

# Metropolitan Wastewater MANAGEMENT COMMISSION



partners in wastewater management

## MWMC MEETING AGENDA

Friday, October 15th, 2021 7:30 AM – 9:30 AM (PDT)

Due to the Coronavirus Pandemic and Oregon Executive Order 20-16, the MWMC Meeting will be held remotely via computer or phone.

To join the meeting by phone dial: **877-853-5247**; Meeting ID: **846 5624 4600**; Passcode: **260221**

- 7:30 – 7:35     **I.     ROLL CALL**
  
- 7:35 – 7:40     **II.    CONSENT CALENDAR**
  - a. MWMC 9/10/21 Minutes
  - Action Requested:*** By motion, approve the Consent Calendar
  
- 7:40 – 7:45     **III.   PUBLIC COMMENT:** Public comment can be submitted by email to [jbrennan@springfield-or.gov](mailto:jbrennan@springfield-or.gov) or by phone 541-726-3694 by 5 PM October 14th, 2021 or made at the meeting. All public comments need to include your full name, address, if you are representing yourself or an organization (name of organization), and topic.
  
- 7:45 – 8:05     **IV.    FY2020-21 ANNUAL FINANCIAL SUMMARY, BUDGET RECONCILIATION.....Valerie Warner**  
***Action Requested:*** Informational and Discussion
  
- 8:05 – 8:30     **V.     RENAMING RESULTS/NEXT STEPS.....Loralyn Spiro and April Miller**  
***Action Requested:*** Informational and Discussion
  
- 8:30 – 8:50     **VI.    KEY OUTCOME 4 PERFORMANCE INDICATORS.....Greg Watkins**  
***Action Requested:*** Informational and Discussion
  
- 8:50 – 9:15     **VII.   BUSINESS FROM COMMISSION, GENERAL MANAGER, & WASTEWATER DIRECTOR**
  
- 9:15             **VIII.  ADJOURNMENT**

**THE FULL PACKET IS POSTED ON THE WEBSITE**  
[www.mwmcpartners.org](http://www.mwmcpartners.org)

# Metropolitan Wastewater MANAGEMENT COMMISSION



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## MWMC MEETING MINUTES

Friday, September 10, 2021 at 7:30 a.m.

The MWMC Meeting was held remotely via computer, phone, and in-person.  
Meeting was video recorded.

Commissioner Yeh opened the meeting at 7:30 a.m. Roll call was taken by Josi Brennan. Due to technical difficulties, Commissioner Pishioneri took over as chair at 7:35a.m.

### **ROLL CALL**

*Commissioners Present Remotely:* Pat Farr, Bill Inge, Doug Keeler, Walt Meyer, Peter Ruffier Joe Pishioneri and Jennifer Yeh

*Staff Present Remotely:* Lou Allocco, Meg Allocco, Katherine Bishop, Dave Breitenstein, Josi Brennan, Mark Van Eeckhout, Randy Gray, Carrie Holmes, Shawn Krueger, Barry Mays, Troy McAllister, James McClendon, April Miller, Todd Miller, Michelle Miranda, Brooke Mossefin, Sharon Olson, Bryan Robinson, Harry Sanger, Matt Stouder, Valerie Warner, Greg Watkins

*Legal Counsel Present Remotely:* Brian Millington (Thorp, Purdy, Jewett, Urness, & Wilkinson, PC)

### **CONSENT CALENDAR**

a. MWMC 7/9/21 Minutes

MOTION: IT WAS MOVED BY COMMISSIONER **PISHIONERI** WITH A SECOND BY COMMISSIONER **MEYER** TO APPROVE THE CONSENT CALENDAR. THE **MOTION PASSED** UNANIMOUSLY 7/0. *Comment:* Commissioner **Ruffier** indicated there were minor typos to be fixed.

### **PUBLIC COMMENT**

There was no public comment.

### **FY2021-22 SUPPLEMENTAL BUDGET #1**

Valerie Warner, MWMC Accountant, requested approval of Resolution 21-09, authorizing proposed supplemental budget requests for FY 2021-22. This item is revisited annually to correct the new year's budget based on revenues and expenses not turning out exactly as estimated. The first step is comparing 21 estimates to the 21 actuals, to arrive at the needed adjustments in getting cash for the new year. The next step is working with staff members to determine what needs to be carried over and if new funding is needed to be added to the supplemental budget request.

Fiscal Year 2021's beginning cash for operating and Capital funds was more than the estimate. The operating fund ended the year with more than the estimated amount of cash by \$2.5 million. The components of extra cash are from user fees being less than 1% over the estimate, which was around \$300,000. Springfield operations was under the estimate for expenditures by \$280,000, and Eugene operations was under the estimate by \$1.8 million. Carry overs for operations included two items that totaled \$121,001. The remaining portion of the original 2019 allocation of \$100,000 supporting the Small Home SDC Program was \$51,000, and a project for the Pre-Treatment Facility was \$70,000. After the carry over, the operating reserves will be increased by \$2.3 million.

