



AGENDA COVER MEMO

Memorandum Date: May 9, 2023

Order Date: May 9, 2023

TO: Board of County Commissioners

DEPARTMENT: Commissioners Business

PRESENTED BY: Steve Mokrohisky, County Administrator
Matt Stouder, MWMC Executive Officer/General Manager
Michelle Miranda, Eugene Wastewater Division Director
Katherine Bishop, Springfield Environmental Services Manager

AGENDA ITEM TITLE: IN THE MATTER OF RATIFYING THE FISCAL YEAR 2023-24
REGIONAL WASTEWATER PROGRAM BUDGET AND CAPITAL
IMPROVEMENTS PROGRAM AS APPROVED BY THE
METROPOLITAN WASTEWATER MANAGEMENT COMMISSION

I. MOTION

MOVE APPROVAL OF THE ATTACHED BOARD ORDER RATIFYING THE FISCAL YEAR 2023-24 (FY 23-24) METROPOLITAN WASTEWATER MANAGEMENT COMMISSION (MWMC) REGIONAL WASTEWATER PROGRAM BUDGET AND CAPITAL IMPROVEMENTS PROGRAM AS PRESENTED.

II. AGENDA ITEM SUMMARY

As provided for in the Intergovernmental Agreement (IGA), Lane County, the City of Eugene, and the City of Springfield, as governing bodies must ratify the annual MWMC Budget and Capital Improvements Program. The Board is being asked to approve the attached Board Order ratifying the FY 23-24 MWMC Regional Wastewater Program Budget and Capital Improvements Program as presented.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

Board ratification of the MWMC Regional Wastewater Program (RWP) Budget and Capital Improvements Program (CIP) occurs on an annual basis, as provided for in the MWMC IGA that was first adopted in 1977 by Lane County and the cities of Springfield and Eugene.

B. Analysis

The FY 23-24 RWP Budget and Capital Improvements Program (the budget document) was approved by the MWMC on April 14, 2023. The MWMC convened three budget work sessions and a public hearing prior to adopting the Budget and CIP. The FY 23-24 Budget funds all operations, administrative services, and capital projects planned for the RWP collection and treatment facilities. The CIP outlines and describes the capital projects planned for the next five years. In accordance with the IGA, MWMC contracts with the City of Eugene for operations and maintenance services, and with the City of Springfield for administrative services. The attached budget document provides regional program and budget summaries as well as detailed budgets for the services provided by Eugene and Springfield. The budget document also provides information about how the RWP activities are driven by MWMC established goals and how they are coordinated.

The FY 23-24 RWP Budget and CIP must be approved by the MWMC and ratified by Lane County, Eugene, and Springfield, and then finally adopted by the MWMC, prior to the beginning of the next fiscal year (July 1, 2023). The Springfield City Council is scheduled to ratify the Budget and CIP on May 1, 2023, and the Eugene City Council is scheduled to ratify the Budget and CIP on May 8, 2023.

C. Alternatives/Options

1. Ratify the MWMC FY 23-24 RWP Budget and CIP as adopted by the MWMC.
2. Request that MWMC modify the FY 23-24 RWP Budget and CIP and refer it back to MWMC for reconsideration.

If the Board elects to pursue Alternative 2, the specific request needs to be forwarded to the MWMC immediately in order to provide time for MWMC reconsideration and redistribution to the governing bodies for their consideration.

IV. RECOMMENDATION

Approval of the attached Board Order ratifying the fiscal year 2023-24 (FY 23-24) Metropolitan Wastewater Management Commission Regional Wastewater Program Budget and Capital Improvements Program as presented.

V. TIMING/IMPLEMENTATION

If the Board ratifies the Budget document as recommended, no further action is necessary. However, as noted above, if the Board elects to pursue Alternative 2, the specific request needs to be forwarded to the MWMC for consideration. A special MWMC meeting would then be convened to consider any modifications requested by the Board. Following the MWMC reconsideration, the Budget would be referred once again to the Board, Eugene, and Springfield for reconsideration. The IGA provides for a mediation process if agreement on the Budget document cannot otherwise be achieved.

VI. ATTACHMENTS

FY 2023-24 RWP Budget and CIP document, as approved by the MWMC on April 14, 2023.

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO: 23-05-09-04

IN THE MATTER OF RATIFYING THE
FISCAL YEAR 2023-24 (FY23-24)
REGIONAL WASTEWATER PROGRAM
BUDGET AND CAPITAL IMPROVEMENTS
PROGRAM AS APPROVED BY THE
METROPOLITAN WASTEWATER
MANAGEMENT COMMISSION (MWMC)

WHEREAS, the Board of Commissioners ratification of the Metropolitan Wastewater Management Commission Regional Wastewater Program Budget and Capital Improvements Program occurs on an annual basis, as provided for in the Metropolitan Wastewater Management Commission Intergovernmental Agreement first adopted in 1977; and

WHEREAS, the Metropolitan Wastewater Management Commission, after holding a required public hearing and following additional discussions and deliberation, directed on April 14, 2023, that the FY 2023-24 Regional Wastewater Program Budget and Capital Improvements Program be approved and forwarded to the governing bodies for ratification; and

WHEREAS, Lane County, one of the participating governing bodies, has now reviewed the Metropolitan Wastewater Management Commission's proposed Regional Wastewater Program Budget and Capital Improvements Program for FY 2023-24; and

NOW, THEREFORE, the Board of County Commissioners of Lane County **ORDERS** as follows:

1. That the Metropolitan Wastewater Management Commission's Regional Wastewater Program Budget and Capital Improvements Program for FY 2023-24 are hereby ratified.

ADOPTED this 9th day of May, 2023.

Pat Farr, Chair
Lane County Board of Commissioners

Preliminary Regional Wastewater Program Budget and Capital Improvements Program



Metropolitan Wastewater
MANAGEMENT COMMISSION



partners in wastewater management

Fiscal Year 2023-2024

REGIONAL WASTEWATER PROGRAM BUDGET and CAPITAL IMPROVEMENTS PROGRAM

Fiscal Year 2023-24

The Metropolitan Wastewater Management Commission is scheduled to adopt the Operating Budget and Capital Improvements Program (CIP) for FY 23-24 on April 9, 2023. The Budget and CIP are scheduled to be ratified by the Springfield City Council on May 1, 2023, the Eugene City Council on May 8, 2023, and the Lane County Board of Commissioners on May 9, 2023. The Commission is scheduled to give final ratification of the Budget and CIP on June 9, 2023.

COMMISSION MEMBERS:

Bill Inge, President (Lane County)
Jennifer Yeh, Vice President (Eugene)
Joe Pishioneri, (Springfield)
Pat Farr, (Lane County)
Doug Keeler, (Springfield)
Peter Ruffier, (Eugene)
Christopher Hazen, (Eugene)

STAFF:

Matthew Stouder, MWMC Executive Officer/General Manager
Michelle Miranda, Wastewater Director
Nathan Bell, MWMC Finance Officer



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METROPOLITAN WASTEWATER MANAGEMENT COMMISSION
FY 2023-24 BUDGET AND CAPITAL IMPROVEMENTS PROGRAM
for the
REGIONAL WASTEWATER PROGRAM

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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 budget for fiscal year 2023-24. This budget funds operations, administration, and capital projects planned for the Regional Wastewater Program.

MWMC Background

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, appointed by the City Councils of Eugene and Springfield and the Lane County Board of Commissioners, is responsible for oversight of the Regional Wastewater Program. Since 1983, the Commission has contracted with the cities of Springfield and Eugene to provide all staffing and services necessary to maintain and support the Regional Wastewater Program.

The MWMC has been providing high-quality wastewater services to the metropolitan area for 46 years. The service area for the MWMC consists of approximately 250,000 residents, including 82,000 residential and commercial accounts. The MWMC is committed to clean water, the community's health, the local environment, and to providing high quality services in a manner that will achieve, sustain, and promote balance between community, environmental, and economic needs.

Budget Development Process

The MWMC's budget development schedule begins in January, with a budget kick-off to review key outcomes the Commission strives to achieve, along with performance indicators identified to measure results of annual workplans over time. February includes a presentation of the draft Capital Improvement Program (CIP) budget and five-year capital plan, and in March the operating budget programs and user fee rate scenarios are presented for discussion and direction.

In April, the Commission holds public hearings on the Preliminary Regional Wastewater Program (RWP) Budget and CIP, and regional wastewater user rates. In May, the RWP budget is provided to the three governing bodies of Springfield, Eugene and Lane County for their review, input and ratification. The RWP Budget and CIP returns to the MWMC in June for final approval, with budget implementation occurring July 1.

Fiscal Year 2023-24 Budget

The Administration and Capital Improvements Program (CIP) components of the MWMC's budget are reflected in the City of Springfield's RWP budget. Operations, maintenance, equipment replacement, major rehabilitation, and major capital outlay components are reflected in the City of Eugene's RWP budget. Both cities' Industrial Pretreatment Programs are managed

locally in compliance with the MWMC Model Ordinance, and are also included in the RWP budget.

Capital Budget - The capital program 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 23-24 is \$67.1 million, and the five-year Capital Plan is currently projected at \$129.1 million.

Operating Budget - The FY 23-24 RWP Operating Budget for personnel services, materials and services and capital outlay expenses is \$23.9 million, reflecting an 6.7% increase when compared to the prior year adopted budget (when compared to the prior year amended budget the increase is 6.8%). The FY 23-24 budget includes Debt Service payments that total \$4.1 million as scheduled repayment of the \$32.7 million for revenue bonds issued in May 2016, and \$50,000 in Clean Water SRF loans to fund the Facilities Plan capital improvements.

Revenues - The RWP is 100% funded by user fees, from customers and industries receiving regional wastewater services. FY 23-24 user fee revenues (including septage service) are projected at \$38.5 million. This level of revenue is based on a recommended 4.5% increase on regional monthly wastewater user fees, and no increase on septage and hauled waste user fees, to meet revenue objectives for planned capital improvements.

Balanced Budget - The RWP achieves and maintains a structurally balanced budget with resources equal or greater than expenditures to set aside a portion of fund balance in reserves.

In summary, the FY 23-24 budget implements the Commission's adopted 2019 Financial Plan policies, funding operations and administration sufficiently to maintain service levels and to meet the environmental performance necessary for compliance with the National Pollutant Discharge Elimination System (NPDES) permit issued jointly to the MWMC and the two cities.

Regulatory Permit Status

The MWMC's new NPDES permit was issued on November 1, 2022, and will expire on September 30, 2027. The permit anticipates more stringent requirements. The MWMC continues to reduce debt obligations, while planning financially to be positioned for the NPDES permit requirements.

Respectfully submitted,



Matt Stouder
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.

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.

RNG – Renewal Natural Gas Upgrades consisting of biogas purification facilities at the treatment plant and connection to the Northwest Natural utility grid. Together, the system allows the MWMC to sell the upgraded gas (RNG) as a renewable fuel through offtake agreements.

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 46 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 authority for wastewater services and support for customers that are served by the MWMC in the Santa Clara unincorporated area.

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 23-24 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 help 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 23-24 RWP Operating Budget, Capital Improvements Program, and associated work plans.

Outcome 1: Achieve and maintain high environmental standards.

Indicators:	Performance:		
	FY 21-22 Actual	FY 22-23 Estimated Actual	FY 23-24 Target
<ul style="list-style-type: none"> Average removal efficiency of carbonaceous biochemical oxygen demand (CBOD) and total suspended solids (TSS) (permit limit 85%) 	97%	97%	95%
<ul style="list-style-type: none"> High quality biosolids (pollutant concentrations less than 50% of EPA exceptional quality criteria) 	Arsenic 12% Cadmium 18% Copper 30% Lead 9% Mercury 7% Nickel 4% Selenium 6% Zinc 35%	Arsenic 25% Cadmium 20% Copper 30% Lead 10% Mercury 10% Nickel 10% Selenium 10% Zinc 35%	Arsenic <50% Cadmium <50% Copper <50% Lead <50% Mercury <50% Nickel <50% Selenium <50% Zinc <50%
<ul style="list-style-type: none"> ISO14001 Environmental Management System – Continual Improvement of Environmental Performance 	All objectives met and no major nonconformities; Reduced waste gas flaring; Produce gas for use as renewable fuel; Installed new laboratory information management system	All objectives met and no major nonconformities	All objectives met and no major nonconformities
<ul style="list-style-type: none"> Climate Action Planning 		Completed FY 2019-20 Greenhouse Gas Emissions Inventory; presented to Commission	Complete FY 2021-22 Greenhouse Gas Inventory to include RNG facility impact

Outcome 1: Achieve and maintain high environmental standards (continued)

Indicators:		Performance:	
	FY 21-22 Actual	FY 22-23 Estimated Actual	FY 23-24 Target
<ul style="list-style-type: none"> Urban Waters & Wildlife Partnership 	Signed onto UWWP MOU	Explore partnership opportunities	Identify MWMC project roles and outcomes
<ul style="list-style-type: none"> Resource Recovery 	Completed construction of RNG and implemented full scale production of RNG	Begin design of UV Disinfection for Recycled Water	Construction of Class A Disinfection Facilities

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

Indicators:		Performance:	
	FY 21-22 Actual	FY 22-23 Estimated Actual	FY 23-24 Target
<ul style="list-style-type: none"> Annual budget and rates align with the MWMC Financial Plan 	Policies met	Policies met	Policies met
<ul style="list-style-type: none"> Annual audited financial statements 	Clean audit	Clean audit	Clean audit
<ul style="list-style-type: none"> Uninsured bond rating 	AA	AA	AA
<ul style="list-style-type: none"> Reserves funded at target levels 	Yes	Yes	Yes
<ul style="list-style-type: none"> Maintain Sound Financial Practices per the MWMC Financial Plan 	Yes	Yes	Review and update the Financial Plan
<ul style="list-style-type: none"> Ensure rates and rate changes are planned, moderate and incremental 	3.5%	3.5%	≤ 4.5%
<ul style="list-style-type: none"> MWMC utility billing collection rate at or above 98% 	---	> 98%	> 98%

Outcome 3: Achieve and maintain a successful intergovernmental partnership.

