Regional Wastewater Program Budget and Capital Improvements Program

Metropolitan Wastewater
MANAGEMENT COMMISSION

partners in wastewater management

Fiscal Year 2021-2022

REGIONAL WASTEWATER PROGRAM BUDGET
and
CAPITAL IMPROVEMENTS PROGRAM

Fiscal Year 2021-22

The Metropolitan Wastewater Management Commission adopted the Operating Budget and Capital Improvements Program (CIP) for FY 21-22 on April 9, 2021. The Budget and CIP were ratified by the Eugene City Council on May 10, 2021, the Lane County Board of Commissioners on May 11, 2021 and the Springfield City Council on May 17, 2021. The Commission gave final ratification of the Budget and CIP on June 11, 2021**.**

www.mwmcpartners.org

Cover photo: aerial view of the Water Pollution Control Facility on River Avenue and the Willamette River.

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METROPOLITAN WASTEWATER MANAGEMENT COMMISSION

FY 2021-22 BUDGET AND CAPITAL IMPROVEMENTS PROGRAM for the REGIONAL WASTEWATER PROGRAM

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BUDGET MESSAGE

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

We are pleased to present the Metropolitan Wastewater Management Commission's budget for fiscal year 2021-22. 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 44 years. The service area for the MWMC consists of approximately 250,000 residents, including 79,700 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 occuring July 1.

Fiscal Year 2021-22 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 21-22 is $21.7 million, and the five-year Capital Plan is currently projected at $76.6 million.

Operating Budget - The FY 21-22 RWP Operating Budget for personnel services, materials and services and capital outlay expenses is $20.6 million, reflecting a 4.5% increase when compared to the prior year adopted budget (as well as compared to the prior year amended budget). The FY 21-22 budget includes Debt Service payments that total $4.1 million as scheduled repayment of the $32.7 million for revenue bonds issued in May 2016, and $104,250 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 21-22 user fee revenues (including septage service) are projected at $36.0 million. This level of revenue is based on a 3.5% increase on 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 21-22 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. Staffing and services have been provided in various ways over the 44 years of MWMC's existence. Since 1983, the Commission has contracted with the Cities of Springfield and Eugene for all staffing and services necessary to maintain and support the RWP. Lane County's partnership has involved participation on the Commission and support 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 21-22 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 21-22 RWP Operating Budget, Capital Improvements Program and associated work plans.

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

Indicators:	Performance:		
	FY 19-20 Actual	FY 20-21 Estimated Actual	FY 21-22 Target
• Volume of wastewater treated to water quality standards	100%; 10.9 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%)	97%	97%	95%
• High quality biosolids (pollutant concentrations less than 50% of EPA exceptional quality criteria)	Arsenic 21% Cadmium 12% Copper 29% Lead 8% Mercury 5% Nickel 5% Selenium 12% Zinc 29%	Arsenic 25% Cadmium 15% Copper 30% Lead 10% Mercury 10% Nickel 10% Selenium 15% Zinc 30%	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 19-20 Actual	FY 20-21 Estimated Actual	FY 21-22 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

Outcome 3: ***Achieve and maintain a successful intergovernmental partnership.***

Indicators:	Performance:		
	FY 19-20 Actual	FY 20-21 Estimated Actual	FY 21-22 Target
• Industrial Pretreatment Programs are consistent with the MWMC pretreatment model ordinance	Consistent across service area	Consistent across service area	Consistent across service area
• MWMC capital projects consistent with CIP budget and schedule	90% of initiated projects within budget and 100% (11 of 11 projects) on schedule	100% of initiated projects within budget and 100% (9 of 9 projects) on schedule	100% of initiated projects within budget and 75% on schedule
• 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
• Community presentations regarding MWMC partnership, services and outcomes delivered jointly	2 community presentations delivered by staff to groups in the service area	4 community presentations delivered by staff to groups in the service area	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 19-20 Actual	FY 20-21 Estimated Actual	FY 21-22 Target
• Preventive maintenance completed on time (best practices benchmark is 90%)	92%	94%	90%
• Preventive maintenance to corrective maintenance ratio (benchmark 4:1-6:1)	5.6:1	5:1	5:1
• Emergency maintenance required (best practices benchmark is less than 2% of labor hours)	2%	1%	<2%
• Asset management (AM) processes and practices review and development	Asset management plan completed	Change to Bi-Annual update to AM plan	Bi-Annual update to AM plan
• MWMC Resiliency Plan	Presented final plan to the Commission	Plan implementation	Continue 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 19-20 Actual	FY 20-21 Estimated Actual	FY 21-22 Target
• Communications Plan	Updated in Spring 2020 based on survey results	Update in Spring 2021 based on survey results	Implement 2021 Communications Plan
• Promote MWMC social media channels	Grew Facebook followers to 375 - Did not meet goals to grow Twitter or Instagram	Growth of Facebook and Twitter followers are on track while Instagram continues to struggle	Implement strategies to grow Facebook followers to 700, Twitter to 250 and Instagram to 275
• Create and distribute MWMC e-newsletters	Distributed monthly and increased distribution to 222 subscribers	Distribute monthly and increase distribution to 300 subscribers	Distribute monthly and increase distribution to 375 subscribers
• Pollution prevention campaigns	2 campaigns, 3 sponsorships; reaching 40% of residents in the service area	2 campaigns, 4 sponsorships; reaching <40% of residents in the service area due to COVID-19	2 campaigns, 4 sponsorships; reaching 40% of residents in the service area
• Provide tours of the MWMC Facilities	Provided tours for 840 people. Tours canceled as of March 12th due to COVID-19	Due to COVID-19, there have been no tours provided	Provide tours for greater than 1,150 people
• Clean Water University	Reached 25% of 5th Graders in the service area	Reach 25% of 5th Graders in the service area so long as online enrollment holds	Reach 25% of 5th Graders in the service area
• Community survey (approx. every 4 years)	Survey completed in Fall 2019	Survey completed in Fall 2020	---

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 / General Manager, respectively. The Environmental Services Division and Finance Department staff provide ongoing staff support to the Commission and administration of the RWP in the following areas: legal and risk management services; financial management and accounting; coordination and management of public policy; regulatory and permit compliance issues; coordination between the Commission and the governing bodies; long-range capital project planning, design, and construction management; coordination of public information, education, and citizen involvement programs; and coordination and development of regional budgets, rate proposals, and revenue projections. Springfield staff also provides local implementation of the Industrial Pretreatment Program, as well as billing coordination and customer service. These services are provided under contract with the MWMC through the regional funding of 16.85 FTE of Development and Public Works Department staff and .88 FTE of Finance Department staff, and .03 FTE of City Manager's Office for a total 17.76 FTE as reflected in the FY 21-22 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 initailly included providing support to manage the proceeds and repayment of the RWP general obligation bonds to finance the local share of the RWP facilities construction. These bonds were paid in full in 2002. The County, while not presently providing sewerage, has the authority under its charter to do so. The Urban Growth Boundary includes the two Cities (urban lands) and certain unincorporated areas surrounding the Cities which lies

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

Interagency Coordination

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

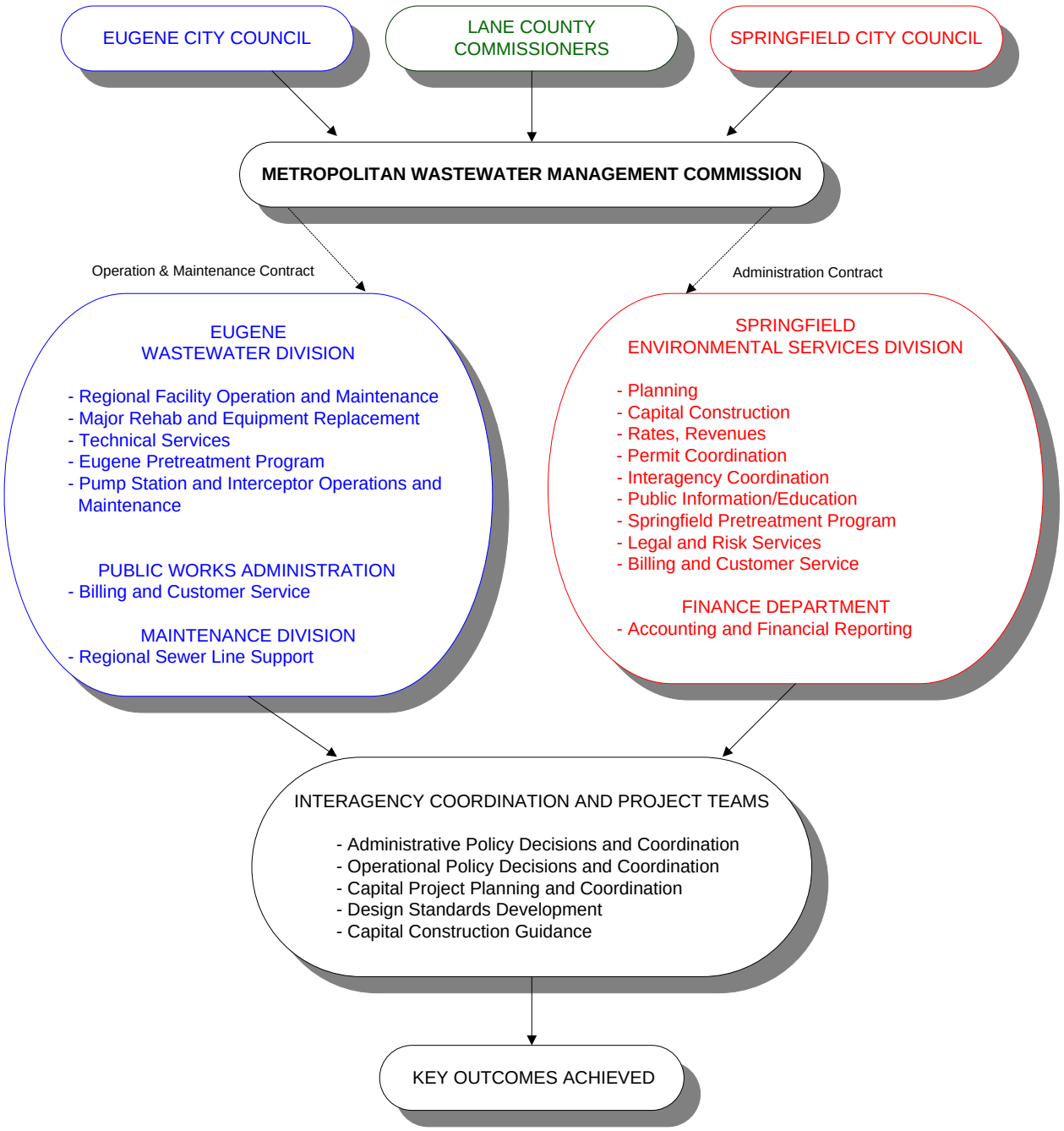
Exhibit 1 on the following page reflects the interagency coordination structure supporting the RWP. Special project teams are typically formed to manage large projects such as design and construction of new facilities. These interagency staff teams are formulated to provide appropriate expertise, operational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

Relationship to Eugene and Springfield Local Sewer Programs

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

EXHIBIT 1

REGIONAL WASTEWATER PROGRAM
INTERAGENCY COORDINATION STRUCTURE



BUDGET SUMMARY

REGIONAL WASTEWATER PROGRAM
FY 21-22 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 20-21" column in all budget tables represents the updated FY 20-21 RWP budget as of February 17, 2021, which reconciled actual beginning balances at July 1, 2020, and approved budget transfers and supplemental requests.

