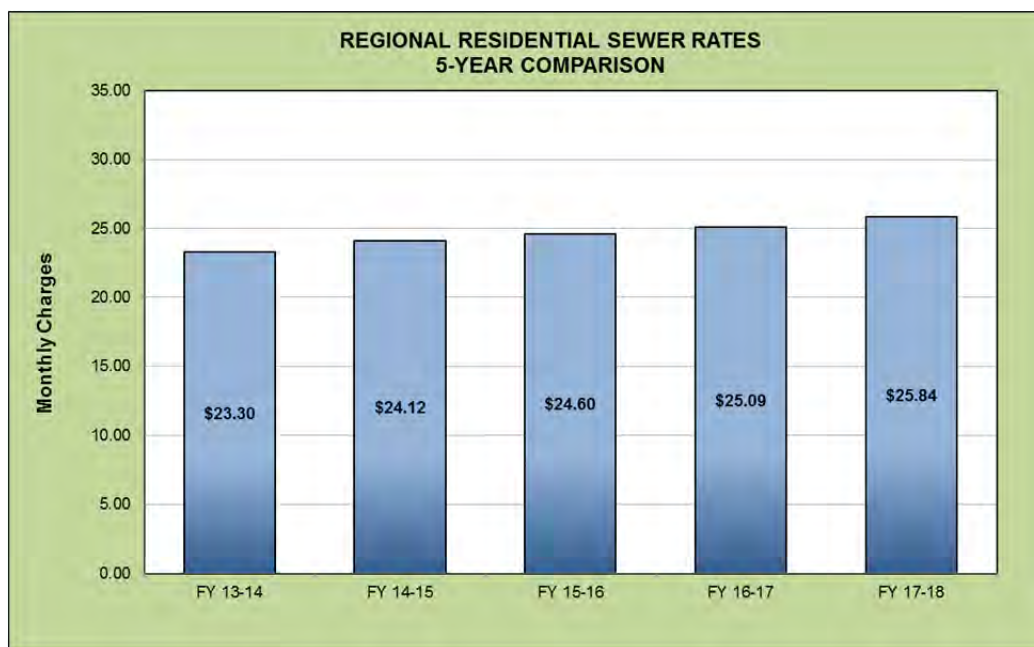
In FY 09-10, there was an 18% user rate increase over FY 08-09 rates applied uniformly across all user classes. This rate provided for Operations, Administration, Capital programs, reserves and debt service to be funded at sufficient levels to meet FY 09-10 requirements.

In FY10-11 user rates increased 5% over the prior year rates, and in FY 11-12 and FY 12-13 user rates increased 4% each year, over the prior year rates to provide for Operations, Administration, Capital programs, reserves, debt service, and debt coverage requirements.

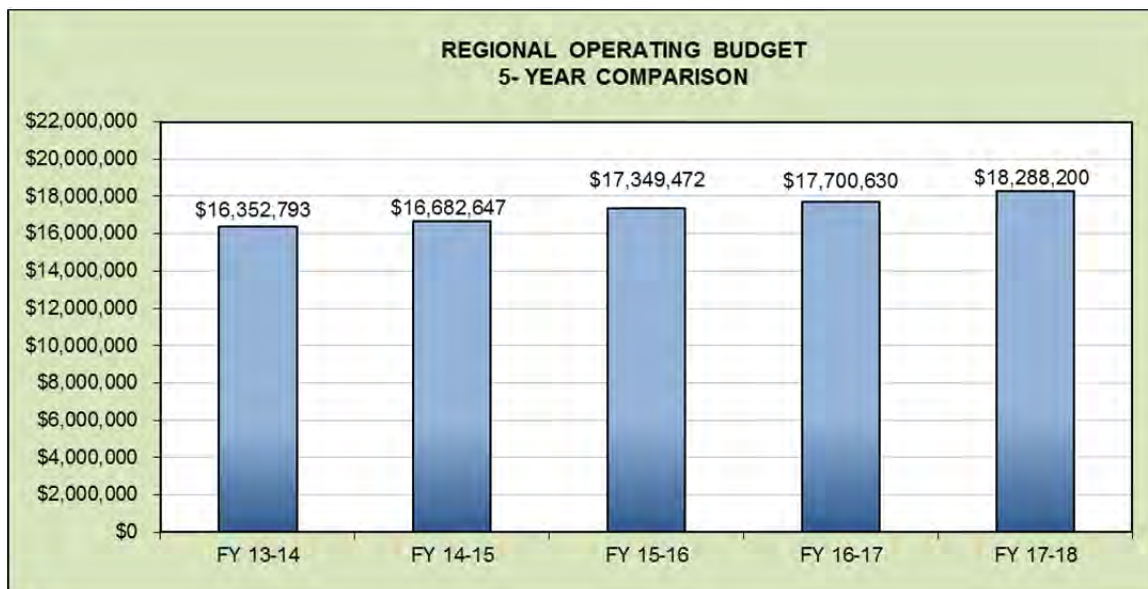
In FY 13-14 user rates increased 3% over the prior year rates, in FY14-15 user rates increased by 3.5% and in FY 15-16 user rates increased by 2% over the prior year rates to provide for Operations, Administration, Capital programs, reserves, debt service, and debt coverage requirements.

The FY 17-18 Budget is based on a 3% user rate increase over the FY 16-17 rates. This increase will provide for Operations, Administration, Capital programs, reserves and debt service, continuing to meet capital and operating requirements and supporting the Commission's Financial Plan policies, as well as financially positioning for future investments in capital assets.

The chart below displays the regional component of a residential monthly bill when applying the base and flow rates to 5,000 gallons of wastewater treated, which includes a \$0.75 increase effective July 1, 2017.



The graph below displays the Regional Operating Budget amounts for the recent 5-year period.



The graph below displays the Regional Wastewater Capital Improvement Program Budget amounts for the recent 5-year period.



REGIONAL WASTEWATER PROGRAM RESERVES

The RWP maintains reserve funds for the dedicated purpose to sustain stable rates while fully funding operating and capital needs. Commission policies and guidance, which direct the amount of reserves appropriated on an annual basis, are found in the 2005 MWMC Financial Plan. Further details on the FY 17-18 reserves are provided below.

OPERATING RESERVES

The MWMC Operating Budget includes six separate reserves: the Working Capital Reserve, Rate Stability Reserve, Rate Stabilization Reserve, State Revolving Fund (SRF) Reserve, Insurance Reserve and the Operating Reserve. Revenues are appropriated across the reserves in accordance with Commission policy and expenditure needs. Each reserve is explained in detail below.

WORKING CAPITAL RESERVE

The Working Capital Reserve acts as a revolving account that is drawn down and replenished on a monthly basis to provide funds for payment of Springfield Administration and Eugene Operations costs prior to the receipt of user fees from the Springfield Utility Board and Eugene Water and Electric Board. The Working Capital Reserve is set at \$900,000 for FY 17-18, \$200,000 of which is dedicated to Administration and \$700,000 is dedicated to Operations.

RATE STABILITY RESERVE

The Rate Stability Reserve was established to implement the Commission's objective of maintaining stable rates. It is intended to hold revenues in excess of the current year's operating and capital requirements for use in future years, in order to avoid "rate spikes." The amount budgeted on an annual basis has been set at \$2 million, with any additional net revenues being transferred to the capital reserve for future projects.

RATE STABILIZATION RESERVE

The Rate Stabilization Reserve contains funds to be used at any point in the future when net revenues are insufficient to meet the bond covenant coverage requirement. The Commission shall maintain the Rate Stabilization account as long as bonds are outstanding. In FY 17-18 no additional contribution to this reserve is budgeted and the balance at June 30, 2018, will remain at \$2 million.

CLEAN WATER STATE REVOLVING FUND (SRF) RESERVE

The Clean Water SRF Reserve was established to meet revenue coverage requirements for SRF loans. The SRF Reserve is set at \$670,908 for FY 17-18.

INSURANCE RESERVE

The Insurance Reserve was established to set aside funds equivalent to the insurance deductible amount for property and liability insurance coverage, for losses per occurrence. The Insurance Reserve is set at \$515,000 for FY 17-18.

OPERATING RESERVE

The Operating Reserve is used to account for accumulated operating revenues net of operating expenditures (including other reserves). The Commission's adopted policy provides minimum guidelines to establish the Operating Reserve at approximately 10% of the adopted operating budget. For FY 17-18, the Operating Reserve is budgeted at \$3,582,359, which includes the 10% of total Personnel Services, Materials and Services, and Capital Outlay in accordance with Commission policy.

EXHIBIT 5

	ADOPTED BUDGET FY 16-17	AMENDED BUDGET FY 16-17	PROPOSED BUDGET FY 17-18
OPERATING RESERVES			
Beginning Balance	\$10,684,205	\$11,988,887	\$12,603,539
User Fee Revenue	31,140,000	31,140,000	32,000,000
Septage Revenue	185,000	185,000	475,000
Other Revenue	1,061,110	1,061,110	1,060,610
Interest	85,000	85,000	100,000
Transfer from Improvement SDCs	2,000,000	2,000,000	2,000,000
Transfer from Reimbursement SDCs	20,191	20,191	21,350
Personnel Services	(10,303,071)	(10,303,071)	(10,796,927)
Materials & Services	(7,230,459)	(7,359,859)	(7,379,413)
Capital Outlay	(163,100)	(163,100)	(107,860)
Interfund Transfers	(11,550,000)	(11,550,000)	(14,850,000)
Debt Service - SRF Loan	(1,486,462)	(1,486,462)	(1,450,180)
Debt Service - 2016 Revenue Bond	(4,018,000)	(4,018,000)	(4,007,852)
Working Capital	(900,000)	(900,000)	(900,000)
Insurance Reserve	(515,000)	(515,000)	(515,000)
SRF Loan Reserve	(670,908)	(670,908)	(670,908)
Rate Stability Reserve	(2,000,000)	(2,000,000)	(2,000,000)
Rate Stabilization Reserve	(2,000,000)	(2,000,000)	(2,000,000)
Operating Reserve	\$4,338,506	\$5,513,788	\$3,582,359

CAPITAL RESERVES

The MWMC Capital Budget includes four reserves: the Equipment Replacement Reserve, SDC Reimbursement Reserves, SDC Improvement Reserves, and the Capital Reserve. These reserves accumulate revenue to help fund capital projects including equipment replacement and major rehabilitation. They are funded by annual contributions from user rates, SDCs, and SRF loans. Each reserve is explained in detail below.

EQUIPMENT REPLACEMENT RESERVE

The Equipment Replacement Reserve accumulates replacement funding for three types of equipment: 1) major/stationary equipment items costing less than \$200,000 with useful lives of 20 years or less; 2) fleet vehicles maintained by the Eugene Wastewater Division; and 3) computer servers that serve the Eugene Wastewater Division. Contributions to the Equipment Replacement Reserve in the FY 17-18 budget total \$850,000, additional budget details are provided below.

The Equipment Replacement Reserve is intended to accumulate funds necessary to provide for the timely replacement or rehabilitation of equipment, and may also be borrowed against to provide short-term financing of capital improvements. An annual analysis is performed on the Equipment Replacement Reserve. The annual contribution is set so that all projected replacements will be funded over a 20-year period and at the end of the 20-year period, the reserve will contain replacement funds for all equipment projected to be in use at that time. Estimates used in the analysis include interest earnings, inflation rates and useful lives for the equipment.

	ADOPTED BUDGET FY 16-17	AMENDED BUDGET FY 16-17	<i>PROPOSED</i> BUDGET FY 17-18
EQUIPMENT REPLACEMENT RESERVE			
Beginning Balance	\$11,837,948	\$11,944,243	\$11,737,145
Annual Equipment Contribution	250,000	250,000	850,000
Interest	40,000	40,000	50,000
Equipment Purchases	(381,000)	(497,098)	(715,000)
Equipment Replacement Reserve	\$11,746,948	\$11,737,145	\$11,922,145

SYSTEM DEVELOPMENT CHARGE (SDC) RESERVES

SDCs are required as part of the MWMC IGA. They are connection fees charged to new users to recover the costs related to system capacity, and are limited to funding Capital Programs. The purpose of the SDC Reserves is to collect and account for SDC revenues separately from other revenue sources, in accordance with Oregon statutes. The Commission's SDC structure includes a combination of "Reimbursement" and "Improvement" fee components. Estimated SDC revenues for FY 17-18 are approximately \$1.3 million. Budgeted expenditures include \$2 million from Improvement Fees to fund portions of the annual debt service payments on the 2016 revenue bonds. The projected beginning SDC Reserve balance on July 1, 2017 is \$4,128,032.