Indicators:	Performance:		
	FY 21-22 Actual	FY 22-23 Estimated Actual	FY 23-24 Target
<ul style="list-style-type: none"> Update MWMC Facilities Plan (Project P80101) 	---	Begin Project (NPDES permit effective 11/1/22)	Complete by January 2025
<ul style="list-style-type: none"> Implement and approve revised local limits and an updated MWMC pretreatment model ordinance; Implement model ordinance into Eugene and Springfield Codes 	Conducted system sampling; revised limits and updated model ordinance to reflect current CFRs	Preliminary approval from DEQ; Initiate public notice and Commission approval	Adopt local ordinances in Eugene and Springfield; Begin implementation
<ul style="list-style-type: none"> Partnership Assessment Tool 	---	Scope assessment tool options; present concepts/options for Commission consideration; Create RFP and select consultant	Begin implementation and data collection; report first round results to Commission
<ul style="list-style-type: none"> Community presentations regarding MWMC partnership, services and outcomes delivered jointly 	2 community presentations delivered by staff to groups in the service area	4 community presentations delivered by staff to groups in the service area	2 community presentations delivered by staff to groups in the service area

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

Indicators:	Performance:		
	FY 21-22 Actual	FY 22-23 Estimated Actual	FY 23-24 Target
<ul style="list-style-type: none"> Preventive maintenance completed on time (best practices benchmark is 90%) 	96%	96%	> 90%
<ul style="list-style-type: none"> Preventive maintenance to corrective maintenance ratio (benchmark 4:1-6:1) 	5.5:1	5.6:1	5:1
<ul style="list-style-type: none"> Emergency maintenance required (best practices benchmark is less than 2% of labor hours) 	1%	1%	< 2%
<ul style="list-style-type: none"> Asset management (AM) processes and practices review and development 	Annual update to AM plan completed	Implemented tasks from the Improvement Plan	Implement additional tasks from Improvement Plan
<ul style="list-style-type: none"> MWMC Resiliency Plan 	Plan implementation	Pump Station to conveyance pipe repair kits	Design building seismic upgrades

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 21-22 Actual	FY 22-23 Estimated Actual	FY 23-24 Target
• Communications Plan	Continued implemented 2021 Communications Plan	Update 2021 Plan as needed based on market trends	Update 2021 Plan as needed based on market trends
• Promote MWMC social media channels and website	Grew Facebook followers to 1,000, Twitter to 215 and Instagram to 650; no website analytics available	Implement strategies to grow Facebook/Meta followers to 1,200, Twitter to 230 and Instagram to 850; and website visitors to 5,000 with 14,000 pageviews	Implement strategies to grow Facebook/Meta followers to 1,500, Twitter to 275 and Instagram to 1,100 and website visitors to 5,000 with 14,000 pageviews
• Create and distribute MWMC e-newsletters	Distributed monthly and increased distribution to 540 subscribers; no analytic targets set	Distribute monthly and increase distribution to 700 subscribers with an open rate of 39% and a click-through rate of 5%	Distribute monthly and increase distribution to 875 subscribers with an open rate of 40% and a click-through rate of 10%
• Pollution prevention/ sponsorships campaigns	2 campaigns, 4 sponsorships; reaching ≤40% of residents in the service area due to COVID-19	2 campaigns, 5 sponsorships; reaching 40% of residents in the service area	2 campaigns, 4 sponsorships; reaching 40% of residents in the service area
• Provide tours of the MWMC Facilities	Due to COVID-19, limited number of tours provided	Provide tours for greater than 1,000 people	Provide tours for greater than 1,500 people
• Clean Water University	Reach 25% of 5 th Graders in the service area	Reach 25% of 5 th Graders in the service area	Reach >25% of 5 th Graders in the service area

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 81.68 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 Department, provides staff to serve as the MWMC Executive Officer / 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 16.90 FTE of Development and Public Works Department staff and .88 FTE of Finance Department staff, and .03 FTE of City Manager's Office for a total 17.81 FTE as reflected in the FY 23-24 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

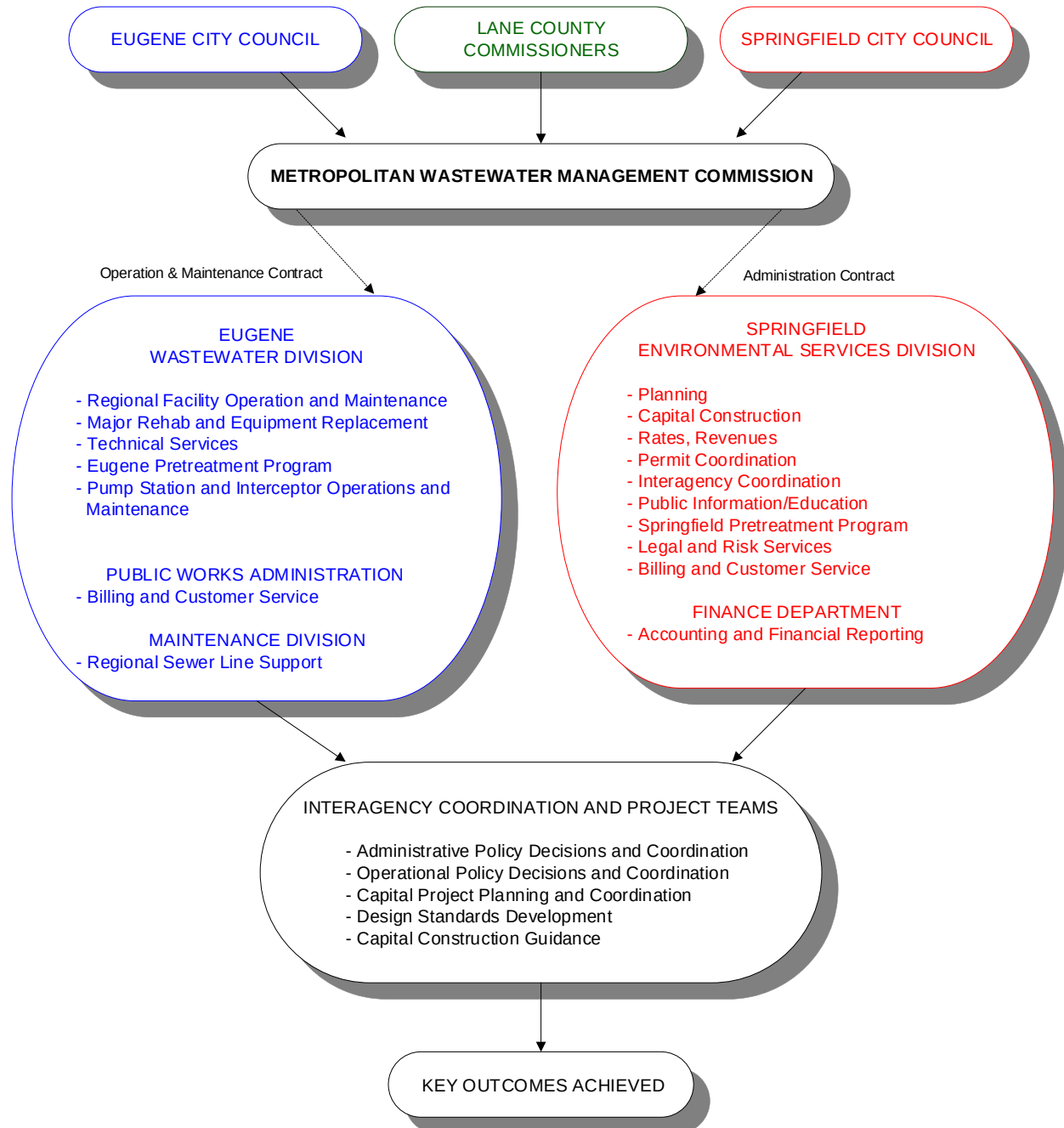
The effectiveness of the MWMC and the RWP depends on extensive coordination, especially between Springfield and Eugene staff, who provide ongoing program support. This coordination occurs in several ways. The Springfield MWMC Executive Officer / MWMC General Manager, together with the Eugene Wastewater 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. In addition, 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 23-24 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 16. Finally, Exhibit 4 on page 17 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 22-23" column in all budget tables represents the updated FY 22-23 RWP budget as of February 8, 2023, which reconciled actual beginning balances at July 1, 2022, and approved budget transfers and supplemental requests.

EXHIBIT 2

REGIONAL OPERATING BUDGET SUMMARY INCLUDING RESERVE CONTRIBUTIONS

	ADOPTED BUDGET FY 22-23	AMENDED BUDGET FY 22-23	PROPOSED BUDGET FY 23-24	CHANGE (1) INCR/(DECR)	
Full-Time Equivalent Staffing Level	97.12	97.12	99.49	2.37	2.4%
Personnel Services (2)	\$12,934,895	\$12,934,895	\$13,886,087	\$951,192	7.4%
Materials & Services (2)	9,040,000	9,140,000	9,660,389	620,389	6.9%
Capital Outlay (2, 3)	359,000	444,000	380,000	21,000	5.8%
Equip Replacement Contributions (4)	1,600,000	1,600,000	1,500,000	(100,000)	-6.3%
Capital Contributions (5)	13,000,000	13,000,000	12,800,000	(200,000)	-1.5%
Debt Service (6)	4,108,550	4,108,550	4,113,000	4,450	0.1%
Working Capital Reserve (7)	900,000	900,000	900,000	-	0%
Rate Stability Reserve (8)	2,000,000	2,000,000	2,000,000	-	0%
Insurance Reserve (9)	1,500,000	1,500,000	1,500,000	-	0%
Operating Reserve (10)	4,310,277	5,545,996	4,144,781	(165,496)	-3.8%
Rate Stabilization Reserve (11)	2,000,000	2,000,000	2,000,000	-	0%
SRF Loan Reserve (12)	50,000	50,000	50,000	-	0%
Budget Summary	\$51,802,722	\$53,223,441	\$52,934,257	\$1,131,535	2.2%

Notes:

1. The Change column and Percent Change column compare the Proposed FY 23-24 Budget with the originally Adopted FY 22-23 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 reserves for scheduled future equipment replacement, including all fleet equipment and other equipment, with an original cost over \$10,000, and with a useful life expectancy greater than one year. See table on page 23 for year-end balance.
5. The Capital Reserve Contribution is a budgeted transfer of operating revenues to reserves. Capital is passed through the Springfield Administration Budget. See table on page 24 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 23-24 is \$4,113,000.
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 22 for year-end balance.
9. The Insurance Reserve was established to set aside funds to cover the insurance deductible amount for property and liability insurance coverage, for losses per occurrence. The Insurance Reserve is set at \$1.5 million.
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 two months operating expenses 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 contains funds to be used at any point in the future when net revenues are insufficient to meet the bond covenant coverage requirements. The Commission shall maintain the Rate Stabilization Reserve account as long as bonds are outstanding. This reserve is set at \$2 million.
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

<u>SPRINGFIELD</u>	ACTUALS	ADOPTED	AMENDED	PROPOSED	CHANGE	
MWMC ADMINISTRATION	FY 21-22	BUDGET FY 22-23	BUDGET FY 22-23	BUDGET FY 23-24	INCR/(DECR)	
Personnel Services	\$1,595,065	\$1,924,885	\$1,924,885	\$1,980,562	\$55,677	2.9%
Materials & Services	1,992,091	2,455,725	2,555,725	2,569,605	113,880	4.6%
Capital Outlay	-	-	30,000	-	-	--
TOTAL	\$3,587,156	\$4,380,610	\$4,510,610	\$4,550,167	\$169,557	3.9%
INDUSTRIAL PRETREATMENT						
Personnel Services	\$385,723	\$409,019	\$409,019	\$427,428	\$18,409	4.5%
Materials & Services	133,077	157,673	157,673	170,407	12,734	8.1%
Capital Outlay	-	-	55,000	-	-	--
TOTAL	\$518,800	\$566,692	\$621,692	\$597,835	\$31,143	5.5%
ACCOUNTING						
Personnel Services	\$127,162	\$140,991	\$140,991	\$134,761	(\$6,230)	-4.4%
Materials & Services	31,616	46,602	46,602	47,113	511	1.1%
Capital Outlay	-	-	-	-	-	--
TOTAL	\$158,778	\$187,593	\$187,593	\$181,874	(\$5,719)	-3.0%
TOTAL SPRINGFIELD						
Personnel Services	\$2,107,950	\$2,474,895	\$2,474,895	2,542,751	\$67,856	2.7%
Materials & Services	2,156,784	2,660,000	2,760,000	2,787,125	127,125	4.8%
Capital Outlay	-	-	85,000	-	-	--
TOTAL	\$4,264,734	\$5,134,895	\$5,319,895	\$5,329,876	\$194,980	3.8%
<u>EUGENE</u>						
ADMINISTRATIVE SERVICES						
Personnel Services	\$1,692,745	\$2,582,416	\$2,582,416	\$2,731,560	\$149,144	5.8%
Materials & Services	440,843	1,014,868	1,014,868	1,053,755	38,887	3.8%
Capital Outlay	-	-	-	-	-	--
TOTAL	\$2,133,588	\$3,597,284	\$3,597,284	\$3,785,315	\$188,031	5.2%
BIOSOLIDS MANAGEMENT						
Personnel Services	\$1,492,520	\$1,507,844	\$1,507,844	\$1,543,151	\$35,307	2.3%
Materials & Services	1,024,473	968,966	968,966	1,034,814	65,848	6.8%
Capital Outlay	-	-	-	-	-	--
TOTAL	\$2,516,993	\$2,476,810	\$2,476,810	\$2,577,965	\$101,155	4.1%
INDUSTRIAL SOURCE CONTROL						
Personnel Services	\$534,383	\$696,580	\$696,580	\$728,992	\$32,412	4.7%
Materials & Services	105,374	220,444	220,444	234,248	13,804	6.3%
Capital Outlay	-	-	-	-	-	--
TOTAL	\$639,757	\$917,024	\$917,024	\$963,240	\$46,216	5.0%
TREATMENT PLANT						
Personnel Services	\$5,107,774	\$5,222,767	\$5,222,767	\$5,679,660	\$456,893	8.7%
Materials & Services	3,877,875	3,825,502	3,825,502	4,103,697	278,195	7.3%
Capital Outlay	32,856	359,000	359,000	380,000	21,000	5.8%
TOTAL	\$9,018,505	\$9,407,269	\$9,407,269	\$10,163,357	\$756,088	8.0%
REGIONAL PUMP STATIONS						
Personnel Services	\$304,899	\$201,271	\$201,271	\$308,886	\$107,615	53.5%
Materials & Services	338,295	290,496	290,496	341,745	51,249	17.6%
Capital Outlay	-	-	-	-	-	--
TOTAL	\$643,194	\$491,767	\$491,767	\$650,631	\$158,864	32.3%
BENEFICIAL REUSE SITE						
Personnel Services	\$304,196	\$249,122	\$249,122	\$351,087	\$101,965	40.9%
Materials & Services	103,730	59,724	59,724	105,005	45,281	75.8%
Capital Outlay	-	-	-	-	-	--
TOTAL	\$407,926	\$308,846	\$308,846	\$456,092	\$147,246	47.7%
TOTAL EUGENE						
Personnel Services	\$9,436,517	\$10,460,000	\$10,460,000	\$11,343,336	\$883,336	8.4%
Materials & Services	5,890,590	6,380,000	6,380,000	6,873,264	493,264	7.7%
Capital Outlay	32,856	359,000	359,000	380,000	21,000	5.8%
TOTAL	\$15,359,963	\$17,199,000	\$17,199,000	\$18,596,600	\$1,397,600	8.1%
TOTAL REGIONAL BUDGET	\$19,624,697	\$22,333,895	\$22,518,895	\$23,926,476	\$1,592,581	7.1%

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

EXHIBIT 4

REGIONAL WASTEWATER PROGRAM
BUDGET SUMMARY AND COMPARISON

	ADOPTED BUDGET FY 22-23	AMENDED BUDGET FY 22-23	PROPOSED BUDGET FY 23-24	CHANGE* INC(DEC)
<u>OPERATING BUDGET</u>				
Administration	\$5,134,896	\$5,319,896	\$5,329,876	\$194,980
Operations	17,199,000	17,199,000	18,596,600	1,397,600
Capital Contribution & Transfers	13,000,000	13,000,000	12,800,000	(200,000)
Equipment Replacement - Contribution	1,600,000	1,600,000	1,500,000	(100,000)
Operating & Revenue Bond Reserve	10,760,277	11,995,996	10,594,781	(165,496)
Debt Service	4,108,550	4,108,550	4,113,000	4,450
Total Operating Budget	\$51,802,723	\$53,223,442	\$52,934,257	\$1,131,534
<u>Funding:</u>				
Beginning Balance	\$12,052,852	\$13,473,571	\$11,599,893	(452,959)
User Fees	36,875,000	36,875,000	38,500,000	1,625,000
Other	2,874,871	2,874,871	2,834,364	(40,507)
Total Operating Budget Funding	\$51,802,723	\$53,223,442	\$52,934,257	\$1,131,534
<u>CAPITAL PROGRAM BUDGET</u>				
Electrical Switchgear & Transformer Repl.	-	20,000,000	19,400,000	NA
Administration Building Improvements	6,500,000	7,372,277	18,700,000	12,200,000
Water Quality Trading Program	3,000,000	13,000,000	12,100,000	9,100,000
Class A Disinfection Facilities	5,300,000	6,882,477	6,790,000	1,490,000
Aeration Basin Upgrades (2023 to 2026)	5,000,000	5,000,000	3,200,000	(1,800,000)
Comprehensive Facility Plan Update	2,040,000	2,476,422	1,800,000	(240,000)
Glenwood Pump Station Upgrades	1,800,000	2,005,315	1,500,000	(300,000)
Resiliency Follow-Up	3,300,000	3,522,775	500,000	(2,800,000)
Recycled Water Demonstration Project	330,000	354,121	330,000	0
WCPF Stormwater Infrastructure	300,000	300,000	310,000	10,000
Poplar Harvest Mgmt. Services	330,000	264,663	50,000	(280,000)
Tertiary Filtration - Phase 2	3,000,000	3,000,000	-	NA
Aeration Basin Improvements - Phase 2	-	188,090	-	NA
RNG Upgrade Facilities	-	946,292	-	NA
<u>Asset Management:</u>				
Equipment Replacement Purchases	3,220,000	4,346,580	1,835,000	(1,385,000)
Major Rehab	662,000	767,000	630,000	(32,000)
Major Capital Outlay	-	100,000	-	NA
Total Capital Projects	\$34,782,000	\$70,526,012	\$67,145,000	\$32,363,000
<u>Funding:</u>				
Equipment Replacement	\$3,220,000	\$4,346,580	\$1,835,000	(1,385,000)
SDC Improvement Reserve	3,916,270	4,866,564	6,654,320	2,738,050
Capital Reserve	27,645,730	61,312,868	58,655,680	31,009,950
Total Capital Projects Funding	\$34,782,000	\$70,526,012	\$67,145,000	\$32,363,000

Note: * The Change compares the *proposed* FY 23-24 budget to the originally adopted FY 22-23 budget column.