Concerning the Capital funds, FY22 will begin with cash more than the estimate of \$6.3 million. This is a result of construction and planning projects coming in below estimates by \$3 million. Eugene Capital includes equipment replacement, major rehab, major capital, and came in below estimates by \$2.7 million. SDC revenue was underestimate by \$1.5 million, and interest overestimate by \$1 million. Springfield Capital Project Managers requested to carry forward \$2.7 million and requested \$250,000 in additional funding. Eugene staff requested to carry forward \$2 million, with no request for new funding.

The reserve adjustments include \$119,000 going back to the Capital reserve, equipment replacement reserve being reduced by \$129,000, SDC improvement reserve being increased by \$63,000, and the SDC reimbursement reserved being increased by \$1.2 million.

FY2021-22 MWMC Supplemental Budget 1 Summary

	<u>CAPITAL</u>	<u>OPERATING</u>	<u>TOTAL</u>
BEG CASH ADJUSTMENT	\$ 6,284,824	\$ 2,452,034	\$ 8,736,858
REQUESTED CARRYFORWARDS	(4,776,723)	(121,008)	(4,897,731)
NEW SPENDING REQUESTS	(250,000)		(250,000)
			-
			-
			-
NET CHANGE TO RESERVES	<u>\$ 1,258,101</u>	<u>\$ 2,331,026</u>	<u>\$ 3,589,127</u>
Capital Reserve	\$ 119,526		
Equipment Replacement Reserve	(149,393)		
SDC Improvement Reserve	63,295		
SDC Reimbursement Reserve	<u>1,224,673</u>		
	<u>\$ 1,258,101</u>		

*DISCUSSION:* Mr. **Stouder** said Mr. Breitenstein would like to speak to the \$1.8 million on the Eugene side and explain this in detail. Mr. **Breitenstein** said there is a higher number of equipment replacement and major rehab projects to carry over than normal. The asphalt projects and the Irvington automatic transfer switch were delayed because of COVID, and while the design took longer for Irvington transfer switch, there was also long lead time for equipment, again due to COVID. Staff planned to replace an irrigation pump at the BRS (Beneficial Reuse Site) and before that was completed the motor failed. The

motor has been replaced and staff can now replace the pump. The centrifugal blowers are on hold until staff confirms if the Class A Recycled Water project will have an impact on what the actual blower needs are. The PLC (Programmable Logic Controller) upgrade at the BMF (Biosolids Management Facility) was slowed because of COVID, but that design is underway now. The Lab Software Project was held up in legal review but is now underway.

Commissioner **Ruffier** asked what was the total operating budget for last year? Ms. **Warner** asked when you say operations, do you mean Eugene operations and Springfield administration together, or do you mean just Eugene operations? Commissioner **Ruffier** said just Eugene operations. Ms. **Warner** said that total budget was \$15,379,200.

Commissioner **Ruffier** asked what is the purpose of the SDC reimbursement reserve? Ms. **Warner** said when the SDC laws were implemented, it was required for staff to take SDC money and put it in specific reserves and use restrictive ways to spend that money. The SDC improvement reserve money is to be used on certain Capital projects, while the SDC reimbursement reserve money is even more restrictive. Commissioner **Ruffier** requested in future meetings, if educational information could be sent out on what the criteria is for expending those funds. Ms. **Warner** said that can be done.

Commissioner **Ruffier** asked what the target is for the operating reserve, and how are we now positioned with regards to that target? Ms. **Warner** said the target is two months of operating costs and is prepared by adjusting to transfer to capital. The operating reserve was budgeted at \$4.2 million, and \$2.3 million makes it one and a half times its required size for FY2022. Commissioner **Ruffier** asked at the end of the year, do you normally transfer funds over the target to Capital? Ms. **Warner** said we could not do that without a budget for it. It is hard to know what the end of the year is going to be before the end of the year happens. Staff can make a conservative estimate and put it in the final supplemental budget if the Commission would like. For example, instead of increasing the operating reserve over the set target to be in compliance with our policy, we can take some or all of the excess operating reserves and budget it to be transferred in SB1 when the amount is known. Commissioner **Ruffier** said he thought that would be a worthy discussion for the Commission to have, at some point. Commissioner **Pishioneri** said before any changes are made that involves extra additional staff time, we should discuss those as a Commission and decide collectively.

Mr. **Stouder** said on the SDC pieces, there is an improvement reserve and reimbursement reserve. When an SDC is charged to development, the two components are improvement and reimbursement. The money gets collected and can only be used on certain projects. Staff can provide additional information from the financial plan and the SDC law regarding how that money can be spent.