	ADOPTED BUDGET FY 16-17	AMENDED BUDGET FY 16-17	PROPOSED BUDGET FY 17-18
REIMBURSEMENT SDC RESERVE			
Beginning Balance	\$639,013	\$728,555	\$844,764
Reimbursement SDCs Collected	100,000	100,000	130,000
Interest	1,200	1,200	1,200
SDC Compliance Charge	2,500	2,500	7,000
Xfr to Debt Service (Fund 612)	(20,191)	(20,191)	(21,350)
Materials & Services	(2,000)	(2,000)	(2,000)
Reimbursement SDC Reserve	\$720,522	\$810,064	\$959,614

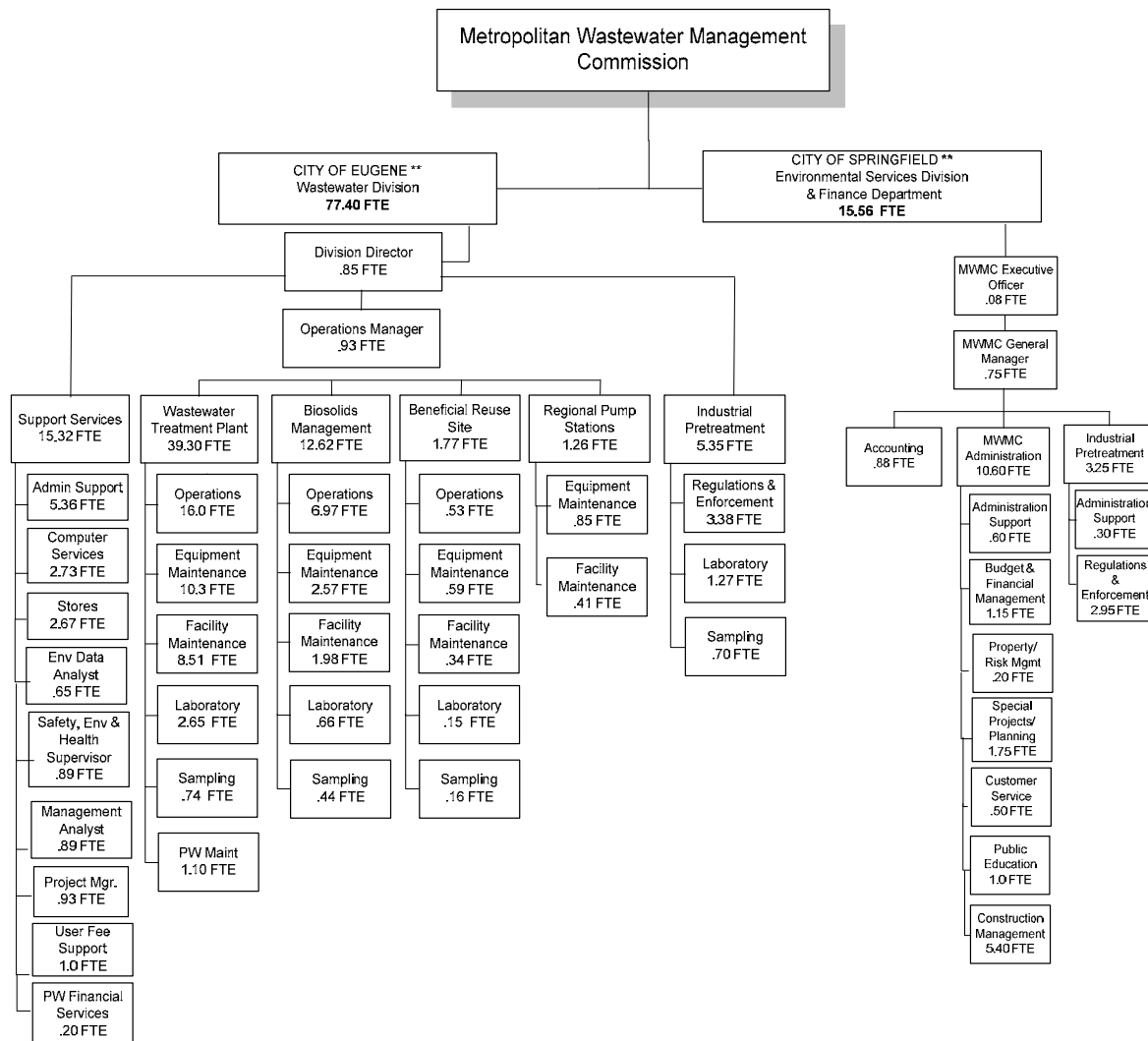
	ADOPTED BUDGET FY 16-17	AMENDED BUDGET FY 16-17	PROPOSED BUDGET FY 17-18
IMPROVEMENT SDC RESERVE			
Beginning Balance	\$2,865,341	\$3,980,268	\$3,283,268
Improvement SDCs Collected	1,100,000	1,100,000	1,300,000
Interest	7,000	7,000	7,000
Materials & Services	(2,000)	(2,000)	(2,000)
Xfr to Debt Service (Fund 612)	(2,000,000)	(2,000,000)	(2,000,000)
Improvement SDC Reserve	\$1,970,341	\$3,085,268	\$2,588,268

CAPITAL RESERVE

The Capital Reserve accumulates funds transferred from the Operating Reserve for the purpose of funding the CIP, Major Capital Outlay and Major Rehabilitation Program costs. The intent is to collect sufficient funds over time to construct a portion of planned capital projects with cash in an appropriate balance with projects that are funded with debt financing. The FY 17-18 Budget includes a contribution from the Operating Reserve of \$14 million. The beginning balance on July 1, 2017, is projected to be \$57,862,221. Additional budget detail on the CIP, Major Capital Outlay and Major Rehabilitation Program reserves is provided below.

	ADOPTED BUDGET FY 16-17	AMENDED BUDGET FY 16-17	PROPOSED BUDGET FY 17-18
CAPITAL RESERVES			
Beginning Balance	\$50,315,693	\$51,339,859	\$57,862,221
Transfer from Operating Reserve	11,300,000	11,300,000	14,000,000
Interest	60,000	60,000	150,000
Interest Income (Revenue Bond Proceeds)	210,000	210,000	150,000
Transfer to Operating	0	0	250
Funding For Capital Improvement Projects	(30,356,600)	(30,473,129)	(33,641,000)
Funding For Major Rehabilitation	(534,000)	(615,042)	(566,000)
Funding For Major Capital Outlay	(5,670,000)	(2,262,979)	(622,000)
Capital Reserve	\$25,325,093	\$29,558,709	\$37,333,471

EXHIBIT 6
REGIONAL WASTEWATER PROGRAMS*
ORGANIZATION CHART FY 17-18



Notes:

- * Full-Time Equivalent (FTE) figures represent portions of Eugene and Springfield staff funded by regional wastewater funds.
- ** The chart represents groups of staff dedicated to program areas rather than specific positions.

EXHIBIT 7

**REGIONAL WASTEWATER PROGRAM
POSITION SUMMARY**

CLASSIFICATION	BUDGET FY 15-16	BUDGET FY 16-17	BUDGET FY 17-18	FTE CHANGE
SPRINGFIELD ENVIRONMENTAL SERVICES & FINANCE				
Accountant	0.80	0.80	0.80	-
Accounting Supervisor	0.08	0.08	0.08	-
Administrative Specialist	1.05	1.85	2.00	0.15
Assistant Project Coordinator	0.90	0.90	0.90	-
Civil Engineer/Design & Construction Coordinator	3.00	3.00	3.00	-
Construction Inspector	1.00	0.00	0.00	-
Development and Public Works Deputy Director	0.08	0.00	0.00	-
Development and Public Works Director	0.08	0.08	0.08	-
Engineering Assistant	1.60	0.80	0.65	(0.15)
Environmental Management Analyst	0.00	0.65	0.75	0.10
Environmental Services Program Manager	0.55	0.80	0.80	-
Environmental Services Program Coordinator	1.00	0.00	0.00	-
Environmental Services Supervisor	0.00	0.95	0.95	-
Environmental Services Technician	1.50	2.00	2.00	-
ESD Manager/MWMC General Manager	0.75	0.80	0.80	-
Managing Civil Engineer	2.00	1.75	1.75	-
Public Information & Education Analyst	1.00	1.00	1.00	-
Senior Finance Analyst	0.50	0.00	0.00	-
TOTAL SPRINGFIELD	15.89	15.46	15.56	0.10

EXHIBIT 7 (Continued)REGIONAL WASTEWATER PROGRAM
POSITION SUMMARY

CLASSIFICATION	BUDGET FY 15-16	BUDGET FY 16-17	BUDGET FY 17-18	FTE CHANGE
EUGENE WASTEWATER DIVISION & OTHER PW				
Administrative Specialist	1.78	1.78	1.78	-
Administrative Specialist, Sr	0.95	0.95	0.95	-
Application Support Technician	0.95	0.95	0.95	-
Application Systems Analyst	1.78	1.78	1.78	-
Custodian	1.00	1.00	1.00	-
Finance & Admin Manager	0.89	0.89	0.89	-
Electrician 1	3.28	3.28	3.28	-
Engineering Associate	0.35	0.35	0.35	-
Maintenance Worker	12.29	12.29	12.29	-
Management Analyst	4.25	5.14	5.14	-
Office Supervisor, Sr	0.89	0.00	0.00	-
Parts and Supply Specialist	1.78	1.78	1.78	-
PW Financial Services Manager	0.20	0.20	0.20	-
Utility Billing Coordinator	1.00	1.00	1.00	-
Wastewater Lab Assistant	0.82	0.82	0.82	-
Wastewater Division Director	0.85	0.85	0.85	-
Wastewater Instrument Electrician	1.00	1.00	1.00	-
Wastewater Plant Operations Manager	0.93	0.93	0.93	-
Wastewater Operations Supervisor	2.00	2.00	2.00	-
Wastewater Plant Maintenance Supervisor	2.88	2.88	2.88	-
Wastewater Pretreatment & Lab Supervisor	0.82	0.82	0.82	-
Wastewater Technician	36.71	36.71	36.71	-
TOTAL EUGENE	77.40	77.40	77.40	-
GRAND TOTAL	93.23	92.86	92.96	0.10

CITY OF SPRINGFIELD REGIONAL WASTEWATER PROGRAM RESPONSIBILITIES

The City of Springfield manages administration services for the RWP under the Intergovernmental Agreement for the Metropolitan Wastewater Management Commission (MWMC). The programs maintained by Springfield to support the RWP are summarized below and are followed by Springfield's regional wastewater budget summaries. Activities, and therefore program budgets, for the MWMC administration vary from year to year depending upon the major construction projects and special initiatives underway. A list of the capital projects Springfield staff will support in FY 17-18 is provided in Exhibit 12 on page 41.

Program Responsibilities

- Administration & Management
- Financial Planning & Management
- Long-Range Capital Project Planning
- Project and Construction Management
- Coordination between the Commission and governing bodies
- Coordination and Management of:
 - Risk Management & Legal Services
 - Public Policy Issues
 - Regulatory and Permit Compliance Issues
- Public Information, Education and Outreach
- Industrial Pretreatment Source Control
- Customer Service

MWMC ADMINISTRATION

The Springfield Environmental Services Division (ESD) and Finance Department provide ongoing support and management services for the MWMC. The Development and Public Works (DPW) Director serves as the MWMC Executive Officer. The Environmental Services Manager serves as the General Manager. Springfield provides the following administration functions: financial planning management, accounting and financial reporting; risk management and legal services; coordination and management of public policy; coordination and management of regulatory and permit compliance issues; coordination between the Commission and the governing bodies; long-range capital project planning and construction management; coordination of public information, education, and citizen involvement programs; sewer user customer service; and coordination and development of regional budgets, rate proposals, and revenue projections.

INDUSTRIAL PRETREATMENT (SOURCE CONTROL) PROGRAM

The Industrial Pretreatment Program is a regional activity implemented jointly by the Cities of Eugene and Springfield. The Industrial Pretreatment section of the ESD is charged with administering the program for the regulation and oversight of wastewater discharged to the sanitary collection system by industries in Springfield. This section is responsible for ensuring that these wastes do not damage the collection system, interfere with wastewater treatment processes, result in the pass-through of harmful pollutants to treated effluent or biosolids, or threaten worker health or safety.