BUDGET AND RATE HISTORY

The graphs on page 19 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 20. The Regional Wastewater Capital Improvement Programs graph on page 20 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 50.

As shown on the Regional Residential Sewer Rate graph on page 19, regional sewer usercharges have incrementally increased to meet the revenue requirements necessary to fund facility improvements as identified in the 2004 MWMC Facilities Plan. This Plan and the subsequent 2014 Partial Facilities Plan Update demonstrated the need for a significant capital investment in new and expanded facilities to meet environmental performance requirements and capacity to serve the community.

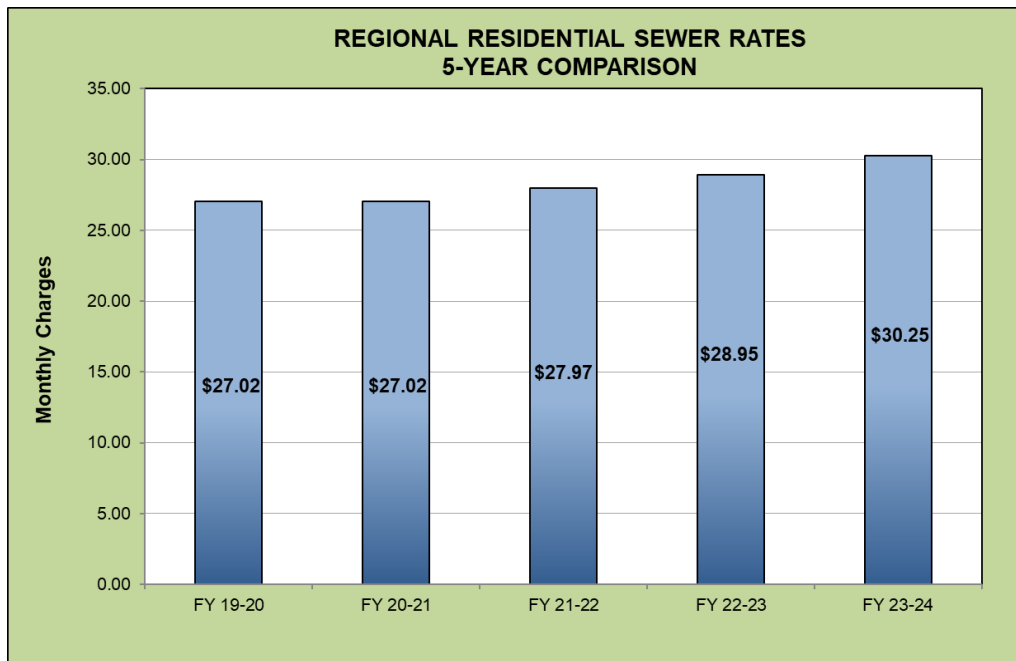
On November 1, 2022, the Department of Environmental Quality (DEQ) issued a National Pollutant Discharge Elimination System Permit (NPDES). Although a portion of these capital improvements can be funded through system development charges (SDCs), much of the funding for capital improvements over the approximately 5-year period will come from user charges. This has become a major driver of the MWMC's need to increase sewer user rates, moderately and incremental on an annual basis.

The National Association of Clean Water Agency (NACWA) publishes an annual Cost of Clean Water Index, which indicates the national average charges for wastewater services. The index includes average wastewater charges by Environmental Protection Agency (EPA) regions. Of the EPA regions, Region 10, which includes Oregon, Washington and Idaho, reflects the second highest wastewater expenses nationwide, based on demographics, geography, regulatory requirements, and a range of other issues. Within Region 10, the annual change in the cost of clean water index reflected a 4.4% average increase over the past 3 years.

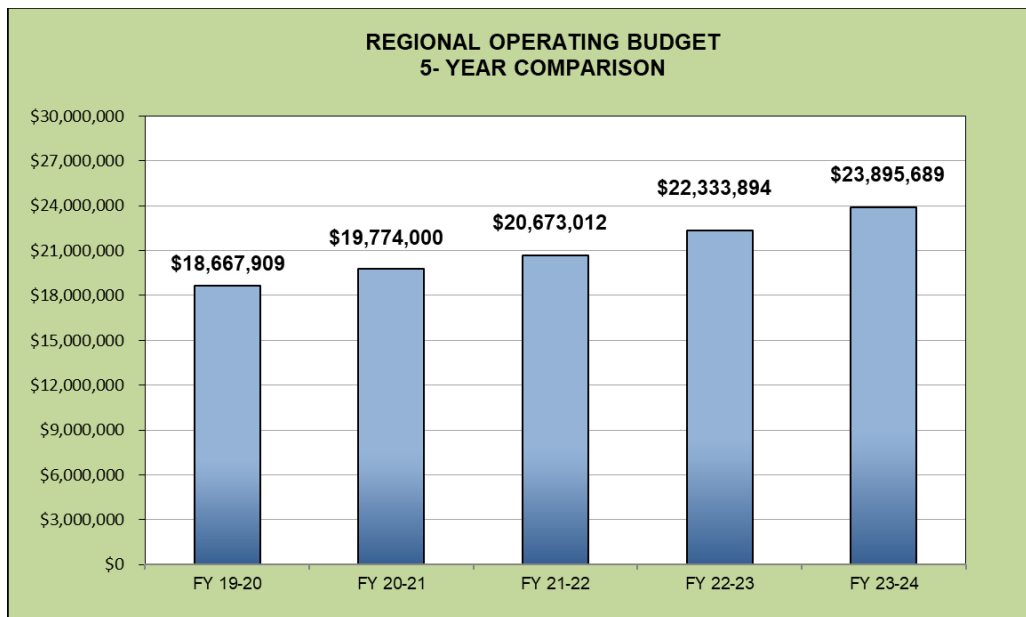
In FY 22-23 the MWMC regional user rates increased by 3.5% over the prior year rates. The FY 23-24 Budget is based on a 4.5% user rate increase over the FY 22-23 rates. This increase will provide for Operations, Administration, Capital programs, reserves and debt service, continuing to meet capital and operating requirements and supporting the Commission's Financial Plan policies, as well as financially positioning for future investments in capital assets.

The following chart 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 4.5% or \$1.30 increase effective July 1, 2023.

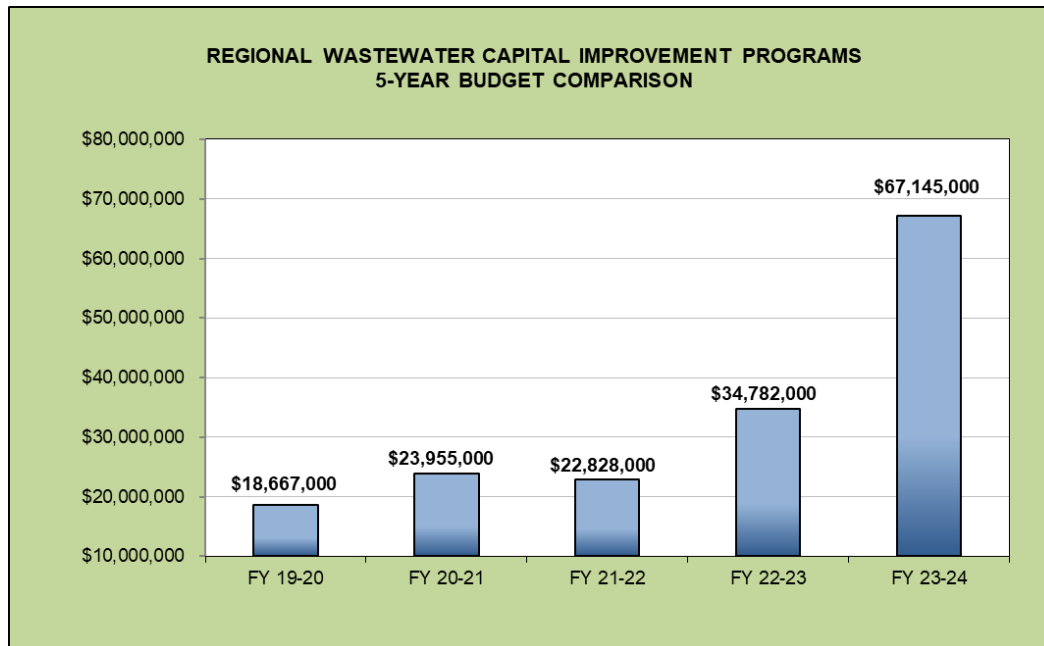
The graph below displays the regional component of a residential monthly bill, when applied to 5,000 gallons of wastewater treated for the recent 5-year period.



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 MWMC Financial Plan. Further details on the FY 23-24 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 23-24, \$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 potential 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 23-24 no additional contribution to this reserve is budgeted and the balance at June 30, 2023, 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 \$50,000 for FY 23-24.

INSURANCE RESERVE

The Insurance Reserve was established to set aside funds to cover the insurance deductible amount for property and liability insurance coverage, for losses per occurrence. The Insurance Reserve is set at \$1.5 million for FY 23-24.

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 guidelines to establish the Operating Reserve at a minimum target of two months expenses. For FY 23-24, the Operating Reserve is budgeted at \$4,260,568, which includes approximately two months of total Personnel Services, Materials and Services, and Capital Outlay in accordance with Commission policy.

EXHIBIT 5

	ADOPTED BUDGET FY 22-23	AMENDED BUDGET FY 22-23	PROPOSED BUDGET FY 23-24
OPERATING RESERVES			
Beginning Balance	\$12,052,852	\$13,473,571	\$11,599,893
User Fee Revenue	36,200,000	36,200,000	37,800,000
Septage Revenue	675,000	675,000	700,000
Other Revenue	1,256,127	1,256,127	2,244,460
Interest	80,000	80,000	200,000
RNG Revenue	1,500,000	1,500,000	350,000
Transfer from Reimbursement SDCs	24,744	24,744	25,904
Personnel Services	(12,934,895)	(12,934,895)	(13,886,087)
Materials & Services	(9,026,001)	(9,126,001)	(9,646,389)
Capital Outlay	(359,000)	(444,000)	(380,000)
Interfund Transfers	(14,600,000)	(14,600,000)	(14,300,000)
Debt Service - SRF Loan	(103,750)	(103,750)	(103,250)
Debt Service - 2016 Revenue Bond	(4,004,800)	(4,004,800)	(4,009,750)
Working Capital	(900,000)	(900,000)	(900,000)
Insurance Reserve	(1,500,000)	(1,500,000)	(1,500,000)
SRF Loan Reserve	(50,000)	(50,000)	(50,000)
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	\$4,310,277	\$5,545,996	\$4,144,781

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 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 valued over \$10,000 with life expectancy greater than one year; 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 23-24 budget total \$1,500,000, 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. Estimates used in the analysis include replacement costs, interest earnings, inflation rates and useful lives for the equipment.

	ADOPTED BUDGET FY 22-23	AMENDED BUDGET FY 22-23	PROPOSED BUDGET FY 23-24
EQUIPMENT REPLACEMENT RESERVE			
Beginning Balance	13,717,558	14,909,200	12,982,786
Annual Equipment Contribution	1,600,000	1,600,000	1,500,000
Interest	75,000	75,000	68,586
Equipment Purchases	(3,220,000)	(4,346,580)	(1,835,000)
Equipment Replacement Reserve	\$12,172,558	\$12,237,620	\$12,716,372

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 23-24 are approximately \$1,800,000. The projected beginning SDC Reserve balance on July 1, 2023 is \$11,372,934.

	ADOPTED BUDGET FY 22-23	AMENDED BUDGET FY 22-23	PROPOSED BUDGET FY 23-24
REIMBURSEMENT SDC RESERVE			
Beginning Balance	\$1,965,509	\$1,923,147	\$2,110,321
Reimbursement SDCs Collected	200,000	200,000	200,000
Interest	15,000	15,000	9,918
SDC Compliance Charge	4,000	4,000	7,000
Transfer to Fund 612	(24,744)	(24,744)	(25,904)
Materials & Services	(4,000)	(4,000)	(4,000)
Reimbursement SDC Reserve	\$2,155,765	\$2,113,403	\$2,297,335

