

Regional Wastewater Program Budget and Capital Improvements Program



Metropolitan Wastewater
MANAGEMENT COMMISSION



partners in wastewater management

Fiscal Year 2020-2021

REGIONAL WASTEWATER PROGRAM BUDGET and CAPITAL IMPROVEMENTS PROGRAM Fiscal Year 2020-21

The Metropolitan Wastewater Management Commission adopted the Operating Budget and Capital Improvements Program (CIP) for FY 20-21 on April 10, 2020. The Budget and CIP were ratified by the Springfield City Council on May 4, 2020, the Eugene City Council on May 11, 2020, and the Lane County Board of Commissioners on May 12, 2020. The Commission gave final ratification of the Budget and CIP on June 12, 2020.

COMMISSION MEMBERS:

Pat Farr, President (Lane County)
Jennifer Yeh, Vice President (Eugene)
Bill Inge (Lane County)
Doug Keeler (Springfield)
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Dave Breitenstein, Wastewater Director
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METROPOLITAN WASTEWATER MANAGEMENT COMMISSION
FY 2020-21 BUDGET AND CAPITAL IMPROVEMENTS PROGRAM
for the
REGIONAL WASTEWATER PROGRAM

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PROGRAM OVERVIEW

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 2020-21. 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 43 years. The service area for the MWMC consists of approximately 250,000 residents, including 79,500 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 2020-21 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 20-21 is \$23.95 million, and the five-year Capital Plan is currently projected at \$85 million.

Operating Budget - The FY 20-21 RWP Operating Budget for personnel services, materials and services and capital outlay expenses is \$19.77 million, reflecting a 5.9% increase when compared to the prior year adopted budget (or a 4.9% increase when compared to the prior year amended budget). The FY 20-21 budget includes Debt Service payments that total \$4.26 million as scheduled repayment of the \$32.7 million for revenue bonds issued in May 2016, and \$4.34 million 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 20-21 user fee revenues (including septage service) are projected at \$34.5 million. In light of the COVID-19 pandemic revenues are based on a 0% increase with regional monthly wastewater user fees and septage and hauled waste user fees remaining level, while meeting 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 20-21 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

Since 2006, the MWMC's NPDES permit has been administratively extended by the Department of Environmental Quality (DEQ) pending ongoing litigation and future regulatory standards that are anticipated to include more stringent requirements. During this period of regulatory uncertainty the MWMC continues to reduce debt obligations, while planning financially to be positioned for future permit renewal. Currently, the target date set by the DEQ for permit issuance is by the end of calendar year 2021.

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.

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. Since 1983, the Commission has contracted with the Cities of Springfield and Eugene for all staffing and services necessary to maintain and support the RWP. Lane County's partnership has involved participation on the Commission and support 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 20-21 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 20-21 RWP Operating Budget, Capital Improvements Program and associated work plans.

Outcome 1: Achieve and maintain high environmental standards.

Indicators:	Performance:		
	FY 18-19 Actual	FY 19-20 Estimated Actual	FY 20-21 Target
• Volume of wastewater treated to water quality standards	100%; 11.7 billion gallons	100%; 11 billion gallons	100%; 11 billion gallons
• Average removal efficiency of carbonaceous biochemical oxygen demand (CBOD) and total suspended solids (TSS) (permit limit 85%)	98%	98%	95%
• High quality biosolids (pollutant concentrations less than 50% of EPA exceptional quality criteria)	Arsenic 34% Cadmium 18% Copper 35% Lead 12% Mercury 7% Nickel 8% Selenium 21% Zinc 35%	Arsenic 35% Cadmium 20% Copper 35% Lead 15% Mercury 10% Nickel 10% Selenium 20% Zinc 35%	Arsenic <50% Cadmium <50% Copper <50% Lead <50% Mercury <50% Nickel <50% Selenium <50% Zinc <50%
• ISO14001 Environmental Management System Certification (no major nonconformance)	All objectives met	All objectives met	Meet all objectives

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

Indicators:	Performance:		
	FY 18-19 Actual	FY 19-20 Estimated Actual	FY 20-21 Target
• Annual budget and rates align with the MWMC Financial Plan	Policies met	Policies met	Policies met
• Annual audited financial statements	Clean audit	Clean audit	Clean audit
• Uninsured bond rating	AA	AA	AA
• Reserves funded at target levels	Yes	Yes	Yes
• Financial Plan policy updates	Adopted and implemented	---	---

Outcome 3: Achieve and maintain a successful intergovernmental partnership.

Indicators:	Performance:		
	FY 18-19 Actual	FY 19-20 Estimated Actual	FY 20-21 Target
<ul style="list-style-type: none"> Industrial Pretreatment Programs are consistent with the MWMC pretreatment model ordinance 	Consistent across service area	Consistent across service area	Consistent across service area
<ul style="list-style-type: none"> MWMC capital projects consistent with CIP budget and schedule 	100% of initiated projects within budget and 81% (9 of 11 projects) on schedule	90% of initiated projects within budget and 100% (11 of 11 projects) on schedule	100% of initiated projects within budget and 75% on schedule
<ul style="list-style-type: none"> Interagency coordination regarding Capacity Management Operations and Maintenance (CMOM) Program 	CMOM Program update presented to the Commission	Quarterly meetings between Eugene and Springfield; Annual update to the Commission	Quarterly meetings between Eugene and Springfield; Annual update to the Commission
<ul style="list-style-type: none"> Community presentations regarding MWMC partnership, services and outcomes delivered jointly 	4 community presentations delivered by staff to groups in the service area	4 community presentations delivered by staff to groups in the service area	4 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 18-19 Actual	FY 19-20 Estimated Actual	FY 20-21 Target
<ul style="list-style-type: none"> Preventive maintenance completed on time (best practices benchmark is 90%) 	92%	94%	90%
<ul style="list-style-type: none"> Preventive maintenance to corrective maintenance ratio (benchmark 4:1-6:1) 	5.6:1	5:1	5:1
<ul style="list-style-type: none"> Emergency maintenance required (best practices benchmark is less than 2% of labor hours) 	2%	1%	<2%
<ul style="list-style-type: none"> Asset management (AM) processes and practices review and development 	Asset management plan completed	Annual update to AM plan	Annual update to AM plan
<ul style="list-style-type: none"> MWMC Resiliency Plan 	---	Present final plan to the Commission	Plan implementation

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 18-19 Actual	FY 19-20 Estimated Actual	FY 20-21 Target
• Communications Plan	Implemented	Update in Spring 2020 based on survey results	Implement 2020 Communications Plan
• Promote MWMC social media channels	Created new Instagram account	Implement strategies to grow Facebook followers to 375, Twitter to 170 and Instagram to 150	Implement strategies to grow Facebook followers to 425, Twitter to 250 and Instagram to 225
• Create and distribute MWMC e-newsletters	Distributed monthly and increased distribution by 17%	Distribute monthly and increase distribution to 240 subscribers	Distribute monthly and increase distribution to 325 subscribers
• Pollution prevention campaigns	2 campaigns, 4 sponsorships; reaching 20% of residents in the service area	2 campaigns, 4 sponsorships; reaching 40% of residents in the service area	2 campaigns, 4 sponsorships; reaching 50% of residents in the service area
• Provide tours of the MWMC Facilities	Provided tours for 1,293 people	Provide tours for greater than 1,150 people	Provide tours for greater than 1,300 people
• Clean Water University	Reached 25% of 5 th Graders in the service area	Reach 25% of 5 th Graders in the service area	Reach 37.5% of 5 th Graders in the service area
• Community survey (approx. every 4 years)	---	Survey completed in Fall 2019	---

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 79.36 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 and General Manager, respectively. The Environmental Services Division and Finance Department staff provide ongoing staff support to the Commission and administration of the RWP in the following areas: legal and risk management services; financial management and accounting; coordination and management of public policy; regulatory and permit compliance issues; coordination between the Commission and the governing bodies; long-range capital project planning, design, and construction management; coordination of public information, education, and citizen involvement programs; and coordination and development of regional budgets, rate proposals, and revenue projections. Springfield staff also provides local implementation of the Industrial Pretreatment Program, as well as billing coordination and customer service. These services are provided under contract with the MWMC through the regional funding of 15.90 FTE of Development and Public Works Department staff and 0.88 FTE of Finance Department staff, for a total 16.78 FTE as reflected in the FY 20-21 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

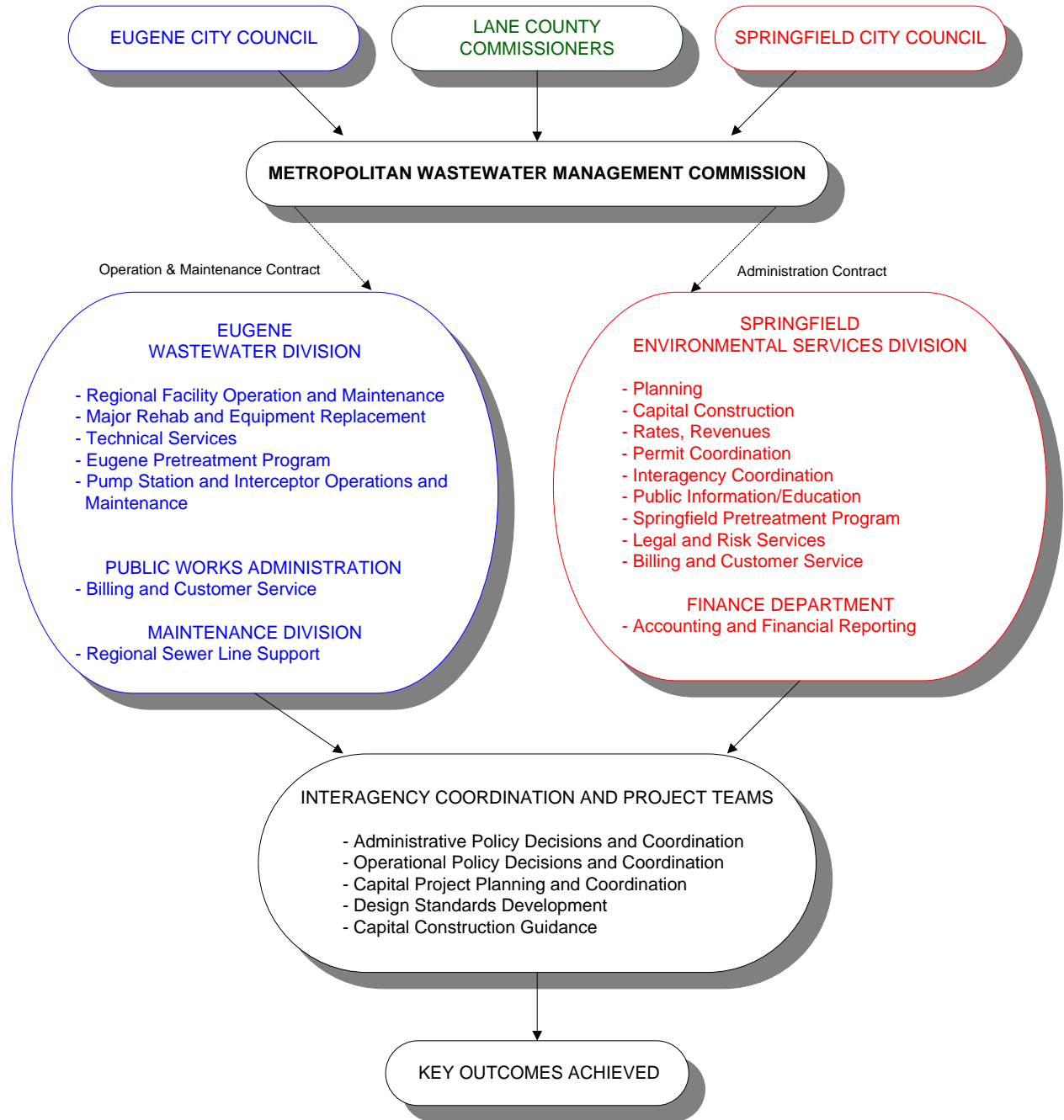
The effectiveness of the MWMC and the RWP depends on extensive coordination, especially between Springfield and Eugene staff, who provide ongoing program support. This coordination occurs in several ways. The Springfield MWMC Executive Officer and MWMC General Manager, together with the Eugene Wastewater 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



BUDGET SUMMARY

**REGIONAL WASTEWATER PROGRAM
FY 20-21 BUDGET**

The MWMC’s RWP Operating Budget provides the Commission and governing bodies with an integrated view of the RWP elements. Exhibit 2 provides a summary of the overall Operating Budget. Separate Springfield and Eugene agency budgets and staffing also are presented within this budget document. Major program areas supported by Springfield and Eugene are described in the pages that follow and are summarized in Exhibit 3 on page 14. Finally, Exhibit 4 on page 15 combines revenues, expenditures, and reserves to illustrate how funding for all aspects of the RWP is provided. It should also be noted that the “Amended Budget FY 19-20” column in all budget tables represents the updated FY 19-20 RWP budget as of February 12, 2020, which reconciled actual beginning balances at July 1, 2019, and approved budget transfers and supplemental requests.