This responsibility is fulfilled, in part, by the use of a permit system for industrial dischargers. This permit system, common to both Eugene and Springfield, implements necessary limitations on waste characteristics and establishes inspection, monitoring, and reporting requirements for documenting waste quality and quantity controls. The Industrial Pretreatment section is also responsible for locating new industrial discharges in Springfield and evaluating the impact of those discharges on the regional WPCF. The Industrial Pretreatment Program also addresses

the wastewater discharges of some commercial/industrial businesses through the development and implementation of Pollution Management Practices. Pretreatment program staff also coordinates pollution prevention activities in cooperation with the Pollution Prevention Coalition of Lane County.

ACCOUNTING AND FINANCIAL REPORTING

Accounting and financial reporting services for the RWP are provided by the Accounting section in the Springfield Finance Department, in coordination with ESD. Springfield Accounting staff maintains grant and contract accounting systems, as well as compliance with all local, state and federal accounting and reporting requirements for MWMC finances. This section also assists ESD with preparation of the MWMC budget, capital financing documents, sewer user rates, and financial policies and procedures.

PROGRAMS AND SIGNIFICANT SERVICE/EXPENDITURE CHANGES

In FY 17-18, the City of Springfield will support the following major regional initiatives in addition to ongoing Commission administration and industrial pretreatment activities:

- Continue public information, education and outreach activities focused on the MWMC's Key Outcomes and Communication Plan objectives to increase awareness of the MWMC's ongoing efforts in maintaining water quality and a sustainable environment.
- Implement Capital Financing strategies necessary to meet current debt obligations, prepare for additional debt financing, and ensure sufficient revenues in accordance with the 2005 MWMC Financial Plan.
- Continue implementation of the 2004 MWMC Facilities Plan and 2014 Partial Facilities Plan Update to meet all regulatory requirements and capacity needs. Considering emerging environmental regulations that may impact the operation of the WPCF.
- Implement annual reporting for the local Capacity Management Operations and Maintenance (CMOM) programs, focusing on continued inflow and infiltration reductions, including flow monitoring, data tracking, regional coordination, and exploring methods of addressing private laterals.
- Protect the Regional Wastewater Program (RWP) interests through participation in Association of Clean Water Agencies activities.
- Coordinate temperature Total Maximum Daily Load (TMDL) compliance through continued development and implementation of the thermal load mitigation strategy, including but not limited to a recycled water program.
- Continue participation with the Association of Clean Water Agencies and the Department of Environmental Quality on regulatory permitting strategies and the development of water quality trading rules.

SIGNIFICANT BUDGET CHANGES FOR FY 17-18

The budget for Springfield Personnel Services, Materials and Services, and Capital Outlay for FY 17-18 totals \$3,941,900 representing an overall increase of \$140,977 or 3.7% from the adopted FY 16-17 budget, as displayed in Exhibit 8 on page 29.

Personnel Services

Personnel Services totaling \$1,804,742 represents a FY 17-18 increase of \$79,910 or 4.6% above the originally adopted FY 16-17 budget. The major changes are summarized below:

Staffing Level - 15.56 full-time equivalent (FTE) staff, an increase of 0.10 FTE

Staffing increased slightly in the FY 17-18 budget when compared to FY 16-17 based on a staff allocation adjustment to support the regional programs.

Regular Wages and Overtime - \$1,183,957, an increase of \$28,633 or 2.5%

Salaries are based upon the negotiated management/labor contracts as approved by the Springfield City Council, and staffing levels.

Employee Benefits - \$308,081, an increase of \$47,405 or 18.2%

The employee benefits consist mainly of PERS/OPSRP retirement system costs, FICA and Medicare contributions.

Materials and Services

The Materials and Services budget total is \$2,137,158 in FY 17-18, representing an increase of \$61,067 or 2.9% above the adopted FY 16-17 budget. The major changes are summarized below:

Computer Software & Licenses - \$88,550, an increase of \$55,900 or 171.2%

The \$55,900 increase is programmed for a three year contract for ongoing service and maintenance for the project management system, Constructware expiring in FY 17-18. A new multi-year contract will be negotiated and funded in FY 17-18.

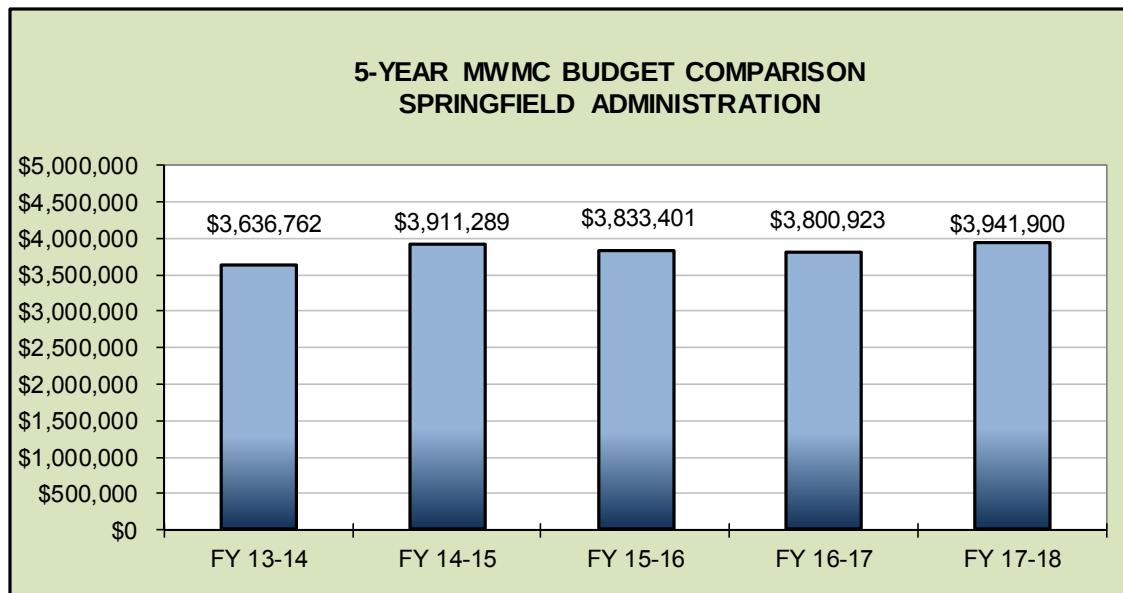
Internal & Indirect Charges - \$448,499, a net decrease of \$8,141 or 1.8%

The \$8,141 decrease is primarily related to the regional portion of the City of Springfield facility rents and building maintenance for use of the City Hall building.

EXHIBIT 8

**SPRINGFIELD ADMINISTRATION PROGRAM
ADOPTED FY 17-18
BUDGET SUMMARY**

	ACTUAL FY 15-16	ADOPTED BUDGET FY 16-17	AMENDED BUDGET FY 16-17	PROPOSED BUDGET FY 17-18	CHANGE *	
					INCR/(DECR)	
Personnel Services	\$1,610,556	\$1,724,832	\$1,724,832	\$1,804,742	\$79,910	4.6%
Materials & Services	1,655,632	2,076,091	2,076,091	2,137,158	61,067	2.9%
Capital Outlay	0	0	0	0	0	0%
Budget Summary	\$3,266,188	\$3,800,923	\$3,800,923	\$3,941,900	\$140,977	3.7%



Note: * Change column compares the adopted FY 17-18 Budget to the adopted FY 16-17 Budget.

EXHIBIT 9

SPRINGFIELD ADMINISTRATION
LINE ITEM BUDGET SUMMARY

	ACTUAL FY 15-16	ADOPTED BUDGET FY 16-17	AMENDED BUDGET FY 16-17	PROPOSED BUDGET FY 17-18	CHANGE INCR/(DECR)	
PERSONNEL SERVICES						
Regular Wages	\$1,075,216	\$1,151,820	\$1,151,820	\$1,178,216	\$26,396	2.3%
Overtime	0	3,504	3,504	5,741	2,237	63.8%
Employee Benefits	248,036	260,676	260,676	308,081	47,405	18.2%
Health Insurance	287,304	308,832	308,832	312,704	3,872	1.3%
Total Personnel Services	\$1,610,556	\$1,724,832	\$1,724,832	\$1,804,742	\$79,910	4.6%
FTE	15.89	15.46	15.46	15.56	0.10	0.6%
<u>MATERIALS & SERVICES</u>						
Billing & Collection Expense	\$601,433	\$630,000	\$630,000	\$640,000	\$10,000	1.6%
Property & Liability Insurance	341,793	370,000	370,000	360,000	(10,000)	-2.7%
Contractual Services	23,786	133,500	133,500	133,500	0	0.0%
Attorney Fees and Legal Expense	40,015	188,505	188,505	186,005	(2,500)	-1.3%
WPCF/NPDES Permits	124,663	136,000	136,000	136,500	500	0.4%
Materials & Program Expense	44,389	87,321	87,321	102,529	15,208	17.4%
Computer Software & Licenses	2,241	32,650	32,650	88,550	55,900	171.2%
Employee Development	15,882	19,275	19,275	19,275	0	0.0%
Travel & Meeting Expense	16,920	22,200	22,200	22,300	100	0.5%
Internal Charges	154,891	165,004	165,004	151,049	(13,955)	-8.5%
Indirect Costs	289,618	291,636	291,636	297,450	5,814	2.0%
Total Materials & Services	\$1,655,632	\$2,076,091	\$2,076,091	\$2,137,158	\$61,067	2.9%
<u>CAPITAL OUTLAY</u>						
Total Capital Outlay	0	0	0	0	0	0.0%
TOTAL	\$3,266,188	\$3,800,923	\$3,800,923	\$3,941,900	\$140,977	3.7%

CITY OF EUGENE REGIONAL WASTEWATER PROGRAM RESPONSIBILITIES

The Wastewater Division for the City of Eugene manages all regional wastewater pollution control facilities serving the areas inside the Eugene and Springfield Urban Growth Boundaries under the Intergovernmental Agreement for the Metropolitan Wastewater Management Commission (MWMC). These regional facilities include the Eugene/Springfield Regional Water Pollution Control Facility (WPCF), the Biosolids Management Facility, the Beneficial Reuse Site, the Biocycle Farm site, and regional wastewater pumping stations and transmission sewers.

Program Responsibilities

- Administration & Management
- Biosolids Management
- Facility Operations
- Facility Maintenance
- Environmental Services
- Management Information Services
- Project Management

In support of the water pollution control program, the Division provides technical services for wastewater treatment, management of equipment replacement and infrastructure rehabilitation, biosolids treatment and recycling, regional laboratory services, and an industrial source control and pretreatment program in conjunction with City of Springfield staff.

ADMINISTRATIVE AND MANAGEMENT SERVICES

Administrative Services provides management, administrative, and office support to the Wastewater Division. This support includes the general planning, directing, and managing of the activities of the Division; development and coordination of the budget; administration of personnel records; and processing of payroll, accounts payable, and accounts receivable. This section also provides tracking and monitoring of all assets for the regional wastewater treatment facilities and support for reception, customer service, and other administrative needs. The Administrative services include oversight and coordination of the Division's Environmental Management System, safety, and training programs, and a stores unit that purchases and stocks parts and supplies and assists with professional services contracting. Another area this program administers is the coordination of local and regional billing and rate activities.

REGIONAL WASTEWATER TREATMENT FACILITY OPERATIONS

The Wastewater Division operates the WPCF to treat domestic and industrial liquid wastes to achieve an effluent quality that protects and sustains the beneficial uses of the Willamette River. The Operations section optimizes wastewater treatment processes to ensure effluent quality requirements are met in an efficient and cost effective manner. In addition, the Operations section provides continuous monitoring of the alarm functions for all plant processes, regional and local pump stations, Biosolids Management Facility, and the Beneficial Reuse Site.

MAINTENANCE

The mechanical, electrical, and facilities maintenance sections of the Wastewater Division are responsible for preservation of the multi-million dollar investment in the equipment and infrastructure of the WPCF, local and regional pump stations, pressure sewers, as well as the Biosolids Management Facility. These sections provide a preventative maintenance program to

maximize equipment life and reliability; a corrective maintenance program for repairing unanticipated equipment failures; and a facility maintenance program to maintain the buildings, treatment structures, and grounds.

BIOSOLIDS MANAGEMENT

The Residuals Management section of the Wastewater Division manages the handling and beneficial reuse of the biological solids (biosolids) produced as a result of the activated sludge treatment of wastewater. This section operates the Biosolids Management Facility (BMF) and the Biocycle Farm located at Awbrey Lane in Eugene. The biosolids are treated using anaerobic digestion, stored in facultative lagoons (which provide some additional treatment benefits), and then processed through a belt filter press and air-dried to reduce the water content and facilitate transport. The dried material is ultimately applied to agricultural land. Biosolids are also irrigated on poplar trees at the Biocycle Farm as a beneficial nutrient and soil conditioner. This section also operates the Beneficial Reuse Site which formerly served to treat wastewater from food processing operation.