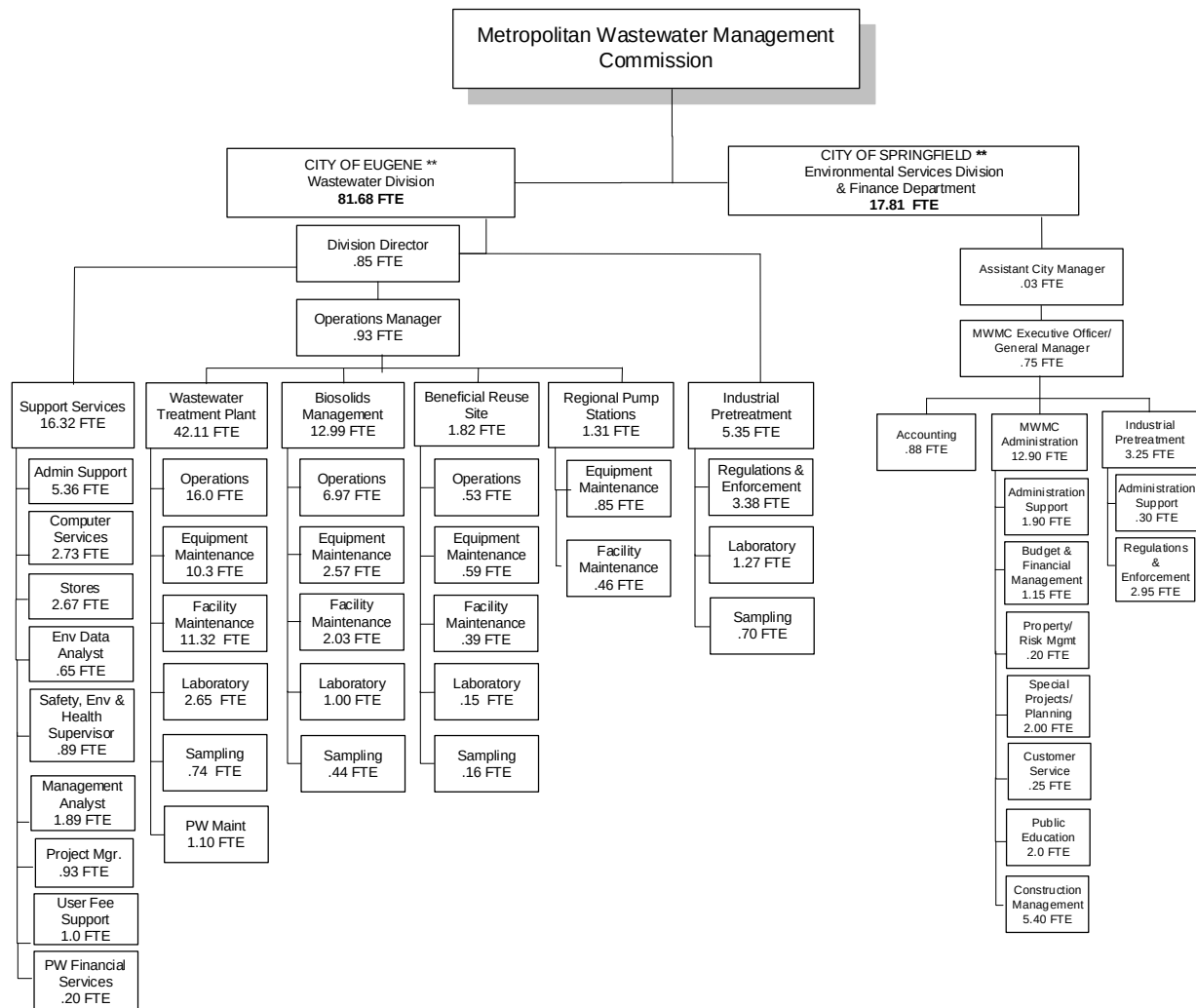
	ADOPTED BUDGET FY 22-23	AMENDED BUDGET FY 22-23	PROPOSED BUDGET FY 23-24
IMPROVEMENT SDC RESERVE			
Beginning Balance	\$6,097,882	\$8,043,102	\$9,262,612
Improvement SDCs Collected	1,600,000	1,600,000	1,800,000
Interest	30,000	30,000	42,554
Materials & Services	(10,000)	(10,000)	(10,000)
Funding for Capital Improvement Projects	(3,916,270)	(4,866,564)	(6,654,320)
Improvement SDC Reserve	\$3,801,612	\$4,796,538	\$4,440,846

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 23-24 Budget includes a contribution from the Operating Reserve of \$12,800,000. The beginning balance on July 1, 2023, is projected to be \$58,841,769. Additional budget detail on the CIP, Major Capital Outlay and Major Rehabilitation Program reserves is provided below.

	ADOPTED BUDGET FY 22-23	AMENDED BUDGET FY 22-23	PROPOSED BUDGET FY 23-24
CAPITAL RESERVES			
Beginning Balance	\$58,937,814	\$62,309,597	\$58,841,769
Transfer from Operating Reserve	13,000,000	13,000,000	12,800,000
Interest	300,000	300,000	298,942
Other Income	10	10	800
Funding For Capital Improvement Projects	(26,983,730)	(60,445,867)	(58,025,680)
Funding For Major Rehabilitation	(662,000)	(767,000)	(630,000)
Funding For Major Capital Outlay	-	(100,000)	-
Capital Reserve	\$44,592,094	\$14,296,740	\$13,285,831

EXHIBIT 6
REGIONAL WASTEWATER PROGRAM*
ORGANIZATION CHART FY 23-24



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 21-22	BUDGET FY 22-23	PROPOSED FY 23-24	FTE CHANGE
SPRINGFIELD ENVIRONMENTAL SERVICES & FINANCE				
Accountant	0.80	0.80	0.80	-
Accounting Manager	0.08	0.08	0.08	-
Administrative Specialist	2.65	2.65	2.70	0.05
Assistant City Manager	0.03	0.03	0.03	-
Civil Engineer	1.00	1.00	2.00	1.00
Design & Construction Coordinator	2.00	2.00	1.00	(1.00)
Environmental Analyst	1.00	1.00	1.00	-
Environmental Management Analyst	0.90	0.90	0.90	-
Environmental Services Program Manager	0.80	0.80	0.80	-
Environmental Services Supervisor	1.95	1.95	1.95	-
Environmental Services Technician	2.00	2.00	2.00	-
ESD Division Director/MWMC Executive Officer	0.80	0.80	0.80	-
Management Analyst	0.75	0.75	0.75	-
MWMC Managing Engineer	1.00	1.00	1.00	-
Public Information & Education Analyst	2.00	2.00	2.00	-
TOTAL SPRINGFIELD	17.76	17.76	17.81	0.05

EXHIBIT 7 (Continued)REGIONAL WASTEWATER PROGRAM
POSITION SUMMARY

CLASSIFICATION	BUDGET FY 21-22	BUDGET FY 22-23	PROPOSED FY 23-24	FTE CHANGE
EUGENE WASTEWATER DIVISION & OTHER PW				
Administrative Specialist, Sr	1.78	1.78	1.78	-
Administrative Specialist	0.95	0.95	0.95	-
Application Support Technician, Sr	0.95	0.95	0.95	-
Application Systems Analyst 2	1.78	1.78	1.78	-
Custodian	2.00	2.00	2.00	-
Finance & Admin Manager	0.89	0.89	0.89	-
Systems Electrician 1	3.28	3.28	4.28	1.00
Engineering Associate	0.35	0.35	0.35	-
Maintenance Mechanic	13.25	13.25	13.25	-
Management Analyst	5.14	5.14	6.03	0.89
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 Specialist	0.82	0.82	1.25	0.43
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 Operator	36.71	36.71	36.71	-
TOTAL EUGENE	79.36	79.36	81.68	2.32
GRAND TOTAL	97.12	97.12	99.49	2.37

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 23-24 is provided in Exhibit 12 on page 44.

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
- 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 ESD Director serves as the MWMC Executive Officer and 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 division in the Springfield Finance Department, in coordination with ESD. Springfield Accounting staff provides oversight of financial control systems, ensures compliance with all local, state and federal accounting requirements for MWMC including debt management and treasury management services. This division 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 23-24, 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 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.
- 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.
- Implement resiliency planning to ensure protection of public health and safety following natural disasters such as earthquakes and floods.
- Planning operationally and financially to begin the MWMC's NPDES permit requirements, the DEQ permit was issued on November 1, 2022 and will expire on September 30, 2027.

BUDGET CHANGES FOR FY 23-24

The budget for Springfield Personnel Services, Materials and Services, and Capital Outlay for FY 23-24 totals \$5,239,876 representing an overall increase of \$194,982 or 3.8% from the adopted FY 22-23 budget, as displayed in Exhibit 8 on page 31.

Personnel Services

Personnel Services totaling \$2,542,751 represents a FY 23-24 increase of \$67,856 or 2.7% above the originally adopted FY 22-23 budget. The notable changes are summarized below:

Staffing

The FY 23-24 staffing budget includes a relatively flat number of Full Time Equivalents (FTEs) resulting in a total staffing level at 17.81 FTE in Springfield which increased by 0.05 FTE as a result of reallocating a small portion of one of the Administrative Specialists.

Regular Salaries and Overtime - \$1,639,623, an increase of \$65,127 or 4.1%

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

Employee Benefits - \$533,885 an increase of \$1,786 or 0.3%

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

Health Insurance - \$363,352, an increase of \$793 or 0.2%

The small 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 total is \$2,787,125 in FY 23-24, representing an increase of \$127,125 or 4.8% above the adopted FY 22-23 budget. The notable changes are summarized below:

Billing & Collection Expense - \$900,000, an increase of \$100,000 or 12.5%

The \$100,000 increase includes contracted billing services for Eugene and Springfield utility billing services combined, as funded through the Springfield portion of the regional budget. The increase reflects growth in customer transactions and billing service contracts.

Property & Liability Insurance - \$450,000, an increase of \$30,000 or 7.1%

The \$30,000 increase reflects insurance on newly constructed infrastructure, and maintaining incremental increases on existing assets for property insurance coverage. Including services provided by the MWMC Agent of Record for property/liability coverage.

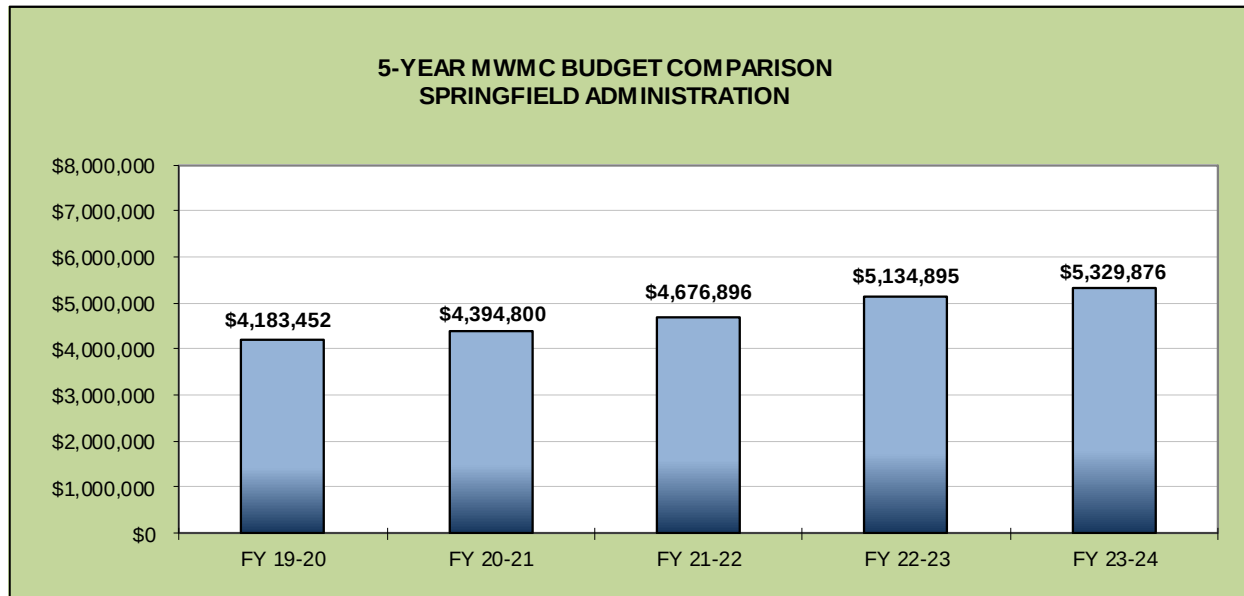
Internal & Indirect Charges Combined - \$683,852, an increase of \$28,640 or 7.8%

The \$28,640 increase is based on changes in overhead costs as programmed in the FY 23-24 budget, when compared FY 22-23. Internal charges are determined by the City of Springfield, and indirect costs are based on a methodology approved by the federal government, which is outlined in the MWMC Intergovernmental Agreement.

EXHIBIT 8

SPRINGFIELD ADMINISTRATION PROGRAM
PROPOSED FY 23-24
 BUDGET SUMMARY

	ACTUALS FY 21-22	ADOPTED BUDGET FY 22-23	AMENDED BUDGET FY 22-23	PROPOSED FY 23-24	CHANGE *	
					INCR/(DECR)	
Personnel Services	\$2,107,950	\$2,474,895	\$2,474,895	\$2,542,751	\$67,856	2.7%
Materials & Services	2,157,089	2,660,000	2,760,000	2,787,125	127,125	4.8%
Capital Outlay	0	0	85,000	0	0	0.0%
Budget Summary	\$4,265,039	\$5,134,895	\$5,319,895	\$5,329,876	\$194,982	3.8%



Note: * Change column compares the *proposed* FY 23-24 Budget to the adopted FY 22-23 Budget.

EXHIBIT 9

SPRINGFIELD ADMINISTRATION
LINE ITEM BUDGET SUMMARY

	ACTUALS FY 21-22	ADOPTED BUDGET FY 22-23	AMENDED BUDGET FY 22-23	PROPOSED BUDGET FY 23-24	CHANGE INCR/(DECR)	
<u>PERSONNEL SERVICES</u>						
Regular Salaries	\$1,326,228	\$1,574,496	\$1,574,496	\$1,639,623	\$65,127	4.1%
Overtime	0	5,741	5,741	5,891	150	2.6%
Employee Benefits	481,112	532,099	532,099	533,885	1,786	0.3%
Health Insurance	300,610	362,559	362,559	363,352	793	0.2%
Total Personnel Services	\$2,107,950	\$2,474,895	\$2,474,895	\$2,542,751	\$67,856	2.7%
FTE	16.56	17.76	17.76	17.81	0.05	0.3%
<u>MATERIALS & SERVICES</u>						
Billing & Collection Expense	\$741,460	\$800,000	\$800,000	\$900,000	\$100,000	12.5%
Property & Liability Insurance	388,955	420,000	420,000	450,000	30,000	7.1%
Contractual Services	32,629	206,373	206,373	206,373	0	0.0%
Attorney Fees and Legal Expense	73,718	183,022	183,022	184,522	1,500	0.8%
WPCF/NPDES Permits	167,513	167,000	167,000	185,000	18,000	10.8%
Materials & Program Expense	116,014	110,555	210,555	110,890	335	0.3%
Computer Software & Licenses	5,596	70,332	70,332	16,382	(53,950)	-76.7%
Employee Development	9,084	23,552	23,552	24,616	1,064	4.5%
Travel & Meeting Expense	9,507	23,954	23,954	25,490	1,536	6.4%
Internal Charges	230,233	279,492	279,492	281,184	1,692	0.6%
Indirect Costs	382,380	375,720	375,720	402,668	26,948	7.2%
Total Materials & Services	\$2,157,089	\$2,660,000	\$2,760,000	\$2,787,125	\$127,125	4.8%
<u>CAPITAL OUTLAY</u>						
Total Capital Outlay	\$0	\$0	\$85,000	\$0	\$0	0.0%
TOTAL	\$4,265,039	\$5,134,895	\$5,319,895	\$5,329,876	\$194,981	3.8%

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

- Facility Operations
- Facility Maintenance
- Biosolids Management
- Environmental Services
- Management Information Services
- Administration and 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 land application, regional laboratory services, resource recovery operations, and an industrial source control and pretreatment program in collaboration with environmental services staff at City of Springfield.

REGIONAL WASTEWATER TREATMENT - FACILITY OPERATIONS

The Wastewater Division operates the WPCF to treat residential, commercial, and industrial wastes to achieve an effluent quality that protects 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, the Biosolids Management Facility (BMF), and the Beneficial Reuse Site (BRS).

REGIONAL WASTEWATER TREATMENT - FACILITY 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, regional pump stations, pressure sewers, as well as the BMF, BRS, and Biocycle Farm. These sections provide a preventative maintenance program to maximize equipment life and reliability; a corrective maintenance program to repair unanticipated failures; and a facility maintenance program to maintain the buildings, treatment structures, and grounds.

BIOSOLIDS AND RECYCLED WATER MANAGEMENT

The Residuals Management section of the Wastewater Division operates the BMF and Biocycle Farm to process and land apply biological solids (biosolids) produced as a result of the activated sludge treatment of wastewater. After further processing the biosolids from the WPCF, the dried material is applied to approved agricultural land. Biosolids are also applied on poplar trees at the Biocycle Farm as a beneficial nutrient and soil conditioner. In addition, this section utilizes recycled water for the processing of biosolids and for irrigation. This section also operates the BRS, which formerly served to treat wastewater from food processing operations.

ENVIRONMENTAL SERVICES

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

Industrial Source Control (ISC) - The pretreatment program is a regional activity implemented jointly by the cities of Eugene and Springfield. The ISC 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 and discharge authorization system for industrial and commercial users of the wastewater collection system. This permit system, common to both Eugene and Springfield, implements necessary prohibitions and 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 and commercial discharges in Eugene and evaluating the impact of their 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, surface water, and groundwater. Information from the laboratory is used to evaluate the performance of the treatment process, 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 and field monitoring 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, biosolids, application site soils, stormwater samples, and natural gas quality samples.