MOTION: IT WAS MOVED BY COMMISSIONER **RUFFIER** TO ADOPT RESOLUTION 21-09. THE MOTION WAS SECONDED BY COMMISSIONER **YEH**. THE **MOTION PASSED** UNANIMOUSLY 7/0.

### **MWMC GREENHOUSE GAS INVENTORY REPORT FOR FY2019-20**

James McClendon, Department Services Manager (AIC) with the Eugene Wastewater Division, shared the results of the Greenhouse Gas (GHG) Emissions Inventory that was conducted for FY2019-20. Mr. McClendon acknowledged the great teamwork by Ivan Campbell, Sharon Olson, and the consulting company Good Company.

The most potent greenhouse gases discussed in this presentation are methane, nitrous oxide, and carbon dioxide. Nitrous oxide leads to depletion of the ozone layer and is similar to chlorofluorocarbon because it allows more UV radiation from the sun to penetrate the atmosphere. Methane and carbon dioxide are also bad because they build up in the troposphere (the atmospheric layer closest to the earth) which acts like a blanket to trap the heat into the earth. This could result in erratic weather patterns and over time could lead to climate change. Staff has been gathering data on the volume or the quantity of emissions from specific categories of activity at the MWMC facilities.

The cities of Eugene and Springfield requested in 2010 that staff conduct this inventory once every two years. The data is used for LRAPA reporting for air quality and this work aligns closely with the MWMC Key Outcome #1 in achieving and maintaining high environmental standards. This task is completed by measuring the metric tons of carbon dioxide emitted in the process areas, electricity used, supply chain and logistics, as well as all MWMC activities. These are equivalent values, and a large portion is considering the dollars spent on this activity. The calculator from Good Company converts the dollars spent into metric tons of carbon dioxide equivalent. Staff looks at the volumes of natural gas used, and electricity use in the process areas for the treatment and biosolids work. That information is also converted into metric tons of CO<sub>2</sub>e (equivalent). CO<sub>2</sub> equivalent is the standard measure used in today's presentation because it is the most voluminous and highest volume greenhouse gas in the atmosphere. For reference, one metric ton is about 1000 kilograms or 2200 pounds. The EPA states that is equal to the consumption of about 113 gallons of gasoline in a year, driving a passenger vehicle 2500 miles, or about 12% of the energy use and one home per year.

#### The FY2019-20 Findings:

- Total GHG emissions from MWMC activity was the third highest since inventories began in 2010 but about 21.7% lower than for FY2017-18
- Completion of Capital construction (CIP projects) in 2018-2019 was the predominant decrease to overall emissions
- Emissions from day-to-day operations increased by 10.6% in comparison to emissions in the FY2018-19 inventory period.
- Emissions from activity generated benefits owing to tree-farm CO<sub>2</sub> sequestration and CoGen electricity and natural gas displacement

The total FY2019-20 GHG Emissions from MWMC activity showed the total emissions decreased 21.7%, the Capital construction decreased 68%, and the operating activity increased 10%. Greenhouse gas emissions from O&M activity is around 8100 to 9000 metric tons of CO<sub>2</sub>e from year to year, whereas the Capital construction is variable and goes up and down. The biggest benefit is carbon sequestration from the Biocycle farm, as it showed 6000 metric tons of CO<sub>2</sub>e sequester in one inventory year. When trees are more mature and, in the ground, longer, the more sequestration is received, which is a benefit from the work being done.

#### Inventory Methodology for General Reporting Protocol (GRP) categories of GHG emissions

- Scope 1 – “direct emissions” from operating equipment and facilities
- Scope 2 – emissions from purchased electricity (what was consumed)
- Scope 3 – “indirect emissions” from supply-chain and service providers

In 2018 the Oregon DEQ recommended all agencies in the state of Oregon start using the market-based emissions factor. This includes local utility companies (EWEB and SUB) that provide electricity to the facilities and their contract agreements with the energy generators or producers. The DEQ recommendation benefits MWMC because EWEB and SUB contract from more sustainable energy sources, such as Bonneville Power Authority (BPA) and other wind, solar, and hydro-power providers in Oregon. When the FY2019-20 report was created, staff retroactively applied the market-based emissions factor going back to 2010 for a point-by-point comparison, looking at year to year.

FY2019-20 showed the lowest electricity consumption in a 12-year time span, reporting in at 15,557 MWh. However, during that time the emissions factor (multiplier) went up, even though less electricity was being used. The GHG emissions from supply chain services and logistics was down across the board, except for solid waste. Over the past three inventory periods, solid waste numbers have been going up primarily due to camp cleanup from the unhoused and homeless campers along the river. O&M staff have cleaned up the camps on MWMC facilities and hauled the debris to the landfill. During this inventory period there was also a siphon collapse at the East Bank Interceptor (EBI). The excavation was completed by Eugene Public Works maintenance, and the hazardous spoils (biowaste) were brought to the plant and then trucked to the landfill.