ENVIRONMENTAL SERVICES

Environmental Services is comprised of Industrial Source Control (Pretreatment), Analytical Services, and Sampling Team.

Industrial Source Control - The pretreatment program is a regional activity implemented jointly by the cities of Eugene and Springfield. The Industrial Source Control group of the Wastewater Division is charged with administering the pretreatment program for the regulation and oversight of commercial and industrial wastewaters discharged to the wastewater collection system by fixed-site industries in Eugene and by mobile waste haulers in the Eugene and Springfield areas. This group is also responsible for ensuring that these wastes do not damage the collection system, interfere with wastewater treatment processes, result in the pass-through of harmful pollutants to treated effluent or biosolids, or threaten worker health or safety.

This responsibility is fulfilled through the use of a permit system for industrial dischargers. This permit system, common to both Eugene and Springfield, implements necessary limitations on waste characteristics and establishes inspection, monitoring, and reporting requirements for documenting waste quality and quantity controls. The staff is also responsible for locating new industrial discharges in Eugene and evaluating the impact of new non-residential discharges on the WPCF. The section also has responsibilities related to environmental spill response activities.

Analytical Services - The Analytical Services group provides analytical laboratory work in support of wastewater treatment, residuals management, industrial source control, stormwater monitoring, and special project activities of the Wastewater Division. The laboratory's services include sample handling and analyses of influent sewage, treated wastewater, biosolids, industrial wastes, stormwater, and groundwater. Information from the laboratory is used to make treatment process control decisions, document compliance with regulatory requirements, demonstrate environmental protection, and ensure worker health and safety.

Sampling Team - The Sampling Team is responsible for sampling activities related to regional wastewater program functions. These include the Eugene pretreatment program, wastewater treatment process control, effluent and ambient water quality, groundwater quality, facultative

sludge lagoons, and stormwater samples. The Division's Environmental Data Analyst evaluates and reports on the sampling data for various programs.

MANAGEMENT INFORMATION SERVICES (MIS)

The MIS section provides services for electronic data gathering, analysis, and reporting in compliance with regulatory requirements and management functions. This section also maintains the network communication linkages with the City of Eugene and supplies technical expertise and assistance in the selection, operation, and modification of computer systems (hardware and software) within the Division.

PROJECT MANAGEMENT

Management of wastewater system improvements and ongoing developments is carried out by the Project Management staff. Activities include coordination of CIP activities with the City of Springfield staff, problem-solving and action recommendations, project management, technical research, coordination of activities related to renewal of the National Pollutant Discharge Elimination System (NPDES) wastewater discharge permit, computer-aided design and electronic storage of design drawings, and planning of projects to anticipate and prepare for new regulatory and operational requirements. The Project Management staff develops Request for Proposals and Request for Quotes, coordinates special project activities between work sections, and coordinates the procurement of building permits as necessary in support of project activities.

PROGRAMS AND SIGNIFICANT SERVICE/EXPENDITURE CHANGES

In FY 17-18, Eugene staff will support the following major regional initiatives in addition to ongoing operational activities.

- Manage the O&M responsibilities of the NPDES permits for the treatment of wastewater and the Lane Regional Air Protection Agency (LRAPA) air emissions permit for the regional wastewater treatment plant.
- Evaluate impacts of regulatory actions upon operational responsibilities such as the federal sanitary sewer overflows (SSO), blending policy development, Willamette River TMDLs implementation, and any newly adopted state water quality standards.
- Provide technical input and O&M assessments related to proposed initiatives for addressing TMDL compliance and renewable energy objectives.
- Complete scheduled major rehabilitation, equipment replacement, and other capital projects in an efficient and timely manner.
- Work cooperatively on CIP elements and effectively integrate capital project work with ongoing O&M activities with an emphasis on maintaining an effective CIP management and coordination program with Springfield staff.
- Manage the Operations & Maintenance (O&M) aspects of the Biocycle Farm, continuing biosolids irrigation practices and poplar tree management.

SIGNIFICANT CHANGES IN THE O & M BUDGET FOR FY 17-18

The budget for Operations and Maintenance of the regional wastewater treatment facilities (personnel, materials and services, and capital outlay) for FY 17-18 totals \$14,346,300. The amount represents an increase of \$446,593 or 3.2% from the FY 16-17 budget. The significant cost centers for the budget include personnel costs, contractual services, utilities, materials, maintenance, fleet, and chemicals. Details of significant items and changes for the FY 17-18 Operations and Maintenance budget as compared to the FY 16-17 budget include:

Personnel Services

Personnel Services totaling \$8,992,185 represents a FY 17-18 increase of \$413,946 or 4.8%. The major changes are in the following budget categories:

Staffing

The FY 17-18 budget requests no change in staffing level from the FY 16-17 budget. Staffing requests remains at 77.40 Full Time Equivalent (FTE).

Regular Wages - \$5,290,281, an increase of \$124,604 or 2.4%

Salaries are based upon the negotiated management/labor contracts between the City of Eugene and the local union (AFSCME).

Employee Benefits - \$2,014,440, an increase of \$202,612 or 11.2%

The employee benefits consist mainly of PERS/OPSRP retirement system costs, FICA, and Medicare contributions.

Health Insurance - \$1,526,945, an increase of \$72,120 or 5.0%

The increase is based on group claims experience and cost projections. Costs are calculated based on the number of employees.

Materials and Services

The Materials and Services budget totaling \$5,246,255 represents an FY 17-18 increase of \$87,887 or 1.7%. The major changes are in the following budget categories:

Indirect Charges - \$1,032,700, an increase of \$12,700 or 1.2%

This expenditure category includes costs for payroll processing, human resources services, information technology services, and budget and financial services provided by the City of Eugene to the Wastewater Division.

Contractual Services - \$754,013, a net decrease of \$141,928 or 15.8%

This account includes services for outside lab testing, USGS water monitoring, seasonal temporary help, and grit waste disposal. The decrease for this item is mostly due from completing a one-time upgrade to the distributive control system (DCS) in FY16-17.

Materials & Program Expense - \$632,306, an increase of \$76,864 or 13.8%

The Materials & Program Expense account includes a wide variety of operational items such as telephone charges, training costs, tools, small equipment, safety supplies, and inventory. The increase reflects additional costs for tools, materials, inventory and training.

Fleet - \$452,448, an increase of \$25,462 or 6.0%

Fleet services are managed centrally by Eugene Fleet Services. Budgeted fleet rates are based upon recent vehicle and equipment maintenance costs.

Eugene Capital Outlay Expense - \$107,860, a net decrease of \$55,240 or 33.9%

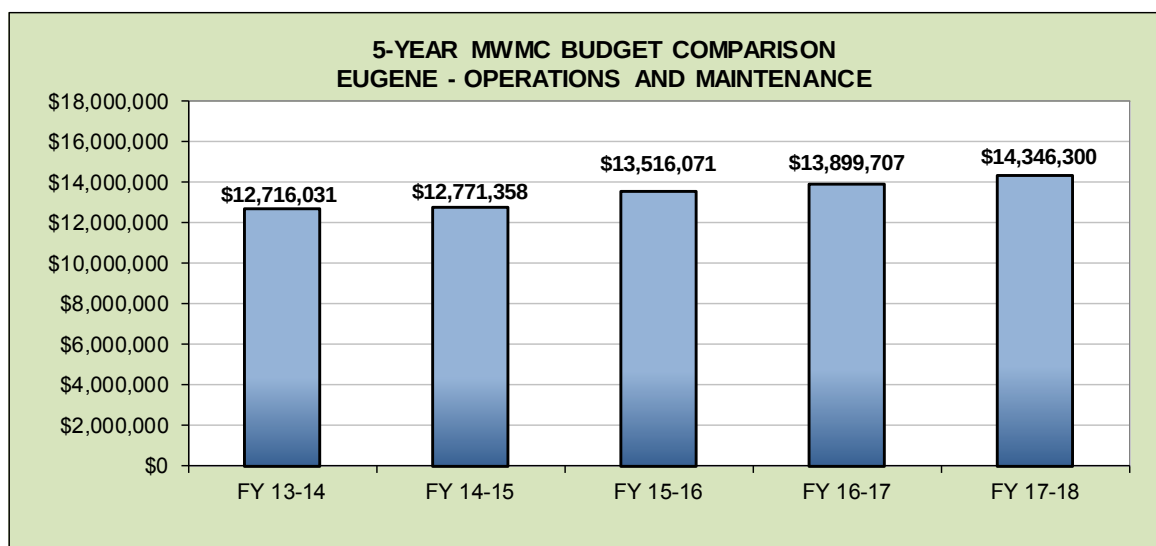
Eugene Capital Outlay budget requests are for:

Critical spare parts inventory for the pretreat screening grinder and bar screens (\$62,860).

Storage pole building at the treatment plant for storage of portable generators (\$45,000).

EXHIBIT 10**EUGENE - OPERATIONS AND MAINTENANCE PROGRAM****PROPOSED FY 17-18****BUDGET SUMMARY**

	ACTUAL FY 15-16	ADOPTED BUDGET FY 16-17	AMENDED BUDGET FY 16-17	PROPOSED BUDGET FY 17-18	CHANGE *	
Personnel Services	\$7,952,997	\$8,578,239	\$8,578,239	\$8,992,185	\$413,946	4.8%
Materials & Services	4,494,471	5,158,368	5,287,768	5,246,255	87,887	1.7%
Capital Outlay	24,756	163,100	163,100	107,860	(55,240)	-33.9%
Budget Summary	\$12,472,224	\$13,899,707	\$14,029,107	\$14,346,300	\$446,593	3.2%



NOTE: Does not include Major or Equipment Replacement

EXHIBIT 11

EUGENE - OPERATIONS & MAINTENANCE
LINE ITEM BUDGET SUMMARY

	ACTUAL FY 15-16	ADOPTED BUDGET FY 16-17	AMENDED BUDGET FY 16-17	PROPOSED BUDGET FY 17-18	CHANGE INCR/(DECR)	
<u>PERSONNEL SERVICES</u>						
Regular Wages	\$4,748,060	\$5,165,677	\$5,165,677	\$5,290,281	\$124,604	2.4%
Overtime	37,263	40,000	40,000	40,000	0	0.0%
Employee Benefits	1,714,812	1,811,828	1,811,828	2,014,440	202,612	11.2%
Workers' Comp/Unemploy Ins	94,078	105,909	105,909	120,519	14,610	13.8%
Health Insurance	1,358,784	1,454,825	1,454,825	1,526,945	72,120	5.0%
Total Personnel Services	\$7,952,997	\$8,578,239	\$8,578,239	\$8,992,185	\$413,946	4.8%
FTE	77.40	77.40	77.40	77.40	0.00	0.0%
<u>MATERIALS & SERVICES</u>						
Utilities	\$625,902	\$775,615	\$775,615	\$852,265	\$76,650	9.9%
Fleet Operating Charges	398,704	426,986	426,986	452,448	25,462	6.0%
Maintenance-Equip & Facilities	263,749	386,497	386,497	354,523	(31,974)	-8.3%
Contractual Services	500,069	895,941	895,941	754,013	(141,928)	-15.8%
Materials & Program Expense	832,752	555,442	684,842	632,306	76,864	13.8%
Chemicals	281,165	326,940	326,940	323,700	(3,240)	-1.0%
Parts & Components	436,327	353,096	353,096	367,746	14,650	4.1%
Risk Insurance - Employee Liability	51,527	51,572	51,572	52,343	771	1.5%
Laboratory Equipment & Supplies	66,289	89,600	89,600	92,980	3,380	3.8%
Computer Equip, Supplies, Maint	232,117	276,679	276,679	331,231	54,552	19.7%
Indirects	805,869	1,020,000	1,020,000	1,032,700	12,700	1.2%
Total Materials & Services	\$4,494,471	\$5,158,368	\$5,287,768	\$5,246,255	\$87,887	1.7%
<u>CAPITAL OUTLAY</u>						
Motorized Vehicles	\$24,756	\$163,100	\$163,100	\$0	(\$163,100)	-100.0%
Capital Outlay - Other	0	0	0	107,860	107,860	NA
Total Capital Outlay	\$24,756	\$163,100	\$163,100	\$107,860	(\$55,240)	-33.9%
TOTAL	\$12,472,223	\$13,899,707	\$14,029,107	\$14,346,300	\$446,593	3.2%

REGIONAL WASTEWATER PROGRAM CAPITAL PROGRAMS

Overview

The Regional Wastewater Program (RWP) includes two components: the Capital Improvement Program (CIP) and the Asset Management Capital Program (AMCP). The FY 17-18 CIP Budget, the FY 17-18 AMCP Budget, and the associated 5-Year Capital Plan are based on the 2004 MWMC Facilities Plan (2004 FP) and the 2014 Partial Facilities Plan Update. The 2004 FP was approved by the MWMC, the governing bodies of the City of Eugene, the City of Springfield, Lane County, and the Oregon Department of Environmental Quality (DEQ) in 2004. The 2004 FP and its 20-year capital project list was the result of a comprehensive evaluation of the regional wastewater treatment facilities serving the Eugene-Springfield metropolitan area.