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.

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 (EMS), safety, and training programs, and an inventory/storeroom administrative 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.

PROGRAMS AND SIGNIFICANT SERVICE/EXPENDITURE CHANGES

In FY 23-24, Eugene staff will support the following major regional initiatives in addition to ongoing operations and maintenance activities.

- Manage the Operations & Maintenance (O&M) responsibilities of the NPDES wastewater discharge permit for the treatment of wastewater and the Lane Regional Air Protection Agency (LRAPA) air emissions permit for the regional wastewater treatment plant.
- Manage the O&M responsibilities of the Renewable Natural Gas (RNG) facility to maximize production of renewable fuel and the associated renewable fuel standard credits.
- Provide technical input and O&M assessments related to proposed/newly adopted environmental regulations, renewable energy objectives, and operational resiliency. This includes impact evaluations of the 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.
- 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 O&M aspects of the BMF and the Biocycle Farm, continuing biosolids land application practices and poplar tree management.

SIGNIFICANT CHANGES IN THE O&M BUDGET FOR FY 23-24

The FY 23-24 budget for Operations and Maintenance of the regional wastewater treatment facilities (personnel, materials and services, and capital outlay) totals \$18,596,600. The amount represents an increase of \$1,397,600 or 8.1% from the FY 22-23 budget. Aside from cost increases due to the addition of personnel, the most significant cost centers for the budget include fleet charges, contractual services, chemicals, parts and components, and computer equipment and software. Significant items and changes for the FY 23-24 Operations and Maintenance budget as compared to the FY 22-23 budget include the following:

Personnel Services

Personnel Services totaling \$11,343,336 represents an FY 23-24 increase of \$883,336 or 8.4%, which is due to the addition of Full-Time Equivalent (FTE) positions. Additions to the staffing level for FY 23-24 amount to 2.32 FTE, which is an increase in personnel from 79.36 to 81.68 FTE. Significant changes for FY 23-24 in Personnel Services affect all accounts due to the staffing level increases listed below:

1.0 FTE – Systems Electrician 1

Adding one electrician is in response to the increased workload caused by the past 15 years of capital improvements at MWMC facilities and aging infrastructure. There have been no staffing increases to the electrical maintenance work section in the past 30 years. The Switchgear CIP project planned for FY 23-24 has bolstered the need for 1.0 FTE addition to the electrical maintenance work group.

0.89 FTE – Safety and Emergency Preparedness Program Manager (MA2)

Addition of one Management Analyst 2 (MA2) position to fully implement the safety programs at MWMC facilities. This position provides services related to health and safety in an industrial setting, emergency preparedness, disaster response and recovery, and ensures compliance with local, state, and federal requirements.

0.43 FTE – Laboratory Specialist

The Laboratory Specialist position is currently staffed at 0.5 FTE and needs to be increased to 1.0 FTE due to the new NPDES permit requirements which became effective in November 2022. Laboratory staff are currently working overtime and needing more of contractual services to accommodate the additional workload.

Materials and Services

The Materials and Services budget totaling \$6,873,264 represents an FY 23-24 increase of \$493,264 or 7.7%. The notable changes are in the following budget categories:

Fleet Operating Charges – \$554,141, a net increase of \$44,459 or 8.7%

The internal rates and charges from Eugene Public Works Fleet Services are budgeted to increase in FY 23-24 due to economic factors for fuel, automotive electronics, and related parts and equipment.

Contractual Services – \$747,400, a net increase of \$148,650 or 24.8%

Greater need for contractual services is anticipated for FY 23-24, with increases specific to support for the RNG facility, Yokogawa support for the DCS, hired security and camp cleanup services at MWMC facilities, analytical services for specific laboratory work, and increased need for NPDES permit-related professional services.

Chemicals – \$800,500, a net increase of \$60,000 or 8.1%

The costs for hypochlorite, sodium bisulfite, and polymer (both dry and liquid) continue to increase due to economic factors. Unit prices are established through regional competitive price agreements, and resupply orders are placed depending on the timing of treatment process and O&M activity. Additional ongoing chemical expenses included in FY 23-24 are for the H2S filter media specific to the Renewable Natural Gas (RNG) facility.

Parts & Components – \$418,000, a net increase of \$55,000 or 15.2%

Capital improvements have expanded the need for parts and components in FY 23-24 in addition to the increase in costs for parts and components due to economic factors.

Risk Insurance – \$71,203, a net increase of \$9,334 or 15.1%

For FY 23-24 City of Eugene has planned for an increase in premium expense for insurance and risk to sufficiently cover the anticipated claims and expenses. General liability premiums have increased over 30% from FY 22-23 to FY 23-24.

Computer Equipment and Supplies – \$570,000, a net increase of \$125,427 or 28.2%

City of Eugene's internal service charges for the Microsoft Enterprise Agreement have increased largely due to increased need for cyber security and cloud based computing platform support (Azure). Expenses for PeopleSoft licensing and maintenance, updates and upgrades, and personnel support will continue to increase. Other increases budgeted in FY 23-24 are for the addition of software and support for the Regional Pretreatment Program, scheduled office computer replacements, and contracted software development to replace the Utility Billing Administration Application (a.k.a., Rosie) used for collecting regional wastewater user fees.

Capital Outlay - Budget

The FY 23-24 Capital Programs budget includes \$380,000 for the Capital Outlay items listed below.

Capital Outlay	
Project Description	FY 23-24 Proposed Budget
Interconnect Sludge Line with ADB Piping, BMF	\$80,000
Asphalt Condition Assessment	60,000
Groundwater Monitoring Plan and Initial Report	60,000
Operations Console, DCS Video Wall	50,000
Resiliency Improvements, Emergency Supplies Storage	50,000
Condition Assessment, Groundwater Wells (x42)	40,000
Infrared Gas Leak Detection Camera, RNG Facility	40,000
Total	\$380,000

Interconnect Sludge Line with ADB Piping – Installation of piping and valve to provide an alternate location to discharge struvite and other material cleaned from the anaerobic digesters.

Asphalt Condition Assessment – Consulting services needed to assess the condition of all asphalt surfaces, including roadways, parking lots, and air drying beds.

Groundwater Monitoring Plan and Initial Report – This is required by the new NPDES permit and will require contracted services from consultants.

Resiliency Improvements, Emergency Supplies Storage – A standalone climate-controlled storage container is needed for emergency supplies such as potable water, MREs (Meals Ready to Eat), medical kits, and related supplies to be located on a stationary pad above the 500-year flood line at the treatment plant.

Operations Console, DCS Video Wall – Large multi-screen displays for plant operations and incident command coordination during emergencies.

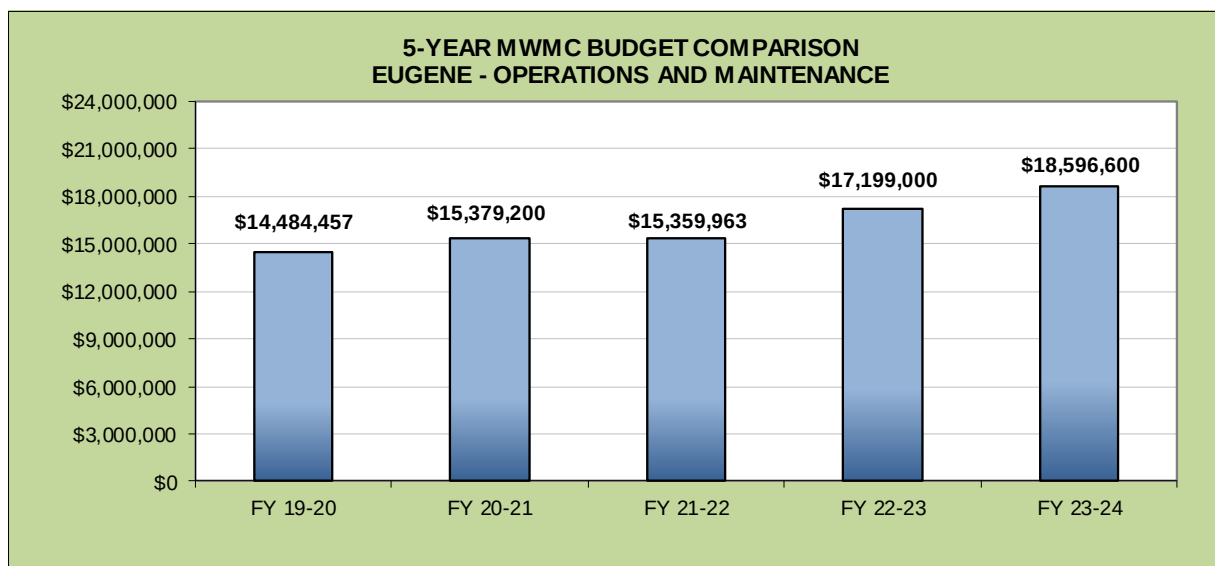
Condition Assessment, Groundwater Wells (x42) – Several of the groundwater monitoring wells appear to be compromised. To ensure accurate groundwater monitoring data, the groundwater wells need to be evaluated by contractors prior to rebuild/rehabilitation.

Infrared Gas Leak Detection Camera, RNG – The infrared camera will provide on-demand data for staff to detect gas leaks, quickly determine the safety of enclosed spaces, and pinpoint the location of leaks for corrective action before they become dangerous.

EXHIBIT 10

**EUGENE - OPERATIONS AND MAINTENANCE PROGRAM
PROPOSED FY 23-24
BUDGET SUMMARY**

	ACTUALS FY 21-22	ADOPTED BUDGET FY 22-23	AMENDED BUDGET FY 22-23	PROPOSED BUDGET FY 23-24	CHANGE * INCR/(DECR)	
Personnel Services	\$9,436,516	\$10,460,000	\$10,460,000	\$11,343,336	\$883,336	8.4%
Materials & Services	5,890,591	6,380,000	6,380,000	6,873,264	493,264	7.7%
Capital Outlay	32,856	359,000	359,000	380,000	21,000	N/A
Budget Summary	\$15,359,963	\$17,199,000	\$17,199,000	\$18,596,600	\$1,397,600	8.0%



NOTE: Does not include Major Rehabilitation or Equipment Replacement

EXHIBIT 11

EUGENE - OPERATIONS & MAINTENANCE
LINE ITEM BUDGET SUMMARY

	ACTUAL FY 21-22	ADOPTED BUDGET FY 22-23	AMENDED BUDGET FY 22-23	PROPOSED BUDGET FY 23-24	CHANGE INCR/(DECR)	
<u>PERSONNEL SERVICES</u>						
Regular Salaries	\$5,351,803	\$5,996,435	\$5,996,435	\$6,457,996	\$461,561	7.7%
Overtime	55,684	33,704	33,704	57,650	23,946	71.0%
Employee Benefits	2,378,533	2,534,919	2,534,919	2,858,032	323,113	12.7%
Paid Family Med Leave Insurance	0	29,982	29,982	32,288	2,306	7.7%
Workers' Comp/Unemploy Ins	123,443	121,411	121,411	130,292	8,881	7.3%
Health Insurance	1,527,053	1,743,549	1,743,549	1,807,078	63,529	3.6%
Total Personnel Services	\$9,436,516	\$10,460,000	\$10,460,000	\$11,343,336	\$883,336	8.4%
FTE	78.36	79.36	79.36	81.68	2.32	2.9%
<u>MATERIALS & SERVICES</u>						
Utilities	\$1,399,616	\$1,417,000	\$1,417,000	\$1,422,000	\$5,000	0.4%
Fleet Operating Charges	508,507	509,682	509,682	554,141	44,459	8.7%
Maintenance-Equip & Facilities	175,460	232,600	232,600	237,789	5,189	2.2%
Contractual Services	491,742	598,750	598,750	747,400	148,650	24.8%
Materials & Program Expense	379,075	712,026	712,026	752,231	40,205	5.6%
Chemicals	550,000	740,500	740,500	800,500	60,000	8.1%
Parts & Components	668,277	363,000	363,000	418,000	55,000	15.2%
Risk Insurance - Employee Liability	72,912	61,869	61,869	71,203	9,334	15.1%
Computer Equip, Supplies, Maint	444,629	444,573	444,573	570,000	125,427	28.2%
Indirects	1,200,372	1,300,000	1,300,000	1,300,000	0	0.0%
Total Materials & Services	\$5,890,590	\$6,380,000	\$6,380,000	\$6,873,264	\$493,264	7.7%
<u>CAPITAL OUTLAY</u>						
Motorized Vehicles	\$0	\$0	\$0	\$0	\$0	0.0%
Capital Outlay - Other	32,856	359,000	359,000	380,000	21,000	5.8%
Total Capital Outlay	\$32,856	\$359,000	\$359,000	\$380,000	\$21,000	5.8%
TOTAL	\$15,359,962	\$17,199,000	\$17,199,000	\$18,596,600	\$1,397,600	8.1%

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 23-24 CIP Budget, the FY 23-24 AMCP Budget, and the associated 5-Year Capital Plan are based on the 2004 MWMC Facilities Plan (2004 FP), the 2014 Partial Facilities Plan Update, and the Resiliency Planning Study (Disaster Mitigation & Recovery Plan – March 2020). 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). 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 DEQ issued the MWMC NPDES permit #102486 that became effective on November 1, 2022.

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 is 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 MWMC facilities in a manner that is as cost-effective, efficient, and affordable to the community in the short and long term
- 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 23-24 CIP Budget, the FY 23-24 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 Financial Management Plan.

Each of the two RWP capital programs relies on funding mechanisms to achieve the objectives described above. The CIP is funded primarily through Capital Reserves, which may include proceeds from revenue bond sales, financing through the State of Oregon DEQ Clean Water State Revolving Fund loan program, System Development Charges, and transfers from the Operating Fund to Capital Reserves.

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 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 fund capital projects, including major rehabilitation, to reduce the amount of borrowing necessary to finance capital projects. In addition, the CIP is funded with System Development Charges for the projects that qualify.

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 with a life expectancy greater than one year; 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 the initial purchase of major equipment that will be placed on the equipment replacement list, or a one time large capital expense. 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, MWMC considers market changes that drive capital project expenditures. Specifically, the MWMC capital plan reflects projected price changes over time that affect cost of materials and services. Accordingly, the 2004 FP projections were based on the 20-city average *Engineering News Record Construction Cost Index* (ENRCCI). In addition, City of Springfield staff and MWMC design consultants monitor construction trends in Oregon and supply chain issues.

Regional Wastewater Capital Program Status and Budget**CIP Project Status and Budget**

The FY 23-24 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 23-24 project budgets is \$64,680,000. Each capital project represented in the FY 23-24 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. In 2019, the MWMC Resiliency Planning consultant study focused on seismic (Cascadia magnitude 9.0 earthquake) and major flooding event(s), and recommended some infrastructure multi-year improvements for consideration during the CIP Budgeting process.

Completed Capital Projects

The following capital projects were completed in FY 22-23:

- Renewable Natural Gas Upgrades (P80095)
- Aeration Basin Improvements – Phase 2 (P80100 study of existing aeration systems)

Carryover Capital Projects

All or a portion of remaining funding for active capital projects are carried forward to the MWMC FY 23-24 budget. The on-going carryover projects are:

- Electrical Switchgear & Transformer Replacement
- Administration Building Improvements
- Water Quality Trading Program
- Class A Disinfection Facilities
- Aeration Basin Upgrades – (2023-2026)
- Comprehensive Facility Plan Update
- Glenwood Pump Station Upgrade
- Resiliency Follow-Up
- Recycled Water Demonstration Projects
- WPCF Stormwater Infrastructure
- Poplar Harvest Management Services

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

FY 23-24 Capital Budget Summary (Exhibit 12)

Exhibit 12 displays the adjusted budget and end-of-year expenditure estimates for FY 22-23, the amount of funding projected to be carried over to FY 23-24 and additional funding for existing and/or new projects in FY 23-24.