#### The GHG Emissions Results:

- Scope 1 direct emissions (operations) = 4,817 MT CO<sub>2</sub>e (45.1% of total)  
Up 8.3% from FY 2017-18 at 4,448 MT CO<sub>2</sub>e
- Scope 2 emissions (electricity) = 791 MT CO<sub>2</sub>e (7.4% of total)  
Up 129.6% from FY 2017-18 at 240 MT CO<sub>2</sub>e
- Scope 3 indirect emissions (goods and services) = 5,068 MT CO<sub>2</sub>e  
Down 43.4% from FY 2017-18 -16 at 8,952 MT CO<sub>2</sub>e
- Total GHG Emissions from MWMC Activity= 10,676 MT CO<sub>2</sub>e  
Down 21.7% from FY 2017-18 at 13,640 MT CO<sub>2</sub>e

#### Benefits from GHG Emissions:

- Biocycle Farm CO<sub>2</sub>e Sequestration = -6,005 MT CO<sub>2</sub>e  
All trees on the farm as of June 2020; YoY biomass growth
- Soil CO<sub>2</sub>e Sequestration = -551 MT CO<sub>2</sub>e
- Displaced Conventional Fertilizer = -104 MT CO<sub>2</sub>e
- Displaced Grid Electricity = -1,560 MT CO<sub>2</sub>e (-2.2 MT CO<sub>2</sub>e for solar)
- Displaced Natural Gas = -1,267 MT CO<sub>2</sub>e
- MWMC's Total Benefit from GHG Emissions = -9,478 MT CO<sub>2</sub>e

*DISCUSSION:* Commissioner **Keeler** asked on the scope to market energy factor change, do we go back and recalculate prior years, so we are comparing apples and oranges when we think about how well we are doing with respect to the past? It was said we have been able to reduce our electrical energy use, although with the changing factor, it might appear we are using more or having a greater impact. Is it reasonable to go back and adjust prior surveys, so we are looking at apples to apples? Mr. **McClendon** said yes, and we have done that. In the attached report with the memo, all of the prior inventories had the market-based emissions factor retroactively applied so we do get that apples-to-apples comparison looking at one inventory year to the next.

Commissioner **Ruffier** said the report states MWMC sells 100% of the RECs generated treatment plant to EWEB. Is that a long-term contractual agreement and would we be better served to farm that out and see if we could get higher value for the RECs? Mr. **McClendon** said from his understanding there has been a long-standing agreement to sell directly to EWEB and they have the benefit of those REC's. The value of RECs varies significantly from year to year and Katherine Bishop might have a little more information on that or perhaps David Breitenstein. Commissioner **Ruffier** said he assumes that will be impacted by our completion of the project to transfer gas to NW Natural, so we will not be running the engine generator as much? Mr. **McClendon** said it remains to be seen. When the team works on the next inventory period for FY-2021-22, coming out in 2023, there will be significant changes. The MWMC will not have the benefit of the Cogen, will be selling all of the digester biogas, will not be generating electricity, and will not have the displaced electricity.

Commissioner **Ruffier** said we are counting the carbon sequestration in the poplars. Do we lose any of that or get any offset when we transform the poplars into hog fuel? Does the hog fuel release CO<sub>2</sub>? Mr. **McClendon** said he would need to get back to Commissioner Ruffier on that. This topic is not related to MWMC's activity and is more of a market type activity. Once the poplar is sold and out the door those emissions are inventoried by whoever the buyer is. Ms. **Olson** addressed the question on RECs asked earlier by Commissioner Ruffier. You only get RECs for the electricity for the genset (CoGen), and we do not get RECs for the poplar tree farm. When we start using biogas for the RNG facility, we will not have the biogas for the genset and therefore will be running the boiler more. The genset will be the backup and will run on natural gas unless the RNG is down for a long time, and then we will use the biogas. Staff has a choice to register the genset as multi-fuel, but, in theory, we hopefully do not have to run it very much except when the boiler is down. We could register through the state as a multi-fuel source but right now we are putting a hold on it until we see how the RNG runs for the next year. We might not hardly ever need the genset except for maintenance activities, which means the RECs would significantly decrease. Ms. Olsen then addressed the question on poplar trees and said we will not receive credits for the poplar trees for sequestration, because the trees have to be in the ground at least 100 years. Staff has to harvest the trees at 12 years, and therefore will not get that credit. The emission benefits of around 6000 metric tons are over a course of several years (two years) and is not 6000 in addition to what we did last time. For example, if last time was 4000 metric tons sequestered in a year and this time it is 6000, the difference is only 2000 and not 6000 on top of that.