The 2004 FP built on previous targeted studies, including the 1997 Master Plan, 1997 Biosolids Management Plan, 2001 Wet Weather Flow Management Plan (WWFMP), and the 2003 Management Plan for a dedicated biosolids land application site. The 2004 FP was intended to meet changing regulatory and wet weather flow requirements and to serve the community's wastewater capacity and treatment needs through 2025. Accordingly, the 2004 FP established the CIP project list to provide necessary facility enhancements and expansions over the planning period. The CIP is administered by the City of Springfield for the MWMC. The AMCP implements the projects and activities necessary to maintain functionality, lifespan, and effectiveness of the MWMC facility assets on an ongoing basis. The AMCP is administered by the City of Eugene for the MWMC and consists of three sub-categories:

- Equipment Replacement Program
- Major Rehabilitation Program
- Major Capital Outlay

The MWMC has established these capital programs to achieve the following RWP objectives:

- Compliance with applicable local, state, and federal laws and regulations
- Protection of the health and safety of people and property from exposure to hazardous conditions such as untreated or inadequately treated wastewater
- Provision of adequate capacity to facilitate community growth in the Eugene-Springfield metropolitan area consistent with adopted land use plans
- Construction, operation, and management of the MWMC facilities in a manner that is as cost-effective, efficient, and affordable to the community as possible in the short and long term
- Implementation of the Citizens Advisory Committee recommendations, which represent diverse community interests, values and involvement, and that have been adopted by the Commission as the MWMC's plans and policies
- Mitigation of potential negative impacts of the MWMC facilities on adjacent uses and surrounding neighborhoods (ensuring that the MWMC facilities are "good neighbors" as judged by the community)

Capital Program Funding and Financial Planning Methods and Policies

This annual budget document presents the FY 17-18 CIP Budget, the FY 17-18 AMCP Budget, and 5-Year Capital Plan which includes the CIP and AMCP Capital Plan. The MWMC CIP financial planning and funding methods are in accordance with the financial management policies put forth in the MWMC 2005 Financial Management Plan.

Each of the two RWP capital programs relies on funding mechanisms to achieve RWP objectives described above. The CIP is funded primarily through proceeds from revenue bond sales, system development charges, and transfers from the Operating Fund to Capital Reserves. The AMCP is funded through wastewater user fees.

In addition to revenue bond sales, financing for qualified CIP projects was also secured through the State of Oregon Department of Environmental Quality (DEQ) Clean Water State Revolving Fund (CWSRF) loan program. From 2008-2010, the MWMC secured several CWSRF loan agreements totalling \$20.8 million. These 20-year loans provide the MWMC below-market interest rates, along with additional financial benefits, including:

- \$450,000 in “Sponsorship” funding allocated for riparian shade tree planting projects to help address the MWMC’s pending thermal load obligations. The financing of these watershed-based projects is made available through the CWSRF program Sponsorship Option, which provides funding to the borrower to address nonpoint source water quality solutions through a reduced interest rate. The interest rate reduction allows the MWMC to invest in watershed improvements using money that would have otherwise been paid as interest on the loan.
- \$4 million funded through the American Reinvestment and Recovery Act (ARRA, or “Stimulus”). The ARRA funding provided 50% of the loan in principal forgiveness (not requiring repayment), and the remaining 50% of principal payment bearing 0% interest. This resulted in \$2 million of net revenue to the CIP in addition to interest savings.

The RWP’s operating fund is maintained to pay for operations, administration, debt service, equipment replacement contributions and capital contributions associated with the RWP. The operating fund derives the majority of its revenue from regional wastewater user fees that are collected by the City of Eugene and City of Springfield from their respective customers. In accordance with the MWMC 2005 Financial Plan, funds remaining in excess of budgeted operational expenditures can be transferred from the Operating Fund to the Capital Reserve fund. The Capital Reserve accumulates revenue to help fund capital projects, including major rehabilitation, to reduce the amount of borrowing necessary to finance capital projects.

The AMCP consists of three programs managed by the City of Eugene and funded through regional wastewater user fees: The Equipment Replacement Program, which funds replacement of equipment valued at or over \$10,000 but less than \$200,000; The Major Rehabilitation Program, which funds rehabilitation of the MWMC infrastructure such as roof replacements, structure coatings, etc.; and the Major Capital Outlay Program for capital items (new or replacement) with costs greater than \$200,000. The MWMC assets are tracked throughout their

lifecycle using asset management tracking software. Based on this information, the three AMCP program annual budgets are established and projected for the 5-Year Capital Plan.

For planning purposes, the MWMC must consider market changes that drive capital project expenditures. Specifically, the MWMC capital plan reflects projected price changes over time that affect the cost of materials and services. Until about 2003, the 20-city average *Engineering News Record Construction Cost Index* (ENRCCI) served as a good predictor for future inflation and was used for projecting the MWMC's construction costs. Accordingly, construction cost projections considered in the 2004 FP were based on January 2004, 20-city average ENRCCI. However, in the period 2004 through 2008, construction inflation accelerated nationally with local construction cost inflation accelerating even faster than the national average. City of Springfield staff identified this trend in 2005 and subsequently modified their inflationary projection methodology accordingly.

In early 2006, the MWMC hired the consulting firm CH2M to perform a comprehensive update of project cost estimates. Following the 2006 update, the RWP's CIP assumed a general price increase of 5% per-year over the planning period. However, the MWMC continues to monitor inflationary trends to inform our forecasting of capital improvement costs. Accordingly, based on historical inflationary rates from 2006 through 2016, capital project budgets now reflect a 4% annual inflationary factor in the FY 17-18 Budget and 5-year Capital Plan.

Regional Wastewater Capital Program Status and Budget

CIP Project Status and Budget

The FY 17-18 CIP Budget is comprised of the individual budgets for each of the active (carryover) or starting (new) projects in the first year of the 5-Year Capital Plan. The total of these FY 17-18 project budgets is \$33,641,000. Each capital project represented in the FY 17-18 Budget is described in detail in a CIP project sheet that can be found at the end of this document. Each project sheet provides a description of the project, the project's purpose and driver (the reason for the project), the funding schedule for the project, and the project's expected final cost and cash flow. For those projects that are in progress, a short status report is included on the project sheet.

Completed Capital Projects

In FY 16-17, the following capital projects are projected to be completed and closed out. No CIP project sheets are included for these projects because there is no expected carryover of project funds to FY 17-18.

- Repair/Replacement of Biosolids Force Main
- Sodium Hypochlorite Conversion
- Capacity Management Operations and Maintenance (CMOM)

Carryover Capital Projects

All or a portion of remaining funding for active capital projects in FY 16-17 is carried forward to the FY 17-18 Budget. The on-going carryover projects are:

- Increase Digestion Capacity
- Operations & Maintenance Building Improvements
- Electrical Distribution System Replacement and Upgrades¹
- Thermal Load Mitigation: Pre-Implementation
- Thermal Load Mitigation: Implementation 1
- Poplar Harvest Management Services
- Decommissioning WPCF Lagoon
- Facilities Plan Engineering Services

Overall, the budgeting for these projects follows, and is consistent with, the 2006 CH2M estimated cost of the listed capital projects and new information gathered during design development.

New Projects

No new projects are anticipated for the MWMC FY 17-18 Capital Budget.

¹ The Electrical Distribution System Replacement and Upgrades Project was budgeted in FY 16-17 through Supplemental Budget #3

FY 17-18 Capital Budget Summary (Exhibit 12)

Exhibit 12 below displays the adjusted budget and end-of-year expenditure estimates for FY 16-17, the amount of funding projected to be carried over to FY 17-18 and additional funding for existing and/or new projects in FY 17-18.

EXHIBIT 12**Summary of FY 17-18 MWM Construction Program Capital Budget**

	FY 16-17 ADJUSTED BUDGET	FY 16-17 ESTIMATED ACTUALS	FY 16-17 CARRYOVER TO FY 17-18	NEW FUNDING FOR FY 17-18	TOTAL PROPOSED FY 17-18 BUDGET
Projects to be Completed in FY 16-17					
Biosolids Force Main Rehab	50,000	0	0	0	0
Sodium Hypochlorite Conversion	50,000	16,000	0	0	0
Capacity Mgmt Operations Maint (CMOM)	45,000	5,000	0	0	0
Projects to be Carried Over to FY 17-18					
Increase Digestion Capacity	14,563,665	1,029,665	13,534,000	0	13,534,000
Operations & Maint Building Improvements	13,873,253	1,353,253	12,520,000	0	12,520,000
Electrical Distribution System Replace / Upgrade	125,000	125,000	0	5,875,000	5,875,000
Thermal Load Mitigation: Implementation 1 ⁽¹⁾	190,550	144,894	46,000	984,000	1,030,000
Poplar Harvest Management Services	798,712	78,910	330,000	0	330,000
Thermal Load Mitigation: Pre-Implementation	291,527	98,073	180,000	0	180,000
Decommissioning WPCF Lagoon	479,650	37,650	92,000	0	92,000
Facilities Plan Engineering Services	58,772	58,772	0	80,000	80,000
TOTAL Capital Projects	\$30,526,129	\$2,947,217	\$26,702,000	\$6,939,000	\$33,641,000
Major Capital Outlay Carried Over to FY 17-18					
Biogas Cogeneration ⁽²⁾	1,652,979	1,030,979	622,000	0	622,000
TOTAL Major Capital Outlay	\$1,652,979	\$1,030,979	\$622,000	\$0	\$622,000

Notes:

(1) Thermal Load Mitigation: Implementation 1 budget includes Mill Race Sponsorship (\$200,000) and Cedar Creek Sponsorship (\$250,000).

(2) Biogas Cogeneration is a multi-year Major Capital Outlay project that includes connectivity with the Increase Digestion Capacity project.

FY 17-18 Asset Management Capital Project Status and Budget

The AMCP consists of the following three programs:

- Equipment Replacement
- Major Rehabilitation
- Major Capital Outlay

The FY 17-18 budget and status of each program is described below.

Equipment Replacement Program - Budget

The FY 17-18 Capital Programs budget includes \$715,000 in Equipment Replacement purchases that are identified on the table below.

Equipment Replacement	
Project Description	<i>Proposed</i> FY 17-18 Budget
Bar Screens (4)	240,000
Fleet Replacement (5)	217,000
Clarifier Drive Unit	110,000
Digester Dilution Water Pump, Progressive Cavity	80,000
Autoclave	30,000
Digester Drain Grinder	25,000
Plotter Printer	13,000
Total	\$715,000

Bar Screens. Replacement of 4 bars screens in pretreatment.

Fleet Replacement. An assessment of age, mileage, hours of operation, and maintenance costs supports the replacement of one electric cart, two utility pickup trucks, one utility cart, and one sweeper broom attachment.

Clarifier Drive Unit. Replace drive unit on #3 primary clarifier.

Digester Dilution Water Pump. Replacement of 27 year old progressive cavity pump.

Autoclave. Replacement of 30 year old lab autoclave.

Digester Drain Grinder. Replacement of 22 year old digester drain grinder.

Plotter Printer. Replace large plotter printer.

Major Rehabilitation Program - Budget

The FY 17-18 Capital Programs budget includes \$566,000 for Major Rehabilitation projects that are identified on the table below.

Major Rehabilitation	
Project Description	<i>Proposed</i> FY 17-18 Budget
Signal and Network Cabling, Bldg Improvement Projects	156,000
Air Drying Bed Resurfacing (bed #13)	115,000
Secondary Clarifier Rake Arms Coating	80,000
Influent Pump Discharge Coating	75,000
BMF Controls Evaluation	50,000
Operations / Maintenance Building Improvements	50,000
Air Drying Beds Crack / Fog Sealing (all 13 beds)	25,000
LED Pole Lighting	15,000
Total	\$566,000

Signal and Network Cabling, Building Improvement Projects. Replace signal and network cabling infrastructure and devices during the building improvement project. Upgrade cables and network equipment to current network standards.