EXHIBIT 12

Summary of FY 23-24 MWMC Construction Program Capital Budget

	FY 22-23 ADJUSTED BUDGET	FY 22-23 ESTIMATED ACTUALS	FY 22-23 CARRYOVER TO FY 23-24	NEW FUNDING FOR FY 23-24	TOTAL FY 23-24 BUDGET
Project to be Completed in FY 22-23					
RNG Upgrade Facilities	946,292	520,000	0	0	0
Aeration Basin Improvements - Phase 2	188,090	50,000	0	0	0
Projects to be Carried Over to FY 23-24					
Electrical Switchgear & Transformer Replacement	20,000,000	600,000	19,400,000	0	19,400,000
Administration Building Improvements	7,372,277	1,072,277	6,300,000	12,400,000	18,700,000
Water Quality Trading Program	13,000,000	900,000	12,100,000	0	12,100,000
Class A Disinfection Facilities	6,882,477	92,477	6,790,000	0	6,790,000
Aeration System Upgrades (2023 to 2026)	5,000,000	1,800,000	3,200,000	0	3,200,000
Comprehensive Facilities Plan Update	2,476,422	676,422	1,800,000	0	1,800,000
Glenwood Pump Station Upgrade	2,005,315	505,315	1,500,000	0	1,500,000
Resiliency Follow-Up	3,522,775	802,775	500,000	0	500,000
Recycled Water Demonstration Projects	354,121	24,121	330,000	0	330,000
WPCF Stormwater Infrastructure	300,000	90,000	210,000	100,000	310,000
Poplar Harvest Management Services	264,663	132,520	50,000	0	50,000
Tertiary Filtration - Phase 2	3,000,000	0	0	0	0
TOTAL Capital Projects	\$65,312,432	\$7,265,907	\$52,180,000	\$12,500,000	\$64,680,000

FY 23-24 Asset Management Capital Program and Budget

The AMCP consists of the following three programs:

- Equipment Replacement
- Major Rehabilitation
- Major Capital Outlay

The FY 23-24 budget of each program is described below.

Equipment Replacement Program - Budget

The FY 23-24 Capital Programs budget includes \$1,835,000 in Equipment Replacement purchases that are identified on the table below.

Equipment Replacement	
Project Description	FY 23-24 Proposed Budget
Dredge, BMF	\$560,000
Strain Presses, Biosolids Drying Press (x3), BMF	510,000
Strainer, Automatic (x2), Final	200,000
Passenger Vehicles, EV/Hybrid (x2), Administration	140,000
Pickup Truck, Dump Bed, Facilities	95,000
Tractor, John Deere, BMF	85,000
Fork Lift (All Terrain), Equipment Maintenance	75,000
Flail Mowers (x2), BMF	60,000
Electric Cart, Plant Maintenance	30,000
Electric Cart, Operations	30,000
Mower, 72" Deck, Zero Turn w/Mulcher (x2), Facilities	30,000
Actuator, Rotork – IPS2 Primary Drive Diversion Gate	20,000
Total	\$1,835,000

Dredge, BMF – The existing dredge underwent several major rebuilds in prior years. It is now beyond repair and needs to be replaced.

Strain Presses, Biosolids Drying Press (x3), BMF – The presses are used to filter, screen, dewater and transport biosolids during processing. Replacement parts are no longer available from the manufacturer.

Automatic Strainer (x2), Final – The screening and washing mechanisms can no longer be rebuilt and need to be replaced.

EV/Hybrid Passenger Vehicles (x2), Administration – Replacement of two 13-year old passenger vehicles per recommendation from Eugene Fleet Maintenance division.

Pickup Truck with Dump Bed, Facilities – Replacement of 20-year old dump-bed pickup truck per recommendation from Eugene Fleet Maintenance and the need for four wheel drive capability.

John Deere Tractor, BMF – The cost of rebuilding the tractor is nearly the same as purchasing new. Staff recommend replacement with a larger tractor capable of lifting the dry polymer totes (each tote about 2,000 lbs) and useful for a wider range of BMF operations work.

All Terrain Fork Lift, Maintenance – Replacement with a vehicle that will be used to both load/unload shipping trucks and also move equipment over uneven terrain.

Flail Mowers (x2), BMF – After 15 years of rough use at Biocycle Farm and BMF, the main components of the flail mowers are worn out, and complete replacement of both mowers is needed.

Electric Carts (x2), Maintenance & Operations – Replacement of electric carts per recommendation from Eugene Fleet Maintenance largely due to the availability of parts.

Zero Turn Mower with 72” Deck and Mulcher (x2), Facilities – The 13-year old mower can no longer be operated reliably due to wear and tear and is needing replacement.

Actuator, Rotork – IPS2 Primary Drive Diversion Gate – After undergoing several rebuilds, the actuator unit needs to be entirely replaced.

Major Rehabilitation Program - Budget

The FY 23-24 Capital Programs budget includes \$630,000 for Major Rehabilitation projects that are identified on the table below.

Major Rehabilitation	
Project Description	FY 23-24 Proposed Budget
Roof Replacements (x4)	\$300,000
Hypochlorite Delivery and Monitoring Systems Rebuild, Phase 1	150,000
Sludge Holding Tank Wall Repair, Digesters	90,000
Asphalt Resealing, Roadway and Parking Area, BMF	50,000
Masonry Weather Sealing, Operations Building, BMF	20,000
Operations/Maintenance Building Improvements	20,000
Total	\$630,000

Roof Replacements (x4) – Condition assessments by staff and contractor have determined that roof replacements are needed for the Centrifuge Building, Maintenance High Bay, Gas Mixing Room #2, and Pretreatment Building.

Hypochlorite Delivery and Monitoring Systems Rebuild, Phase 1 – The delivery, distribution, and drain piping for the hypochlorite system has become brittle and cracked. The piping is leaking and needs total replacement.

Sludge Holding Tank Wall Repair, Digesters – Repair needed on structural wall that was damaged during the construction of #4 anaerobic digester.

Roadway and Parking Area Resealing, BMF – Routine crack and resealing work is needed to maximize the longevity of the asphalt roadways and parking areas at the facility.

Masonry Resealing, Ops Building, BMF – Routine weather sealing of the exterior masonry wall surfaces of the operations building to prolong the life of the structure.

Operations and Maintenance Building Improvements – Allocation for small-scale facility improvements.

Major Capital Outlay

There are no new requests for Major Capital Outlay in FY 23-24.

Asset Management Capital Budget Summary

The following table summarizes the FY 23-24 Asset Management Capital Program Budget by project type showing a total AMCP budget of \$2,465,000.

Asset Management Capital Project Budget	
Project Description	FY 23-24 Proposed Budget
Equipment Replacement	\$1,835,000
Major Rehabilitation	630,000
Major Capital	-
Total	\$2,465,000

FY 24-25 Asset Management Capital Program Status and Budget

The AMCP consists of the following programs:

- Equipment Replacement
- Major Rehabilitation
- Major Capital Outlay

The FY 24-25 budget and status of each program is described below.

Equipment Replacement Program – Budget Forecast

The FY 24-25 Capital Programs budget includes \$700,000 in Equipment Replacement purchases that are identified in the table below.

Equipment Replacement	
Project Description	FY 24-25 Budget Forecast
Gravity Belt Thickener (x2)	\$400,000
Polymer Wetting Device #1, Drying Facility, BMF	90,000
Hypochlorite (SHC) Metering Pump, Final (x4)	60,000
Bisulfite (SBS) Metering Pump, Final (x3)	50,000
Air Supply Unit, Digesters	40,000
Air Supply Unit Controls, Secondary	40,000
Acid Distillation System, ESB Labs	20,000
Total	\$700,000

Gravity Belt Thickener (x2) – Scheduled major rebuild of both GBT units, including all wear parts.

Polymer Wetting Device #1, Drying Facility, BMF – The 22-year old wetting device has reached end of service life and is essential to mixing and processing biosolids. Should a critical failure occur during the season, all solids processing would stop until the equipment is replaced.

Hypochlorite (SHC) Metering Pump, Final (x4) – Recurring problems with reliable connection between the electrical and mechanical components make complete replacement necessary.

Bisulfite (SBS) Metering Pump, Final (x3) – Recurring problems with reliable connection between the electrical and mechanical components make complete replacement necessary.

Air Supply Unit, Digesters – The coils on the existing units have corroded. Replacement unit will have coated coils designed for longer equipment service life.

Air Supply Unit Controls, Secondary – Replacement of the ad-hoc assembled controls with a standard package control system.

Acid Distillation System, ESB Labs – The current system has reached end of service life. This system is used to reduce contamination in trace metals analysis, and new equipment will reduce the cost of purchasing commercially prepared acids to meet the permit-required detection limits.

Major Rehabilitation Program - Budget

The FY 24-25 Capital Programs budget includes \$350,000 for Major Rehabilitation projects that are identified in the table below.

Major Rehabilitation	
Project Description	FY 24-25 Budget Forecast
Dewatering Facility, Roof Replacement, BMF	\$150,000
Hypochlorite Delivery and Monitoring Systems Rebuild, Phase 2	110,000
Plant Asphalt Maintenance, Crack/Slurry Sealing	60,000
Operations/Maintenance Building Improvements	30,000
Total	\$350,000

Dewatering Facility, Roof Replacement – Condition assessment by staff and contractor have determined the need for repair or replacement of the dewatering facility roof at BMF.

Hypochlorite Delivery and Monitoring Systems Rebuild – Existing piping for hypochlorite delivery is damaged, creating operational and safety concerns. Hypo delivery equipment needs to be relocated (significantly re-engineered), drains need repair, and piping upsized for operational efficiency, ease of maintenance, and worker safety.

Plant Asphalt Maintenance, Crack/Slurry Sealing – Implementation of the condition assessment recommendations to repair the roadways and parking lots at the treatment plant.

Operations and Maintenance Building Improvements – Allocation for small-scale facility improvements.

Major Capital - Budget

There are no new requests for Major Capital Outlay in FY 24-25.

Summary of FY 24-25 Asset Management Capital Program Budget

Asset Management Capital Project Budget	
Project Description	FY 24-25 Budget Forecast
Equipment Replacement	\$700,000
Major Rehabilitation	350,000
Major Capital Outlay	-
Total	\$1,050,000

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 22-23 Budget that has been carried forward by one year to FY 23-24. Changes to the 5-Year Plan typically occur from year to year as more information becomes available and evaluated.

Exhibit 13 displays the MWMC 5-Year Capital Plan programs budget, which includes \$115,520,000 in planned capital projects and \$13,660,600 planned asset management capital projects for an overall 5-Year Capital Plan Budget of \$129,180,600.

EXHIBIT 13**Regional Wastewater 5-Year Capital Programs**

	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	TOTAL
CAPITAL PROJECTS						
Biosolids Management						
Poplar Harvest Management Services	50,000					50,000
Non-Process Facilities and Facilities Planning						
Comprehensive Facilities Plan Update	1,800,000					1,800,000
Facility Plan Engineering Services		450,000	140,000	150,000	150,000	890,000
Partial Facility Plan Update					650,000	650,000
Conveyance Systems						
Glenwood Pump Station Upgrade	1,500,000					1,500,000
Plant Performance Improvements						
Electrical Switchgear & Transformer Replacement	19,400,000					19,400,000
Administration Building Improvements	18,700,000					18,700,000
Water Quality Trading Program	12,100,000					12,100,000
Class A Disinfection Facilities	6,790,000					6,790,000
Aeration System Upgrades (2023 to 2026)	3,200,000	25,000,000				28,200,000
Resiliency Follow-Up	500,000	500,000	800,000	800,000	2,000,000	4,600,000
Recycled Water Demonstration Projects	330,000					330,000
WCPF Stormwater Infrastructure	310,000	200,000				510,000
Waste Activated Sludge Thickening		1,500,000	5,000,000			6,500,000
Owosso Bridge Seismic Upgrades			1,000,000	5,500,000		6,500,000
Tertiary Filtration - Phase 2					7,000,000	7,000,000
TOTAL CAPITAL PROJECTS	\$64,680,000	\$27,650,000	\$6,940,000	\$6,450,000	\$9,800,000	\$115,520,000
ASSET MANAGEMENT						
Equipment Replacement	1,835,000	700,000	3,163,400	1,585,600	2,445,600	9,729,600
Major Rehabilitation	630,000	350,000	844,000	1,164,000	943,000	3,931,000
Major Capital Outlay	-	-	-	-	-	-
TOTAL ASSET MANAGEMENT	2,465,000	1,050,000	4,007,400	2,749,600	3,388,600	13,660,600
TOTAL CAPITAL IMPROVEMENTS	\$67,145,000	\$28,700,000	\$10,947,400	\$9,199,600	\$13,188,600	\$129,180,600

POPLAR HARVEST MANAGEMENT SERVICES (P80083)**Description:**

This project represents the commissioning phase of the initial establishment of the Biocycle Farm by managing harvest and replanting services of all three farm management units (MUs), including marketing of poplar harvest products. Upon final replanting of Management Unit 3 (MU3), the project will result in a findings and recommendation report for long-term Biocycle Farm management. The project ensures the timely harvest of each MU within the regulatory 12-year rotation limit. Upon full replanting of MU3, the long-term poplar harvest and planting will be added to operations/maintenance functions in 2024 under the Eugene Wastewater Division. Ongoing poplar end use and market development is anticipated to remain under the MWMC Capital Program team.

Status:

MU1 was replanted in 2016. MU2 was replanted in 2018-19. MU3 was harvested in 2021 with replanting programmed in 2023-24.

Justification:

Regulatory land use requirements for operation of the Biocycle Farm (including agricultural rules) and assurance of optimization of farm effectiveness and efficiency, including biosolids and recycled water management strategies.

Project Driver:

Land Use Compatibility Statement (LUCS) issued by Lane County; Biosolids Management Plan and Recycled Water Use Plan under the MWMC's NPDES permit.

Project Trigger:

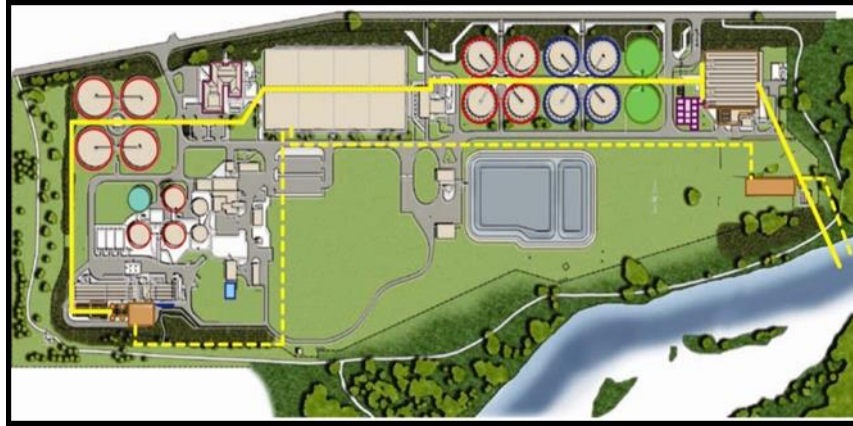
Maturity of each 12-year rotation age cycle in conformance with agricultural use rules.