EXHIBIT 2

REGIONAL OPERATING BUDGET SUMMARY:
INCLUDING RESERVE CONTRIBUTIONS

	ADOPTED BUDGET FY 19-20	AMENDED BUDGET FY 19-20	ADOPTED BUDGET FY 20-21	CHANGE (1) INCR/(DECR)	
Full-Time Equivalent Staffing Level	94.92	94.92	96.14	1.22	1.3%
Personnel Services (2)	\$11,836,299	\$11,836,853	\$12,097,626	\$261,327	2.2%
Materials & Services (2)	6,811,610	6,917,588	7,554,374	742,764	10.9%
Capital Outlay (2, 3)	20,000	97,100	122,000	102,000	510.0%
Equip Replacement Contributions (4)	2,000,000	2,000,000	750,000	(1,250,000)	-62.5%
Capital Contributions (5)	15,000,000	15,000,000	13,000,000	(2,000,000)	-13.3%
Debt Service Contributions (6)	4,947,783	9,789,065	4,260,934	(686,849)	-13.9%
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)	3,151,064	3,677,550	3,124,598	(26,466)	-0.8%
Rate Stabilization Reserve (11)	2,000,000	2,000,000	2,000,000	-	0%
SRF Loan Reserve (12)	435,603	183,192	186,616	(248,987)	-57%
Budget Summary	\$50,602,359	\$55,901,348	\$47,496,148	(\$3,106,211)	-6.1%

Notes:

1. The Change column and Percent Change column compare the Proposed FY 20-21 Budget with the originally Adopted FY 19-20 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 21 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 22 for year-end balance.
6. The Debt Service line item is the sum of annual interest and principal payments on the Revenue Bonds and Clean Water State Revolving Fund (SRF) loans made from the Operating Budget (derived from user rates). The total amount of Debt Service budgeted in FY 20-21 is \$4,260,934.
7. The Working Capital Reserve acts as a revolving account which is drawn down and replenished on a monthly basis to fund Eugene's and Springfield's cash flow needs.
8. The Rate Stability Reserve is used to set aside revenues available at year-end after the budgeted Operating Reserve target is met. Internal policy has established a level of \$2 million for the Rate Stability Reserve. See Exhibit 5 on page 20 for year-end balance.
9. The Insurance Reserve was established to set aside funds 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	ADOPTED	CHANGE	
MWMC ADMINISTRATION	FY 18-19	BUDGET	BUDGET	BUDGET	INCR/(DECR)	
		FY 19-20	FY 19-20	FY 20-21		
Personnel Services	\$1,419,248	\$1,607,534	\$1,607,534	\$1,622,077	\$14,543	0.9%
Materials & Services	1,629,373	1,927,949	2,034,481	2,086,434	158,485	8.2%
Capital Outlay	-	-	-	-	-	--
TOTAL	\$3,048,621	\$3,535,483	\$3,642,015	\$3,708,511	\$173,028	5%
INDUSTRIAL PRETREATMENT						
Personnel Services	\$347,584	\$369,060	\$369,060	\$378,253	\$9,193	2.5%
Materials & Services	109,010	115,825	115,825	138,936	23,111	20.0%
Capital Outlay	-	-	-	-	-	--
TOTAL	\$456,594	\$484,885	\$484,885	\$517,189	\$32,304	6.7%
ACCOUNTING						
Personnel Services	\$104,702	\$124,197	\$124,197	\$127,136	\$2,939	2.4%
Materials & Services	30,032	38,887	38,887	41,964	3,077	7.9%
Capital Outlay	-	-	-	-	-	--
TOTAL	\$134,734	\$163,084	\$163,084	\$169,100	\$6,016	3.7%
TOTAL SPRINGFIELD						
Personnel Services	\$1,871,534	\$2,100,791	\$2,100,791	\$2,127,466	\$26,675	1.3%
Materials & Services	1,768,415	2,082,661	2,189,193	2,267,334	184,673	8.9%
Capital Outlay	-	-	-	-	-	--
TOTAL	\$3,639,949	\$4,183,452	\$4,289,984	\$4,394,800	\$211,348	5.1%
EUGENE						
ADMINISTRATIVE SERVICES						
Personnel Services	\$3,537,374	\$1,863,293	\$1,863,293	\$2,587,991	\$724,698	38.9%
Materials & Services	1,584,562	429,642	429,642	987,976	558,334	130.0%
Capital Outlay	604	0	0	0	0	--
TOTAL	\$5,122,540	\$2,292,935	\$2,292,935	\$3,575,967	\$1,283,032	56.0%
BIOSOLIDS MANAGEMENT						
Personnel Services	\$1,017,535	\$1,427,133	\$1,427,133	\$1,490,828	\$63,695	4.5%
Materials & Services	604,740	968,669	968,669	1,019,481	50,812	5.2%
Capital Outlay	718	0	0	30,000	30,000	--
TOTAL	\$1,622,993	\$2,395,802	\$2,395,802	\$2,540,309	\$144,507	6.0%
INDUSTRIAL SOURCE CONTROL						
Personnel Services	\$449,540	\$590,474	\$590,474	\$677,929	\$87,455	14.8%
Materials & Services	66,426	122,443	122,443	122,142	(301)	-0.2%
Capital Outlay	0	0	0	0	0	--
TOTAL	\$515,966	\$712,917	\$712,917	\$800,071	\$87,154	12.2%
TREATMENT PLANT						
Personnel Services	\$3,123,139	\$5,329,404	\$5,329,404	\$4,714,995	(\$614,409)	-11.5%
Materials & Services	2,364,199	2,802,503	2,802,503	2,795,349	(7,154)	-0.3%
Capital Outlay	74,515	20,000	97,100	92,000	72,000	360%
TOTAL	\$5,561,853	\$8,151,907	\$8,229,007	\$7,602,344	(\$549,563)	-6.7%
REGIONAL PUMP STATIONS						
Personnel Services	\$132,780	\$248,788	\$248,788	\$211,535	(\$37,253)	-15.0%
Materials & Services	246,593	351,471	351,471	303,248	(48,223)	-13.7%
Capital Outlay	1,326	-	-	-	-	--
TOTAL	\$380,699	\$600,259	\$600,259	\$514,783	(\$85,476)	-14.2%
BENEFICIAL REUSE SITE						
Personnel Services	\$125,857	\$276,970	\$276,970	\$286,882	\$9,912	3.6%
Materials & Services	37,576	53,667	53,667	58,844	5,177	9.6%
Capital Outlay	-	-	-	-	-	--
TOTAL	\$163,434	\$330,637	\$330,637	\$345,726	\$15,089	4.6%
TOTAL EUGENE						
Personnel Services	\$8,386,225	\$9,736,062	\$9,736,062	\$9,970,160	\$234,098	2.4%
Materials & Services	4,904,097	4,728,395	4,728,395	5,287,040	558,645	11.8%
Capital Outlay	77,162	20,000	97,100	122,000	102,000	510.0%
TOTAL	\$13,367,484	\$14,484,457	\$14,561,557	\$15,379,200	\$894,743	6.2%
TOTAL REGIONAL BUDGET	\$17,007,433	\$18,667,909	\$18,851,541	\$19,774,000	\$1,106,091	5.9%

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

EXHIBIT 4

REGIONAL WASTEWATER PROGRAM
BUDGET SUMMARY AND COMPARISON

	ADOPTED BUDGET FY 19-20	AMENDED BUDGET FY 19-20	ADOPTED BUDGET FY 20-21	CHANGE* INC(DEC)
<u>OPERATING BUDGET</u>				
Administration	\$4,183,452	\$4,289,984	\$4,394,800	\$211,348
Operations	14,484,457	14,561,557	15,379,200	894,743
Capital Contribution & Transfers	15,000,000	15,000,000	13,000,000	(2,000,000)
Equipment Replacement - Contribution	2,000,000	2,000,000	750,000	(1,250,000)
Operating & Revenue Bond Reserve	9,986,667	10,260,742	9,711,214	(275,453)
Debt Service	4,947,783	9,789,065	4,260,934	(686,849)
Total Operating Budget	\$50,602,359	\$55,901,348	\$47,496,148	(\$3,106,211)
<u>Funding:</u>				
Beginning Balance	\$12,432,240	\$13,142,358	\$11,500,938	(\$931,302)
User Fees	34,700,000	34,700,000	34,520,000	(180,000)
Other	3,470,119	8,058,989	1,475,210	(1,994,909)
Total Operating Budget Funding	\$50,602,359	\$55,901,348	\$47,496,148	(\$3,106,211)
<u>CAPITAL PROGRAM BUDGET</u>				
RNG Upgrade Facilities	\$6,065,000	\$8,165,277	\$8,570,000	\$2,505,000
Class A Disinfection Facilities	2,300,000	2,300,000	7,750,000	5,450,000
Aeration Basin Improvements - Phase 2	1,000,000	1,000,000	1,550,000	550,000
Glenwood Pump Station Upgrades	-	-	850,000	NA
Administration Building Improvements	1,000,000	1,000,000	600,000	(400,000)
Riparian Shade Credit Program	583,000	416,000	500,000	(83,000)
Poplar Harvest Mgmt. Services	425,000	381,243	450,000	25,000
Resiliency Follow-Up	-	-	300,000	NA
Comprehensive Facility Plan Update	-	114,299	200,000	NA
Recycled Water Demonstration Project	180,000	180,000	110,000	(70,000)
Facility Plan Engineering Services	90,000	150,000	15,000	(75,000)
WPCF Lagoon Remove/Decommission	4,700,000	5,519,149	-	NA
Operation Building Improvements	800,000	2,241,831	-	NA
Thermal Load Pre-Implementation	295,000	385,000	-	NA
Resiliency Planning	88,000	153,232	-	NA
Electrical Distribution System	-	50,000	-	NA
Increase Digestion Capacity	-	300,000	-	NA
<u>Asset Management:</u>				
Equipment Replacement Purchases	621,000	711,000	2,450,000	1,829,000
Major Rehab	520,000	1,223,000	610,000	90,000
Major Capital Outlay	-	200,000	-	NA
Total Capital Projects	\$18,667,000	\$24,490,031	\$23,955,000	\$5,288,000
<u>Funding:</u>				
Equipment Replacement	\$621,000	\$711,000	\$2,450,000	\$1,829,000
SDC Improvement Reserve	-	-	3,450,810	NA
Capital Reserve	18,046,000	23,779,031	18,054,190	8,190
Total Capital Projects Funding	\$18,667,000	\$24,490,031	\$23,955,000	\$5,288,000

Note: * The Change compares the adopted FY 20-21 budget to the adopted FY 19-20 budget column.