Air Drying Bed Resurfacing. The biosolids drying process takes place on 13 asphalt drying beds over a 25 acre area. The beds have been on a rotational schedule for resurfacing to extend their useful life. In FY17-18 bed #13 will be resurfaced.

Secondary Clarifier Rake Arms. Sandblast and recoat areas of corrosion with a three layer coating process. Rehabilitation plan is to recoat two arms per year until all 10 arms have been recoated.

Influent Pump Discharge Coating. Recoating to prevent corrosion and prolong life.

Biosolids Management Facility (BMF) Controls Evaluation. Request is for professional services to evaluate the state of automation at BMF and make recommendations on how to improve the stability and maintainability of the process control and communication systems.

Operations/Maintenance Building Improvements. This expenditure will go towards miscellaneous improvements, repairs, and renovations to improve the functionality and usefulness of existing buildings.

Air Drying Beds Crack/Fog Sealing (all 13 beds). Provides a protective seal on the surface of asphalt drying beds to maximize useful life.

LED Pole Lighting. Purchase and installation of 22 LED pole mounted lights to finish replacing the remaining HID high pressure sodium lights.

Major Capital Outlay - Budget

The FY 17-18 Capital Programs budget includes \$622,000 for the Major Capital Outlay items identified on the table below.

Major Capital Outlay	
Project Description	<i>Proposed</i> FY 17-18 Budget
Biogas Cogeneration Electrical Switch Gear	622,000
Total	\$622,000

Electrical Swith Gear. Construction and engineering services to install new electrical switch gear to increase load capacity for the engine generator and the new 4th digester.

Asset Management Capital Budget Summary

The following table summarizes the FY 17-18 Asset Management Capital Program Budget by project type.

Asset Management Capital Project Budget Summary	
Capital Project Type	<i>Proposed</i> FY 17-18 Budget
Equipment Replacement	715,000
Major Rehabilitation	566,000
Major Capital Outlay	622,000
Total	\$1,903,000

5-Year Capital Plan (Exhibit 13)

For each fiscal planning cycle, only the first year of budget authority is appropriated. The remaining four years of the CIP and AMCP Capital Plans are important and useful for fiscal and work planning purposes. However, it is important to note that the funds in the outer years of the Capital Plan are only planned and not appropriated. Also, the full amount of obligated multi-year project costs is often appropriated in the first year of the project, unless a smaller subset of the project, such as project design, can be identified and funded without budgeting the full estimated project cost. For these multi-year contracts, unspent funds from the first fiscal year will typically be carried over to the next fiscal year until the project is completed. Accordingly, the RWP Capital Plan presented herein is a subsequent extension of the plan presented in the adopted FY 16-17 Budget that has been carried forward by one year. However, changes to the plan typically

occur from year to year as more information becomes available. In addition to these yearly adjustments, RWP staff were further informed by a Partial Facilities Plan Update that was completed in June of 2014. Those changes were reflected in the MWMC FY 16-17 budget and continue forward in the FY 17-18 for the 5-Year Capital Plan.

Exhibit 13 displays the MWMC 5-Year Capital Plan programs budget, which includes \$68,526,000 in planned capital projects and \$11,807,000 planned asset management capital projects for an overall 5-Year Capital Plan Budget of \$80,333,000.

EXHIBIT 13

Regional Wastewater 5-Year Capital Programs

	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	TOTAL
CAPITAL PROJECTS						
Biosolids Management						
Poplar Harvest Management Services	330,000	680,000	380,000	90,000	90,000	1,570,000
Non-Process Facilities and Facilities Planning						
Facility Plan Engineering Services	80,000	85,000	90,000	100,000	100,000	455,000
Comprehensive Facility Plan		200,000	820,000	1,070,000		2,090,000
Conveyance Systems						
Glenwood Pump Station		1,200,000				1,200,000
Plant Performance Improvements						
Increase Digestion Capacity	13,534,000					13,534,000
Operations & Maintenance Building Improvements	12,520,000					12,520,000
Electrical Distribution System Replace / Upgrade	5,875,000					5,875,000
Thermal Load Mitigation: Implementation 1 ⁽¹⁾	1,030,000	1,030,000	1,530,000	2,010,000	2,010,000	7,610,000
Thermal Load Mitigation: Pre-Implementation	180,000	100,000				280,000
Decommissioning WPCF Lagoon	92,000	5,200,000				5,292,000
Aeration Basin Improvements - Phase 2			4,300,000	6,000,000	5,800,000	16,100,000
Tertiary Filtration - Phase 2					2,000,000	2,000,000
TOTAL CAPITAL PROJECTS	\$33,641,000	\$8,495,000	\$7,120,000	\$9,270,000	\$10,000,000	\$68,526,000
ASSET MANAGEMENT						
Equipment Replacement	715,000	1,600,000	2,080,000	1,930,000	1,240,000	7,565,000
Major Rehab	566,000	1,157,000	707,000	644,000	546,000	3,620,000
Major Capital Outlay ⁽²⁾	622,000					622,000
TOTAL ASSET MANAGEMENT	\$1,903,000	\$2,757,000	\$2,787,000	\$2,574,000	\$1,786,000	\$11,807,000
TOTAL CAPITAL IMPROVEMENTS	\$35,544,000	\$11,252,000	\$9,907,000	\$11,844,000	\$11,786,000	\$80,333,000

Note:

(1) Thermal Load Mitigation: Implementation 1 budget includes Mill Race Sponsorship (\$200,000) and Cedar Creek Sponsorship (\$250,000).

(2) Biogas Cogeneration is a multi-year Major Capital Outlay project that includes connectivity with the Increase Digestion Capacity project.

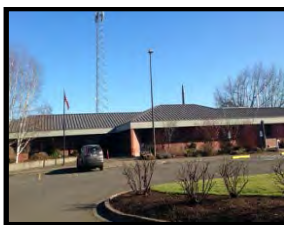
INCREASE DIGESTION CAPACITY



Description:	Installation of a fourth digester for expanded production of Class B biosolids. This project also included supporting the plant-wide landscaping construction work that was completed in December of 2012.
Status:	As of January 9, 2017, the project to Increase Digestion Capacity is in the bidding phase for a fourth digester and construction should start in spring of 2017. The MWMC has three existing digesters.
Justification:	Continue to meet the requirements for Class B digestion with the ability to take one digester out of service for cleaning and/or repairs.
Project Driver:	Addresses the need for anaerobic digestion capacity. The 2004 MWMC Facilities Plan considers an option to upgrade the existing digestion process to meet Class A biosolids standards as a strategy to secure a wider range of beneficial end-use options and increase program flexibility. Since that time, the MWMC has effectively expanded beneficial application of Class B biosolids with expansion of the Biocycle Poplar Farm, and through working with private sector end-users.
Project Trigger:	Estimates indicate that expanded digestion facilities will be needed by 2018.
Improvement SDC Eligibility:	54.3%
Estimated Project Cost:	\$16,653,170 (funding for administration, design, permits, construction, etc.)
Estimated Cash Flow:	FY 11-12 = \$139,028; FY 12-13 = \$44,142; FY 13-14 = \$0; FY 14-15 = \$312,932 FY 15-16 = \$1,593,403; FY 16-17 = \$1,029,665; FY 17-18 = \$9,295,000; FY 18-19 = \$4,239,000

<u>Expenditure/Category:</u>	<u>Prior Years</u>	<u>2016-17 Est. Act.</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>Total</u>
Design/Construction	\$2,089,505	\$1,029,665	\$13,534,000	\$0	\$0	\$0	\$0	\$16,653,170
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$2,089,505	\$1,029,665	\$13,534,000	\$0	\$0	\$0	\$0	\$16,653,170

OPERATIONS & MAINTENANCE BUILDING IMPROVEMENTS



Operations Building

Maintenance Building
Aerial

Maintenance Building



ISC Modular Building

Description:

This project will update and expand the Operations and Maintenance (O&M) support facilities at the Water Pollution Control Facility (WPCF). The support facilities to be updated and expanded include the Maintenance Building and Administrative/Operations Building. In addition, a new water quality laboratory building will be constructed where the temporary ISC building is currently located after it is removed.

Status:

As of January 9, 2017: The architectural consultant is finalizing the design package which includes modifications and additions to the Maintenance and Administration/Operations Buildings and the design of a new water quality laboratory building. The project is anticipated to have the construction bidding phase in February/March of 2017.

Justification:

The original design and construction of the O&M Buildings at the WPCF was completed in the late 1970s and early 1980s. Since that time, use of the O&M Buildings have changed substantially due to modifications in the workforce, advancing technology, regulatory changes, and an increase in staff to support the MWMC mission of cleaning water. Lastly, the ISC modular building was installed as a temporary structure in 1996 and has since reached the end of its useful life.

Project Driver:

The need to update and/or replace the existing O&M support facilities is driven by the need to provide a safe and efficient work environment for WPCF staff. Many of the planned changes stem from a changing wastewater/environmental business as a result of changing regulations since the WPCF was original constructed in the early 1980's.

Project Trigger:

Expansion and changes needed for functionality and safety.

Estimated Project Cost: \$14,900,000

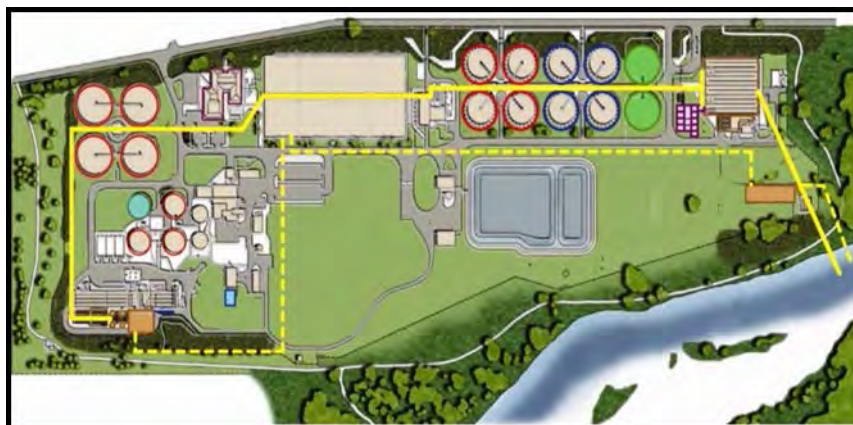
Improvement

SDC Eligibility: 20.6%

Estimated Cash Flow:

FY 14-15 = \$180,833; FY 15-16 = \$845,914; FY 16-17 = \$1,353,253;
FY 17-18 = \$8,800,000; FY 18-19 = \$3,300,000; FY 19-20 = \$420,000 (estimated cash flow related to administration, design, permits, construction, etc.)

	<u>Prior</u>	<u>2016-17</u>						
<u>Expenditure/Category:</u>	<u>Years</u>	<u>Est. Act.</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>Total</u>
Design/Construction	\$1,026,747	\$1,353,253	\$12,520,000	\$0	\$0	\$0	\$0	\$14,900,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$1,026,747	\$1,353,253	\$12,520,000	\$0	\$0	\$0	\$0	\$14,900,000

ELECTRICAL DISTRIBUTION SYSTEM REPLACEMENT AND UPGRADES

Description: This project provides the planning, design and construction for the replacement of electrical distribution system components at the Water Pollution Control Facility (WPCF). In addition, some of the components may be upsized to better accommodate future load increases anticipated with the implementation of future Capital Program projects. Finally, this project assesses and provides resources to better address unplanned power outages as may occur periodically.

Status: This project is currently in the planning phase.

Justification: Provide reliable electrical power supply to the treatment processes needed to meet the MWMC's NPDES permit.

Project Driver: The medium voltage conductors and some of the associated equipment has reached the end of useful life and is increasingly at risk of failure.

Project Trigger: This project is being scheduled for earliest possible implementation.