EXHIBIT 2

REGIONAL OPERATING BUDGET SUMMARY
INCLUDING RESERVE CONTRIBUTIONS

	ADOPTED BUDGET FY 20-21	AMENDED BUDGET FY 20-21	ADOPTED BUDGET FY 21-22	CHANGE **(1)** INCR/(DECR)	
Full-Time Equivalent Staffing Level	96.14	96.14	97.12	0.98	1.0%
Personnel Services **(2)**	$12,097,626	$12,097,626	$12,411,718	$314,092	2.6%
Materials & Services **(2)**	7,554,374	7,620,158	8,123,293	568,919	7.5%
Capital Outlay **(2, 3)**	122,000	122,000	138,000	16,000	13.1%
Equip Replacement Contributions **(4)**	750,000	750,000	750,000	-	0.0%
Capital Contributions **(5)**	13,000,000	12,437,108	9,800,000	(3,200,000)	-24.6%
Debt Service **(6)**	4,260,934	4,260,934	4,110,375	(150,559)	-3.5%
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)**	3,124,598	3,124,598	4,215,639	1,091,041	34.9%
Rate Stabilization Reserve **(11)**	2,000,000	2,000,000	2,000,000	-	0%
SRF Loan Reserve **(12)**	186,616	186,616	186,616	-	0%
Budget Summary	**$47,496,148**	**$46,999,040**	**$46,135,641**	**($1,360,507)**	**-2.9%**

Notes:

1. The Change column and Percent Change column compare the Proposed FY 21-22 Budget with the originally Adopted FY 20-21 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 21-22 is $4,110,375.
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

	ACTUALS	ADOPTED BUDGET	AMENDED BUDGET	ADOPTED BUDGET	CHANGE	
SPRINGFIELD						
MWMC ADMINISTRATION	FY 19-20	FY 20-21	FY 20-21	FY 21-22	INCR/(DECR)	
Personnel Services	$1,356,210	$1,622,077	$1,622,077	$1,751,851	$129,774	8.0%
Materials & Services	1,744,191	2,086,434	2,152,218	2,190,714	104,280	5.0%
Capital Outlay	-	-	-	-	-	--
TOTAL	**$3,100,401**	**$3,708,511**	**$3,774,295**	**$3,942,565**	**$234,054**	**6.3%**
INDUSTRIAL PRETREATMENT						
Personnel Services	$369,560	$378,253	$378,253	$402,464	$24,211	6.4%
Materials & Services	104,709	138,936	138,936	149,995	11,059	8.0%
Capital Outlay	-	-	-	-	-	--
TOTAL	**$474,269**	**$517,189**	**$517,189**	**$552,459**	**$35,270**	**6.8%**
ACCOUNTING						
Personnel Services	$121,300	$127,136	$127,136	$137,211	$10,075	7.9%
Materials & Services	38,887	41,964	41,964	44,658	2,694	6.4%
Capital Outlay	-	-	-	-	-	--
TOTAL	**$160,187**	**$169,100**	**$169,100**	**$181,869**	**$12,769**	**7.6%**
TOTAL SPRINGFIELD						
Personnel Services	$1,847,069	$2,127,466	$2,127,466	$2,291,526	$164,060	7.7%
Materials & Services	1,887,787	2,267,334	2,333,118	2,385,367	118,033	5.2%
Capital Outlay	-	-	-	-	-	--
TOTAL	**$3,734,856**	**$4,394,800**	**$4,460,584**	**$4,676,893**	**$282,093**	**6.4%**
EUGENE						
ADMINISTRATIVE SERVICES						
Personnel Services	$2,149,487	$2,587,991	$2,587,991	$2,508,683	($79,308)	-3.1%
Materials & Services	758,422	987,976	987,976	994,978	7,002	0.7%
Capital Outlay	-	-	-	-	-	--
TOTAL	**$2,907,909**	**$3,575,967**	**$3,575,967**	**$3,503,661**	**($72,306)**	**-2.0%**
BIOSOLIDS MANAGEMENT						
Personnel Services	$1,388,669	$1,490,828	$1,490,828	$1,460,913	($29,915)	-2.0%
Materials & Services	727,827	1,019,481	1,019,481	936,089	(83,392)	-8.2%
Capital Outlay	-	30,000	30,000	-	(30,000)	--
TOTAL	**$2,116,496**	**$2,540,309**	**$2,540,309**	**$2,397,002**	**($143,307)**	**-5.6%**
INDUSTRIAL SOURCE CONTROL						
Personnel Services	$652,456	$677,929	$677,929	$677,414	($515)	-0.1%
Materials & Services	87,791	122,142	122,142	213,477	91,335	74.8%
Capital Outlay	-	-	-	-	-	--
TOTAL	**$740,247**	**$800,071**	**$800,071**	**$890,891**	**$90,820**	**11.4%**
TREATMENT PLANT						
Personnel Services	$4,376,978	$4,714,995	$4,714,995	$5,035,102	$320,107	6.8%
Materials & Services	2,649,631	2,795,349	2,795,349	3,265,962	470,613	16.8%
Capital Outlay	32,584	92,000	92,000	138,000	46,000	50.0%
TOTAL	**$7,059,193**	**$7,602,344**	**$7,602,344**	**$8,439,064**	**$836,720**	**11.0%**
REGIONAL PUMP STATIONS						
Personnel Services	$169,397	$211,535	$211,535	$194,052	($17,483)	-8.3%
Materials & Services	255,613	303,248	303,248	270,193	(33,055)	-10.9%
Capital Outlay	-	-	-	-	-	--
TOTAL	**$425,010**	**$514,783**	**$514,783**	**$464,245**	**($50,538)**	**-9.8%**
BENEFICIAL REUSE SITE						
Personnel Services	$196,810	$286,882	$286,882	$244,028	($42,854)	-14.9%
Materials & Services	60,670	58,844	58,844	57,228	(1,616)	-2.7%
Capital Outlay	-	-	-	-	-	--
TOTAL	**$257,480**	**$345,726**	**$345,726**	**$301,256**	**($44,470)**	**-12.9%**
TOTAL EUGENE						
Personnel Services	$8,933,797	$9,970,160	$9,970,160	$10,120,192	$150,032	1.5%
Materials & Services	4,539,953	5,287,040	5,287,040	5,737,927	450,887	8.5%
Capital Outlay	32,584	122,000	122,000	138,000	16,000	13.1%
TOTAL	**$13,506,335**	**$15,379,200**	**$15,379,200**	**$15,996,119**	**$616,919**	**4.0%**
TOTAL REGIONAL BUDGET	**$17,241,191**	**$19,774,000**	**$19,839,784**	**$20,673,011**	**$899,011**	**4.5%**

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

EXHIBIT 4

REGIONAL WASTEWATER PROGRAM
BUDGET SUMMARY AND COMPARISON

	ADOPTED BUDGET FY 20-21	AMENDED BUDGET FY 20-21	ADOPTED BUDGET FY 21-22	CHANGE* INC(DECR)
OPERATING BUDGET				
Administration	$4,394,800	$4,460,584	$4,676,892	$282,092
Operations	15,379,200	15,379,200	15,996,119	616,919
Capital Contribution & Transfers	13,000,000	12,437,108	9,800,000	(3,200,000)
Equipment Replacement - Contribution	750,000	750,000	750,000	0
Operating & Revenue Bond Reserve	9,711,214	9,711,214	10,802,255	1,091,041
Debt Service	4,260,934	4,260,934	4,110,375	(150,559)
Total Operating Budget	**$47,496,148**	**$46,999,040**	**$46,135,641**	**($1,360,507)**
Funding:				
Beginning Balance	$11,500,938	$11,003,830	$8,732,548	(2,768,390)
User Fees	34,520,000	34,520,000	36,050,000	1,530,000
Other	1,475,210	1,475,210	1,353,093	(122,117)
Total Operating Budget Funding	**$47,496,148**	**$46,999,040**	**$46,135,641**	**($1,360,507)**
CAPITAL PROGRAM BUDGET				
RNG Upgrade Facilities	$8,570,000	$10,694,892	$2,000,000	(6,570,000)
Class A Disinfection Facilities	7,750,000	7,983,230	6,770,000	(980,000)
Aeration Basin Improvements - Phase 2	1,550,000	1,891,986	440,000	(1,110,000)
Glenwood Pump Station Upgrades	850,000	850,000	1,800,000	950,000
Adminstration Building Improvements	600,000	600,000	7,230,000	6,630,000
Riparian Shade Credit Program	500,000	566,397	1,370,000	870,000
Poplar Harvest Mgmt. Services	450,000	460,236	660,000	210,000
Resiliency Follow-Up	300,000	300,000	490,000	190,000
Comprehensive Facility Plan Update	200,000	299,125	600,000	400,000
Recycled Water Demonstration Project	110,000	207,101	340,000	230,000
Facility Plan Engineering Services	15,000	133,702	-	0
WPCF Lagoon Remove/Decommission	-	100,000	-	0
Thermal Load Pre-Implementation	-	224,834	-	0
Asset Management:				
Equipment Replacement Purchases	2,450,000	2,545,000	$963,000	(1,487,000)
Major Rehab	610,000	1,345,000	165,000	(445,000)
Major Capital Outlay	-	370,000	-	0
Total Capital Projects	**$23,955,000**	**$28,571,503**	**$22,828,000**	**($1,127,000)**
Funding:				
Equipment Replacement	$2,450,000	$2,545,000	$963,000	(1,487,000)
SDC Improvement Reserve	3,450,810	3,450,810	4,414,570	963,760
Capital Reserve	18,054,190	22,575,693	17,450,430	(603,760)
Total Capital Projects Funding	**$23,955,000**	**$28,571,503**	**$22,828,000**	**($1,127,000)**

Note: * The Change compares the adopted FY 21-22 budget to the originally adopted FY 20-21 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 47.

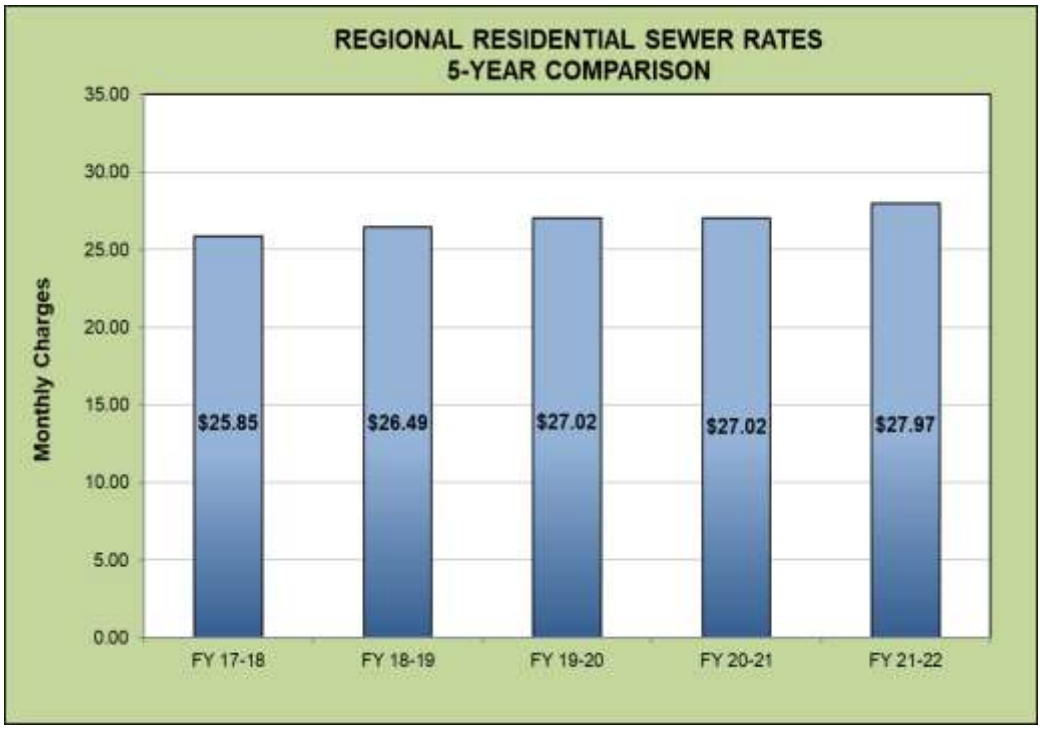
As shown on the Regional Residential Sewer Rate graph on page 17, regional sewer user charges have incrementally increased to meet the revenue requirements necessary to fund facility improvements as indentified in the 2004 MWMC Facilities Plan. This Plan and the subsequent 2014 Partial Facilies Plan 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 incremental on an annual basis.