Commissioner **Ruffier** asked if we are selling RECs for the RNG Project, does that mean we lose any benefit for that type of project as an offset to our emissions? Ms. **Olson** said we are getting RINs for that RNG Project. Commissioner **Ruffier** asked if the RIN will give us an offset to emissions? Ms. **Olson**: Yes, we will get RINS for our RNG. Mr. **Van Eeckhout** said to his understanding when we do this again, by selling gas we receive credit for that within a report for the renewable natural gas we are selling into the market. The RECs will either be decreased or go away if the CoGen is not running. The rent contract with EWEB changed quite drastically in 2014, which is why we saw the large drop in revenue from RECs, for running the generator. Some of that was due to the grandfathering of electrical costs offset by EWEB.

Commissioner **Meyer** inquired about the factors used to calculate emissions from the purchase of electricity. It would seem the mix EWEB, and SUB have in terms of where they get their power is not dramatically different year to year. It is surprising to see a 200% jump in that factor from one period to the next period. Why was that such a massive jump? Mr. **McClendon** said he communicated with Good Company about this, and they said during the FY2019-20 inventory period Bonneville BPA, EWEB, and

SUB had to take their hydroelectric offline for a significant period of time. This could have been due to maintenance or some failures. EWEB and SUB had to purchase electricity on the open market from other generators that were probably non sustainable or less clean sources. That is what drove that market-based emissions factor up.

Commissioner **Ruffier** followed up to the last response. Does that mean the expectation is the next inventory period, the multiplication factor, will likely go down if they are back to using hydropower? Mr. **McClendon** said yes, that is his understanding. With the market-based emissions factor, it is very local. The more sustainable power generation contracts the local utility companies have, the better off we are going to look on paper. That market-based emissions factor will presumably go down. It is uncertain all of the other criteria that goes into it, but the power generation sources are important. It is assumed as we get more wind, solar and hydro power in Oregon the market-based emissions factor will go down. That makes it look better on paper, as far as our emissions from purchased electricity.

Commissioner **Ruffier** asked other than the Environmental Management System goals and objectives for reducing power consumption, do we have any specific operational objectives or targets for reducing greenhouse gas emissions? Mr. **Breitenstein** said further work on reducing greenhouse gas emissions is one of our current EMS objectives. The current focus has to do with the projects for improved aeration efficiency in our secondary treatment system, our aeration basin study. Staff will be making changes with air diffusers, channels, and blower technology. Commissioner **Ruffier** stated MWMC has done a good job with regards to managing greenhouse gas emissions, even though it has been somewhat indirect given the activities have been focused mainly on operational efficiencies. If we took a more specific view on reducing greenhouse gas emissions, we may make even further substantial progress. At some point the Commission wanted to discuss pursuing more specific targets in outcomes for greenhouse gas emissions. Mr. **Stouder** recalled that was talked about during Key Outcome 1 where we added indicators such as climate action. The discussion included whether or not to pursue things further, and the Commission wanted to discuss this after looking at the information. Now that it has been presented, this is the next step in that process and staff welcome direction and feedback.

Commissioner **Meyer** asked if there are any indicators for nationwide carbon emission on per capita or per MGD treatment, to see how we are doing compared to the rest of the country in terms of where we fall? Mr. **McClendon** said he does not have that information. Are you saying how are we compared to other Wastewater Treatment Facilities? Commissioner **Meyer** said yes. Mr. **McClendon** said he did not have those details but was also interested in how MWMC compares.

Commissioner **Yeh** thanked Mr. McClendon for the presentation and was interested in coming back for additional conversation on what opportunities provide the most impact. This would give us ideas on what resources would create the most impact throughout our system in reducing greenhouse gases, or ways of making an impact for our community. Mr. **Stouder** said this can be worked into the schedule. We will note this, get it back, and adjust accordingly.

### **PLANNING PROJECT UPDATES**

Todd Miller, Environmental Services Supervisor provided detailed information on projects under development. Progress has been made on the MWMC's Riparian Shade Credits, Poplar Harvest Management, and Recycled Water Demonstration projects that warrants updates to the Commission.

These projects are about a decade into initial phases and planning and will be reaching milestones in 2022.

Projects Update Overview		
<u>Riparian Shade Credits</u> <ul style="list-style-type: none"> <li>• 2012 Pilot Projects</li> <li>• 2021 Pure Water Partners</li> <li>• 2022 Compliance credit program</li> </ul>	<u>Poplar Harvest Management</u> <ul style="list-style-type: none"> <li>• 2013 Multi-phase harvest program</li> <li>• 2021 Final harvest</li> <li>• 2022 Long-term recommendations</li> </ul>	<u>Recycled Water</u> <ul style="list-style-type: none"> <li>• 2011 Multi-phase study</li> <li>• 2021 Class A facilities design</li> <li>• 2022 Construction</li> </ul>

Riparian Shade Credit pilots

The MWMC’s five pilot projects cover approximately 10 acres (with 2 additional acres recently approved) and are projected to result in 40-50 Mkal/day of target date shade value. These credits are not prorated, and the ratio that will get credits on the permit will be translated later. The sponsorship projects on Cedar Creek and the Springfield Mill Race have been on the ground since 2013 up to 2016. McKenzie RM24 and McKenzie RM32 are newer pilot projects under the Pure Water Partners program. The credits produced off the pilot projects are registered with MWMC’s name under The Freshwater Trust’s program registry via the IHS Markit Market Database.