Project Type: 100% Performance

**Improvement
SDC Eligibility:** 0%

Estimated Project Cost: \$6,000,000

Estimated Cash Flow: FY 16-17 = \$125,000; FY-17-18 = \$4,440,000; FY 18-19 = \$1,435,000

<u>Expenditure/Category:</u>	<u>Prior Years</u>	<u>2016-17 Est. Act.</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>Total</u>
Design/Construction	\$0	\$0	\$5,875,000	\$0	\$0	\$0	\$0	\$5,875,000
Other	\$0	\$125,000	\$0	\$0	\$0	\$0	\$0	\$125,000
Total Cost	\$0	\$125,000	\$5,875,000	\$0	\$0	\$0	\$0	\$6,000,000

THERMAL LOAD MITIGATION – IMPLEMENTATION 1



Description:	This project implements thermal load mitigation projects strategized for regulatory compliance and additional environmental and community benefits. The projects may include recycled water use expansion at MWMC facilities and/or extension of recycled water services to community partners, water quality trading credit strategies through shade credit investments, and collaborative partnerships for permit compliance. The recycled water projects may include additional treatment, disinfection, pumping, pipeline, and distribution/irrigation systems.
Status:	Pilot-scale riparian shade projects are currently being implemented under a 25-year contract agreement with The Freshwater Trust. Additional project opportunities are being evaluated for future implementation under the Thermal Load Mitigation: Pre-Implementation Project.
Justification:	Meet future thermal load permit limits and improve water quality. Implementation of the thermal load compliance strategy developed under pre-implementation planning phase.
Project Driver:	Address NPDES permit thermal load compliance related to Willamette River total maximum daily loads (TMDL) temperature requirements.
Project Trigger:	Project implementation necessary for ongoing compliance with Oregon's temperature standard.
Project Type:	100% Performance
Improvement SDC Eligibility:	26%
Estimated Project Cost:	\$8,032,184
Estimated Cash Flow:	FY 13-14 = \$78,925; FY 14-15 = \$87,116; FY 15-16 = \$111,879; FY 16-17 = \$144,894; FY 17-18 = \$1,030,000; FY 18-19 = \$1,030,000; FY 19-20 = \$1,530,000; FY 20-21 = \$2,010,000; FY 21-22 = \$2,010,000

	<u>Prior</u>	<u>2016-17</u>						
<u>Expenditure/Category:</u>	<u>Years</u>	<u>Est. Act.</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>Total</u>
Design/Construction	\$277,920	\$144,894	\$1,030,000	\$1,030,000	\$1,530,000	\$2,010,000	\$2,010,000	\$8,032,814
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$277,920	\$144,894	\$1,030,000	\$1,030,000	\$1,530,000	\$2,010,000	\$2,010,000	\$8,032,814

POPLAR MANAGEMENT SERVICES



Description:	The Biocycle Farm comprises nearly 400 acres of hybrid poplar trees, which were planted as three management units (MUs). The MUs were initially planted in 2004, 2007, and 2009 and are managed on regulated 12-year rotations. This project develops a harvest management plan for the Biocycle Farm through market collaboration and refinement of poplar harvest and planting practices. The project ensures the timely harvest of the initial plantings in each MU within the regulatory 12-year rotation limit and subsequent replanting.
Status:	35% completed. MU-1, comprising 156 acres, was fully harvested in 2013-2015 and was replanted in 2016 with replanting monitoring activities extending into FY 16-17. MU-2 was partially harvested in FY 15-16 for test marketing of veneer. Harvest of MU-2 may resume in FY 16-17 and be completed by FY 18-19.
Justification:	Land use regulatory requirement for operation of the Biocycle Farm.
Project Driver:	Land Use Compatibility Statement (LUCS) issued by Lane County.
Project Trigger:	Oregon ORS/OAR and NRCS rules dictating that exclusive farm use lands and farmed wetland status agricultural lands requiring agriculturally managed hybrid poplar plantations must be limited to 12-year rotation duration.
Project Type:	100% Performance
Improvement SDC Eligibility:	0%
Estimated Project Cost:	\$2,016,198 for harvest and administration of the initial plantings across all three MUs.
Estimated Cash Flow:	FY 13-14 = \$116,009; FY 14-15 = \$114,465; FY 15-16 = \$136,814; FY 16-17 = \$78,910; FY 17-18 = \$330,000; FY 18-19 = \$680,000; FY 19-20 = \$380,000; FY 20-21 = \$90,000; FY 21-22 = \$90,000

<u>Expenditure/Category:</u>	<u>Prior Years</u>	<u>2016-17 Est. Act.</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>Total</u>
Design/Construction	\$367,288	\$78,910	\$330,000	\$680,000	\$380,000	\$90,000	\$90,000	\$2,016,198
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$367,288	\$78,910	\$330,000	\$680,000	\$380,000	\$90,000	\$90,000	\$2,016,198

THERMAL LOAD MITIGATION PRE-IMPLEMENTATION



Description:	This project includes the study and planning of thermal load mitigation measures including recycled water feasibility studies, riparian shading projects, and water quality trading credit development, as well as associated permit negotiation and legal strategy related to the temperature total maximum daily loads (TMDL) and NPDES permit renewal.
Status:	Two of three planned phases of thermal load strategy planning have been completed with recommendations to develop opportunities for recycled water demonstration projects and partnerships in watershed restoration for temperature credits. The third phase of study commenced in FY 15-16 and will continue in FY 16-17 through FY 17-18.
Justification:	Provides planning of infrastructure, projects, and collaborative agreements needed so that thermal loads are reduced on the Willamette River while providing additional environmental and community benefits.
Project Driver:	Address NPDES permit thermal load compliance related to Willamette River TMDL temperature requirements.
Project Trigger:	Planning necessary for ongoing compliance with Oregon's temperature standard.
Project Type:	100% Performance
Improvement SDC Eligibility:	26%
Estimated Project Cost:	\$757,141
Estimated Cash Flow:	FY 13-14 = \$ 295,995; FY 14-15 = \$48,908; FY 15-16 = \$34,165; FY 16-17 = \$98,073; FY-17-18 = \$180,000; FY 18-19 = \$100,000

	<u>Prior</u>	<u>2016-17</u>						
<u>Expenditure/Category:</u>	<u>Years</u>	<u>Est. Act.</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>Total</u>
Design/Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$379,068	\$98,073	\$180,000	\$100,000	\$0	\$0	\$0	\$757,141
Total Cost	\$379,068	\$98,073	\$180,000	\$100,000	\$0	\$0	\$0	\$757,141

DECOMMISSION WPCF LAGOON



Description: This project decommissions the existing biosolids lagoon at the Water Pollution Control Facility (WPCF).

Status: As of January 9, 2017: The project is in the design phase. The MWMC hired a consultant in December of 2014 to create a bid package to decommission the lagoon. Lagoon decommissioning site work is anticipated in 2019, and the schedule is subject to change based on progress of the construction of the forth digester improvements.

Justification: The lagoon was constructed in 1979 as a temporary biosolids storage facility while the Biosolids Management Facility was under construction. Since that time it has also served as a temporary storage lagoon to support digester cleaning operations. However, the lagoon no longer serves the purpose for which it was originally constructed and does not meet current design standards for wastewater lagoons.

Project Driver: The lagoon can no longer provide the biosolids capacity for which it was intended nor cost effectively continue to support digester cleaning operations. The lagoon is almost full of accumulated rainwater and residual solids. Therefore, the decision was made to decommission the lagoon and change the process of cleaning the digesters.

Project Trigger: The WPCF lagoon no longer functions as originally designed.

Estimated Project Cost: \$5,550,000 (funding for administration, design, permits, construction, etc.)

**Improvement
SDC Eligibility:** 0%

Estimated Cash Flow: FY 13-14 = \$1,769; FY 14-15 = \$128,550; FY 15-16 = \$90,031; FY 16-17 = \$37,650; FY 17-18 = \$40,000; FY 18-19 = \$530,000; FY 19-20 = \$4,722,000

<u>Expenditure/Category:</u>	<u>Prior Years</u>	<u>2016-17 Est. Act.</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>Total</u>
Design/Construction	\$220,350	\$37,650	\$92,000	\$5,200,000	\$0	\$0	\$0	\$5,550,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$220,350	\$37,650	\$92,000	\$5,200,000	\$0	\$0	\$0	\$5,550,000

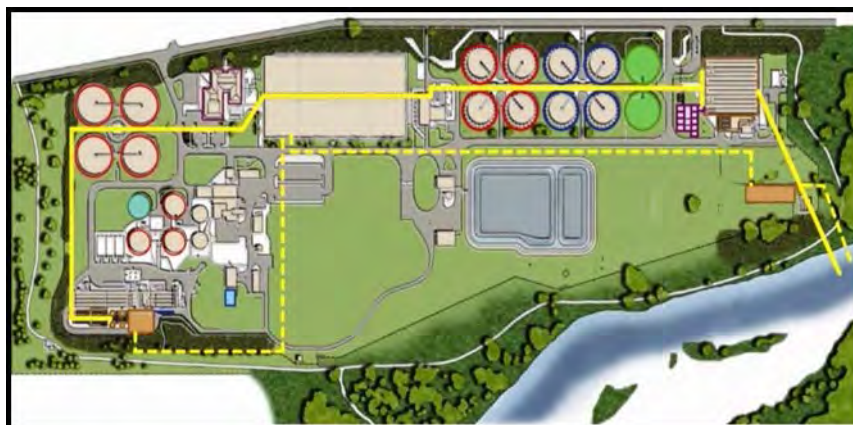
FACILITY PLAN ENGINEERING SERVICES



Description:	Engineering services for analysis, project definition, cost estimating, and general consultation regarding the 20-Year Facilities Plan.
Status:	The work completed this year included an assessment of the existing medium voltage electrical conductors and associated equipment of the same vintage, and an assessment of the Glenwood Pump Station firm capacity (i.e., the capacity of with the largest pump out of service).
Justification:	Projects were developed to varying levels of specificity in the 20-Year Facilities Plan and there is an on-going need for ongoing technical and engineering resources to help in further refining projects and generally assisting with implementation of the plan. Another need addressed by this resource is assurance that the new improvements maintain the overall integrity of the plant in terms of treatment processes and hydraulics. This task also provides ongoing planning work related to items not addressed by the 2004 MWMC Facilities Plan.
Project Driver:	Ongoing goal to efficiently follow and accommodate the upgrades resulting from the 20-Year Facilities Plan.
Project Trigger:	On-going need.
Estimated Project Cost:	\$1,108,639
Estimated Cash Flow:	FY 06-07 = \$50,000; FY 07-08 = \$50,044; FY 08-09 = \$25,467; FY 09-10 = \$31,829; FY 10-11 = \$69,419; FY 11-12 = \$8,699; FY 12-13 = \$36,690; FY 13-14 = \$146,491; FY 14-15 = \$67,453; FY 15-16 = \$36,775; FY 16-17 = \$130,772; FY 17-18 = \$80,000; FY 18-19 = \$85,000; FY 19-20 = \$90,000; FY 20-21 = \$100,000; FY 21-22 = \$100,000

<u>Expenditure/Category:</u>	<u>Prior</u> <u>Years</u>	<u>2016-17</u> <u>Est. Act.</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>Total</u>
Design/Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$522,867	\$58,772	\$80,000	\$85,000	\$90,000	\$100,000	\$100,000	\$1,036,639
Total Cost	\$522,867	\$58,772	\$80,000	\$85,000	\$90,000	\$100,000	\$100,000	\$1,036,639

COMPREHENSIVE FACILITIES PLAN UPDATE NO. 1



Description: This will be the first MWMC Comprehensive Facilities Plan Update since the 2004 MWMC Facilities Plan. This Comprehensive Facilities Plan Update effort will include permit renewal and facilities planning technical services to assess capital improvement requirements over a 20-year planning horizon. The comprehensive facilities planning update will draw on the most recent plant data, permit compliance requirements, and available technology in order to ensure the MWMC continues to meet future regulations, environmental standards, and customer needs.

Status: Planned for future implementation.

Justification: Plan future conveyance and treatment upgrades and/or expansions to meet regulatory requirements, preserve public health and regional water quality standards.

Project Driver: Provides comprehensive facilities planning to develop the capital program for the upcoming 20-year period once the MWMC receives new regulatory requirements under the next NPDES permit renewal.

Project Trigger: Planning cycle initiated under the 2004 Facilities Plan and later modified to match evolving NPDES permit renewal schedule, now estimated for 2018 at the earliest.