The National Association of Clean Water Agency (NACWA) publishes an annual Cost of Clean Water Index, which indicates the national average charges for wastewater services. The index includes average wastewater charges by Environmental Protection Agency (EPA) regions. Of the EPA regions, Region 10, which includes Oregon, Washington and Idaho, reflects the second highest wastewater expenses nationwide, based on demographics, geography, regulatory requirements, and a range of other issues. Within Region 10, the annual change in the cost of clean water index reflected a 4.7% average increase over the past 3 years.

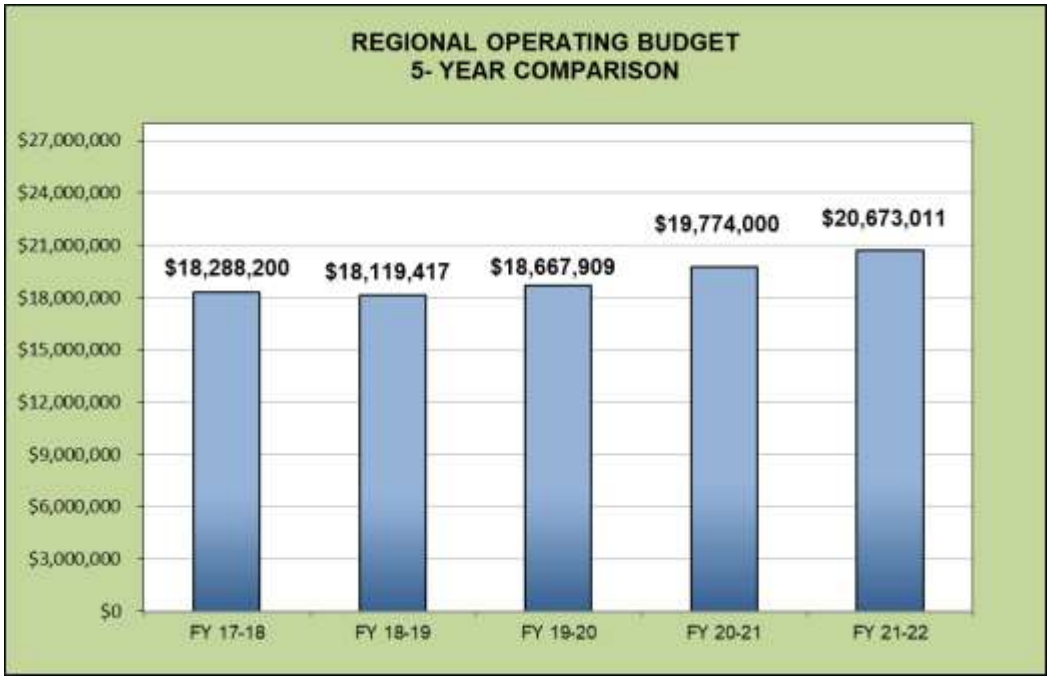
In FY 20-21 the MWMC regional user rates remained level with no rate change over the prior year. The FY 21-22 Budget is based on a 3.5% user rate increase over the FY 20-21 rates. This increase will provide for Operations, Administration, Capital programs, reserves and debt service, continuing to meet capital and operating requirements and supporting the Commission's Financial Plan policies, as well as financially positioning for future investments in capital assets.

The following chart displays the regional component of a residential monthly bill when applying the base and flow rates to 5,000 gallons of wastewater treated, which includes a 3.5% or $0.95 increase effective July 1, 2021.

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 21-22 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 21-22, $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 21-22 no additional contribution to this reserve is budgeted and the balance at June 30, 2021, 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 21-22.

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 21-22.

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 21-22, the Operating Reserve is budgeted at $4,215,639, which includes approximately two months of total Personnel Services, Materials and Services, and Capital Outlay in accordance with Commission policy.

EXHIBIT 5

OPERATING RESERVES	ADOPTED BUDGET FY 20-21	AMENDED BUDGET FY 20-21	ADOPTED BUDGET FY 21-22
Beginning Balance	$11,500,938	$11,003,830	$8,732,548
User Fee Revenue	33,700,000	33,700,000	35,400,000
Septage Revenue	820,000	820,000	650,000
Other Revenue	1,265,500	1,265,500	1,250,921
Interest	181,000	181,000	75,000
Transfer from Reimbursement SDCs	24,710	24,710	23,172
Personnel Services	(12,097,626)	(12,097,626)	(12,411,718)
Materials & Services	(7,550,374)	(7,616,158)	(8,119,293)
Capital Outlay	(122,000)	(122,000)	(138,000)
Interfund Transfers	(13,750,000)	(13,187,108)	(10,550,000)
Debt Service - SRF Loan	(251,429)	(251,429)	(104,250)
Debt Service - 2016 Revenue Bond	(4,009,505)	(4,009,505)	(4,006,125)
Working Capital	(900,000)	(900,000)	(900,000)
Insurance Reserve	(1,500,000)	(1,500,000)	(1,500,000)
SRF Loan Reserve	(186,616)	(186,616)	(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	**$3,124,598**	**$3,124,598**	**$4,215,639**

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 21-22 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 20-21	AMENDED BUDGET FY 20-21	ADOPTED BUDGET FY 21-22
Beginning Balance	$14,903,629	$15,474,952	$13,929,952
Annual Equipment Contribution	750,000	750,000	750,000
Interest	356,000	356,000	150,000
Equipment Purchases	(2,450,000)	(2,545,000)	(963,000)
Equipment Replacement Reserve	**$13,559,629**	**$14,035,952**	**$13,866,952**

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 21-22 are approximately $1,800,000. The projected beginning SDC Reserve balance on July 1, 2021 is $5,713,219.

REIMBURSEMENT SDC RESERVE	ADOPTED BUDGET FY 20-21	AMENDED BUDGET FY 20-21	ADOPTED BUDGET FY 21-22
Beginning Balance	$1,411,910	$1,448,096	$1,696,386
Reimbursement SDCs Collected	150,000	150,000	200,000
Interest	37,000	37,000	25,000
SDC Compliance Charge	4,000	4,000	4,000
Transfer to Debt Service (Fund 612)	(24,710)	(24,710)	(23,172)
Materials & Services	(2,000)	(2,000)	(2,000)
Reimbursement SDC Reserve	**$1,576,200**	**$1,612,386**	**$1,900,214**

IMPROVEMENT SDC RESERVE	ADOPTED BUDGET FY 20-21	AMENDED BUDGET FY 20-21	ADOPTED BUDGET FY 21-22
Beginning Balance	$3,603,605	$3,812,990	$4,016,833
Improvement SDCs Collected	1,500,000	1,500,000	1,600,000
Interest	67,000	67,000	25,000
Materials & Services	(2,000)	(2,000)	(2,000)
Funding for Capital Improvement Projects	(3,450,810)	(3,450,810)	(4,414,570)
Improvement SDC Reserve	**$1,717,795**	**$1,927,180**	**$1,225,263**

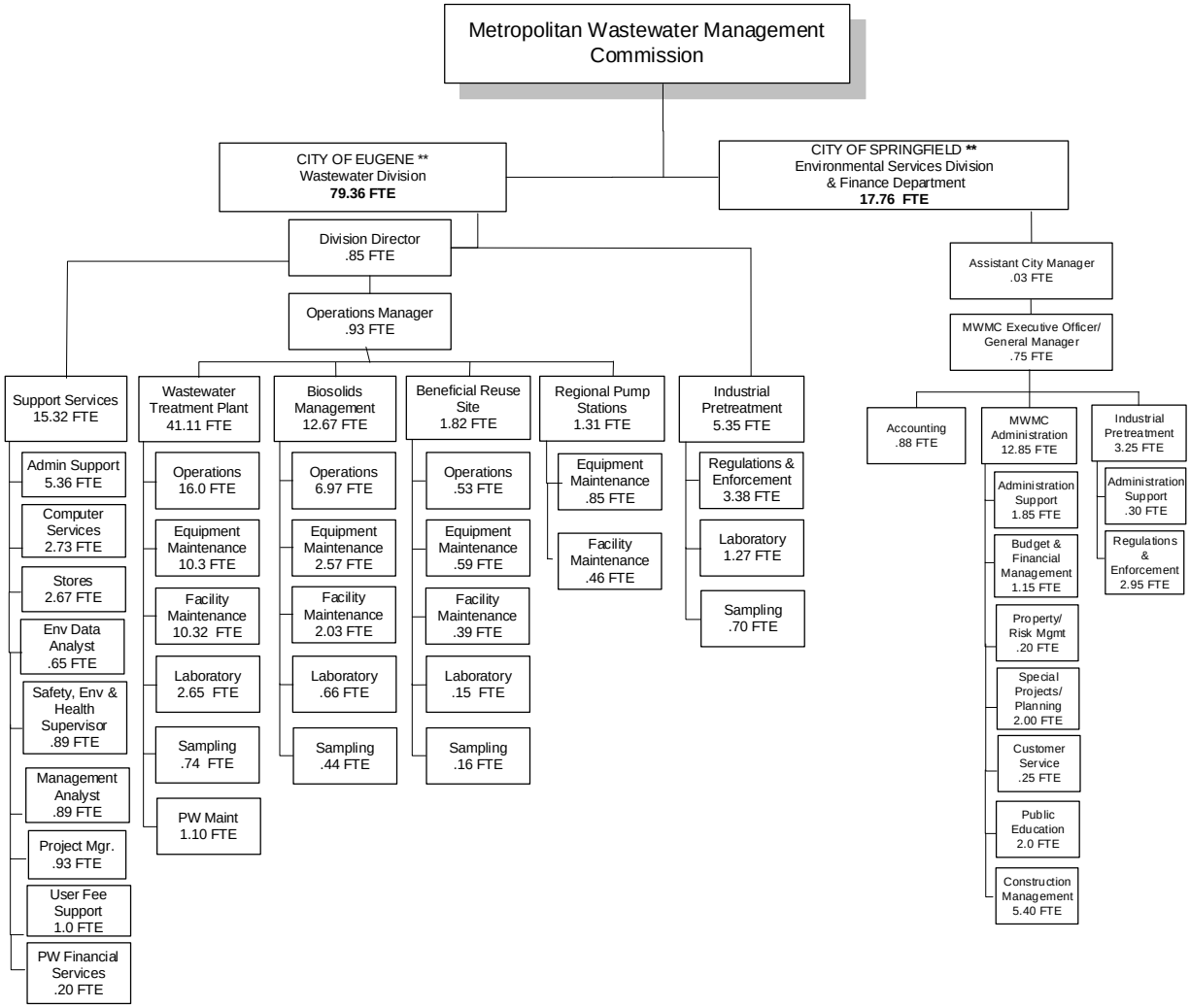
CAPITAL RESERVE

The Capital Reserve accumulates funds transferred rom 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 21-22 Budget includes a contribution from the Operating Reserve of $9,800,000. The beginning balance on July 1, 2021, is projected to be $53,327,365. Additional budget detail on the CIP, Major Capital Outlay and Major Rehabilitation Program reserves is provided below.