Pure Water Partners Status

The Freshwater Trust’s Credit Program Manager contract with the MWMC is coming to a close of Phase 1 objectives. The table below summarizes key outcomes and directions developed under Phase 1 work.

Phase 1 Objectives	Major Outcomes	Key Directions
<b>Credit Program Framework Building</b>	PWP MOA establishes that MWMC directly funds TFT to implement projects through PWP framework.	<ul style="list-style-type: none"> <li>• PWP Implementers recruit and establish top 30% shade sites.</li> <li>• TFT oversees verification and monitoring.</li> </ul>
<b>Pure Water Partners Engagement Strategy</b>	PWP MOA, Adoption Agreement, and Handbook recognize MWMC role and drivers for shade credit production.	<ul style="list-style-type: none"> <li>• MWMC adopts Member and Funder roles</li> <li>• TFT adopts Implementer role.</li> </ul>
<b>Water Quality Trading Plan Development</b>	Fully drafted MWMC trading plan prepared with identified eligible trading area and Pure Water Partners focal area.	<ul style="list-style-type: none"> <li>• Seek DEQ approval in advance of NPDES permit renewal.</li> <li>• Plan includes in-stream/floodplain restoration credit options.</li> </ul>
<b>Compliance Program Costing</b>	Pilot projects implemented to test PWP relationship efficiencies. Full compliance program cost proposal developed.	<ul style="list-style-type: none"> <li>• Scoped 5-year program for 200 Mkal/day credits (440 Mkal/day shading) based on Oct. 31 model date.</li> </ul>

*DISCUSSION:* Commissioner **Meyer** said once you have a draft of the trading plan from Freshwater Trust, the Commission would like to see it. Mr. **Miller** said he will pass that along. Staff currently has a full draft and are in the process of looking it over to reduce some items, but this can be sent out to the Commission as is. Commissioner **Meyer** said he would like to see it.

Mr. Miller proceeded with his presentation and explained the compliance program cost. Approximately a \$10 million program was costed out to meet the initial 50% of projected thermal load compliance over the next 5 years. An explanation of the arrival of the cost estimate is detailed in the attached report from The Freshwater Trust.

*DISCUSSION:* Commissioner **Ruffier** said on the costing report there was an incredible amount of work that went into the costing analysis, and they chose one standard deviation above the mean to project the cost. What is your view on how conservative that is and whether or not MWMC will come in below that on most of the projects? Mr. **Miller** said ultimately this is the Freshwater Trusts proposal to MWMC and staff is comfortable with the price, as proposed. We would get this cost at one standard deviation above to provide Freshwater Trust with some insurance they will not be short. That approach appeared to be a reasonable of cost-risk mitigation on behalf of The Freshwater Trust. Staff has not fully discussed whether we should negotiate something in between (the absolute model and the one standard deviation safety factor). It seems that is the same process they have done with other client programs.

Commissioner **Ruffier** asked if that program price is a fixed price or a cost reimbursement, plus operating expenses? Mr. **Miller** explained that Scenario 1 is the more strategic for the MWMC. That is a fixed cost, and we would be paying the Freshwater Trust for those credits as they are produced. Scenario 3, under the reimbursement by credit, there is additional work that goes into that. The price goes up significantly another \$3 million, and if we do reimbursement by credit there is additional administrative and staff costs for MWMC. Staff has not approved anything or negotiated contracts yet with the Freshwater Trust and are happy to receive input and guidance from the Commission as we move forward with that. Commissioner **Ruffier** said the program price is based on them implementing specific projects we have agreed to or outlined. Assuming there is a premium if we backed off of that and said we will buy credits, wherever or however they get them, would that premium be Scenario 3? Mr. **Miller** said that sounds like a safe assumption, but the full facts are not completely understood to answer yes or no on that. With the contract, we would be obligated to buy the full credit program if we had to reduce that. MWMC staff will be working with legal staff on a contract that does not put the MWMC in an unfavorable position.