BUDGET AND RATE HISTORY

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

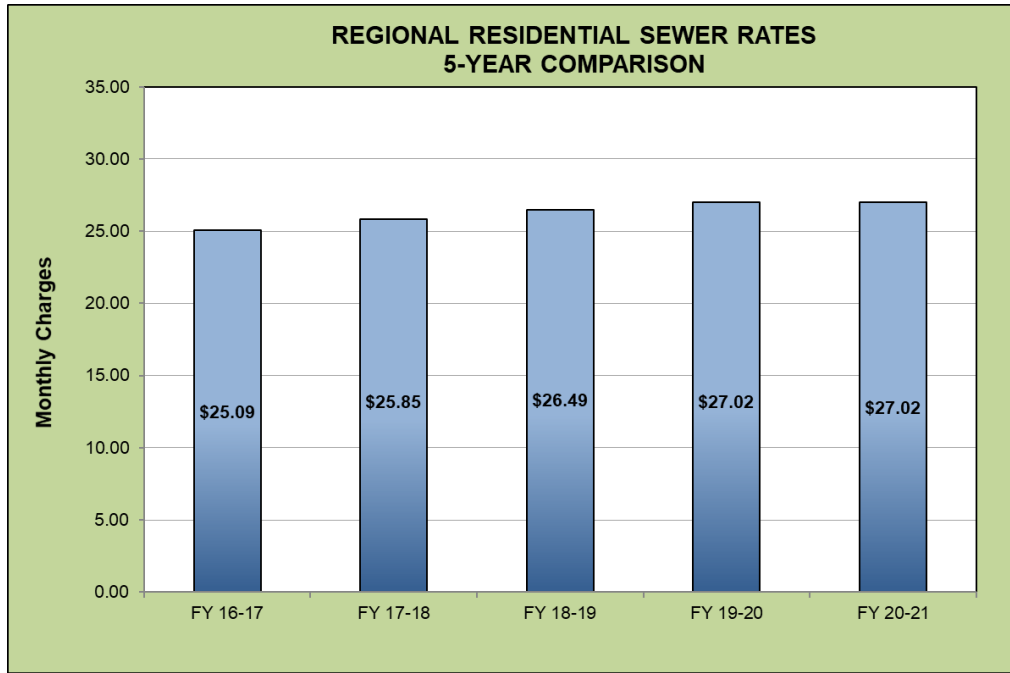
As shown on the Regional Residential Sewer Rate graph on page 17, regional sewer user charges have incrementally increased to meet the revenue requirements necessary to fund facility improvements as identified in the 2004 MWMC Facilities Plan. This Plan and the subsequent 2014 Partial Facilities Plan 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 through 2025. Although a portion of these capital improvements can be funded through system development charges (SDCs), much of the funding for approximately \$196 million in capital improvements over the 20-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 incrementally 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 4.2% average increase over the past 3 years.

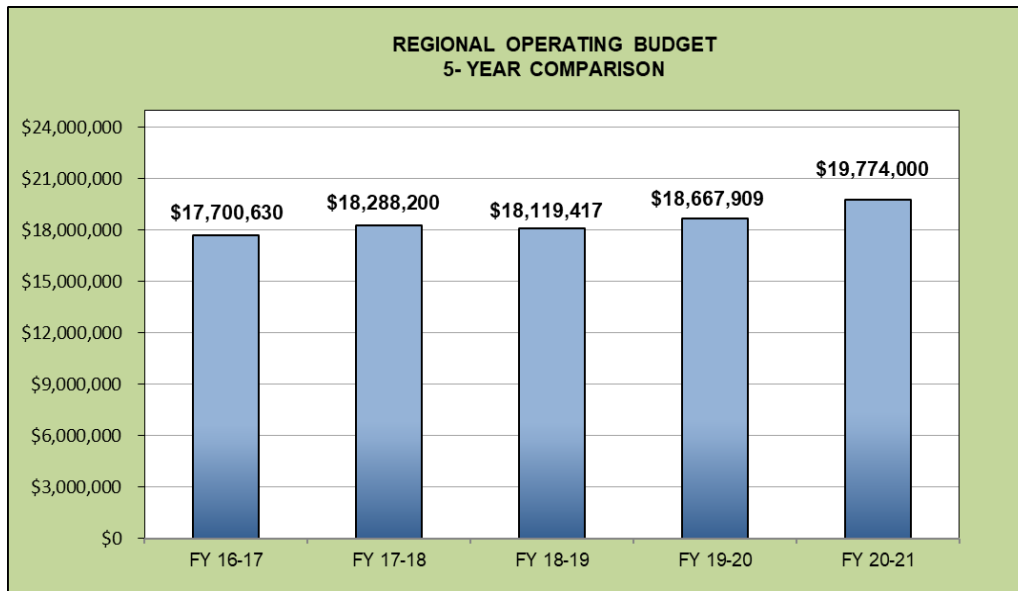
In FY 17-18 the MWMC regional user rates increased by 3% over the prior year rates, and in FY 18-19 rates increased by 2.5%, and the FY19-20 user rates increased by 2% over the prior year. In light of the COVID-19 pandemic, the FY 20-21 Budget is based on a 0% user rate increase with regional user rates remaining level. User fee revenues 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 user fees remaining level effective July 1, 2020.

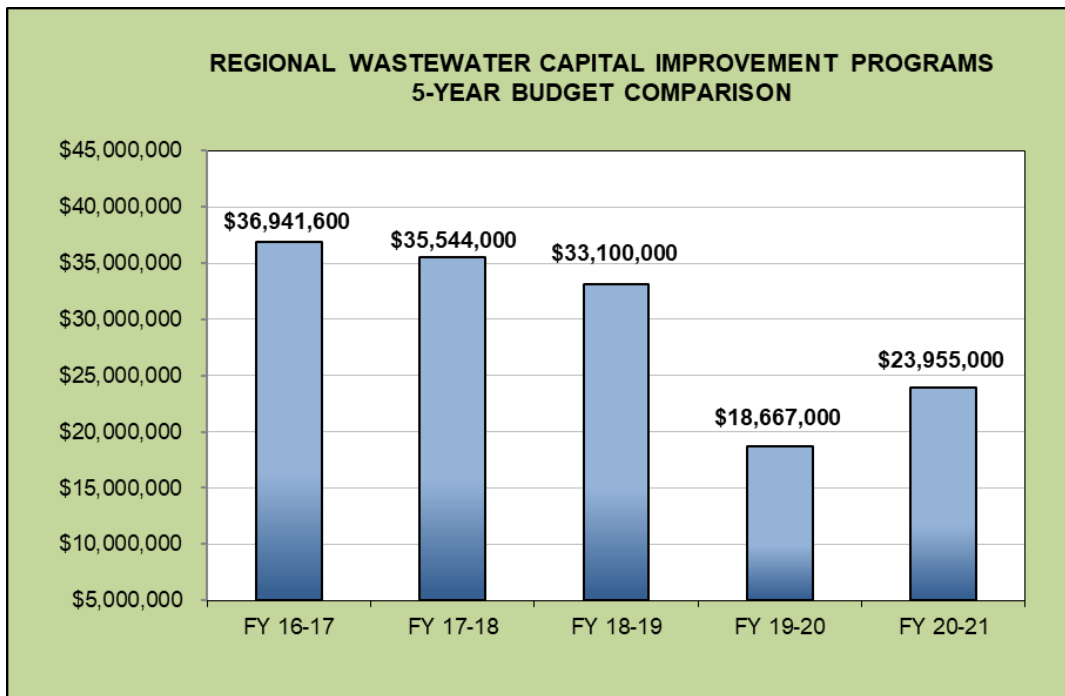
The graph below displays the regional component of a residential monthly bill, when applied to 5,000 gallons of wastewater treated for the recent 5-year period.



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.



RESERVE FUNDS

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 20-21 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 20-21, \$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 20-21 no additional contribution to this reserve is budgeted and the balance at June 30, 2020, 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 \$186,616 for FY 20-21.

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 20-21.

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 20-21, the Operating Reserve is budgeted at \$3,124,598, 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 19-20	AMENDED BUDGET FY 19-20	ADOPTED BUDGET FY 20-21
OPERATING RESERVES			
Beginning Balance	\$12,432,240	\$13,142,358	\$11,500,938
User Fee Revenue	34,050,000	34,050,000	33,700,000
Septage Revenue	650,000	650,000	820,000
Other Revenue	1,262,210	1,262,210	1,265,500
Interest	180,000	180,000	181,000
Transfer from Improvements SDCs	2,000,000	6,589,935	-
Transfer from Reimbursement SDCs	23,909	22,845	24,710
Personnel Services	(11,836,853)	(11,836,853)	(12,097,626)
Materials & Services	(6,807,056)	(6,913,588)	(7,550,374)
Capital Outlay	(20,000)	(97,100)	(122,000)
Interfund Transfers	(17,000,000)	(17,000,000)	(13,750,000)
Debt Service - SRF Loan	(936,928)	(5,778,210)	(251,429)
Debt Service - 2016 Revenue Bond	(4,010,855)	(4,010,855)	(4,009,505)
Working Capital	(900,000)	(900,000)	(900,000)
Insurance Reserve	(1,500,000)	(1,500,000)	(1,500,000)
SRF Loan Reserve	(435,603)	(183,192)	(186,616)
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	\$3,151,064	\$3,677,550	\$3,124,598

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 20-21 budget total \$750,000, 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.

EQUIPMENT REPLACEMENT RESERVE	ADOPTED BUDGET FY 19-20	AMENDED BUDGET FY 19-20	ADOPTED BUDGET FY 20-21
Beginning Balance	\$12,799,367	\$13,414,629	\$14,903,629
Annual Equipment Contribution	2,000,000	2,000,000	750,000
Interest	250,000	250,000	356,000
Equipment Purchases	(621,000)	(711,000)	(2,450,000)
Equipment Replacement Reserve	\$14,428,367	\$14,953,629	\$13,559,629

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 20-21 are approximately \$1,650,000. The projected beginning SDC Reserve balance on July 1, 2020 is \$5,015,515.

	ADOPTED BUDGET FY 19-20	AMENDED BUDGET FY 19-20	ADOPTED BUDGET FY 20-21
REIMBURSEMENT SDC RESERVE			
Beginning Balance	\$1,188,432	\$1,263,919	\$1,411,910
Reimbursement SDCs Collected	140,000	140,000	150,000
Interest	15,000	15,000	37,000
SDC Compliance Charge	5,000	5,000	4,000
Transfer to Debt Service (Fund 612)	(23,909)	(23,909)	(24,710)
Materials & Services	(2,000)	(2,000)	(2,000)
Reimbursement SDC Reserve	\$1,322,523	\$1,398,010	\$1,576,200

	ADOPTED BUDGET FY 19-20	AMENDED BUDGET FY 19-20	ADOPTED BUDGET FY 20-21
IMPROVEMENT SDC RESERVE			
Beginning Balance	\$3,359,161	\$4,105,605	\$3,603,605
Improvement SDCs Collected	1,600,000	1,600,000	1,500,000
Interest	30,000	30,000	67,000
Materials & Services	(2,000)	(2,000)	(2,000)
Funding for Capital Improvement Projects	-	-	(3,450,810)
Transfer to Debt Service (Fund 612)	(2,000,000)	(2,000,000)	-
Improvement SDC Reserve	\$2,987,161	\$3,733,605	\$1,717,795

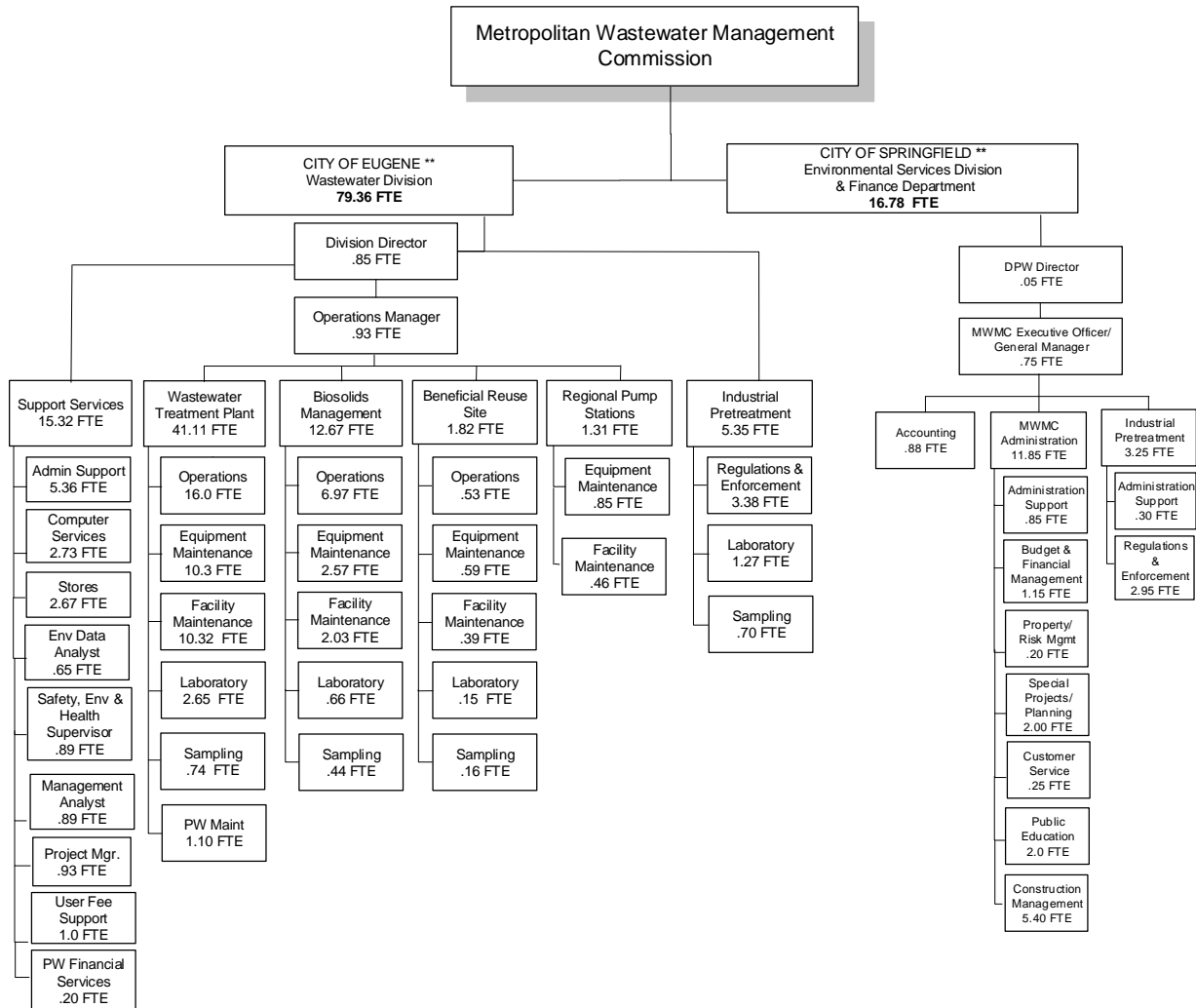
CAPITAL RESERVE

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 20-21 Budget includes a contribution from the Operating Reserve of \$13,000,000. The beginning balance on July 1, 2020, is projected to be \$49,103,179. Additional budget detail on the CIP, Major Capital Outlay and Major Rehabilitation Program reserves is provided below.