CAPITAL RESERVES	ADOPTED BUDGET FY 20-21	AMENDED BUDGET FY 20-21	ADOPTED BUDGET FY 21-22
Beginning Balance	$49,103,179	$53,391,085	$53,327,365
Transfer from Operating Reserve	13,000,000	12,437,108	9,800,000
Interest	1,192,000	1,192,000	525,000
Other Income	10	10	10
Funding For Capital Improvement Projects	(17,444,190)	(20,860,693)	(17,285,430)
Funding For Major Rehabilitation	(610,000)	(1,345,000)	(165,000)
Funding For Major Capital Outlay	-	(370,000)	-
Capital Reserve	**$45,240,999**	**$44,444,510**	**$46,201,945**

OPERATING PROGRAMS

EXHIBIT 6
REGIONAL WASTEWATER PROGRAM*
ORGANIZATION CHART FY 21-22



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 19-20	BUDGET FY 20-21	ADOPTED FY 21-22	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	-
Assistant City Manager	0.08	0.05	0.03	(0.02)
Environmental Management Analyst	0.90	0.90	1.90	1.00
Environmental Services Program Manager	0.80	0.80	0.80	-
Environmental Services Supervisor	0.95	1.95	1.95	-
Environmental Services Technician	2.00	2.00	2.00	-
ESD Division Director/MWMC Executive Officer	0.80	0.80	0.80	-
Management Analyst	0.75	0.75	0.75	-
Managing Civil Engineer	1.75	1.00	1.00	-
Public Information & Education Analyst	2.00	2.00	2.00	-
TOTAL SPRINGFIELD	**16.56**	**16.78**	**17.76**	**0.98**

EXHIBIT 7 (Continued)

REGIONAL WASTEWATER PROGRAM
POSITION SUMMARY

CLASSIFICATION	BUDGET FY 19-20	BUDGET FY 20-21	ADOPTED FY 21-22	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	2.00	2.00	-
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**	**79.36**	**79.36**	**-**
GRAND TOTAL	**94.92**	**96.14**	**97.12**	**0.98**

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 21-22 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
- 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 21-22, the City of Springfield will support the following major regional initiatives in addition to ongoing Commission administration and industrial pretreatment activities:

- Continue public information, education and outreach activities focused on the MWMC's Key Outcomes and Communication Plan objectives to increase awareness of the MWMC's ongoing efforts in maintaining water quality and a sustainable environment.
- Implement Capital Financing strategies necessary to meet current debt obligations, prepare for additional debt financing, and ensure sufficient revenues in accordance with the MWMC Financial Plan.
- Continue implementation of the 2004 MWMC Facilities Plan and 2014 Partial Facilities Plan Update to meet all regulatory requirements and capacity needs. Considering emerging environmental regulations that may impact the operation of the WPCF.
- Protect the Regional Wastewater Program (RWP) interests through participation in Association of Clean Water Agencies activities.
- Coordinate temperature Total Maximum Daily Load (TMDL) compliance through continued development and implementation of the thermal load mitigation strategy, including but not limited to a recycled water program.
- Continue participation with the Association of Clean Water Agencies and the Department of Environmental Quality on regulatory permitting strategies and the development of water quality trading rules.
- Implement resiliency planning to ensure protection of public health and safety following natural disasters such as earthquakes and floods.
- Planning operationally and financially to begin the MWMC's NPDES permit renewal, the target date set by the DEQ for permit issuance is by the end of calendar year 2021.

BUDGET CHANGES FOR FY 21-22

The budget for Springfield Personnel Services, Materials and Services, and Capital Outlay for FY 21-22 totals $4,676,892 representing an overall increase of $280,092 or 6.4% from the adopted FY 20-21 budget, as displayed in Exhibit 8 on page 29.

Personnel Services

Personnel Services totaling $2,291,526 represents a FY 21-22 increase of $164,059 or 7.7% above the originally adopted FY 20-21 budget. The notable changes are summarized below:

Staffing
The FY 21-22 staffing budget includes a net increase of 0.98 Full Time Equivalent (FTE). The portion of the Public Works Director position .05 FTE was replaced with .03 FTE of the Assistant City Manager along with the added Environmental Management Analyst 1.0 FTE position, resulting in a total staffing level at 17.76 FTE in Springfield.

Regular Salaries and Overtime - $1,471,013, an increase of $104,004 or 7.6%
Salaries are based upon the negotiated management/labor contracts as approved by the Springfield City Council, and staffing levels.

Employee Benefits - $461,321, an increase of $41,702 or 9.9%
The employee benefits consist mainly of PERS/OPSRP retirement system costs, FICA and Medicare contributions.

Health Insurance - $359,192, an increase of $18,353 or 5.4%
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 $2,363,366 in FY 21-22, representing an increase of $118,032 or 5.2% above the adopted FY 20-21 budget. The notable changes are summarized below:

Billing & Collection Expense - $730,000, an increase of $14,000 or 2.0%
The $14,000 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.

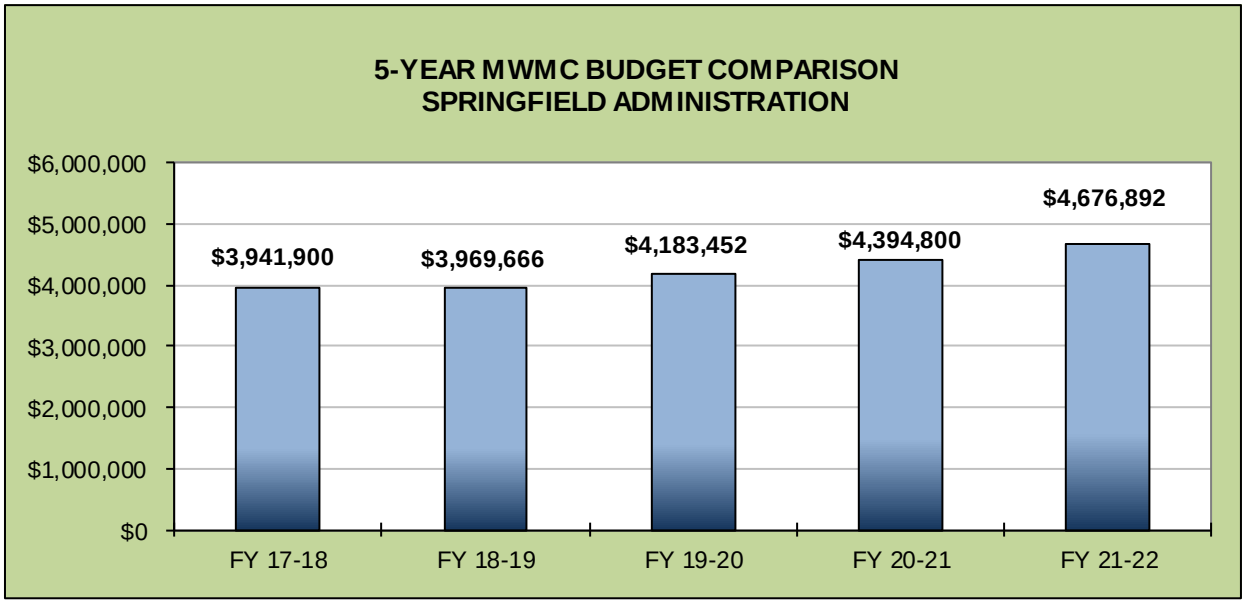
Computer Software & Licenses - $66,132, an increase of $60,750
The $60,750 increase reflects Capital Construction software renewal.

Internal & Indirect Charges Combined - $615,191, an increase of $52,441 or 9.3%
The $52,441 increase is based on changes in overhead costs as programmed in the FY 21-22 budget, when compared FY 20-21. 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 21-22
BUDGET SUMMARY

	ACTUALS FY 19-20	ADOPTED BUDGET FY 20-21	AMENDED BUDGET FY 20-21	ADOPTED BUDGET FY 21-22	CHANGE * INCR/(DECR)	
Personnel Services	$1,847,069	$2,127,466	$2,127,466	$2,291,526	$164,060	7.7%
Materials & Services	1,887,287	2,267,334	2,333,118	2,385,366	118,032	5.2%
Capital Outlay	0	0	0	0	0	0.0%
Budget Summary	**$3,734,356**	**$4,394,800**	**$4,460,585**	**$4,676,892**	**$282,092**	**6.4%**



Note: * Change column compares the adopted FY 21-22 Budget to the adopted FY 20-21 Budget.

EXHIBIT 9

SPRINGFIELD ADMINISTRATION
LINE ITEM BUDGET SUMMARY

	ACTUALS FY 19-20	ADOPTED BUDGET FY 20-21	AMENDED BUDGET FY 20-21	ADOPTED BUDGET FY 21-22	CHANGE INCR/(DECR)	
PERSONNEL SERVICES						
Regular Salaries	$1,178,375	$1,361,268	$1,361,268	$1,465,272	$104,004	7.6%
Overtime	0	5,741	5,741	5,741	0	0.0%
Employee Benefits	367,536	419,619	419,619	461,321	41,702	9.9%
Health Insurance	301,159	340,839	340,839	359,192	18,353	5.4%
Total Personnel Services	**$1,847,069**	**$2,127,466**	**$2,127,466**	**$2,291,526**	**$164,059**	**7.7%**
FTE	16.56	16.78	16.78	17.76	0.98	5.8%
MATERIALS & SERVICES						
Billing & Collection Expense	$658,413	$716,000	$716,000	$730,000	$14,000	2.0%
Property & Liability Insurance	296,645	335,000	335,000	345,000	10,000	3.0%
Contractual Services	126,285	139,000	139,000	143,373	4,373	3.1%
Attorney Fees and Legal Expense	36,722	185,005	185,005	183,022	(1,983)	-1.1%
WPCF/NPDES Permits	138,232	165,800	165,800	167,000	1,200	0.7%
Materials & Program Expense	104,059	107,122	172,906	96,734	(10,388)	-9.7%
Computer Software & Licenses	43,792	5,382	5,382	66,132	60,750	1128.8%
Employee Development	10,015	23,475	23,475	20,760	(2,715)	-11.6%
Travel & Meeting Expense	13,230	27,800	27,800	18,154	(9,646)	-34.7%
Internal Charges	131,814	218,974	218,974	230,195	11,221	5.1%
Indirect Costs	328,080	343,776	343,776	384,996	41,220	12.0%
Total Materials & Services	**$1,887,287**	**$2,267,334**	**$2,333,118**	**$2,385,366**	**$118,032**	**5.2%**
CAPITAL OUTLAY						
Total Capital Outlay	$0	$0	$0	$0	$0	0.0%
TOTAL	**$3,734,356**	**$4,394,800**	**$4,460,585**	**$4,676,892**	**$282,092**	**6.4%**

CITY OF EUGENE
REGIONAL WASTEWATER PROGRAM RESPONSIBILITIES

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

Program Responsibilities

- Facility Operations
- Facility Maintenance
- Biosolids Management
- Environmental Services
- Management Information Services
- Administration and Management

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

REGIONAL WASTEWATER TREATMENT - FACILITY OPERATIONS

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

REGIONAL WASTEWATER TREATMENT - FACILITY MAINTENANCE

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

BIOSOLIDS AND RECYCLED WATER MANAGEMENT

The Residuals Management section of the Wastewater Division operates the Biosolids Management Facility (BMF) and Biocycle Farm to process and land apply biological solids (biosolids) produced as a result of the activated sludge treatment of wastewater. After further processing the biosolids from the WPCF, the dried material is applied to approved agricultural land. Biosolids are also applied on poplar trees at the Biocycle Farm as a beneficial nutrient and soil conditioner. In addition, this section utilizes recycled water for the processing of biosolids and for irrigation. This section also operates the 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 (ISC) - The pretreatment program is a regional activity implemented jointly by the cities of Eugene and Springfield. The ISC group of the Wastewater Division is charged with administering the pretreatment program for the regulation and oversight of commercial and industrial wastewaters discharged to the wastewater collection system by fixed-site industries in Eugene and by mobile waste haulers in the Eugene and Springfield areas. This group is also responsible for ensuring that these wastes do not damage the collection system, interfere with wastewater treatment processes, result in the pass-through of harmful pollutants to treated effluent or biosolids, or threaten worker health or safety.