Estimated Project Cost: \$2,000,000 (estimate 2013 to June 2024)

Estimated Cash Flow: FY 13-14 = \$116,009; FY 14-15 = \$114,465; FY 15-16 = \$136,814; FY 16-17 = \$105,653; FY 17-18 = \$435,573; FY 18-19 = \$138,388; FY 19-20 = \$110,007; FY 20-21 = \$36,969; FY 21-22 = \$623,602; FY 22-23 = \$132,520; FY 23-24 = \$50,000

	<u>Prior</u>	<u>2022-23</u>						
<u>Expenditure/Category:</u>	<u>Years</u>	<u>Est. Act.</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>Total</u>
Design/Construction	\$1,817,480	\$132,520	\$50,000	\$0	\$0	\$0	\$0	\$2,000,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$1,817,480	\$132,520	\$50,000	\$0	\$0	\$0	\$0	\$2,000,000

COMPREHENSIVE FACILITIES PLAN UPDATE (P80101)

**Description:**

This will be the first MWMC Comprehensive Facilities Plan Update since the 2004 MWMC Facilities Plan. The update could include WPCF stormwater planning, NPDES permit renewal, system development charge evaluation, facilities planning technical services, and cost estimating for a 20-year planning horizon. The update will draw on the most recent plant data, permit compliance requirements, and available technology able to ensure the MWMC continues to meet future regulations, environmental standards, and community growth. The MWMC NPDES permit renewal was effective on November 1, 2022.

Status:

As of December 2022, consultant provided WPCF stormwater master plan (December 2021). The Oregon Department of Environmental Quality finalized the NPDES permit #102486 in October 2022. The P80101 project team is working with consultants to create a new Facilities Plan and updates to the MWMC governing body.

Justification:

Evaluate and plan for future MWMC conveyance and treatment upgrades and solutions to meet regulatory requirements, preserve public health, community growth, and water quality standards.

Project Driver:

Provide MWMC comprehensive facilities planning to develop the capital program and recommendations for the upcoming 20-years.

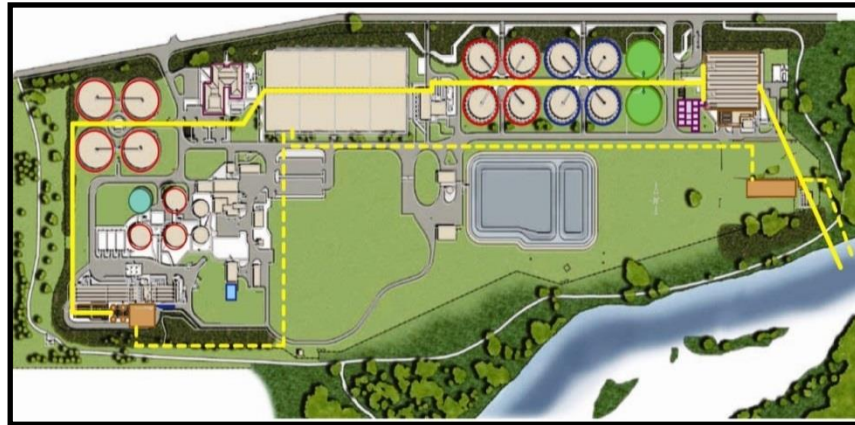
Project Trigger:

The WPCF stormwater planning portion was triggered to address local building permit requirements for MWMC upcoming construction projects. The remaining project scope will be focusing on planning for at least 20 years.

Estimated Project Cost: \$2,600,000

Estimated Cash Flow: FY 18-19 = \$35,701; FY 19-20 = \$15,174; FY 20-21 = \$70,567;
FY 21-22 = \$2,136; FY 22-23 = \$676,422; FY 23-24 = \$1,460,000;
FY 24-25 = \$340,000

Expenditure/Category:	Prior	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total
	Years	Est. Act.						
Design/Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$123,578	\$676,422	\$1,800,000	\$0	\$0	\$0	\$0	\$2,600,000
Total Cost	\$123,578	\$676,422	\$1,800,000	\$0	\$0	\$0	\$0	\$2,600,000

FACILITY PLAN ENGINEERING SERVICES (P80110)

Description: Engineering/technical/vendor services for analysis, project definition, cost estimating, design feedback, follow up approvals, and general consultation regarding the MWMC Facilities Plan follow up (2024 to 2028). The related project P80090 was closed out in FY 21/22.

Status: After the November 1, 2022 permit renewal, staff anticipates updating the MWMC Facilities Plan under P80101 and as needed follow up support via P80110 Facility Plan Engineering Services. As required by the NPDES permit #102486 (page 12) and before September 15, 2025, the MWMC must provide an inspection report to the DEQ of the treatment plant outfall system. The P80110 funding will support the inspection and evaluation of the MWMC outfall system.

Justification: Consultant services to provide ongoing technical and engineering services as needed after the MWMC Comprehensive Facilities Plan Update (P80101).

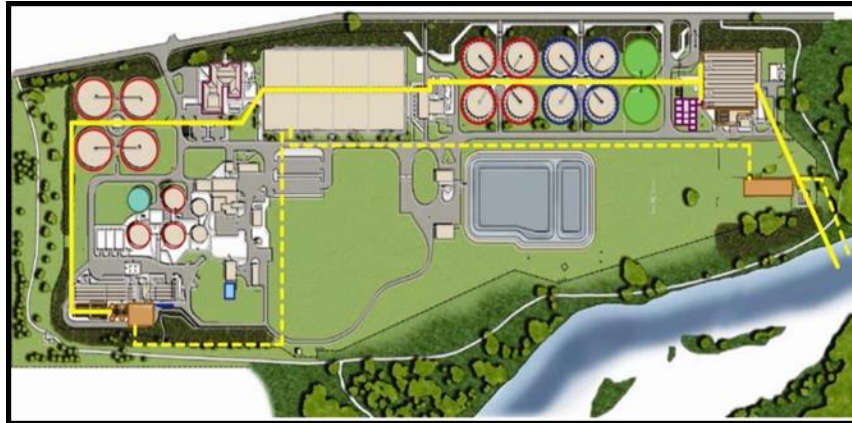
Project Driver: Ongoing engineering/technical/vendor services.

Project Trigger: Ongoing need.

Estimated Cost: \$890,000 (2024 to 2028)

Estimated Cash Flow: FY 24-25 = \$450,000; FY 25-26 = \$140,000; FY 26-27 = \$150,000;
FY 27-28 = \$150,000

<u>Expenditure/Category:</u>	<u>Prior</u> <u>Years</u>	<u>2022-23</u> <u>Est. Act.</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>Total</u>
Design/Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$450,000	\$140,000	\$150,000	\$150,000	\$890,000
Total Cost	\$0	\$0	\$0	\$450,000	\$140,000	\$150,000	\$150,000	\$890,000

PARTIAL FACILITY PLAN UPDATE (P80103)

Description: This project provides a 5-year update to the Comprehensive Facilities Plan that will verify and re-evaluate the assumptions, projections, and project cost estimates. The Partial Facilities Plan Update reviews the new and evolving regulatory drivers, identifies technology changes/opportunities, evaluates needed adjustments, and provides new recommendations. The next MWMC NPDES permit renewal date is September 30, 2027.

Status: Anticipate starting work in FY 27-28 or as needed.

Justification: The information and basis of the Comprehensive Facilities Plan requires regular updating to ensure knowledge, data, regulations, and performance issues behind Plan recommendations are current and recommended projects are adapted and adopted based on the current fact set.

Project Driver: Ongoing goal to keep planning up to date.

Project Trigger: Scheduled update.

Estimated Project Cost: \$650,000

Estimated Cash Flow: FY 27-28 = \$320,000; FY 28-29 = \$330,000

<u>Expenditure/Category:</u>	<u>Prior</u>	<u>2022-23</u>		<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>Total</u>
	<u>Years</u>	<u>Est.</u>	<u>Act.</u>						
Design/Construction	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0		\$0	\$0	\$0	\$0	\$650,000	\$650,000
Total Cost	\$0	\$0		\$0	\$0	\$0	\$0	\$650,000	\$650,000

GLENWOOD PUMP STATION UPGRADE (P80064)

- Description:** Expand Glenwood pump station capacity to accommodate growth and meet Oregon Department of Environmental Quality (DEQ) wastewater pump station design requirements. The pump station was designed with stalls for additional pumps. Two pumps are currently installed with space for two additional pumps to be added when flow to the pump station increases with development of the Glenwood and Laurel Hill basins. In 2019, the P80096 Resiliency Planning study recommended onsite geotechnical evaluation and additional improvements.
- Status:** As of January 2023, evaluation of existing pumping capacity and geotechnical investigation is complete. Consultant task order #1 is nearing completion. The next step is to collect wet weather flow data and start design of the pump station upgrades.
- 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:** Oregon DEQ wastewater pump station redundancy requirements and 2019 Resiliency study recommendations.
- Project Trigger:** Peak wet weather instantaneous flow reaches 80 percent of the pump station firm capacity.
- Estimated Project Cost:** \$2,050,000 (but plan to get updated construction cost estimating in 2023)
- Estimated Cash Flow:** FY 20-21 = \$1,426; FY 21-22 = \$43,259; FY 22-23 = \$505,315; FY 23-24 = \$1,400,000; FY 24-25 = \$100,000

Expenditure/Category:	Prior	2022-23		2023-24	2024-25	2025-26	2026-27	2027-28	Total
	Years	Est.	Act.						
Design/Construction	\$44,685	\$505,315	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$2,050,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$44,685	\$505,315	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$2,050,000

ELECTRICAL SWITCHGEAR & TRANSFORMER REPLACEMENT (P80115)

Description: The main electrical switchgear at the Water Pollution Control Facility (WPCF) and Willakenzie Pump Station (WPS) were installed in 1983 during construction of the regional facilities. The purpose of the equipment is to take utility power and provide it to various process areas with the use of switches. There is a main breaker to safely isolate the facility from the utility grid (EWEB), as well as protect the utility from electrical faults at the site. This project will upgrade the existing switchgear and medium voltage transformers.

Status: As of December 2022, consultant developed an estimated project cost, based on recent similar projects. The MWMC received an update with recommendations on December 9, 2022.

Justification: The main electrical switchgear for the WPCF and the WPS have reached the end of their service life and need to be replaced. Eighteen (18) medium voltage (MV) transformers throughout both sites are in similar condition. Major delays in equipment delivery times have placed a sense of urgency on procuring this equipment. Streamlining project delivery, design and construction, the impacts of outages to plant operations can be minimized if all equipment is replaced together through one project.

Project Driver: Main switchgear and MV transformers are of paramount importance to plant operations. Replacing switchgear is a major undertaking that involves large temporary power sources, specialized contractors, manufacturer field testing, and significant coordination to reduce disruption to plant operation.

Project Trigger: The September 2022 condition assessment, coupled with recent arcing events, has concluded the switchgear at the WPCF and WPS have reached the end of their useful life and need to be replaced, and it is anticipated that the MV transformers are not far behind.

Estimated Project Cost: \$20 million (additional cost estimating anticipated in 2023)

Estimated Cash Flow: FY 22-23 = \$600,000; FY 23-24 = \$4,000,000; FY 24-25 = \$6,400,000; FY 25-26 = \$9,000,000

<u>Expenditure/Category:</u>	<u>Prior</u>	<u>2022-23</u>		<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>Total</u>
	<u>Years</u>	<u>Est.</u>	<u>Act.</u>						
Design/Construction	\$0	\$600,000		\$19,400,000	\$0	\$0	\$0	\$0	\$20,000,000
Other	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$0	\$600,000		\$19,400,000	\$0	\$0	\$0	\$0	\$20,000,000

ADMINISTRATION BUILDING IMPROVEMENTS (P80104)

Description: This project will address the Administration/Operations Building workspace needs at the Water Pollution Control Facility (WPCF). It is a follow up to the 2018-2019 construction of the P80085 new laboratory building and expansion of the existing maintenance building. In 2019, the P80096 Resiliency Planning study recommended evaluating MWMC options for building space including: a) constructing a new MWMC building for immediate occupancy/use after a major natural disaster, or b) upgrade the existing building for immediate occupancy post-earthquake (magnitude 9.0 event). Three alternatives to meet workspace needs were studied and the alternative to construct a new building in the existing building's footprint was selected by the MWMC during the October 14, 2022 meeting. Temporary operations space will need to be designed and constructed in the existing Maintenance Building for operations to continue during construction and to provide for additional operational resiliency in the future.

Status: As of January 2023, the project team and design consultant are nearing the 60% design development and anticipate construction bidding in early 2024.

Justification: The original design and construction of the WPCF Administration/Operations Building was completed February 1982 under older building codes. Since that time, use of the building and associated construction codes have changed substantially necessitating the need to re-evaluate the MWMC building options to address level of service goals after a natural disaster (earthquake or flooding).

Project Driver: The need to update the existing Administration/Operations building is driven by the necessity to provide a safe and efficient work environment for the WPCF staff. Many of the planned changes stem from a changing wastewater/environmental business because of changing regulations since the WPCF was originally constructed in 1982. Also, address the P80096 recommended level of service goals to operate after magnitude 9.0 earthquake issue.

Project Trigger: Expansion and changes needed for functionality, safety, and natural disaster resiliency.

Estimated Project Cost: \$20,000,000 (continue to evaluate project cost estimates during design development)

Estimated Cash Flow: FY 20-21 = \$17,937; FY 21-22 = \$209,786; FY 22-23 = \$1,072,277;
FY 23-24 = \$8,700,000 FY 24-25 = \$10,000,000

<u>Expenditure/Category:</u>	<u>Prior</u>		<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>Total</u>
	<u>Years</u>	<u>Est. Act.</u>						
Design/Construction	\$227,723	\$1,072,277	\$18,700,000	\$0	\$0	\$0	\$0	\$20,000,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$227,723	\$1,072,277	\$18,700,000	\$0	\$0	\$0	\$0	\$20,000,000

WATER QUALITY TRADING PROGRAM (P80112)

Description: The MWMC Water Quality Trading Program secures regulatory credits for meeting thermal load reduction through watershed restoration. The program fulfills the objectives of the MWMC Water Quality Trading Plan under the MWMC NPDES permit as approved November 2022, which defines the MWMC eligible trading area in the upper Willamette basin. The program is implemented principally through the MWMC's membership in the Pure Water Partners collaborative via the MWMC's contractor-provided Credit Program Manager services and MWMC's IGA with EWEB. Water quality trading credits comprise the MWMC's primary strategy for thermal load limit compliance and may provide ancillary future water quality or carbon benefits.

Status: The MWMC with consultant help has developed a Water Quality Trading Plan for NPDES permit compliance and has fully evaluated the credit capacity, effectiveness, and scale of eligible lands in the upper Willamette basin. As of March 2019, the MWMC procured The Freshwater Trust (www.thefreshwatertrust.org) as the MWMC Credit Program Manager. As of November 2022, the MWMC has an active agreement with The Freshwater Trust to implement the permit-compliance water quality trading program scope of work to meet the 5-year credit timeline of the NPDES permit Compliance Schedule. As of January 2023, the MWMC has recorded 33.65 Mkal/day of credits out of a 5-year target of 200 Mkal/day.

Justification: The Water Quality Trading Program will help provide cost-effective strategies for most of the thermal load compliance dates as required under the MWMC NPDES permit renewed in 2022.

Project Driver: Implementation of updated thermal load limits in the MWMC's renewed NPDES permit.

Project Trigger: The NPDES permit renewal includes a 15-year Compliance Schedule with 200 Mkal/day of credits due by October 2027.

Estimated Project Cost: \$13 million (estimate 2022 to 2033)

Estimated Cash Flow: FY 22-23 = \$900,000; FY 23-24 = \$550,000; FY 24-25 = \$2,100,000; FY 25-26 = \$3,100,000; FY 26-27 = \$2,600,000; FY 27-28 = \$1,100,000; FY 28-29 = \$30,000; FY 29-30 = \$20,000; FY 30-31 = \$1,100,000; FY 31-32 = \$1,100,000; FY 32-33 = \$400,000.