	ADOPTED BUDGET FY 19-20	AMENDED BUDGET FY 19-20	ADOPTED BUDGET FY 20-21
CAPITAL RESERVES			
Beginning Balance	\$41,565,080	\$48,990,127	\$49,103,179
Transfer from Operating Reserve	15,000,000	15,000,000	13,000,000
Interest	900,000	900,000	1,192,000
Other Income	10	10	10
Transfer to Fund 612 for SRF Loan Payoff	-	(4,588,871)	-
Funding For Capital Improvement Projects	(17,359,000)	(22,356,031)	(17,444,190)
Funding For Major Rehabilitation	(520,000)	(1,223,000)	(610,000)
Funding For Major Capital Outlay	-	(200,000)	-
Capital Reserve	\$39,586,090	\$36,522,235	\$45,240,999

OPERATING PROGRAMS

EXHIBIT 6
REGIONAL WASTEWATER PROGRAM*
ORGANIZATION CHART FY 20-21



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 18-19	BUDGET FY 19-20	BUDGET FY 20-21	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	2.65	-
Civil Engineer/Design & Construction Coordinator	3.00	3.00	3.00	-
Development and Public Works Director	0.08	0.08	0.05	(0.03)
Environmental Management Analyst	0.90	0.90	0.90	-
Environmental Services Program Manager	0.80	0.80	0.80	-
Environmental Services Supervisor	0.95	0.95	1.95	1.00
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	-
Managing Civil Engineer	1.75	1.75	1.00	(0.75)
Public Information & Education Analyst	1.00	2.00	2.00	-
TOTAL SPRINGFIELD	15.56	16.56	16.78	0.22

EXHIBIT 7 (Continued)REGIONAL WASTEWATER PROGRAM
POSITION SUMMARY

CLASSIFICATION	BUDGET FY 18-19	BUDGET FY 19-20	BUDGET FY 20-21	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	1.78	1.78	1.78	-
Custodian	1.00	1.00	2.00	1.00
Finance & Admin Manager	0.89	0.89	0.89	-
Electrician 1	3.28	3.28	3.28	-
Engineering Associate	0.35	0.35	0.35	-
Maintenance Worker	13.25	13.25	13.25	-
Management Analyst	5.14	5.14	5.14	-
Parts and Supply Specialist	1.78	1.78	1.78	-
PW Financial Services Manager	0.20	0.20	0.20	-
Utility Billing Coordinator	1.00	1.00	1.00	-
Wastewater Lab Assistant	0.82	0.82	0.82	-
Wastewater Division Director	0.85	0.85	0.85	-
Wastewater Instrument Electrician	1.00	1.00	1.00	-
Wastewater Plant Operations Manager	0.93	0.93	0.93	-
Wastewater Operations Supervisor	2.00	2.00	2.00	-
Wastewater Plant Maintenance Supervisor	2.88	2.88	2.88	-
Wastewater Pretreatment & Lab Supervisor	0.82	0.82	0.82	-
Wastewater Technician	36.71	36.71	36.71	-
TOTAL EUGENE	78.36	78.36	79.36	1.00
GRAND TOTAL	93.92	94.92	96.14	1.22

**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 20-21 is provided in Exhibit 12 on page 41.

Program Responsibilities

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

MWMC ADMINISTRATION

The Springfield Environmental Services Division (ESD) and Finance Department provide ongoing support and management services for the MWMC. The 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 20-21, 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 financially to be positioned for the MWMC's NPDES permit renewal, the target date set by the DEQ for permit issuance is by the end of calendar year 2021.

BUDGET CHANGES FOR FY 20-21

The budget for Springfield Personnel Services, Materials and Services, and Capital Outlay for FY 20-21 totals \$4,394,800 representing an overall increase of \$211,348 or 5.1% from the adopted FY 19-20 budget, as displayed in Exhibit 8 on page 29.

Personnel Services

Personnel Services totaling \$2,127,466 represents a FY 20-21 increase of \$26,675 or 1.3% above the originally adopted FY 19-20 budget. The notable changes are summarized below:

Staffing

The FY 20-21 staffing budget includes a net increase of 0.22 Full Time Equivalent (FTE). The Management Civil Engineer (CE) planning position became vacant followed by a reclassification of the CE position to an Environmental Services Supervisor. Resulting in a total staffing level at 16.78 FTE in Springfield.

Regular Salaries and Overtime - \$1,367,008, an increase of \$9,731 or 0.7%

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

Employee Benefits - \$419,619, an increase of \$8,743 or 2.1%

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

Health Insurance - \$340,839, an increase of \$8,201 or 2.5%

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

Materials and Services

The Materials and Services budget total is \$2,267,334 in FY 20-21, representing an increase of \$184,673 or 8.9% above the adopted FY 19-20 budget. The notable changes are summarized below:

Billing & Collection Expense - \$716,000, an increase of \$71,000 or 11.0%

The \$71,000 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 associated billing service contracts.

Contractual Services - \$139,000, a net decrease of \$38,500 or -21.9%

The \$38,500 decrease reflects completion of the updated Market Research – Community Survey conducted in FY 19-20.

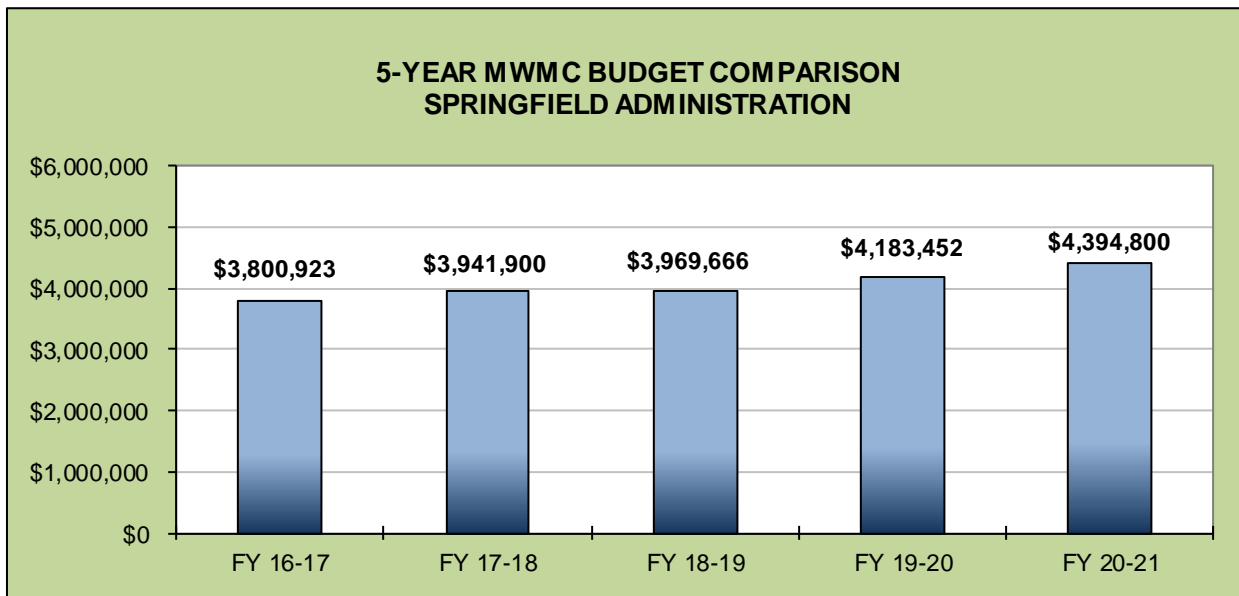
Internal & Indirect Charges Combined - \$562,750, an increase of \$98,960 or 21.3%

The \$98,960 increase is based on changes in overhead costs as programmed in the FY 20-21 budget, when compared FY 19-20. 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
ADOPTED FY 20-21
BUDGET SUMMARY**

	ACTUALS FY 18-19	ADOPTED BUDGET FY 19-20	AMENDED BUDGET FY 19-20	ADOPTED BUDGET FY 20-21	CHANGE * INCR/(DECR)	
Personnel Services	\$1,871,534	\$2,100,791	\$2,100,791	\$2,127,466	\$26,675	1.3%
Materials & Services	1,768,415	2,082,661	2,189,193	2,267,334	184,673	8.9%
Capital Outlay	0	0	0	0	0	0.0%
Budget Summary	\$3,639,949	\$4,183,452	\$4,289,984	\$4,394,800	\$211,348	5.1%



Note: * Change column compares the adopted FY 20-21 Budget to the adopted FY 19-20 Budget.

EXHIBIT 9

SPRINGFIELD ADMINISTRATION
LINE ITEM BUDGET SUMMARY

	ACTUALS FY 18-19	ADOPTED BUDGET FY 19-20	AMENDED BUDGET FY 19-20	ADOPTED BUDGET FY 20-21	CHANGE INCR/(DECR)	
<u>PERSONNEL SERVICES</u>						
Regular Salaries	\$1,237,626	\$1,351,536	\$1,351,536	\$1,361,267	\$9,731	0.7%
Overtime	0	5,741	5,741	5,741	0	0.0%
Employee Benefits	367,022	410,876	410,876	419,619	8,743	2.1%
Health Insurance	266,887	332,638	332,638	340,839	8,201	2.5%
Total Personnel Services	\$1,871,534	\$2,100,791	\$2,100,791	\$2,127,466	\$26,675	1.3%
FTE	15.56	16.56	16.56	16.78	0.22	1.3%
<u>MATERIALS & SERVICES</u>						
Billing & Collection Expense	\$642,074	\$645,000	\$645,000	\$716,000	\$71,000	11.0%
Property & Liability Insurance	297,904	320,000	320,000	335,000	15,000	4.7%
Contractual Services	52,698	177,900	190,782	139,000	(38,900)	-21.9%
Attorney Fees and Legal Expense	43,992	185,005	185,005	185,005	0	0.0%
WPCF/NPDES Permits	134,517	137,000	137,000	165,800	28,800	21.0%
Materials & Program Expense	64,829	99,396	193,046	107,122	7,726	7.8%
Computer Software & Licenses	39,379	11,450	11,450	5,382	(6,068)	-53.0%
Employee Development	6,291	20,675	20,675	23,475	2,800	13.5%
Travel & Meeting Expense	15,215	22,445	22,445	27,800	5,355	23.9%
Internal Charges	152,364	135,710	135,710	218,974	83,264	61.4%
Indirect Costs	319,152	328,080	328,080	343,776	15,696	4.8%
Total Materials & Services	\$1,768,415	\$2,082,661	\$2,189,193	\$2,267,334	\$184,673	8.9%
<u>CAPITAL OUTLAY</u>						
Total Capital Outlay	\$0	\$0	\$0	\$0	\$0	0.0%
TOTAL	\$3,639,949	\$4,183,452	\$4,289,984	\$4,394,800	\$211,348	5.1%

CITY OF EUGENE REGIONAL WASTEWATER PROGRAM RESPONSIBILITIES

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

Program Responsibilities

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

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

ADMINISTRATIVE AND MANAGEMENT SERVICES

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

REGIONAL WASTEWATER TREATMENT FACILITY OPERATIONS

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

MAINTENANCE

The mechanical, electrical, and facilities maintenance sections of the Wastewater Division are responsible for preservation of the multi-million-dollar investment in the equipment and infrastructure of the WPCF, regional pump stations, pressure sewers, as well as the Biosolids Management Facility. These sections provide a preventative maintenance program to maximize equipment life and reliability; a corrective maintenance program for repairing unanticipated equipment failures; and a facility maintenance program to maintain the buildings, treatment structures, and grounds.