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

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

Sampling Team - The Sampling Team is responsible for sampling and field monitoring activities related to regional wastewater program functions. These include the Eugene pretreatment program, wastewater treatment process control, effluent and ambient water quality, groundwater quality, facultative sludge lagoons, biosolids, application site soils, and stormwater samples.

MANAGEMENT INFORMATION SERVICES (MIS)

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

ADMINISTRATIVE AND MANAGEMENT SERVICES

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

PROGRAMS AND SIGNIFICANT SERVICE/EXPENDITURE CHANGES

In FY 21-22, Eugene staff will support the following major regional initiatives in addition to ongoing operations and maintenance 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.

SIGNIFICANT CHANGES IN THE O&M BUDGET FOR FY 21-22

The FY 21-22 budget for Operations and Maintenance of the regional wastewater treatment facilities (personnel, materials and services, and capital outlay) totals $15,996,119. The amount represents an increase of $616,919 or 4% from the FY 20-21 budget. The significant cost centers for the budget include personnel costs, chemicals, computer equipment and software, and utilities. Significant items and changes for the FY 21-22 Operations and Maintenance budget as compared to the FY 20-21 budget include:

Personnel Services

Personnel Services totaling $10,120,192 represents an FY 21-22 increase of $150,032 or 1.5%. There is no change in the current staffing level for FY 21-22, which is currently at 79.36 Full Time Equivalent (FTE) positions. The notable changes are in the following budget categories:

Health Insurance – $1,743,549, an increase of $100,941 or 6.1%
Employer health care costs are rising primarily due to uncertainty about preventative and elective care expenses owing to the COVID-19 pandemic.

Overtime – $33,100, a *decrease* of $47,300 or -58.8%
Analysis of overtime expenses from prior fiscal years indicates that a decrease in budgeted overtime would be adequate to sustain O&M work and the expected need for overtime at the current service level.

Workers Comp/Unemployment Insurance – $122,079, an increase of $14,583 or 13.6%
Employer costs for workers compensation and unemployment insurance are rising due to heightened risk for employee safety owing to the COVID-19 pandemic.

Materials and Services

The Materials and Services budget totaling $5,737,927 represents an FY 21-22 increase of $450,887 or 8.5%. The notable changes are in the following budget categories:

Chemicals – $454,350, a net increase of $41,500 or 10.1%
The costs for hypochlorite, sodium bisulfite, polymer (both dry and liquid), and other chemicals have increased substantially. Unit prices are established through regional competitive price agreements, and resupply orders are placed depending on the timing of treatment process and O&M activity.

Computer Equipment and Supplies – $385,753, a net increase of $105,793 or 37.8%
Eugene has instituted a new internal service rate across the organization to establish dedicated funding for future costs to update, upgrade, and maintain the PeopleSoft corporate software, used for the financial, payroll, and budget systems. The corporate software contribution for FY 21-22 is $47,600 or roughly 45% of the increase to the Computer Equipment budget category. Other increases are for network service, software application licensing, and computer hardware.

Contractual Services – $459,300, an increase of $55,168 or 13.7%
Greater need for contractual services is anticipated for FY 21-22, and this category includes analytical services for specific laboratory work, professional services (engineering), Lane County Sheriff's work crew, solid waste disposal and recycling, and specialty custodial services.

Risk Insurance – Employee Liability – $72,912, a net *decrease* of $47,276 or 39.3%
City of Eugene's one-time surcharge for the construction of an Emergency Operations Center was for FY 20-21 only and is not included in the FY21-22 budget. In addition, adjustments were made for a decrease in Eugene's employee liability insurance.

Utilities – $1,255,297, a net increase of $159,297 or 14.5%
The Utilities account includes the purchase of electrical power, natural gas, water, and sewer charges for all regional facilities. The increase for FY 21-22 is in anticipation of higher utility expenses once the Renewable Natural Gas system (CIP-P80095) becomes operational in spring-summer 2021.

Capital Outlay

The FY 21-22 Capital Outlay budget includes $138,000 for the items listed below

Capital Outlay	
Project Description	**FY 21-22 Adopted Budget**
Pipe Repair Kits, Resiliency Preparedness	$100,000
Microwave Digestion System, ESB Laboratory	38,000
Total	**$138,000**

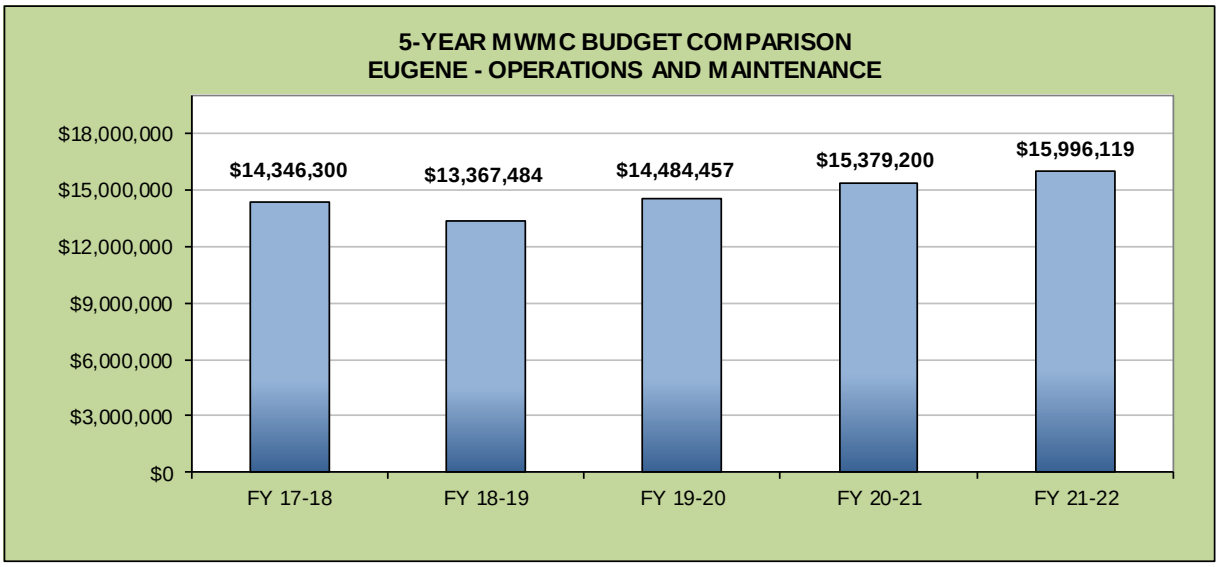
Pipe Repair Kits, Resiliency – The pipe repair kits will be kept in stock for emergency repairs to damaged conveyance pipelines after a seismic event. This is consistent with recommended mitigation activities of MWMC's Disaster Mitigation and Recovery Plan.

Microwave Digestion System, ESB Laboratory – This equipment will be used to prepare water quality samples for immediate analysis and meet lower detection limits required by a rule change. The microwave digestion system is standalone equipment that does not require software or service contracts.

EXHIBIT 10

EUGENE - OPERATIONS AND MAINTENANCE PROGRAM
ADOPTED FY 21-22
BUDGET SUMMARY

	ACTUALS FY 19-20	ADOPTED BUDGET FY 20-21	AMENDED BUDGET FY 20-21	ADOPTED BUDGET FY 21-22	CHANGE * INCR/(DECR)	
Personnel Services	$8,386,225	$9,970,160	$9,970,160	$10,120,192	$150,032	1.5%
Materials & Services	4,904,097	5,287,040	5,287,040	5,737,927	450,887	8.5%
Capital Outlay	32,584	122,000	122,000	138,000	16,000	13.1%
Budget Summary	**$13,322,906**	**$15,379,200**	**$15,379,200**	**$15,996,119**	**$616,919**	**4.0%**



NOTE: Does not include Major Rehabilitation or Equipment Replacement

EXHIBIT 11

EUGENE - OPERATIONS & MAINTENANCE
LINE ITEM BUDGET SUMMARY

	ACTUAL FY 19-20	ADOPTED BUDGET FY 20-21	AMENDED BUDGET FY 20-21	ADOPTED BUDGET FY 21-22	CHANGE INCR/(DECR)	
PERSONNEL SERVICES						
Regular Salaries	$5,166,945	$5,650,713	$5,650,713	$5,690,627	$39,914	0.7%
Overtime	33,632	80,400	80,400	33,100	(47,300)	-58.8%
Employee Benefits	2,123,582	2,488,943	2,488,943	2,530,837	41,894	1.7%
Workers' Comp/Unemploy Ins	107,997	107,496	107,496	122,079	14,583	13.6%
Health Insurance	1,501,641	1,642,608	1,642,608	1,743,549	100,941	6.1%
Total Personnel Services	**$8,933,797**	**$9,970,160**	**$9,970,160**	**$10,120,192**	**$150,032**	1.5%
FTE	78.36	79.36	79.36	79.36	0.00	0.0%
MATERIALS & SERVICES						
Utilities	$729,428	$1,096,000	$1,096,000	$1,255,297	$159,297	14.5%
Fleet Operating Charges	485,999	490,784	490,784	448,914	(41,870)	-8.5%
Maintenance-Equip & Facilities	188,262	274,670	274,670	234,300	(40,370)	-14.7%
Contractual Services	379,598	404,132	404,132	459,300	55,168	13.7%
Materials & Program Expense	656,555	822,976	822,976	820,001	(2,975)	-0.4%
Chemicals	383,883	412,850	412,850	454,350	41,500	10.1%
Parts & Components	362,098	387,480	387,480	407,100	19,620	5.1%
Risk Insurance - Employee Liability	49,979	120,188	120,188	72,912	(47,276)	-39.3%
Computer Equip, Supplies, Maint	283,289	279,960	279,960	385,753	105,793	37.8%
Indirects	1,020,863	998,000	998,000	1,200,000	202,000	20.2%
Total Materials & Services	**$4,539,954**	**$5,287,040**	**$5,287,040**	**$5,737,927**	**$450,887**	**8.5%**
CAPITAL OUTLAY						
Motorized Vehicles	$0	$0	$0	$0	$0	0.0%
Capital Outlay - Other	32,584	122,000	122,000	138,000	16,000	13.1%
Total Capital Outlay	**$32,584**	**$122,000**	**$122,000**	**$138,000**	**$16,000**	**13.1%**
TOTAL	**$13,506,335**	**$15,379,200**	**$15,379,200**	**$15,996,119**	**$616,919**	**4.0%**

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 21-22 CIP Budget, the FY 21-22 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 21-22 CIP Budget, the FY 21-22 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, $4.4M of the CIP is funded with Improvement System Development Charges (SDC) in FY 21-22.