Expenditure/Category:	Prior	2022-23		2023-24	2024-25	2025-26	2026-27	2027-28	Total
	Years	Est.	Act.						
Design/Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$900,000	\$12,100,000	\$0	\$0	\$0	\$0	\$0	\$13,000,000
Total Cost	\$0	\$900,000	\$12,100,000	\$0	\$0	\$0	\$0	\$0	\$13,000,000

CLASS A DISINFECTION FACILITIES (P80098)



Description:	Provides disinfection, storage, and distribution facilities needed to bring tertiary filtered effluent to Class A standards on a consistent and reliable basis for initial demonstration of recycled water uses on- and off-site of the MWMC treatment site. The P80098 project includes the design, bidding, construction, and permitting of Class A recycled water disinfection facilities.
Status:	As of January 2023, the project team is evaluating the MWMC existing filtration system and seeking grant funding. The P80098 design package is nearing 100% completion to submit for construction permits and construction bidding phase.
Justification:	Class A recycled water is necessary to expand recycled water to landscaping, street tree, and industrial uses. Demonstration of Class A quality and reliability is necessary for stakeholder acceptance and future adoption of expanded recycled water uses.
Project Driver:	The Thermal Load Mitigation Alternatives Evaluation, Recycled Water Program Implementation Planning, Phase 2 Study (dated August 2014) recommended demonstration scale use of Class A recycled water to address stakeholder acceptability issues identified as barriers to full-scale recycled water uses.
Project Trigger:	Pilot recycled water demonstration sites with willing, ready-to-proceed partners have been identified, including City of Eugene (street tree watering) and industrial aggregate sites for equipment washing.
Estimated Project Cost:	\$8 million (recycled water Class A infrastructure and upgrade one structure for 9.0 magnitude earthquake preparedness related to MWMC P80096 level of service goals)
Estimated Cash Flow:	FY 18-19 = \$836; FY 19-20 = \$15,934; FY 20-21 = \$339,068; FY 21-22 = \$761,685; FY 22-23 = \$92,477; FY 23-24 = \$550,000; FY 24-25 = \$6,240,000

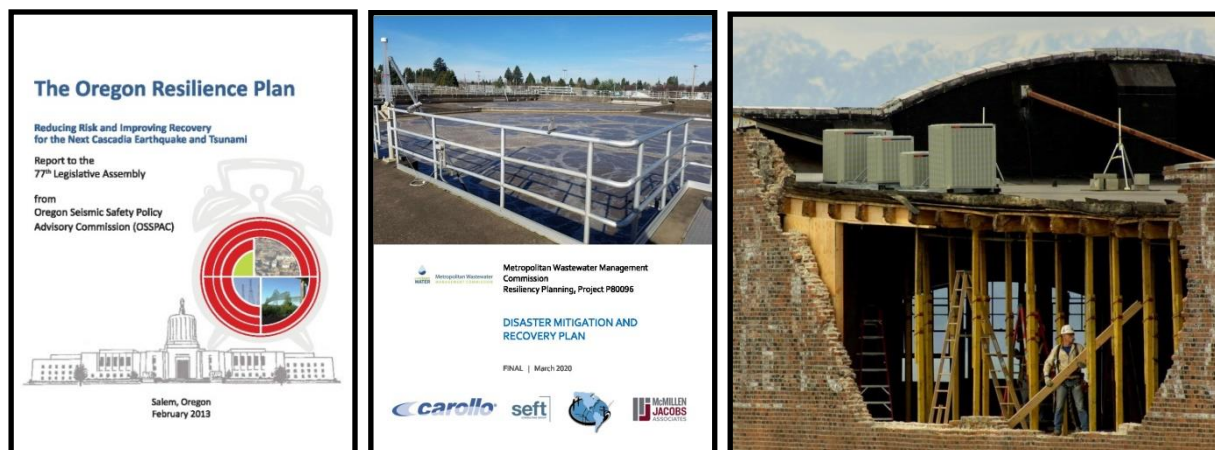
Expenditure/Category:	Prior	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total
	Years	Est. Act.						
Design/Construction	\$1,117,523	\$92,477	\$6,790,000	\$0	\$0	\$0	\$0	\$8,000,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$1,117,523	\$92,477	\$6,790,000	\$0	\$0	\$0	\$0	\$8,000,000

AERATION SYSTEM UPGRADES [2023-2026] (P80113)

Description:	In 2020 and 2021, Brown and Caldwell evaluated the existing aeration systems and provided recommendations in January 2022 via project P80100. The P80113 project will implement the design and construction of additional upgrades/changes to the existing aeration systems by year 2027. Upgrades to the westerly existing aeration basins are anticipated after year 2031.
Status:	As of January 2023: The MWMC signed the P80113 design contract with Brown and Caldwell on October 4, 2022. The design development phase is anticipated thru 2024 with updates in the MWMC monthly report.
Justification:	Update aging (1984) existing equipment/systems such as piping, electrical, communication technology, blowers, HVAC, and other components related to the aeration system which is part of the MWMC secondary treatment process.
Project Driver:	Ongoing efforts to keep existing systems reliable and achieve required performance outcomes to address the National Pollution Discharge Elimination System (NPDES) permit.
Project Trigger:	Need to address aging aeration systems for reliability and performance upgrades.
Estimated Project Cost:	\$30,000,000 (evaluate cost estimates during the P80113 design development phase)
Estimated Cash Flow:	FY 22-23 = \$1,800,000; FY 23-24 = \$3,200,000; FY 24-25 = \$8,000,000; FY 25-26 = \$11,500,000; FY 26-27 = \$5,500,000

	<u>Prior</u>	<u>2022-23</u>						
<u>Expenditure/Category:</u>	<u>Years</u>	<u>Est. Act.</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>Total</u>
Design/Construction	\$0	\$1,800,000	\$3,200,000	\$25,000,000	\$0	\$0	\$0	\$30,000,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$0	\$1,800,000	\$3,200,000	\$25,000,000	\$0	\$0	\$0	\$30,000,000

RESILIENCY FOLLOW-UP (P80109)



Description: This project provides follow-up evaluation and some implementation of the P80096 Resiliency Study (Disaster Mitigation and Recovery Plan - dated March 2020). The 2019 study recommended seismic and flooding mitigation projects estimated at \$34.6-million to be coordinated with the MWMC ongoing infrastructure/facilities construction program. The main objective is to address “level of service” goals before a natural disaster such as a 9.0 magnitude earthquake or major flooding. Also, the MWMC should continue to communicate with the agencies that prepare for natural disasters that can impact the Eugene/Springfield community.

Status: As of January 2023: Consultants completed geotechnical assessments near the Owosso Bridge, Willakenzie pump station, WPCF Headworks structures, and Glenwood pump station. Received consultant cost estimates for seismic retrofits to the Owosso Bridge.

Justification: The MWMC’s facilities and wastewater conveyance and treatment services are integral to protection of the community and public health following a major disaster such as the anticipated Cascadia Subduction Zone Earthquake and major flooding.

Project Driver: Cost effectively ensure reasonable recovery of MWMC’s core facilities and services following major disaster impacts after earthquake or flooding.

Project Trigger: Per Commission direction, consultant work began in July 2018. The MWMC plan with consultant recommendations is dated March 2020. Established consultant agreements in 2021 with four engineering businesses.

Estimated Project Cost: Mitigation recommendations estimate: \$34.6-million (2019 dollars)

Estimated Cash Flow: FY 20-21 = \$4,092; FY 21-22 = \$173,133; FY 22-23 = \$802,775; FY 23-24 = \$500,000; FY 24-25 = \$500,000; FY 25-26 = \$800,000; FY 26-27 = \$800,000; FY 27-28 = \$2,000,000; and continue the MWMC mitigation work estimated over \$34-million

<u>Expenditure/Category:</u>	<u>Prior Years</u>	<u>2022-23 Est. Act.</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>Total</u>
Design/Construction	\$177,225	\$802,775	\$500,000	\$500,000	\$800,000	\$800,000	\$2,000,000	\$5,580,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$177,225	\$802,775	\$500,000	\$500,000	\$800,000	\$800,000	\$2,000,000	\$5,580,000

RECYCLED WATER DEMONSTRATION PROJECTS (P80099)



Description: This project provides for stakeholder engagement, community communication/outreach, and any additional design, construction, permitting, and implementation of recycled water point-of-use needs beyond the MWMC's point-of-delivery of Class A recycled water product.

Status: As of 2022: Pilot Class A recycled water demonstration sites with ready-to-proceed partners have been identified, including City of Eugene street-tree watering and industrial aggregate site uses. Letters of intent from these partners were secured in 2020. Regulatory readiness was addressed with DEQ during the NPDES 2022 permit renewal in anticipation of project launch during the 2022-2027 permit cycle. A consultant-led outreach strategy was developed, including engaging a recycled water use advisory network in tandem with the Class A Disinfection Facilities (P80098) construction phase.

Justification: Recycled water use may be an important strategy for diverting effluent from the Willamette River to meet NPDES permit discharge limits for temperature and other water quality benefits. Development of Class A recycled water is an identified water resource strategy in EWEB's *Water Management and Conservation Plan* (July 2018) and the *Eugene/Springfield Area Multi-Jurisdictional Natural Hazards Mitigation Plan* (January 2020).

Project Driver: The Thermal Load Mitigation Alternatives Evaluation-Recycled Water Program Implementation Planning, Phase 2 Study (dated August 2014) identified demonstration scale use of Class A recycled water was needed to address stakeholder acceptability issues identified as barriers to full-scale recycled water uses.

Project Trigger: The 2022 NPDES permit included new temperature limits and imposes a 15-year compliance schedule to fully meet new effluent limits. The permit requires identification of a long-term strategy to meet the compliance schedule.

Estimated Project Cost: \$410,000

Estimated Cash Flow: FY 19-20 = \$27,899; FY 20-21 = \$16,859; FY 21-22 = \$11,121; FY 22-23 = \$24,121; FY 23-24 = \$160,000; FY 24-25 = \$170,000

<u>Expenditure/Category:</u>	<u>Prior Years</u>	<u>2022-23 Est. Act.</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>Total</u>
Design/Construction	\$55,879	\$24,121	\$330,000	\$0	\$0	\$0	\$0	\$410,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$55,879	\$24,121	\$330,000	\$0	\$0	\$0	\$0	\$410,000

WPCF STORMWATER INFRASTRUCTURE (P80111)

Description: Retrofit and/or change existing stormwater infrastructure at the Water Pollution Control Facility (WPCF). Also, update the WPCF Conditional Use Permit (CUP) related to stormwater infrastructure planning for upcoming construction.

Status: As of December 2022, Jacobs staff provided a Stormwater Master Plan (SWMP) dated December 16, 2021 with consultant recommendations including the need to update the MWMC existing CUP related to stormwater systems.

Justification: WPCF existing stormwater and drainage systems need to be retrofitted and/or changed for upcoming construction permit approvals.

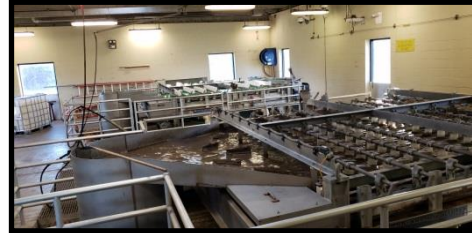
Project Driver: Maintain compliance with local and state stormwater requirements at the WPCF.

Project Trigger: Each infrastructure hard surface change at the WPCF can trigger stormwater quality and quantity onsite controls related to project permit requirements.

Estimated Project Cost: \$600,000 (update WPCF CUP for stormwater, retrofit existing three bioswales to rain gardens, and add new rain gardens)

Estimated Cash Flow: FY 22-23 = \$90,000; FY 23-24 = \$310,000; FY 24-25 = \$200,000

	<u>Prior</u>	<u>2022-23</u>						
<u>Expenditure/Category:</u>	<u>Years</u>	<u>Est. Act.</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>Total</u>
Design/Construction	\$0	\$90,000	\$310,000	\$200,000	\$0	\$0	\$0	\$600,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$0	\$90,000	\$310,000	\$200,000	\$0	\$0	\$0	\$600,000

WASTE ACTIVATED SLUDGE THICKENING (P80078)

Description:	Third gravity belt thickener (GBT) with associated at-grade building. Assumes additional basement floor space is not required.
Status:	Continue to monitor the timing of this project and P80101 findings in 2023/2024.
Justification:	Provide additional capacity for waste activated sludge (WAS) thickening process.
Project Driver:	Additional capacity to provide WAS thickening with one unit offline at upper limit flow projections. Nitrification required by the NPDES permit and increasing wastewater flows and loads generates more WAS solids. Provide ability to conduct recuperative thickening.
Project Trigger:	Exceeding solids and hydraulic loading rate design criteria.
Estimated Project Cost:	\$6,500,000
Estimated Cash Flow:	FY 24-25 = \$1,500,000; FY 25-26 = \$3,000,000; FY 26-27 = \$2,000,000

<u>Expenditure/Category:</u>	<u>Prior</u> <u>Years</u>	<u>2022-23</u> <u>Est. Act.</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>Total</u>
Design/Construction	\$0	\$0	\$0	\$1,500,000	\$5,000,000	\$0	\$0	\$6,500,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$0	\$0	\$0	\$1,500,000	\$5,000,000	\$0	\$0	\$6,500,000

OWOSSO BRIDGE SEISMIC UPGRADES (P80116)

Description: This project was identified in the Disaster Mitigation and Recovery Plan (March 2020). The MWMC owns the Owosso Bridge (constructed in 1982) and has infrastructure attached to the bridge.

Status: Under the MWMC project P80109 work related to the Owosso Bridge, the MWMC received a geotechnical seismic analysis consultant report dated June 23, 2022. In August 2022, an engineering consultant provided updated cost estimates for Owosso Bridge seismic retrofits.

Justification: The MWMC's facilities and wastewater conveyance/treatment services are integral to protection of the community and public health following a major disaster such as the Oregon anticipated Cascadia Subduction Zone Earthquake.

Project Driver: Cost effectively ensure reasonable recovery of MWMC's core facilities and services following major disaster impacts after earthquake and/or river flooding.

Project Trigger: Ongoing effort to address level of service recommendations/improvements from the Disaster Mitigation and Recovery Plan dated March 2020 (Project P80096).

Estimated Project Cost: \$6,500,000

Estimated Cash Flow: FY 25-26 = \$800,000; FY 26-27 = \$2,700,000; FY 27-28 = \$2,800,000; FY 28-29 = \$200,000

<u>Expenditure/Category:</u>	<u>Prior</u> <u>Years</u>	<u>2022-23</u> <u>Est. Act.</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>Total</u>
Design/Construction	\$0	\$0	\$0	\$0	\$1,000,000	\$5,500,000	\$0	\$6,500,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$0	\$0	\$0	\$0	\$1,000,000	\$5,500,000	\$0	\$6,500,000

TERTIARY FILTRATION - PHASE 2 (P80102)



Description: The phased work program anticipates installing 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 and evaluate any new planning information.

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

Status: Tertiary Filtration (Phase 2) project is anticipated to start design development in FY 27-28. Continue to evaluate timing based on upcoming P80101 planning information.

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

Project Driver: Performance reliability to meet the dry weather NPDES Permit total suspended solids limit 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 evaluate the project timing based on the MWMC upcoming P80101 Facilities Planning information.

Estimated Project Cost: \$17,000,000 (re-evaluate during the P80101 Comprehensive Facilities Plan Update)

Estimated Cash Flow: FY 27-28 = \$5,500,000; FY 28-29 = \$5,600,000; FY 29-30 = \$5,600,000; FY 30-31 = \$300,000

	<u>Prior</u>	<u>2022-23</u>						
	<u>Years</u>	<u>Est. Act.</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>Total</u>
Design/Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$7,000,000	\$7,000,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$7,000,000	\$7,000,000