BIOSOLIDS MANAGEMENT

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

ENVIRONMENTAL SERVICES

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

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

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

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

Sampling Team - The Sampling Team is responsible for sampling activities related to regional wastewater program functions. These include the Eugene pretreatment program, wastewater treatment process control, effluent and ambient water quality, groundwater quality, facultative sludge lagoons, and stormwater samples. The Division's Environmental Data Analyst evaluates and reports on the sampling data for various programs.

MANAGEMENT INFORMATION SERVICES (MIS)

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

PROJECT MANAGEMENT

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

PROGRAMS AND SIGNIFICANT SERVICE/EXPENDITURE CHANGES

In FY 20-21, City of Eugene staff will support the following major regional initiatives in addition to ongoing operational activities.

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

BUDGET CHANGES FOR FY 20-21

The FY 20-21 budget for Eugene Operations and Maintenance of the regional wastewater treatment facilities (personnel, materials and services, and capital outlay) totals \$15,379,200. The budget amount represents an increase of \$894,743 or 6.2% from the FY 19-20 budget. The significant cost centers for the budget include personnel costs, chemicals, materials, maintenance, fleet, software, and utilities. Significant items and changes for the FY 20-21 Operations and Maintenance budget as compared to the adopted FY 19-20 budget include:

Personnel Services

Personnel Services totaling \$9,970,160 represents a FY 20-21 increase of \$234,098 or 2.4%. The notable changes are in the following budget categories:

Staffing - 1 Full-Time Equivalent (FTE) Position – \$79,000 for custodial

The FY 20-21 staffing budget includes an increase of 1.0 Full Time Equivalent (FTE) position, resulting in a total staffing level of 79.36 FTE. With completion of the Maintenance Building expansion and Environmental Services Building (ESB/Laboratory) in 2019 the total MWMC facilities area increased by 17,500 square feet and significantly increased the demand for cleaning and maintenance of work spaces. Adding 1.0 FTE will provide the level of staffing necessary to maintain appropriate standards of cleanliness for appearance, health and safety, and laboratory quality control.

Employee Benefits – \$2,488,943, an increase of \$77,746 or 3.2%

Retirement benefit increase of roughly \$69,000 for PERS/OPSRP is the largest portion of the increase combined with other benefit increases in FICA, Medicare, and deferred compensation.

Materials and Services

The Materials and Services budget totaling \$5,287,040 represents an FY 20-21 increase of \$558,645 or 11.8%. The notable changes are in the following budget categories:

Utilities – \$1,096,000, a net increase of \$233,800 or 27.1%

The Utilities account includes the purchase of electrical power, natural gas, water, and sewer charges for all regional facilities. The utilities increase for FY 20-21 is mainly due to the inclusion of the fourth Digester and its associated utility costs, and the eventual inclusion of the RNG system (CIP-P80095), resulting in an increased demand for electricity and natural gas due to selling of the biogas directly and not using biogas for process heating.

Fleet Operating Charges – \$490,784, a net increase of \$118,679 or 31.9%

Fleet services are managed centrally by Eugene Fleet Services. Fleet repair costs are the major driver for the FY 20-21 rate increase. This is due to optimizing the life of heavy equipment, reducing replacement frequencies, and achieving maximum value over the life of the assets.

Maintenance Equipment & Facilities – \$274,670, a net decrease of \$28,930 or -9.5%

The decrease is mostly due to the completion in FY 19-20 of budgeted one-time items related to the Maintenance Building expansion and ESB/Laboratory projects.

Materials & Program Expense – \$822,976, an increase of \$65,725 or 8.7%

The increase in this category is mostly due to materials and supplies costs. Staff training costs have also increased primarily due to the cost of training and staffing changes.

Chemicals – \$412,850, an increase of \$62,000 or 17.7%

The five-year price agreement for sodium hypochlorite was renewed in FY 19-20, which is at a higher price point than contracted in the prior five-year agreement. The increase in costs in this line item are due to increases in the new price agreement.

Risk Insurance – \$120,188, Surcharge, EOC – \$70,458, an increase of \$70,209 or 140.5%

City of Eugene has levied a *one-time* surcharge of \$70,458 for the construction of an Emergency Operations Center (EOC). The surcharge is included in the line item for Risk Insurance – Employee Liability under Materials & Services. Without including the surcharge, the actual change to Risk Insurance – Employee Liability would have decreased slightly by \$249 or 1%.

Capital Outlay

Capital Outlay includes new assets and/or fleet additions.

Capital Outlay	
Description	FY 20-21 Budget
Fall Prevention, Pretreatment	\$70,000
Fencing, Brown Lane Property, BMF	30,000
Laboratory Information Management System (LIMS) Software, Year 3 amount	22,000
Total	\$122,000

Fall Prevention, Pretreatment – The pretreatment area preceding the bar screens poses safety risks for maintenance staff when opening the hatches (‘tea cups’). Fabrication of fall prevention platforms, safety railing, and harness connection points are needed for multiple staff working in the area.

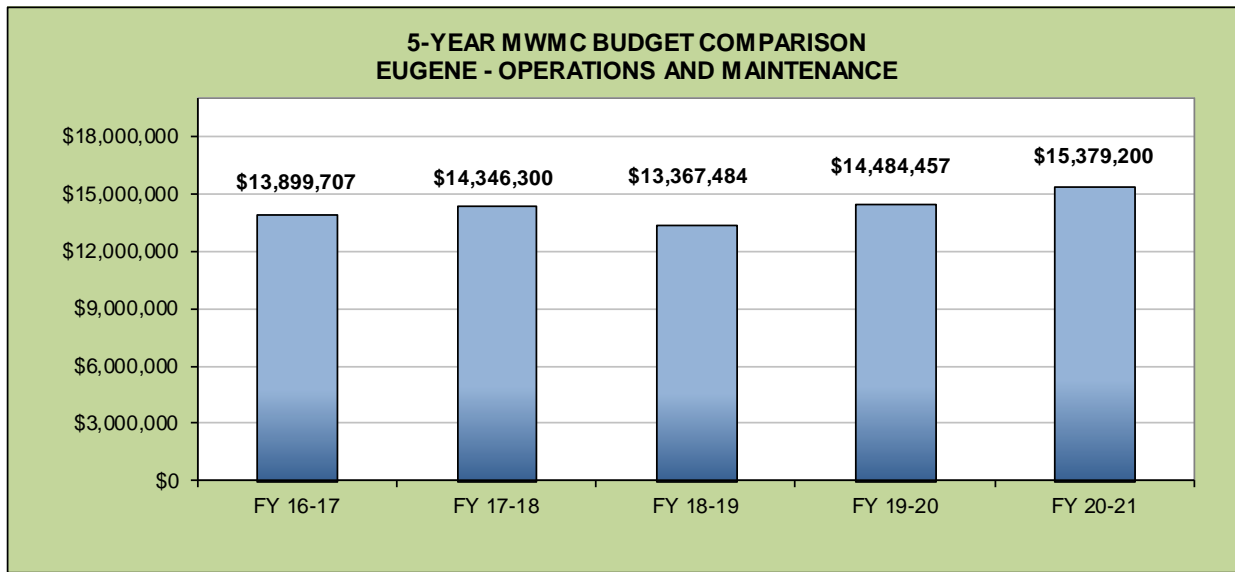
Fencing, Brown Lane Property, BMF – Robust fencing is needed to protect the Brown Lane property and prevent trespassing and misuse. Current fence estimate is for pressure treated posts, 2-strand barbed wire (6,000 feet), and a 16-foot swing gate.

LIMS Software, ESB Laboratory – Year three outlay request for the Laboratory Information Management System (LIMS) software, which is used for data management of permit-specific water quality testing. The current LIMS system installed in 1997 is obsolete and requires total replacement. The year three amount brings the budget to \$370,000, which includes FY 2018-2021 total appropriation for LIMS.

EXHIBIT 10

**EUGENE - OPERATIONS AND MAINTENANCE PROGRAM
ADOPTED FY 20-21
BUDGET SUMMARY**

	ACTUALS FY 18-19	ADOPTED BUDGET FY 19-20	AMENDED BUDGET FY 19-20	ADOPTED BUDGET FY 20-21	CHANGE * INCR/(DECR)	
Personnel Services	\$8,386,225	\$9,736,062	\$9,736,062	\$9,970,160	\$234,098	2.4%
Materials & Services	4,904,097	4,728,395	4,728,395	5,287,040	558,645	11.8%
Capital Outlay	77,162	20,000	97,100	122,000	102,000	510.0%
Budget Summary	\$13,367,484	\$14,484,457	\$14,561,557	\$15,379,200	\$894,743	6.2%



NOTE: Does not include Major Rehabilitation or Equipment Replacement

EXHIBIT 11

EUGENE - OPERATIONS & MAINTENANCE
LINE ITEM BUDGET SUMMARY

	ACTUAL FY 18-19	ADOPTED BUDGET FY 19-20	AMENDED BUDGET FY 19-20	ADOPTED BUDGET FY 20-21	CHANGE INCR/(DECR)	
<u>PERSONNEL SERVICES</u>						
Regular Salaries	\$4,895,804	\$5,566,093	\$5,535,693	\$5,650,713	\$84,620	1.5%
Overtime	56,250	40,000	70,400	80,400	40,400	101.0%
Employee Benefits	1,910,364	2,411,197	2,411,197	2,488,943	77,746	3.2%
Workers' Comp/Unemploy Ins	118,968	106,499	106,499	107,496	997	0.9%
Health Insurance	1,404,839	1,612,273	1,612,273	1,642,608	30,335	1.9%
Total Personnel Services	\$8,386,225	\$9,736,062	\$9,736,062	\$9,970,160	\$234,098	2.4%
FTE	78.36	78.36	78.36	79.36	1.00	1.3%
<u>MATERIALS & SERVICES</u>						
Utilities	\$983,056	\$862,200	\$862,200	\$1,096,000	\$233,800	27.1%
Fleet Operating Charges	468,124	372,105	372,105	490,784	118,679	31.9%
Maintenance-Equip & Facilities	180,693	303,600	303,600	274,670	(28,930)	-9.5%
Contractual Services	481,899	402,511	402,511	404,132	1,621	0.4%
Materials & Program Expense	662,378	757,251	757,251	822,976	65,725	8.7%
Chemicals	428,625	350,850	350,850	412,850	62,000	17.7%
Parts & Components	430,274	360,980	360,980	387,480	26,500	7.3%
Risk Insurance - Employee Liability	46,725	49,979	49,979	120,188	70,209	140.5%
Computer Equip, Supplies, Maint	298,783	270,919	270,919	279,960	9,041	3.3%
Indirects	923,540	998,000	998,000	998,000	0	0.0%
Total Materials & Services	\$4,904,097	\$4,728,395	\$4,728,395	\$5,287,040	\$558,645	11.8%
<u>CAPITAL OUTLAY</u>						
Motorized Vehicles	\$0	\$0	\$0	\$0	\$0	0.0%
Capital Outlay - Other	77,162	20,000	97,100	122,000	102,000	510.0%
Total Capital Outlay	\$77,162	\$20,000	\$97,100	\$122,000	\$102,000	510.0%
TOTAL	\$13,367,484	\$14,484,457	\$14,561,557	\$15,379,200	\$894,743	6.2%

CAPITAL PROGRAM

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 20-21 CIP Budget, the FY 20-21 AMCP Budget, and the associated 5-Year Capital Plan are based on the 2004 MWMC Facilities Plan (2004 FP) and the 2014 Partial Facilities Plan Update. The 2004 FP was approved by the MWMC, the governing bodies of the City of Eugene, the City of Springfield, Lane County, and the Oregon Department of Environmental Quality (DEQ). The 2004 FP and its 20-year capital project list was the result of a comprehensive evaluation of the regional wastewater treatment facilities serving the Eugene-Springfield metropolitan area.