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 21-22 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 21-22 project budgets is $21,700,000. Each capital project represented in the FY 21-22 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 20-21:

- Thermal Load Mitigation: Pre-Implementation
- Facilities Plan Engineering Services
- Decommission WPCF Lagoon

Carryover Capital Projects

All or a portion of remaining funding for active capital projects in FY 20-21 is carried forward to the FY 21-22 Budget. The on-going carryover projects are:

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

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

FY 21-22 Capital Budget Summary (Exhibit 12)

Exhibit 12 displays the adjusted budget and end-of-year expenditure estimates for FY 20-21, the amount of funding projected to be carried over to FY 21-22 and additional funding for existing and/or new projects in FY 21-22.

EXHIBIT 12

Summary of FY 21-22 MWMC Construction Program Capital Budget

	FY 20-21 ADJUSTED BUDGET	FY 20-21 ESTIMATED ACTUALS	FY 20-21 CARRYOVER TO FY 21-22	NEW FUNDING FOR FY 21-22	TOTAL FY 21-22 BUDGET
Project to be Completed in FY 20-21					
Thermal Load Mitigation: Pre-Implementation	224,834	224,834	0	0	0
Facilities Plan Engineering Services	133,702	128,000	0	0	0
Decommission WPCF Lagoon	100,000	25,000	0	0	0
Projects to be Carried Over to FY 21-22					
Administration Building Improvements	600,000	370,000	230,000	7,000,000	7,230,000
Class A Disinfection Facilities	7,983,230	1,213,230	6,770,000	0	6,770,000
Renewable Natural Gas Upgrades	10,694,892	8,694,892	2,000,000	0	2,000,000
Glenwood Pump Station Upgrades	850,000	250,000	600,000	1,200,000	1,800,000
Riparian Shade Credit Program	566,397	276,397	290,000	1,080,000	1,370,000
Poplar Harvest Management Services	460,236	165,236	295,000	365,000	660,000
Comprehensive Facility Plan Update	299,125	109,125	190,000	410,000	600,000
Resiliency Follow-Up	300,000	210,000	90,000	400,000	490,000
Aeration Basin Improvements - Phase 2	1,891,986	1,451,986	440,000	0	440,000
Recycled Water Demonstration Project	207,101	42,101	165,000	175,000	340,000
TOTAL Capital Projects	**$24,311,503**	**$13,160,801**	**$11,070,000**	**$10,630,000**	**$21,700,000**

FY 21-22 Asset Management Capital Program and Budget

The AMCP consists of the following three programs:

- Equipment Replacement
- Major Rehabilitation
- Major Capital Outlay

The FY 21-22 budget of each program is described below.

Equipment Replacement Program - Budget

The FY 21-22 Capital Programs budget includes $963,000 in Equipment Replacement purchases that are identified on the table below.

Equipment Replacement	
Project Description	**FY 21-22 Budget**
800KW Jenbacher/CoGen Upper End Rebuild, Plant	$120,000
Variable Frequency Drives (VFDs), Irvington Pump Station	115,000
Grit Channel Drive Chains (x4), Pretreatment, Plant	110,000
Pickup Truck, 1T 4WD, w/ Upfit (incl. Utility Box, Crane/Generator), BMF	100,000
Cargo Van 1T, w/ Upfit (incl. Eyewash, Storage Racks), Sampling Team	84,000
Cathodic Protection Devices, Secondary Clarifiers, Plant	80,000
Transformer Unit #1-2 Mains, Gauges Rebuild, Pretreatment and Digesters, Plant	55,000
Pickup Truck, 3/4T Longbox, Facilities Maintenance	50,000
Mercury Analyzer / Discrete Analyzer, ESB/Metals Laboratory, Plant	40,000
Hydraulic Power Broom Attachment (for CAT/tool carrier), BMF	40,000
Washwater Booster Pump, Belt Filter Presses, BMF	30,000
Tires, Sterling Semi Tractors and Trailers (x3 each)	30,000
All-Terrain Vehicle (ATV), BMF	20,000
Sludge Blanket Finder, Transmitter and Elements, Primary Clarifiers, Plant	20,000
Residual Chlorine Analyzer, Final, Plant	16,000
Transformer Units, Coating, Pretreatment and Digesters, Plant	15,000
Moisture Balance, Smart System 5, Biosolids Drying Lab, BMF	15,000
Total Kjeldahl Nitrogen (TKN) Digestion Block, ESB/Nutrients Laboratory, Plant	13,000
Auger Float Function, Mulcher, CAT 586C Tractor, BMF	10,000
Total	**$963,000**

800KW Jenbacher/CoGen Rebuild – The cogen unit provides redundant heat for the digesters and generates electricity which reduces the amount of utility power purchased. The engine will be due for a 20,000-hour upper end rebuild.

Variable Frequency Drives (VFDs), Irvington Pump Station – Variable frequency drives (VFDs) control the speed of pump motors and improve energy efficiency. Their replacement will restore reliable operation of the three 250 horsepower pumps.

Grit Channel Drive Chains (x4) – These chains drive the grit collector mechanisms in the aerated grit removal channels. They are failing due to corrosion so alternate materials will be evaluated.

Pickup Truck, 1T 4WD w/ Utility Upfit, BMF – This vehicle is used at the Biocycle Farm, BMF, and BRS to meet operational and maintenance needs.

Sampling Team Van w/Upfits – This vehicle is used to conduct field work, monitoring, and sampling to support environmental and compliance programs. Replacing this vehicle will improve the efficiency and safety of field activities.

Cathodic Protection Devices – The cathodic protection system protects buried pipe against corrosion. The sacrificial anodes are nearly depleted and need to be replaced to restore the system's protective function.

Transformer Units #1-2 Mains – After nearly forty years of service, the gauges and indicators on three transformers have failed and need to be replaced. The main components of the transformers have remaining service life.

Pickup Truck, 3/4T Longbox – This vehicle has exceeded its projected life.

High-Level Mercury Analyzer, Metals Lab – This analyzer tests for mercury in water, soil, and biosolid samples to support environmental and compliance programs.

Hydraulic Power Broom, BMF – This tractor attachment is used to sweep the air drying beds during biosolids drying at the BMF. At fourteen years in service, the power broom attachment is beyond repair and requires replacement.

Washwater Booster Pump, Belt Filter Presses, BMF – This pump and filter system supplies water to flush the belt filter press belts of any solids accumulated during operation. Replacing this system will ensure reliable and efficient operation of the presses.

Tires, Sterling Semi Tractors & Trailers – These tractors and trailers are used to haul debris/grit collected at pretreatment to the landfill and to haul biosolids. After 15 years of service, the wear on the tires has advanced enough to warrant replacement.

All-Terrain Vehicle (ATV), BMF –This vehicle is used for operational tasks, maintenance, and environmental sampling at the Biocycle Farm, BMF and BRS.

Sludge Blanket Finder – The sludge blanket detectors are used to measure the depth of settled sludge in clarifiers. Replacement will help maintain reliability in data collection for process control.

Residual Chlorine Analyzer – This analyzer measures the amount of chlorine remaining in the effluent so the proper dechlorination dosing can be calculated. Replacement will maintain reliability in providing effective disinfection with economical chemical use.

Transformer Units, Coatings – The factory coating on two transformers has failed and needs to be replaced to prevent corrosion.

Moisture Balance, Biosolids Drying Lab, BMF – This analytical balance is used to produce data results used in the operations and process-control at the BMF.

Moisture Balance, Biosolids Drying Lab, BMF – This analytical balance is used to produce data results used in the operations and process-control at the BMF.

Total Kjeldahl Nitrogen (TKN) Analysis System, Nutrients Lab – This analysis system tests for Total Kjeldahl Nitrogen (TKN) in water, soil, and biosolid samples to support environmental and compliance programs.

Auger Float Function, CAT 586C Mulcher, BMF – The float function attachment for the tractor is used at the Biocycle Farm, BMF, and BRS for operations and maintenance. Use of this attachment prolongs the life of equipment and the air drying beds.

Major Rehabilitation Program - Budget

The FY 21-22 Capital Programs budget includes $165,000 for Major Rehabilitation projects that are identified on the table below.

Major Rehabilitation	
Project Description	**FY 21-22 Budget**
Grit Channels, Expansion Joints and Concrete, Pretreatment, Plant	$150,000
MWMC Facilities/Building Improvements	15,000
Total	**$165,000**

Grit Channels, Concrete Rehab, Pretreatment – The highly corrosive environment of the aerated grit channels has caused the cement in the concrete walls to soften and flake off. If left untreated, the corrosion will continue until the walls experience structural failure. Repairs will replenish lost material and return the walls to their design strength.

MWMC Facilities/Building Improvements – This expenditure will go towards improvements to the functionality of existing workspaces and buildings at the treatment plant and MWMC facilities.

Major Capital Outlay

There are no new requests for Major Capital Outlay in FY 21-22.

Asset Management Capital Budget Summary

The following table summarizes the FY 21-22 Asset Management Capital Program Budget by project type showing a total AMCP budget of $1,128,000.

Asset Management Capital Project Budget	
Project Description	**FY 21-22 Budget**
Equipment Replacement	$963,000
Major Rehabilitation	165,000
Major Capital Outlay	-
Total	**$1,128,000**

FY 22-23 Asset Management Capital Program Status and Budget

The AMCP consists of the following programs:

- Equipment Replacement
- Major Rehabilitation
- Major Capital Outlay

The FY 22-23 budget and status of each program is described below.

Equipment Replacement Program – Budget Forecast

The FY 22-23 Capital Programs budget includes $1,220,000 in Equipment Replacement purchases that are identified in the table below.

Equipment Replacement	
Project Description	**FY 22-23 Budget Forecast**
Tractor, Paddle Mixer	$546,000
Tractor,/Loader, Integrated Tool Carrier (Catepillar)	350,000
Sodium Hypochlorite Tank	100,000
Sludge Grinder	60,000
Air Supply Unit, Controls	50,000
Grit Channels, Baffles	50,000
Pickup Truck	35,000
Sedan 4-Door	29,000
Total	**$1,220,000**

Tractor, Paddle Mixer – This tractor attachment is used to mix the biosolids in the air drying beds.

Tractor/Loader, Integrated Tool Carrier – The integrated tool carrier performs a variety of functions including sweeping drying beds, biosolids production, biosolids application, and lifting and moving heavy objects.

Sodium Hypochlorite Tank #1 – The cost to repair degradation to the chemical storage tank is greater than half the cost of a new tank.

Sludge Grinder – The grinder is a critical spare to chop-up trash collected on the bar screens before it is dewatered and sent to the landfill. This will replace the current spare for which parts are no longer available.

Air Supply Unit, Controls – The controls for the air supply system in the secondary control complex are obsolete and inefficient. New controls will improve energy efficiency and control of conditioned spaces.

Grit Channels, Baffles – Baffles in the grit channels assist with separating grit from incoming wastewater. These baffles were made of treated wood and are rotting.

Pickup Truck – Replacement of maintenance pickup which has reached the end of its economic useful life.

Sedan 4-Door, EV/Hybrid – Replacement of 20-year old passenger vehicle.

Major Rehabilitation Program - Budget

The FY 22-23 Capital Programs budget includes $416,000 for Major Rehabilitation projects that are identified in the table below.