Project Type: Facilities Plan

Improvement SDC Eligibility: 21%

Estimated Project Cost: \$2,092,280

Estimated Cash Flow: FY 14-15 = \$2,280; FY 18-19 = \$200,000; FY 19-20 = \$820,000; FY 20-21 = \$1,070,000

<u>Expenditure/Category:</u>	<u>Prior Years</u>	<u>2016-17 Est. Act.</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>Total</u>
Design/Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$2,280	\$0	\$0	\$200,000	\$820,000	\$1,070,000	\$0	\$2,092,280
Total Cost	\$2,280	\$0	\$0	\$200,000	\$820,000	\$1,070,000	\$0	\$2,092,280

GLENWOOD PUMP STATION UPGRADE

Description:	Expand Glenwood pump station capacity. The existing pump station is built to be expandable in capacity when the need arises. Two pumps are installed with the expandability to add up to two additional pumps when needed.
Status:	The project is anticipated to start design development in 2018 with consultant services. The scope of work is planned to add one wastewater pumping system.
Justification:	Additional pumping capacity will be required at this MWMC pump station to handle increasing flows in the Glenwood area (Springfield) and the Laurel Hill area (Eugene).
Project Driver:	Keep up with capacity needs, maintain required pumping redundancy, and prevent overflows upstream of the Glenwood pump station.
Project Trigger:	Planning work in 2014 anticipates that a third pump to increase capacity should be operational by about year 2019. The timing will be impacted by the rate and type of development in the area and efforts to minimize infiltration and inflow that impact the Glenwood pump station. The MWMC Partial Facilities Plan Update document dated June 2014 recommended moving the initial budget year to FY 18-19 as shown below.
Project Type:	100% Capacity
Improvement SDC Eligibility:	38.2%
Estimated Project Cost:	\$1,200,000 (funding for administration, design, permits, construction, etc.)
Estimated Cash Flow:	FY 18-19 = \$1,120,000; FY 19-20 = \$80,000

<u>Expenditure/Category:</u>	<u>Prior Years</u>	<u>2016-17 Est. Act.</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>Total</u>
Design/Construction	\$0	\$0	\$0	\$1,200,000	\$0	\$0	\$0	\$1,200,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$0	\$0	\$0	\$1,200,000	\$0	\$0	\$0	\$1,200,000

AERATION BASIN IMPROVEMENTS – PHASE 2



Description: Aeration Basin (Phase 2): Add step feed, anoxic selectors, and fine bubble diffusers to 4 of the 8 cells of the aeration basins and make hydraulic improvements. This project was originally the North Aeration Basin Improvements project; however the Phase 1 study/design phase showed that improvements to the four eastern most basins as a first phase would allow for better hydraulics and more operational flexibility.

In January 2016, the project scope and cost (estimate \$750K in 2015) increased to include replacement of existing aeration basin gates, valves and spray system.

Status: The Aeration Basin (Phase 2) project is anticipated to start design development in fiscal year 19-20 with consultant services.

Justification: Increase the dry weather aeration basin treatment capacity with respect to ammonia (with nitrification) and increase the wet weather treatment capacity.

Project Driver: National Pollution Discharge Elimination System (NPDES) permit includes ammonia limit requiring nitrification in dry weather and expansion of wet weather capacity to treat wet weather flows to meet NPDES permit monthly and weekly suspended solids limits.

Project Trigger: Address water quality requirements (need to evaluate the requirements based on the MWMC next NPDES permit renewal that might be issued in 2018).

Project Type: 50% Capacity; 50% Performance

Improvement SDC Eligibility: 58.7%

Estimated Project Cost: \$16,100,000 (funding for administration, design, permits, construction, etc.)

Estimated Cash Flow: FY 19-20 = \$1,450,000; FY 20-21 = \$6,800,000; FY 21-22 = \$7,150,000; FY 22-23 = \$700,000

<u>Expenditure/Category:</u>	<u>Prior</u> <u>Years</u>	<u>2016-17</u> <u>Est. Act.</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>Total</u>
Design/Construction	\$0	\$0	\$0	\$0	\$4,300,000	\$6,000,000	\$5,800,000	\$16,100,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$0	\$0	\$0	\$0	\$4,300,000	\$6,000,000	\$5,800,000	\$16,100,000

TERTIARY FILTRATION - PHASE 2



Description: The phased work program will install infrastructure/support facilities for 30 mgd of filters for tertiary filtration of secondary treated effluent. Phase 2 is planned to install filter system technology sufficient for another 10 mgd of treatment that will increase the total filtration capacity to 20 mgd. The Phase 3 project will install the remaining filtration technology to meet the capacity needs identified in the 2004 MWMC Facilities Plan.

In January 2016, the project scope and cost (estimate \$530K in 2015) increased to include updating electrical switchgear, and install tertiary filter flushing headers/pipe vents.

Status: Tertiary Filtration (Phase 2) project is anticipated to start design development in fiscal year 21-22.

Justification: The 2004 MWMC Facilities Plan proposes phasing filters on a phased work program. Filtration provides high quality secondary effluent to help meet permit requirements and potential Class A recycled water.

Project Driver: Performance reliability to meet the dry weather NPDES total suspended solids limits of less than 10 mg/L, reuse development, and compliance with effluent limits during peak flow conditions.

Project Trigger: NPDES permit compliance for total suspended solids (TSS): Dry weather maximum month flow in excess of 49 mgd. Also, provide higher quality effluent so that reuse options can be developed. Continue to monitor the MWMC NPDES permit renewal timing and requirements.

Improvement SDC Eligibility: 41.6%

Estimated Project Cost: \$16,000,000 (funding for administration, design, permits, construction, etc.)

Estimated Cash Flow: FY 21-22 = \$1,500,000; FY 22-23 = \$5,800,000; FY 23-24 = \$8,700,000

Expenditure/Category:	Prior Years	2016-17 Est. Act.	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Design/Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000,000	\$2,000,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000,000	\$2,000,000

URBAN RENEWAL AGENCY

AGENDA ITEM SUMMARY



Work Session: Disposition of Agripac Building

Meeting Date: May 8, 2017

Department: Planning and Development Department

www.eugene-or.gov

Agenda Item: 4

Staff Contact: Michael Kinnison

Contact Telephone Number: 541-682-5500

ISSUE STATEMENT

The purpose of this work session is to provide direction on the disposition of the former Agripac Building that is temporarily being stored on EWEB property.

BACKGROUND

Originally constructed in 1921, the “Agripac Building” is a 2,100 square foot, single story, concrete block building that served as an office for the Eugene Fruit Growers’ Association (EFGA), Agripac, and Chiquita Processed Foods. By the 1940s, EFGA was one of the City’s largest industrial sites and employers. It played a key role in the growth of the region’s agricultural sector, by providing a number of services such as distribution, canning, packing, drying, and other processing. The building was in use until Chiquita closed the facility in 2001 and sold it to the City.

In May of 2013, the Urban Renewal Agency entered into an agreement with the General Services Administration and committed to developing a plan to protect the Agripac Building. Relocation of the building was deemed necessary for construction of the \$24.5M Northwest Community Credit Union (NWCU). The Urban Renewal Agency Board approved moving the building on October 31, 2012 and a Memorandum of Understanding (MOU) was developed with EWEB that allowed the building to be stored on their property at no cost. In June 2013, the building was moved to a site adjacent the EWEB substation on the riverfront property and stored on cribbing where it has remained to date.

Council approved selling the building in March 2014 and the building was subsequently sold in July 2014 to Kit Tangtrongjita (Cart DeFrisco owner) with the stipulation that the buyer would maintain the structure and relocate it by August 1, 2015. The buyer planned to reuse the building on a Franklin Blvd parcel that he owns to compliment a restaurant development concept. The City agreed to reimburse up to \$50,000 of the costs of moving the building to this final location.

Current Status

Mr. Tangtrongjita has been unable to secure the resources necessary to relocate the building in accordance with the terms of the sale, including construction of the foundation needed for the building to be placed on the property. EWEB initially provided notice in July 2015 that the building needed to be moved in order for them to address remediation of a contaminated site on

their property. EWEB has recently indicated their desire to have the building moved by the end of May 2017 in order to move forward with the remediation this spring.

Staff have made repeated attempts over the years to work with Mr. Tangtrongjita to facilitate relocating the building, including a recent offer to provide a loan to help finance the project. He has declined to take advantage of a loan and is not in a position to be able to cover the significant costs (estimated to be in excess of \$500K) for stabilizing, moving, building a foundation, addressing seismic upgrades, and rehabilitating the structure for another use. Mr. Tangtrongjita was notified of his breach of terms of the sales agreement and that the building would be considered abandoned if not moved by May 1, 2017. The building is now considered to be abandoned and the City has responsibility for moving it per the terms of the EWEB MOU.

Options are limited in order to meet obligations of the MOU and EWEB's timeline for remediation of the site. We currently have no other interested party to assume ownership and provide another location to move the building. Even if an alternative location off the EWEB property was available, crossing the railroad tracks requires 60 day advance notice to Union Pacific. For these reasons, the only feasible relocation option is to move the building to another location on the EWEB property. The building has deteriorated significantly since it has been in storage, is in danger of collapse, and would require engineering stabilization prior to relocating again (see attached inspection report). Costs to stabilize and relocate the building to another location on the EWEB property north of the steam plant are estimated to be \$55,000.

The most cost effective option (approximately \$10,000) is to demolish the building. Since there is no steel or other structure other than mortar holding the concrete blocks together the structural integrity of the building will continue to deteriorate until it is placed on a permanent foundation. At some point, the integrity of the building will be compromised to the extent that rendering it usable will not be feasible and demolition will be the only alternative.

Riverfront Urban Renewal funds are considered eligible to cover costs associated with relocation or demolition of the building within the District.

RELATED CITY POLICIES

Riverfront Urban Renewal District Plan Goals

1. To improve the function, condition, and appearance of the development area;
2. To eliminate existing blight and blighting influences;
3. To strengthen the economic and environmental conditions for the plan area and the metropolitan area;
4. To stimulate development activity and amenities near the new federal courthouse;
5. To stimulate appropriate redevelopment in the Riverfront area currently occupied by EWEB, if EWEB relocates in whole or in part from this property;
6. To improve connections between the core of downtown, Riverfront and the University of Oregon;

AGENCY BOARD OPTIONS

1. Direct staff to facilitate relocation of the building to another location on the EWEB property.
2. Direct staff to proceed with demolition and removal of the building.

CITY MANAGER'S RECOMMENDATION

No recommendation at this time.

SUGGESTED MOTION

Two options:

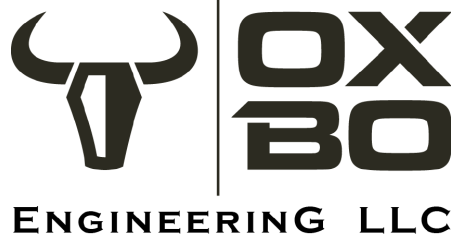
1. Move to direct City Manager to have the building temporarily relocated to another location on the EWEB property.
2. Move to direct City Manager to proceed with demolition and removal of the building.

ATTACHMENTS

A. Inspection report by Oxbo Engineering LLC

FOR MORE INFORMATION

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April 19, 2017

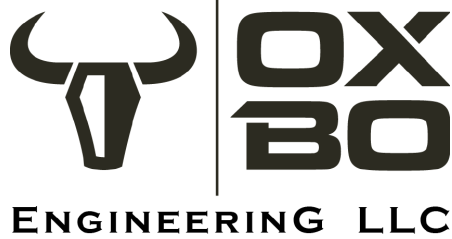
Nan Laurence
City of Eugene, Downtown Projects Manager

Dear Ms. Laurence,

I had the opportunity yesterday to inspect the condition of the Agripac Building, along with one of my senior structural moving foremen. I was asked to evaluate the building, and determine if it was safe for my crew to move it to the final proposed site. The building was lifted from its foundation, moved to its present storage location, and it has remained on cribbing since 2013.

The building is of unreinforced masonry block construction. This means that there is no steel or other component in the structure which serves to hold the concrete blocks together except the mortar. These type of buildings are highly susceptible to degradation and collapse, even when constructed and maintained properly. The condition of this building shows that the combination of lack of mortar strength, and having been stored for such a long period without a foundation, has allowed it to crack, settle, and deteriorate in several key places. Not only have continuous runs of mortar joints separated, but there some complete cracks that have also propagated through blocks in line with these joint separations. Mortar from failed joints which has fallen to the ground was of a powdery consistency when examined, and mortar still in joints on the building, when probed, indicated very low compressive strength, and very low bonding strength.

It is my opinion that the building is in a condition which makes it unsafe to be moved, or inhabited, without some significant remediation and structural upgrades. To survive being moved and jacked back down to a foundation, it would be necessary to design and install a reinforcement system that would consist of steel members placed at the corners of the building, and chains/binders that would serve to compress the walls of the building. This method should permit the building to be moved, but does not address the structural upgrades necessary to pass the required seismic and other building codes. Another issue I saw upon



inspection was questionable attachment between the roof trusses and the top of the northwest facing wall. This is the wall that will need to pass very close to the newer utility building during the move. Without support at the top, and with the other problems noted above, there is a very real risk that wall (and the building) could collapse and damage the other structure.









In summary, I cannot recommend that the building move be continued in the originally intended manner. More study, engineering and design work would be required.



Very Respectfully,

Tullio Celano III P.E.

Chief Engineer, Oxbo, Engineering, LLC