The 2004 FP built on previous targeted studies, including the 1997 Master Plan, 1997 Biosolids Management Plan, 2001 Wet Weather Flow Management Plan (WWFMP), and the 2003 Management Plan for a dedicated biosolids land application site. The 2004 FP 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 the MWMC facilities in a manner that is as cost-effective, efficient, and affordable to the community as possible in the short and long term
- 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 20-21 CIP Budget, the FY 20-21 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 Department of Environmental Quality (DEQ) Clean Water State Revolving Fund loan program, system development charges, and transfers from the Operating Fund to Capital Reserves. The AMCP is primarily funded through wastewater user fees.

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, \$3.5M of the CIP is funded with Improvement System Development Charges (SDC) in FY20-21.

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, the MWMC must consider market changes that drive capital project expenditures. Specifically, the MWMC capital plan reflects projected price changes over time that affect the cost of materials and services. 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.

Regional Wastewater Capital Program Status and Budget

CIP Project Status and Budget

The FY 20-21 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 20-21 project budgets is \$20,895,000. Each capital project represented in the FY 20-21 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 19-20:

- Decommission WPCF Lagoon
- Thermal Load Mitigation: Pre-Implementation
- Operations & Maintenance Building Improvements
- Resiliency Planning
- Increase Digestion Capacity
- Electrical Distribution System Upgrade

Carryover Capital Projects

All or a portion of remaining funding for active capital projects in FY 19-20 is carried forward to the FY 20-21 Budget. The on-going carryover projects are:

- Renewable Natural Gas (RNG) Upgrade Facilities
- Class A Disinfection Facilities
- Aeration Basin Improvements
- Administration Building Improvements
- Riparian Shade Credit Program
- Poplar Harvest Management Services
- Comprehensive Facility Plan Update
- Recycled Water Demonstration Project
- Facilities Plan Engineering Services

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

New Projects

- Glenwood Pump Station Upgrades
- Resiliency Follow-Up

FY 20-21 Capital Budget Summary (Exhibit 12)

Exhibit 12 displays the adjusted budget and end-of-year expenditure estimates for FY 19-20, the amount of funding projected to be carried over to FY 20-21 and additional funding for existing and/or new projects in FY 20-21.

EXHIBIT 12

Summary of FY 20-21 MWM Construction Program Capital Budget

	FY 19-20 ADJUSTED BUDGET	FY 19-20 ESTIMATED ACTUALS	FY 19-20 CARRYOVER TO FY 20-21	NEW FUNDING FOR FY 20-21	TOTAL FY 20-21 BUDGET
Projects to be Completed in FY 19-20					
Decommission WPCF Lagoon	5,519,149	3,600,000	0	0	0
Thermal Load Mitigation: Pre-Implementation	385,000	385,000	0	0	0
Operations & Maint Building Improvements	2,241,831	260,000	0	0	0
Resiliency Planning	153,232	153,232	0	0	0
Increase Digestion Capacity	300,000	77,000	0	0	0
Electrical Dist. System Upgrade	50,000	400	0	0	0
Projects to be Carried Over to FY 20-21					
RNG Upgrade Facilities	8,165,277	4,425,277	3,740,000	4,830,000	8,570,000
Class A Disinfection Facilities	2,300,000	249,164	2,050,836	5,699,164	7,750,000
Aeration Basin Improvements - Phase 2	1,000,000	450,000	550,000	1,000,000	1,550,000
Admin Building Improvements	1,000,000	0	600,000	0	600,000
Poplar Harvest Management Services	381,243	120,243	261,000	189,000	450,000
Riparian Shade Credit Program	416,000	260,482	155,518	344,482	500,000
Comprehensive Facility Plan Update	114,299	114,299	0	200,000	200,000
Recycled Water Demonstration Project	180,000	125,000	55,000	55,000	110,000
Facilities Plan Engineering Services	150,000	135,000	15,000	0	15,000
New Projects Started in FY 20-21					
Glenwood Pump Station Upgrades	0	0	0	850,000	850,000
Resiliency Follow-Up	0	0	0	300,000	300,000
TOTAL Capital Projects	\$22,356,031	\$10,355,097	\$7,427,354	\$13,467,646	\$20,895,000

FY 20-21 Asset Management Capital Program and Budget

The AMCP consists of the following three programs:

- Equipment Replacement
- Major Rehabilitation
- Major Capital Outlay

The FY 20-21 budget of each program is described below.

Equipment Replacement Program - Budget

The FY 20-21 Capital Programs budget includes \$2,450,000 in Equipment Replacement purchases that are identified on the table below.

Equipment Replacement	
Project Description	FY 20-21 Budget
Programmable Logic Controllers, Upgrades, BMF	\$1,017,000
Belt Filter Presses (3), Biosolids Drying, BMF	600,000
Heat Exchangers, Digesters #1-3, Plant	150,000
Automatic Transfer Switch, Irvington Pump Station	140,000
Sludge Grinders, Digesters and Pretreatment, Plant	110,000
Biosolids Spreaders (3), BMF	90,000
Secondary Clarifier Rake Arms, Corrosion Evaluation, Plant	80,000
Centrifugal Blowers, Final, Plant	70,000
Process Water Supply Tank, Biosolids Drying, BMF	55,000
Irrigation Well Pump, BRS	48,500
CAB Blower Filters (Secondary) and Pre-Aeration Blower Filters (Pretreatment), Plant	23,500
Heat Pump, Biosolids Drying, BMF	20,000
Polymer Feeder, Biosolids Drying, BMF	20,000
50-Ton Shop Press, Maintenance, Plant	16,000
Phase Contrast Microscope, Operations, Plant	10,000
Total	\$2,450,000

Programmable Logic Controllers (PLCs) – These PLCs are necessary for equipment and systems control of biosolids processing at BMF and are now 22 years old. Engineering consultants will be required to assess the control environment, offer solution options, and install replacements.

Belt Filter Presses (3) – This equipment is necessary for dewatering biosolids prior to drying. Installed in 2000, the current presses will be overhauled and upgraded to interconnect with the BMF process control environment.

Heat Exchangers (3) – The heat exchangers for Digesters #1-3 were not replaced during construction of Digester #4. These heat exchangers have been patched multiple times and require replacement.

Automatic Transfer Switch (ATS) – The distribution panel for incoming power supply at Irvington pump station currently includes a manual transfer switch. Replacing with an ATS will improve resiliency and service delivery.

Sludge Grinders (4) – Three sludge grinders at Digester area and one at Pretreatment are 25 years old.

Biosolids Spreaders (3) – Replacing 12-year-old spreaders used by BMF staff to apply dried biosolids as soil conditioner at application sites.

Secondary Clarifier Rake Arms – The collector rake arms in the Secondary clarifiers (x10) are showing signs of corrosion. Evaluation of the current condition by engineering consultants is required to determine the optimal replacement solution.

Centrifugal Blowers (2) – Both T-channel blowers at Final are 35 years old and at end of life.

Process Water Supply Tank – Replacing the water tank for biosolids drying installed in 2000 at BMF.

Irrigation Well Pump – At 35 years of service, the well pump supplying water to the pivot irrigation system at BRS is needing replacement.

Channel Air Blower Filters – The three filters (silencers) for the channel air blowers (CAB) at Secondary and the four filters for the pre-aeration blowers at Pretreatment were installed in 1984.

Heat Pump – Replacing the heat pump for the biosolids drying facility (BDF) installed in 2000.

Polymer Feeder, Biosolids Drying, BMF – Replacing 20-year old polymer feeder used in the air drying system for biosolids processing.

50-Ton Shop Press – Maintenance shop equipment at the Plant currently includes a 100-ton press, which is too unwieldy for safe operation. This replacement will provide more ease-of-use and safety for staff.

Phase Contrast Microscope – The microscope used by Operations staff for process control is 20 years old and does not provide a phase contrasting mechanism.

Major Rehabilitation Program - Budget

The FY 20-21 Capital Programs budget includes \$610,000 for Major Rehabilitation projects that are identified on the table below.

Major Rehabilitation	
Project Description	FY 20-21 Budget
Roadways Resurfacing, BMF	\$170,000
Fog and Slurry Sealing, Air Drying Beds (13), BMF	120,000
Screw Pump Wet Well Concrete Rehab, Pretreatment	100,000
Roof Rehab, Gravity Belt Thickener Building	65,000
Chlorine Contact Chamber Concrete Rehab, Final	60,000
Roof Rehab, Inventory Storeroom, Maintenance Building West	55,000
Asphalt Maintenance (excludes Bike Path), Plant	25,000
Operations & Maintenance Building Improvements, Plant	15,000
Total	\$610,000

Roadways Resurfacing, BMF – The roadways to the Air Drying Beds at BMF are over 20 years old and need to be resurfaced to prevent further deterioration.

Fog and Slurry Sealing, Air Drying Beds – The thirteen Air Drying Beds at BMF need to be fog/slurry sealed to prolong the useful life.

Screw Pump Wet Well Concrete Rehabilitation – There are four screw pumps at the Pretreatment complex (headworks) with a wet well at the receiving end of each. Portions of the concrete at the wet wells has deteriorated and requires repairs and recoating.

Roof Rehab, GBT Building – The gravity belt thickener (GBT) building is a standalone facility at the WPCF with its own roof, constructed in 1993, which has reached the end of its useful life.

Chlorine Contact Chamber Concrete Rehabilitation – Portions of the concrete at the chlorine contact chamber at Final has deteriorated and requires repair.

Roof Rehab, Inventory Storeroom – The west wing of the Maintenance building was not remodeled during the building improvement project. The inventory storeroom portion of the building now requires roof reconstruction and HVAC efficiency improvements.

Asphalt Maintenance (excludes Bike Path), Plant – The roadways, parking lots, and other asphalt surfaces at the WPCF need to be fog/slurry sealed to prolong the useful life.

Operations/Maintenance Building Improvements – This expenditure will go towards miscellaneous improvements, repairs, and renovations to prolong the life and improve functionality of existing MWMC buildings at the WPCF.

Major Capital Outlay

There are no new requests for Major Capital Outlay in FY 20-21.

Asset Management Capital Budget Summary

The following table summarizes the FY 20-21 Asset Management Capital Program Budget by project type showing a total AMCP budget of \$3,060,000.

Asset Management Capital Project Budget	
Project Description	FY 20-21 Budget
Equipment Replacement	\$2,450,000
Major Rehabilitation	610,000
Major Capital Outlay	-
Total	\$3,060,000

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 19-20 Budget that has been carried forward by one year to FY 20-21. Changes to the 5-Year Plan typically occur from year to year as more information becomes available and evaluated such as the P80096 Resiliency Planning study and the MWMC permit renewal outcomes.

Exhibit 13 displays the MWMC 5-Year Capital Plan programs budget, which includes \$74,695,000 in planned capital projects and \$10,466,000 planned asset management capital projects for an overall 5-Year Capital Plan Budget of \$85,161,000.

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

	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	TOTAL
CAPITAL PROJECTS						
Biosolids Management						
Poplar Harvest Management Services	450,000	240,000				690,000
Non-Process Facilities and Facilities Planning						
Comprehensive Facility Plan Update 1	200,000	1,900,000				2,100,000
Facility Plan Engineering Services	15,000		110,000	110,000	115,000	350,000
Conveyance Systems						
Glenwood Pump Station	850,000	1,200,000				2,050,000
Plant Performance Improvements						
Renewable Natural Gas Upgrades	8,570,000					8,570,000
Class A Disinfection Facilities ⁽¹⁾	7,750,000					7,750,000
Aeration Basin Improvements - Phase 2	1,550,000			1,500,000	7,000,000	10,050,000
Administration Building Improvements	600,000	7,000,000				7,600,000
Riparian Shade Credit Program ⁽¹⁾	500,000	600,000	600,000	600,000	50,000	2,350,000
Resiliency Follow-Up	300,000	300,000	3,000,000	300,000	300,000	4,200,000
Recycled Water Demonstration Projects ⁽¹⁾	110,000	115,000	60,000			285,000
Thermal Load Mitigation: Implementation ⁽²⁾		2,000,000	3,000,000	3,000,000	3,000,000	11,000,000
Tertiary Filtration - Phase 2			3,500,000	8,500,000	4,500,000	16,500,000
Waste Activated Sludge Thickening					1,200,000	1,200,000
TOTAL CAPITAL PROJECTS	\$20,895,000	\$13,355,000	\$10,270,000	\$14,010,000	\$16,165,000	\$74,695,000
ASSET MANAGEMENT						
Equipment Replacement	2,450,000	2,012,000	921,000	620,000	1,740,000	7,743,000
Major Rehabilitation	610,000	892,000	357,000	182,000	682,000	2,723,000
Major Capital Outlay	--	--	--	--	--	--
TOTAL ASSET MANAGEMENT	3,060,000	2,904,000	1,278,000	802,000	2,422,000	10,466,000
TOTAL CAPITAL IMPROVEMENTS	\$23,955,000	\$16,259,000	\$11,548,000	\$14,812,000	\$18,587,000	\$85,161,000

Notes:

- (1) The funding for Riparian Shade and Class A Recycled Water projects were allocated from previously budgeted Thermal Load Mitigation Implementation.
- (2) Thermal Load Mitigation Implementation provides budget for strategies currently under consideration for MWMC future permit compliance needs.