Major Rehabilitation	
Project Description	**FY 22-23 Budget Forecast**
Interior Dome Recoating, #1 Digester	$200,000
Interior Dome Recoating, #3 Digester	200,000
Masonry Wall Sealing	16,000
Total	**$416,000**

Interior Dome Recoating, Digester #1 – An industrial epoxy coating on the interior of the digester dome protects the structural concrete from corrosive hydrogen sulfide gas. The existing coating is delaminating.

Interior Dome Recoating, Digester #3 – An industrial epoxy coating on the interior of the digester dome protects the structural concrete from corrosive hydrogen sulfide gas. The existing coating is delaminating.

Masonry Wall Sealing – The exterior masonry walls at the BMF will be sealed for protection from water instrusion.

Major Capital - Budget

The FY 22-23 Capital Program budget includes $2,000,000 for the Major Capital items listed below.

Major Capital Outlay	
Project Description	**FY 22-23 Budget Forecast**
Distributed Control System	$2,000,000
Total	**$2,000,000**

Distributed Control System – The plant's distributed control system hardware is nearing its "end of support" phase and should be replaced to maintain supportability.

Summary of FY 22-23 Asset Management Capital Program Budget

Asset Management Capital Project Budget	
Project Description	**FY 22-23 Budget Forecast**
Equipment Replacement	$1,220,000
Major Rehabilitation	416,000
Major Capital Outlay	2,000,000
Total	**$3,636,000**

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 20-21 Budget that has been carried forward by one year to FY 21-22. 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 $76,650,000 in planned capital projects and $13,506,000 planned asset management capital projects for an overall 5-Year Capital Plan Budget of $90,156,000.

EXHIBIT 13

Regional Wastewater 5-Year Capital Programs

	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	TOTAL
CAPITAL PROJECTS						
Biosolids Management						
Poplar Harvest Management Services	660,000					660,000
Non-Process Facilities and Facilities Planning						
Comprehensive Facility Plan Update 1	600,000	1,470,000				2,070,000
Facility Plan Engineering Services			120,000	120,000	130,000	370,000
Conveyance Systems						
Glenwood Pump Station	1,800,000					1,800,000
Plant Performance Improvements						
Administration Building Improvements	7,230,000					7,230,000
Class A Disinfection Facilities (1)	6,770,000					6,770,000
Renewable Natural Gas Upgrades	2,000,000					2,000,000
Riparian Shade Credit Program (1)	1,370,000	1,000,000	1,000,000	500,000	10,000	3,880,000
Resiliency Follow-Up	490,000	3,000,000	300,000	300,000	800,000	4,890,000
Aeration Basin Improvements - Phase 2	440,000		1,600,000	6,900,000	6,000,000	14,940,000
Recycled Water Demonstration Projects	340,000					340,000
Tertiary Filtration - Phase 2		3,500,000	8,500,000	4,500,000		16,500,000
Thermal Load Mitigation Implementation (2)		3,000,000	3,000,000	3,000,000		9,000,000
Waste Activated Sludge Thickening				1,200,000	5,000,000	6,200,000
TOTAL CAPITAL PROJECTS	***$21,700,000***	***$11,970,000***	***$14,520,000***	***$16,520,000***	***$11,940,000***	***$76,650,000***
ASSET MANAGEMENT						
Equipment Replacement	963,000	1,220,000	1,112,000	1,770,000	4,110,000	9,175,000
Major Rehabilitation	165,000	416,000	420,000	680,000	650,000	2,331,000
Major Capital Outlay	--	2,000,000	--	--	--	2,000,000
TOTAL ASSET MANAGEMENT	***1,128,000***	***3,636,000***	***1,532,000***	***2,450,000***	***4,760,000***	***13,506,000***
TOTAL CAPITAL IMPROVEMENTS	**$22,828,000**	**$15,606,000**	**$16,052,000**	**$18,970,000**	**$16,700,000**	**$90,156,000**

Notes:

(1) The funding for Riparian Shade and Class A Disinfection Facilities 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, 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. Upon final replanting oversight of MU-3 through FY22/23, the long-term poplar harvest and planting will become operations/maintenance functions under the Eugene Wastewater Division.

Status: MU-1 was replanted in 2016. MU-2 was replanted in 2018-19. MU-3 is scheduled for harvest in 2021 with replanting in 2022-2023.

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.

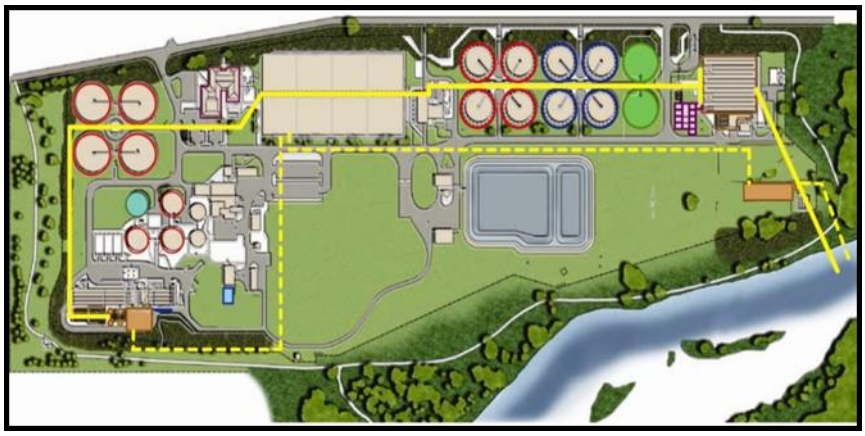
Project Trigger: Maturity of each 12-year rotation age cycle in conformance with agricultural use rules.

Estimated Project Cost: $1,982,000

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 = $110,007; FY 20-21 = $165,236; FY 21-22 = $600,000; FY 22-23 = $60,000

Expenditure/Category:	Prior Years	2020-21 Est. Act.	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Design/Construction	$1,156,909	$165,236	$660,000	$0	$0	$0	$0	$1,982,000
Other	$0	$0	$0	$0	$0	$0	$0	$0
Total Cost	**$1,156,909**	**$165,236**	**$660,000**	**$0**	**$0**	**$0**	**$0**	**$1,982,000**

COMPREHENSIVE FACILITIES PLAN UPDATE (P80101)



Description: This will be the first MWMC Comprehensive Facilities Plan Update since the 2004 MWMC Facilities Plan. The update could include 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 2021, consultant is drafting the WPCF stormwater master plan. The bulk of the planned budget is reserved for future implementation of planning work in response to the MWMC's anticipated NPDES permit renewal (Fall of 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.

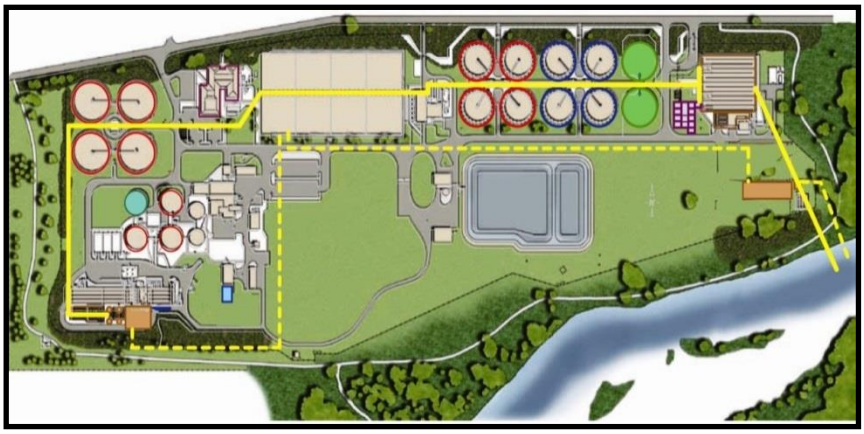
Project Trigger: The stormwater planning portion is triggered to address local building permit requirements for MWMC construction projects. The remaining project scope will be initiated by the next NPDES permit renewal schedule, listed as year 2021.

Estimated Project Cost: $2,230,000

Estimated Cash Flow: FY 18-19 = $35,701; FY 19-20 = $15,174; FY 20-21 = $109,125; FY 21-22 = $600,000; FY 22-23 = $1,470,000

Expenditure/Category:	Prior Years	2020-21 Est. Act.	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Design/Construction	$0	$0	$0	$0	$0	$0	$0	$0
Other	$50,875	$109,125	$600,000	$1,470,000	$0	$0	$0	$2,230,000
Total Cost	**$50,875**	**$109,125**	**$600,000**	**$1,470,000**	**$0**	**$0**	**$0**	**$2,230,000**

FACILITY PLAN ENGINEERING SERVICES (P80110)



Description: Engineering/technical consultant services for analysis, project definition, cost estimating, design feedback, and general consultation regarding the MWMC Facilities Plan follow up (2023 to 2028). The related project P80090 was closed out in 2021.

Status: After the MWMC upcoming permit renewal, staff anticipates updating the Facilities Plan under P80101 and as needed follow up support via P80110 Facility Plan Engineering Services.

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

Project Driver: Ongoing engineering support.

Project Trigger: Ongoing need.

Estimated Cost: $650,000 (2023 to 2028)

Estimated Cash Flow: FY 23-24 = $120,000; FY 24-25 = $120,000; FY 25-26 = $130,000; FY 26-27 = $140,000; FY 27-28 = $140,000

Expenditure/Category:	Prior Years	2020-2021 Est. Act.	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Design/Construction	$0	$0	$0	$0	$0	$0	$0	$0
Other	$0	$0	$0	$0	$120,000	$120,000	$130,000	$370,000
Total Cost	**$0**	**$0**	**$0**	**$0**	**$120,000**	**$120,000**	**$130,000**	**$370,000**

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 = $250,000; FY 21-22 = $1,540,000; FY 22-23 = $260,000

Expenditure/Category:	Prior Years	2020-21 Est. Act.	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Design/Construction	$0	$250,000	$1,800,000	$0	$0	$0	$0	$2,050,000
Other	$0	$0	$0	$0	$0	$0	$0	$0
Total Cost	**$0**	**$250,000**	**$1,800,000**	**$0**	**$0**	**$0**	**$0**	**$2,050,000**

ADMINISTRATION BUILDING IMPROVEMENTS (P80104)

Description: This project will address the Administration/Operations Building workspace needs at the Water Pollution Control Facility (WPCF). It is a follow up to the 2018-2019 construction of the P80085 new laboratory building and expansion of the existing maintenance building. In 2019, the P80096 Resiliency Planning study recommended evaluating MWMC options for building space including: a) constructing a new MWMC building for immediate occupancy/use after a major natural disaster, or b) upgrade the existing building for immediate occupancy post-earthquake (magnitude 9.0 event). 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 January 2021, staff is creating a P80104 request for proposals for design consulting services.

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 because of changing regulations since the WPCF was originally constructed in 1982. Also, address the P80096 recommended level of service goals to operate after magnitude 9.0 earthquake issue.

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

Estimated Project Cost: $7,600,000

Estimated Cash Flow: FY 20-21 = $370,000; FY 21-22 = $2,000,000; FY 22-23 = $5,130,000; FY 23-24 = $100,000

Expenditure/Category:	Prior Years	2020-21 Est. Act.	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Design/Construction	$0	$370,000	$7,230,000	$0	$0	$0	$0	$7,600,000
Other	$0	$0	$0	$0	$0	$0	$0	$0
Total Cost	**$0**	**$370,000**	**$7,230,000**	**$0**	**$0**	**$0**	**$0**	**$7,600,000**

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 2021, notice to proceed to the P80098 design consultant.

Justification: Class A recycled water is necessary to expand recycled water to landscaping, street tree, and industrial uses. Demonstration of Class A quality and reliability is necessary for stakeholder acceptance and future adoption of expanded recycled water uses.