Mr. Miller continued with his presentation and discussed the Poplar Harvest Management project status. The MWMC successfully negotiated contracts with CTS and Lane Forest Products and was able to execute those contracts in August and start harvesting. Staff broke up the units into a North and South unit and designated each contractor to those units. CTS was on the ground first and efficiently harvested MU3 North and were subsequently designated to complete the full harvesting of the South unit. Lane Forest Products is now focused on the site cleanup of the entire North and South unit. The log chips are being sold to a mill in Sweet Home. The larger timber, around 200 tons (less than 5%) of the harvest, were delivered to Urban Lumber for the board production pilot. Staff will be finalizing agreements with Bring Recycling to negotiate how the co-marketing sales to local builders and crafts people will be arranged. Staff are also looking at the possibility of finish milling and alternate milling for out-of-area sales.

<u>Poplar Marketing Plan</u>	
<p>MIG Consultants plan co-development:</p> <ul style="list-style-type: none"> <li>• Establish MWMC as innovation leader with universities.</li> <li>• Generate interest with architects/builders.</li> </ul>	<p>Key Audience Targets:</p> <ul style="list-style-type: none"> <li>• Research/Educator, Architect/Builder, Local Governments, Harvester/Planter Miller/Processor</li> </ul>

What happens after the Fall harvest is finished? There is a wood waste management issue with the slash left on site, not able to be sold to market. Staff plans to process that material on site into a hog fuel material to use around the trees, providing a weed control benefit. A small portion of that will be contributed to the biochar pilot project, to see if it provides benefits to scale up for future harvest. There are proven cost benefits to not treating the stumps and staff plan to regrow from the stumps. This allows the individual suckers to grow off the stumps. If that becomes problematic staff will collect and plant whips and either destroy the stumps or cut them back. After the harvest and replanting is complete, staff will evaluate all the facts and figures and come up with a long-term rotation management recommendation. Depending on how the marketing relationships turn out staff may want to proceed with a two-year staggered harvest if it provides a more consistent flow of material.

Concerning the Class A Recycled Water Facilities design, staff launched the full design with Kennedy Jenks consultants in late 2020 and currently reached the 60% design milestone. Kennedy Jenks provided an updated cost estimate of about \$6.2 million. The 10% conceptual design estimate presented to the Commission before staff launched the full design contract came in over \$5 million. Two main factors for the price increase were hypochlorite upgrades not included in the original estimate, and seismic retrofits that drove up the cost almost a half million dollars. Staff is seeking grant funding assistance for project construction, as summarized below.

Recycled Water Funding Grant Status

<b>Funding Source</b>	<b>Applicant</b>	<b>Requested Amount</b>	<b>Application Date</b>	<b>Status</b>
<b>OWRD Water Project Grants and Loans (state)</b>	MWMC	\$583,925	April 28,2021	Not funded
<b>SHMO/FEMA Hazard Mitigation Grant Program (federal)</b>	Springfield	\$1,652,534 (?)	December 31, 2021	Pre-application accepted. Sub-application in progress
<b>USBR WaterSMART grant (federal)</b>	Eugene	\$1,652,534 (?)	October 5, 2021	In progress

The Oregon Water Resources Department grant was not funded. A large portion of this project was not considered eligible, because the department considers a facility producing finished Class A recycled water as a wastewater treatment, not water production. Anything considered distribution, such as the piping and pumping, was fundable. This reduced the amount of eligible monies staff could go for.

The State Hazard Mitigation sounds like a state program, but it funded through FEMA, which is a federal program. The MWMC is not an eligible entity to apply for this, but the City of Springfield is. The US Bureau of Reclamation WaterSMART program is in good alignment of recycle water programs, but determination of funding eligible and grant program categorization is ongoing. The MWMC is not eligible to apply for this grant, but the City of Eugene is.

A key step in growing recycled water use is community partnerships and agency support. Staff is directly involved with the Water Reuse Association, ACWA, and MWMC's communications staffing and planning team on advocating for recycled water use with DEQ and the state agencies. The MWMC is looking forward to launching the local Recycle Water Advisory Network that has been postponed due to the pandemic.

*DISCUSSION:* Commissioner **Ruffier** asked about the poplar farm. We are currently sticking to a 12-year harvest schedule to maintain our zoning, but in the report, it said forestry practices are not similarly restricted to 12 years. Have we looked recently at what any change in zoning would mean for us? Mr. **Miller** said that was explored with legal counsel earlier. We did not explore what happens if we did a change in zoning. Most of MU1 is zoned for heavy industrial and is within the urban growth boundary, as opposed to MU2 and MU3 which are outside the urban growth boundary and zoned for exclusive farm use. MU1 is heavy industrial and does not fall under agricultural rules. If that change is made, we are no longer an agricultural operation under the farmed wetland criterion. In that case we would have to mitigate for those wetlands, and about 70 to 80% of that site is wetlands. Commissioner **Ruffier** said it would be interesting to know whether or not we could see an increased value in growing the trees out longer, and if that offsets any wetland mitigation efforts we might have to do. Mr. **Miller** said this summer's harvest is the first full 12-year growth harvest completed and staff is realizing the additional benefits of growing to year 12. We can explore that more and put it in recommendations after the project is complete. Commissioner **Ruffier** said going to 15 or 20 years would reduce our harvest costs, since we are harvesting less frequently. This might increase the value of the timber we harvest. Whether or not that increase value offsets the needed steps to mitigate a change in zoning is the question. Mr. **Miller** said that statement is noted, and staff will incorporate that consideration in the recommendations report moving forward.