CAPITAL PROJECT DETAIL

POPLAR HARVEST MANAGEMENT SERVICES (P80083)



Description: This project develops a long-term poplar management strategy for the Biocycle Farm through refinement of poplar harvest and planting practices and identification of wood products markets best aligned with the highest and best use of Biocycle Farm poplar. The project ensures the timely harvest of the initial plantings in each management unit (MU) within the regulatory 12-year rotation limit and subsequent replanting. Complete management of the poplar trees is anticipated to become a Eugene staff operations duty including funding changes in FY 22-23.

Status: MU-1 was replanted in 2016. MU-2 was replanted in 2018-19. MU-3 is scheduled for harvest in 2021.

Justification: Regulatory land use requirements for operation of the Biocycle Farm and 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.

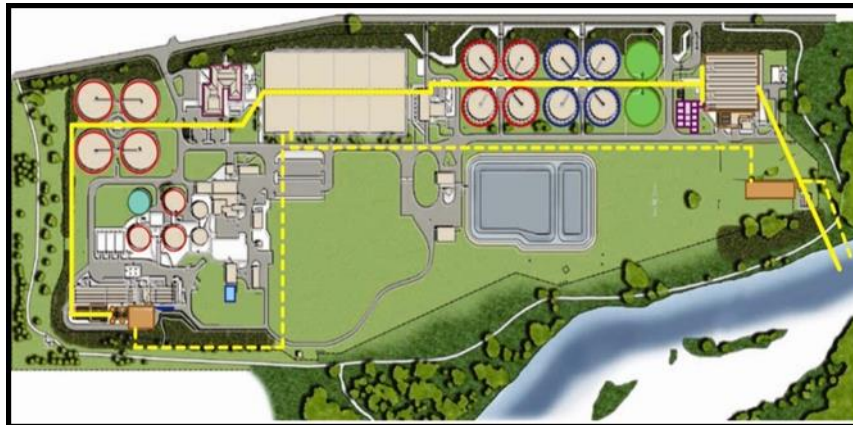
Project Trigger: Maturity of each 12-year rotation age cycle.

Estimated Project Cost: \$1,857,000

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 = \$120,098; FY 20-21 = \$80,000; FY 21-22 = \$515,000; FY 22-23 = \$95,000

Expenditure/Category:	Prior	2019-20		2020-21	2021-22	2022-23	2023-24	2024-25	Total
	Years	Est.	Act.						
Design/Construction	\$1,046,902	\$120,098		\$450,000	\$240,000	\$0	\$0	\$0	\$1,857,000
Other	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$1,046,902	\$120,098		\$450,000	\$240,000	\$0	\$0	\$0	\$1,857,000

COMPREHENSIVE FACILITY PLAN UPDATE (P80101)



Description: This will be the first MWMC Comprehensive Facilities Plan Update since the 2004 MWMC Facilities Plan. The update could include stormwater planning for the WPCF, 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 in order to ensure the MWMC continues to meet future regulations, environmental standards, and community growth.

Status: As of January 2020, staff is working to finalize a consultant agreement related to WPCF stormwater master planning. The bulk of the planned budget is reserved for future implementation of planning work in response to the MWMC’s anticipated NPDES permit renewal (listed as year 2021).

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

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

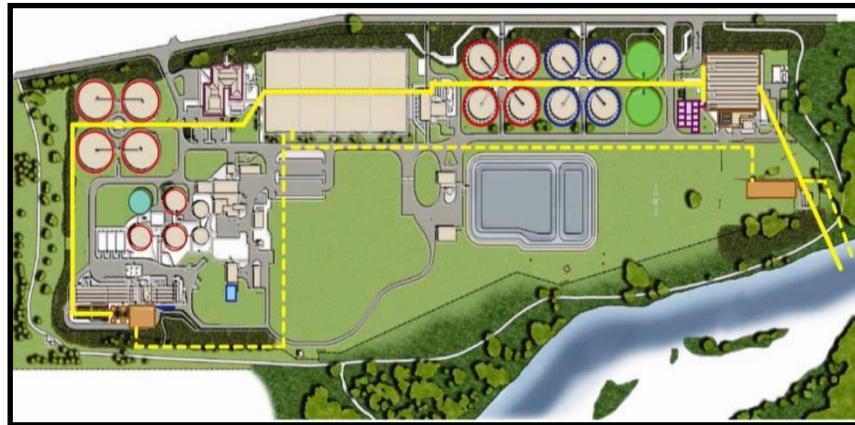
Project Trigger: The stormwater planning portion is triggered to address local building permit requirements for MWMC construction projects. The remaining project scope will be initiated by the next NPDES permit renewal schedule, listed as year 2021.

Estimated Project Cost: \$2,250,000

Estimated Cash Flow: FY 18-19 = \$35,701; FY 19-20 = \$114,229; FY 20-21 = \$200,000; FY 21-22 = \$1,800,000; FY 22-23 = \$100,000

<u>Expenditure/Category:</u>	<u>Prior Years</u>	<u>2019-20 Est. Act.</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>Total</u>
Design/Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$35,701	\$114,299	\$200,000	\$1,900,000	\$0	\$0	\$0	\$2,250,000
Total Cost	\$35,701	\$114,299	\$200,000	\$1,900,000	\$0	\$0	\$0	\$2,250,000

FACILITY PLAN ENGINEERING SERVICES (P80090)



Description: Engineering/technical consultant services for analysis, project definition, cost estimating, design feedback, and general consultation regarding the MWMC Facilities Plan (2005 to 2025).

Status: Issued a request for proposals in 2019 for consultant services and the Commission approved a contract award to Jacobs Engineering Group in November 2019. As of January 2020, staff is coordinating contract execution with Jacobs along with task order prioritizing, scoping and pricing from the consultant before proceeding with each approved task.

Justification: Projects were developed to varying levels of specificity in the 20-Year Facilities Plan and there is an on-going need for technical and engineering resources to help in further refine projects and generally assist with implementation of the plan. Another need addressed by this resource is assurance that the new improvements maintain the plant’s overall treatment processes and hydraulics integrity. The work also provides ongoing planning related to items not addressed by the 2004 MWMC Facilities Plan.

Project Driver: Ongoing goal to efficiently follow and accommodate the upgrades resulting from the MWMC Facilities Plan (2005 to 2025) and system changes.

Project Trigger: Ongoing need.

Estimated Cost: \$1.55 million (2012 to 2030)

Estimated Cash Flow: FY 12-13 = \$36,690; FY13-14 = \$146,491; FY 14-15 = \$67,453; FY 15-16 = \$36,775; FY 16-17 = \$59,823; FY 17-18 = \$32,367; FY 18-19 = \$41,308; FY 19-20 = \$135,000; FY 20-21 = \$15,000; FY 21-22 = \$0; FY 22-23 = \$110,000; FY 23-24 = \$110,000; FY 24-25 = \$115,000; FY 25-26 = \$115,000; FY 26-27 = \$120,000; FY 27-28 = \$125,000; FY 28-29 = \$130,000; FY 29-30 = \$130,000

Expenditure/Category:	Prior	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total
	Years	Est. Act.						
Design/Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$420,907	\$135,000	\$15,000	\$0	\$110,000	\$110,000	\$115,000	\$906,000
Total Cost	\$420,907	\$135,000	\$15,000	\$0	\$110,000	\$110,000	\$115,000	\$906,000

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 Hills basins. In 2019, the P80096 Resiliency Planning study recommended onsite geotechnical evaluation and additional improvements.

Status: Continuing to monitor the Glenwood pump station operations and performance.

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

Estimated Cash Flow: FY 20-21 = \$850,000; FY 21-22 = \$1,200,000

Expenditure/Category:	Prior	2019-20		2021-22	2022-23	2023-24	2024-25	Total
	Years	Est.	Act.					
Design/Construction	\$0	\$0	\$850,000	\$1,200,000	\$0	\$0	\$0	\$2,050,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$0	\$0	\$850,000	\$1,200,000	\$0	\$0	\$0	\$2,050,000

RENEWABLE NATURAL GAS (RNG) UPGRADES (P80095)



Description: This project provides the planning, decision support, new agreements, design and construction of Renewable Natural Gas (RNG) Upgrades consisting of biogas purification facilities at the treatment plant and connection to the Northwest Natural utility grid. Together, the new system will allow the MWMC to sell the upgraded gas (RNG) as a renewable fuel through offtake agreement(s).

Status: The Commission was updated on November 8, 2019. As of January 2020, the design is being finalized and the construction bidding phase will begin in early 2020. Project staff and MWMC legal team are negotiating revenue agreements with Blue Source LLC for the RNG environmental credits and with Northwest Natural Gas Company to purchase the MWMC purified biogas (also called brown gas).

Justification: Full utilization of the MWMC’s biogas resource.

Project Driver: Currently, the WPCF can only utilize approximately 66% of the biogas produced with the remaining 34% being flared as a waste product.

Project Trigger: Commission approval in year 2019 for project design and construction bidding in 2020.

Estimated Project Cost: \$14,500,000

Estimated Cash Flow: FY-17-18 = \$258,334; FY 18-19 = \$1,246,389; FY 19-20 = \$4,425,277; FY 20-21 = \$8,200,000; FY 21-22 = \$370,000

<u>Expenditure/Category:</u>	<u>Prior</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>Total</u>
	<u>Years</u>	<u>Est. Act.</u>						
Design/Construction	\$1,504,723	\$4,425,277	\$8,570,000	\$0	\$0	\$0	\$0	\$14,500,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$1,504,723	\$4,425,277	\$8,570,000	\$0	\$0	\$0	\$0	\$14,500,000

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 project includes the design, bidding, construction, and permitting of Class A recycled water disinfection facilities.

Status: As of January 2020, staff plans to follow-up with the Commission to provide additional information and seek approval to enter into a consultant agreement for the design 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 = \$249,164; FY 20-21 = \$3,750,000; FY 21-22 = \$4,000,000

Expenditure/Category:	Prior	2019-20		2020-21	2021-22	2022-23	2023-24	2024-25	Total
	Years	Est.	Act.						
Design/Construction	\$836	\$249,164	\$7,750,000	\$0	\$0	\$0	\$0	\$0	\$8,000,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$836	\$249,164	\$7,750,000	\$0	\$0	\$0	\$0	\$0	\$8,000,000

AERATION BASIN IMPROVEMENTS – PHASE 2 (P80100)



Description: Aeration System (Phase 2): Recent recommendations are to evaluate and consider improving parts of the existing secondary treatment systems. Upcoming early work items to be evaluated are changes to the existing air piping, change to the diffuser/mixing systems, and consider upgrading older blower equipment. Future upgrades include adding step feed, anoxic selectors, and fine bubble diffusers to four of the eight cells of the aeration basins and make hydraulic improvements. This project was originally the North Aeration Basin Improvements project; however, the Phase 1 final design in 2007 recommended improvements to the four eastern most basins as a first phase would allow for better hydraulics and more operational flexibility. Phase 1 construction was completed in March 2009.

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

Status: As of January 2020: Completed the request for proposals evaluation process for consultant services. Staff is negotiating with Brown and Caldwell to execute a consultant agreement after Commission approval to begin the aeration system evaluation work.

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

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

Project Trigger: Address water quality requirements (need to evaluate the requirements based on the MWMC next NPDES permit renewal estimated in year 2021).