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

Project Trigger: Pilot recycled water demonstration sites with willing, ready-to-proceed partners have been identified, including City of Eugene (street tree watering) and industrial aggregate sites for equipment washing.

Estimated Project Cost: $8 million (recycled water Class A infrastructure and upgrade one structure for 9.0 magnitude earthquake preparedness related to MWMC P80096 level of service goals)

Estimated Cash Flow: FY 18-19 = $836; FY 19-20 = $15,934; FY 20-21 = $1,213,230; FY 21-22 = $1,850,000; FY 22-23 = $4,920,000

Expenditure/Category:	Prior Years	2020-21 Est. Act.	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Design/Construction	$16,770	$1,213,230	$6,770,000	$0	$0	$0	$0	$8,000,000
Other	$0	$0	$0	$0	$0	$0	$0	$0
Total Cost	**$16,770**	**$1,213,230**	**$6,770,000**	**$0**	**$0**	**$0**	**$0**	**$8,000,000**

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: Construction notice to proceed was issued on May 5, 2020. As of January 2021, we hope to confirm RNG system performance in April/May/June of 2021. Additional agreements are with Blue Source LLC for the RNG environmental credits and 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.

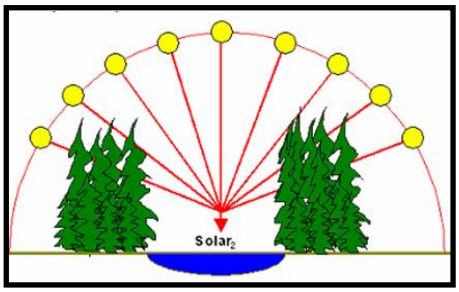
Project Trigger: Commission approval in year 2019 for RNG design and construction contract award in April 2020.

Estimated Project Cost: $14,500,000

Estimated Cash Flow: FY-17-18 = $258,334; FY 18-19 = $1,246,389; FY 19-20 = $2,300,385; FY 20-21 = $8,694,892; FY 21-22 = $2,000,000

Expenditure/Category:	Prior Years	2020-21 Est. Act.	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Design/Construction	$3,805,108	$8,694,892	$2,000,000	$0	$0	$0	$0	$14,500,000
Other	$0	$0	$0	$0	$0	$0	$0	$0
Total Cost	**$3,805,108**	**$8,694,892**	**$2,000,000**	**$0**	**$0**	**$0**	**$0**	**$14,500,000**

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 MWMC is part of the Pure Water Partners collaborative with EWEB to partner on watershed projects in the McKenzie and other upper Willamette watersheds. 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: November 2020: The Pure Water Partners Memorandum of Agreement was finalized in 2020 and will be formally entered into in 2021. The Credit Program Manager contract with The Freshwater Trust will be amended to address the credit-production schedule for new MWMC temperature credits, including the two pilot Pure Water Partners project sites initiated in 2020 and the ongoing maintenance of the three Sponsorship pilot projects planted in 2013-2016.

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.

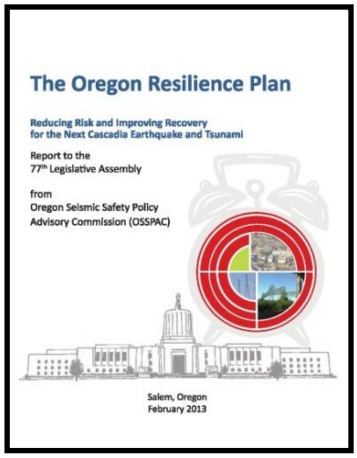
Project Trigger: Impending NPDES permit renewal currently scheduled for issuance in year 2021.

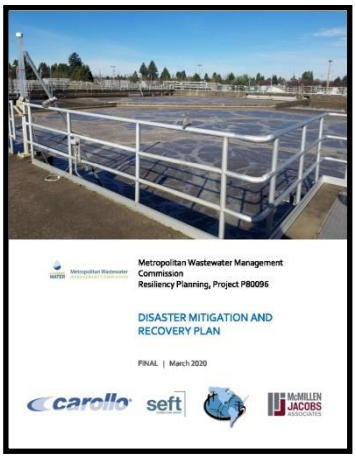
Estimated Project Cost: $5 million (estimate 2012 to 2034)

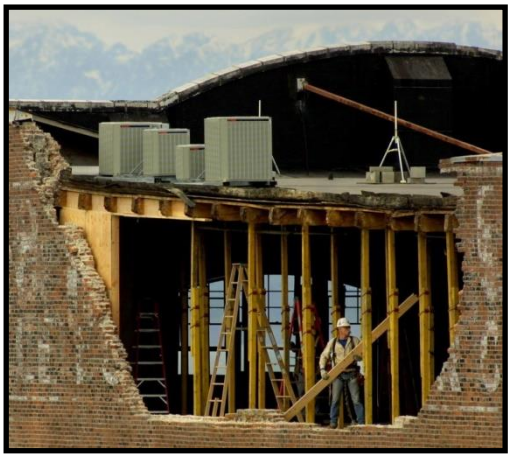
Estimated Cash Flow: FY 12-13 = $84,621; FY 13-14 = $77,394; FY 14-15 = $79,245; FY 15-16 = $102,191; FY 16-17 = $58,948; FY 17-18 = $0; FY 18-19 = $172,119; FY 19-20 = $260,482; FY 20-21 = $276,397; FY 21-22 = $1,370,000; FY 22-23 = $1,000,000; FY 23-24 = $1,000,000; FY 24-25 = $500,000; FY 25-26 = $10,000; FY 26-27 = $20,000; FY 27-28 = $20,000; FY 28-29 = $20,000; FY 29-30 = $20,000

Expenditure/Category:	Prior Years	2020-21 Est. Act.	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Design/Construction	$768,603	$276,397	$1,370,000	$1,000,000	$1,000,000	$500,000	$10,000	$4,925,000
Other	$0	$0	$0	$0	$0	$0	$0	$0
Total Cost	**$768,603**	**$276,397**	**$1,370,000**	**$1,000,000**	**$1,000,000**	**$500,000**	**$10,000**	**$4,925,000**

RESILIENCY FOLLOW-UP (P80109)







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

Status: As of January 2021: Completed qualification based selection of on-call engineering consultants to help with the 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.

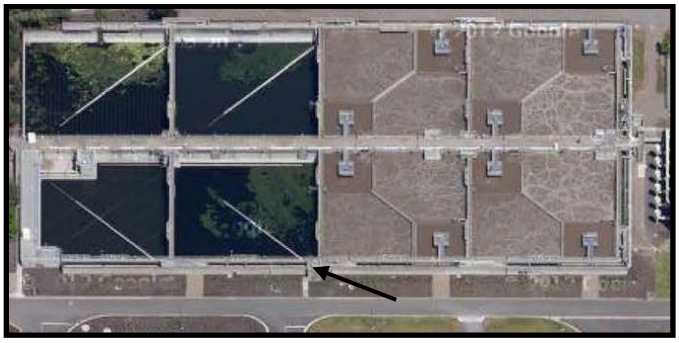
Project Trigger: Per Commission direction, consultant work began in July 2018. The MWMC plan with consultant recommendations is dated March 2020.

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

Estimated Cash Flow: FY 20-21 = $210,000; FY 21-22 = $490,000; FY 22-23 = $3,000,000; FY 23-24 = $300,000; FY 24-25 = $300,000; FY 25-26 = $800,000; and continue the MWMC mitigation work estimated above $34-million

Expenditure/Category:	Prior Years	2020-21 Est. Act.	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Design/Construction	$0	$210,000	$490,000	$3,000,000	$300,000	$300,000	$800,000	$5,100,000
Other	$0	$0	$0	$0	$0	$0	$0	$0
Total Cost	**$0**	**$210,000**	**$490,000**	**$3,000,000**	**$300,000**	**$300,000**	**$800,000**	**$5,100,000**

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 2021: Brown and Caldwell is evaluating the existing aeration system.

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 limits 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 anticipated in year 2021).

Estimated Project Cost: $16,500,000 (including upgrading westerly basins)

Estimated Cash Flow: FY 19-20 = $108,014; FY 20-21 = $1,451,986; FY 21-22 = $440,000; FY 22-23 = $0; FY 23-24 = $1,600,000; FY 24-25 = $6,700,000; FY 25-26 = $6,200,000

Expenditure/Category:	Prior Years	2020-21 Est. Act.	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Design/Construction	$108,014	$1,451,986	$440,000	$0	$1,600,000	$6,900,000	$6,000,000	$16,500,000
Other	$0	$0	$0	$0	$0	$0	$0	$0
Total Cost	**$108,014**	**$1,451,986**	**$440,000**	**$0**	**$1,600,000**	**$6,900,000**	**$6,000,000**	**$16,500,000**

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: December 2020: Letters of intent from three demonstration site partners were secured in 2020 and planning of demonstration site use is underway in parallel with the Class A Disinfection Facilities design contract approved by the MWMC on October 9, 2020. A recycled water advisory network and informational strategy was launched in 2020 to facilitate community partner and stakeholder identification of future Class A recycled water uses.

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 = $27,899; FY 20-21 = $42,101; FY 21-22 = $200,000; FY 22-23 = $140,000

Expenditure/Category:	Prior Years	2020-21 Est. Act.	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Design/Construction	$27,899	$42,101	$340,000	$0	$0	$0	$0	$410,000
Other	$0	$0	$0	$0	$0	$0	$0	$0
Total Cost	**$27,899**	**$42,101**	**$340,000**	**$0**	**$0**	**$0**	**$0**	**$410,000**

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

Status: Tertiary Filtration (Phase 2) project is anticipated to start design development in fiscal year 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 listed as year 2021.

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

Expenditure/Category:	Prior Years	2020-21 Est. Act.	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Design/Construction	$0	$0	$0	$3,500,000	$8,500,000	$4,500,000	$0	$16,500,000
Other	$0	$0	$0	$0	$0	$0	$0	$0
Total Cost	**$0**	**$0**	**$0**	**$3,500,000**	**$8,500,000**	**$4,500,000**	**$0**	**$16,500,000**

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: Project definition is in progress as part of the NPDES permit renewal preparation for the MWMC's 10-year compliance strategy for temperature. This project may be split to fund additional water quality trading credits under the Pure Water Partners IGA/MOA (via P80080) as well as recycled water project implementation. Final recommendations for P80063 are pending completion of the thermal load mitigation assessment under P80062 in spring 2021.

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 scheduled for fall of 2021.

Estimated Project Cost: $9 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 = $0; FY 22-23 = $3,000,000; FY 23-24 = $3,000,000; FY 24-25 = $3,000,000

Expenditure/Category:	Prior Years	2020-21 Est. Act.	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Design/Construction	$0	$0	$0	$3,000,000	$3,000,000	$3,000,000	$0	$9,000,000
Other	$32,259	$0	$0	$0	$0	$0	$0	$32,259
Total Cost	**$32,259**	**$0**	**$0**	**$3,000,000**	**$3,000,000**	**$3,000,000**	**$0**	**$9,032,000**

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 WWMW 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 = $4,900,000; FY 26-27 = $100,000

Expenditure/Category:	Prior Years	2020-21 Est. Act.	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Design/Construction	$0	$0	$0	$0	$0	$1,200,000	$5,000,000	$6,200,000
Other	$0	$0	$0	$0	$0	$0	$0	$0
Total Cost	**$0**	**$0**	**$0**	**$0**	**$0**	**$1,200,000**	**$5,000,000**	**$6,200,000**