Estimated Project Cost: \$16,500,000

Estimated Cash Flow: FY 19-20 = \$450,000; FY 20-21 = \$1,250,000; FY 21-22 = \$300,000; FY 22-23 = \$0; FY 23-24 = \$1,500,000; FY 24-25 = \$6,800,000; FY 25-26 = \$6,200,000

<u>Expenditure/Category:</u>	<u>Prior</u>	<u>2019-20</u>		<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>Total</u>
	<u>Years</u>	<u>Est.</u>	<u>Act.</u>					
Design/Construction	\$0	\$450,000	\$1,550,000	\$0	\$0	\$1,500,000	\$7,000,000	\$10,500,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$0	\$450,000	\$1,550,000	\$0	\$0	\$1,500,000	\$7,000,000	\$10,500,000

ADMINISTRATION BUILDING IMPROVEMENTS (P80104)



Description: This project will address the Administration/Operations Building work space 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). There are challenges and benefits with each of these two options that will be explored during the initial planning phase of this project. With the creation of a building meeting immediate occupancy design, a pre-designated “Incident Command Post” could be utilized at the WPCF site after a natural disaster. The existing 1982 building is currently used for operating and control of the MWMC treatment facility.

Status: As of February 2020, the P80104 project team will need to reconsider the MWMC options and seek consultant services in FY 20-21

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 reevaluate the MWMC building options to address level of service goals after a nature 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 as a result of changing regulations since the WPCF was originally constructed in the early 1980s. Also, address the P80096 recommended level of service goals to operate after magnitude 9.0 earthquake issue.

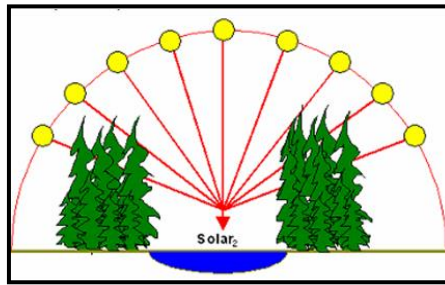
Project Trigger: Expansion and changes needed for functionality, safety and natural disaster resiliency.

Estimated Project Cost: \$7,600,000

Estimated Cash Flow: FY 20-21 = \$600,000; FY 21-22 = \$2,200,000; FY 22-23 = \$4,700,000; FY 23-24 = \$100,000

<u>Expenditure/Category:</u>	<u>Prior</u>	<u>2019-20</u>		<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>Total</u>
	<u>Years</u>	<u>Est.</u>	<u>Act.</u>					
Design/Construction	\$0	\$0	\$600,000	\$7,000,000	\$0	\$0	\$0	\$7,600,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$0	\$0	\$600,000	\$7,000,000	\$0	\$0	\$0	\$7,600,000

RIPARIAN SHADE CREDIT PROGRAM (P80080)



Description: This project facilitates the generation of water quality trading credits for temperature through implementation of riparian shade restoration projects. The primary project elements are the support of the MWMC’s watershed interests through the Pure Water Partners program in collaboration with EWEB, local conservation organizations and the services of a contract credit program manager to ensure timely implementation of trading credits. The project includes the ongoing long-term monitoring and reporting associated with the MWMC’s pilot “shade sponsorship” projects that were implemented in 2013 thru 2016.

Status: As of January 2020, ongoing with new credit projects in development via partnership agreements.

Justification: The Pure Water Partners program is the MWMC’s leading and most cost-effective strategy for thermal load compliance. The MWMC formally started the Pure Water Partners program in FY 18-19 under the EWEB intergovernmental agreement and contracting of a long-term credit program manager for project implementation. Sponsorship pilot projects have ongoing contractual obligations through the year 2034 to maintain the sites enrolled for MWMC regulatory credit.

Project Driver: Ongoing shade contract commitment plus additional NPDES permit compliance needs based on updated temperature standards, TMDL, and associated thermal load limits.

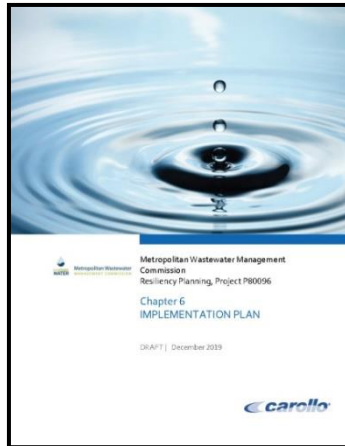
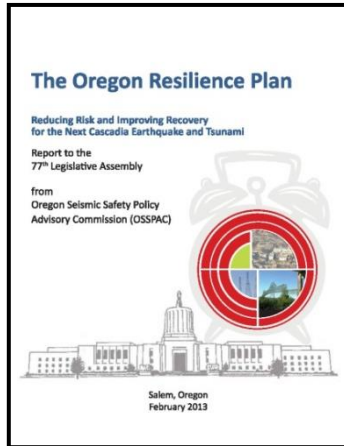
Project Trigger: Impending NPDES permit renewal currently scheduled for issuance in year 2021.

Estimated Project Cost: \$3.3 million (estimate 2012 to 2034)

Estimated Cash Flow: FY 12-13 = \$84,621; FY 13-14 = \$77,394; FY 14-15 = \$79,245; FY 15-16 = \$102,191; FY 16-17 = \$58,948; FY 17-18 = \$0; FY 18-19 = \$172,119; FY 19-20 = \$260,482; FY 20-21 = \$450,000; FY 21-22 = \$600,000; FY 22-23 = \$600,000; FY 23-24 = \$600,000; FY 24-25 = \$50,000; FY 25-26 = \$20,000; FY 26-27 = \$20,000; FY 27-28 = \$20,000; FY 28-29 = \$20,000; FY 29-30 = \$20,000

<u>Expenditure/Category:</u>	<u>Prior</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>Total</u>
	<u>Years</u>	<u>Est. Act.</u>						
Design/Construction	\$574,518	\$260,482	\$500,000	\$600,000	\$600,000	\$600,000	\$50,000	\$3,185,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$574,518	\$260,482	\$500,000	\$600,000	\$600,000	\$600,000	\$50,000	\$3,185,000

RESILIENCY FOLLOW-UP (P80109)



Description: This project provides follow-up evaluation and some implementation of the P80096 Resiliency Study (Disaster Mitigation and Recovery Plan - draft dated December 2019). 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 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: On December 13, 2019, the Commission was provided recommendations from the P80096 Resiliency Study regarding proposed mitigation projects to reduce the impact of flooding and earthquake (magnitude 9.0) issues.

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. Draft plan with consultant recommendations submitted December 2019.

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

Estimated Cash Flow: FY 20-21 = \$300,000; FY 21-22 = \$300,000; FY 22-23 = \$3,000,000; FY 23-24 = \$300,000; FY 24-25 = \$300,000; and continue the MWMC mitigation work estimated above \$34-million

Expenditure/Category:	Prior	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total
	Years	Est. Act.						
Design/Construction	\$0	\$0	\$150,000	\$300,000	\$3,000,000	\$300,000	\$300,000	\$4,050,000
Other	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000
Total Cost	\$0	\$0	\$300,000	\$300,000	\$3,000,000	\$300,000	\$300,000	\$4,200,000

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. Project may entail onsite upgrades and retrofits to allow the use of recycled water in partnership with end-users, point-of-delivery metering, piping, and controls, user training and information materials, and public interpretative signage.

Status: As of January 2020, outreach and information strategy is underway in parallel with the Class A pre-design efforts. Need Commission approval to proceed with design and construction of MWMC infrastructure for Class A recycled water treatment (P80098) for offsite end-user delivery. Outreach includes securing written “letters of intent” from initial Class A recycled water users.

Justification: Demonstration of the MWMC’s capability and consistency of recycled water for use in a safe, effective, and publicly accepted manner is a key step toward future, larger-scale, recycled water uses. Future recycled water uses may be an important strategy for diverting effluent from the Willamette River to meet NPDES permit discharge limits for temperature and other benefits, including providing community water resource partnership opportunities.

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 Class A recycled water demonstration sites with willing, ready-to-proceed partners have been identified, including City of Eugene street tree watering and industrial aggregate site equipment washing via private/public partnership.

Estimated Project Cost: \$410,000

Estimated Cash Flow: FY 19-20 = \$125,000; FY 20-21 = \$110,000; FY 21-22 = \$115,000; FY 22-23 = \$60,000

<u>Expenditure/Category:</u>	<u>Prior</u>	<u>2019-20</u>		<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>Total</u>
	<u>Years</u>	<u>Est.</u>	<u>Act.</u>						
Design/Construction	\$0	\$40,000		\$110,000	\$115,000	\$60,000	\$0	\$0	\$325,000
Other	\$0	\$85,000		\$0	\$0	\$0	\$0	\$0	\$85,000
Total Cost	\$0	\$125,000		\$110,000	\$115,000	\$60,000	\$0	\$0	\$410,000

THERMAL LOAD MITIGATION – IMPLEMENTATION (P80063)



Description:

This funding source provides thermal load implementation money related to projects as they are developed (such as the Riparian Shade Credit Program (P80080) and Class A recycled water disinfection facilities and demonstration projects (P80098 and P80099), and will implement other thermal load mitigation projects anticipated as part of a multi-pronged compliance strategy. Anticipated projects include recycled water use expansion at MWMC facilities, extension of recycled water services to community partners, and other strategies to reduce the MWMC’s total thermal load impact related to the Willamette River.

Status:

As of January 2020: Pending implementation recommendations of project P80062 (Thermal Load Mitigation – Pre-Implementation planning). Recommendations will be reviewed and information provided for Commission consideration as future project work.

Justification:

The 2004 MWMC Facilities Plan recommended phased implementation of recycled water use for thermal load compliance, including Class A greenspace irrigation. The Thermal Load Mitigation Alternatives Evaluation, Recycled Water Program Implementation Planning, Phase 2 Study (dated August 2014) identified riparian shade credits as the primary near-term compliance strategy, coupled with expanded use and storage of recycled water at the MWMC’s facilities and Class A demonstration uses with identified partners. The recommendations include long-term development of recycled water projects and partnerships.

Project Driver:

NPDES permit thermal load limit compliance as required under updated Oregon temperature standards and implementation. Future thermal load mitigation projects serve as a complement, or backstop measure, to the Riparian Shade Credits project.

Project Trigger:

Project implementation as necessary for compliance with Oregon’s temperature standard. The MWMC NPDES permit renewal is listed for year 2021.

Estimated Project Cost: \$11 million (placeholder estimate)

Estimated Cash Flow: FY 13-14 = \$1,531; FY 14-15 = \$7,871; FY 15-16 = \$9,689; FY 16-17 = \$4,734; FY 17-18 = \$53,911; FY 18-19 = -\$45,477; FY 19-20 = \$0; FY 20-21 = \$0; FY 21-22 = \$2,000,000; FY 22-23 = \$3,000,000; FY 23-24 = \$3,000,000; FY 24-25 = \$3,000,000

Expenditure/Category:	Prior	2019-20		2020-21	2021-22	2022-23	2023-24	2024-25	Total
	Years	Est.	Act.						
Design/Construction	\$0	\$0	\$0	\$0	\$2,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$11,000,000
Other	\$32,259	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$32,259
Total Cost	\$32,259	\$0	\$0	\$0	\$2,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$11,032,000

TERTIARY FILTRATION - PHASE 2 (P80102)



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

In 2016, the project scope expanded to include updating electrical switchgear and install tertiary filter flushing headers/pipe vents.

Status: Tertiary Filtration (Phase 2) project is anticipated to start design development in fiscal year 22-23.

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

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

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

Estimated Project Cost: \$16,500,000

Estimated Cash Flow: FY 22-23 = \$1,500,000; FY 23-24 = \$6,000,000; FY 24-25 = \$8,800,000; FY 25-26 = \$200,000

<u>Expenditure/Category:</u>	<u>Prior</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>Total</u>
	<u>Years</u>	<u>Est. Act.</u>						
Design/Construction	\$0	\$0	\$0	\$0	\$3,500,000	\$8,500,000	\$4,500,000	\$16,500,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$0	\$0	\$0	\$0	\$3,500,000	\$8,500,000	\$4,500,000	\$16,500,000

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.

Justification:

Provide additional capacity for waste active 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: \$6,200,000

Estimated Cash Flow: FY 24-25 = \$1,200,000; FY 25-26 = \$4,800,000; FY 26-27 = \$200,000

Expenditure/Category:	Prior	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total
	Years	Est. Act.						
Design/Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200,000	\$1,200,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200,000	\$1,200,000