Commissioner **Pishioneri** inquired about the recycled water program. With the route you are taking, is there a cost to MWMC to get where you want to go? If there is a cost to MWMC, what is offsetting or paying for that? By going in this direction with water reuse are we incurring costs that will create a rate increase to our users? If this program is not required by law how do we justify voluntarily instituting a program that forces a rate increase to the rate payers, without giving them a choice? Mr. **Miller** said to his understanding the program is all within the already prescribed capital program funding. When we started the program, the initial thought was recycled water would be a premier thermal load mitigation tool. It ended up not being as feasible as staff hoped. The Riparian Shade program was, so staff focused on that. The MWMC is very cautious on the cost of expanding the program and making it as feasible as possible. The best opportunity to date remains with the sand and gravel companies, because they can use considerably more water once this project is up and running. At that point, basically, most of our investments already done. Mr. **Stouder** said this is part of our portfolio of options for a thermal load compliance. Even though we do not have that thermal load requirement yet, we expect to have it soon in the permit. We know riparian shade is probably the most bang for our buck, but it is not a guaranteed slam dunk. Having diverse options to invest in is important and recycled water will definitely help us

meet those requirements. The MWMC does not anticipate having any undue impacts on ratepayers at this time, but if the program expands, we would definitely have those conversations with the Commission. Mr. **Miller** said looking at the Ashland, OR program, they are running through a similar situation. Riparian shade no longer becomes effective mitigation strategy once you get into November but recycle water use is. Commissioner **Pishioneri** said he wants to be comfortable knowing this program is driven by some sort of regulatory requirement. There is concern around running off a path somewhere because somebody feels it is the right thing to do. It needs to be justified to the rate payers this is what we have to do. If it is a requirement costing a particular amount, and you will have to pay more per month, that is okay. Telling rate payers, we are not required to do it, but you need to pay more, is not okay.

Commissioner **Meyer** asked if we have a contract now with the gravel users, for the use of the water long term contract? Mr. **Miller** said that has not been set up, but we previously secured letters of intent from each of our partners. Commissioner **Meyer** said before we spend \$7 million, it would be nice to have more of a commitment. Before we spend that money let's see a comparison of the cost per kilocalorie for that project, versus the one we just looked at for the shade program. We are looking at \$9 to \$10 million for 400 million kilocalories at 2.5 to 3 cents per kilocalorie. Before we bid, MWMC should have a commitment or contract with the user. Then we can tell our users, yes, we have a use for the waters, and we do not have an empty pipeline sitting underneath that site. Mr. **Miller** said we can absolutely do that. Staff will wait on DEQ to know what the final NPDES permit looks like, to see what November requirements there are. This will change the dynamics of riparian shade efficiency and need that information first, but then staff can run that comparison. Commissioner **Pishioneri** agreed with Commissioner Meyers recommendation and felt more comfortable if we had firmer commitments. Commissioner **Ruffier** said in previous discussions with the gravel users, some motivation was given to the drought conditions that existed at that time. Acknowledging the fact, we would be offsetting their withdrawal from the Willamette River might be a consideration in moving forward with this. Sand and gravel companies may actually get a benefit by either selling their water rights or leaving the water in the river for downstream users. Mr. **Stouder** said we can incorporate that. Delta has water rights upstream for use in drought conditions. They do not need our water, but they are interested in it. We have a letter of intent with Delta if things get really bad in future and there is a benefit to use our water. Mr. **Miller** said that is where advocacy networking comes into place. There is a benefit there, but it is not being monetized because there is no incentive.

### **BUSINESS FROM THE COMMISSION**

Commissioner **Yeh** said there was discussion on a housing project that tapped into our SDC Waiver Program. This program was for an affordable housing apartment complex in Eugene, and it did not qualify. When this voluntary program comes up for discussion again, it might be a good opportunity for us to talk about the goals we are trying to achieve by having it. Whether those goals could be achieved by expanding or deciding to keep this program. People are noticing the MWMC is working on it, and they are interested in the goals staff intends to achieve.

### **BUSINESS FROM THE GENERAL MANAGER**

Matt Stouder and Dave Breitenstein met with the Springfield Twin Rivers Rotary Club in August and gave a presentation on MWMC. A member of the Springfield Utility Board requested this presentation, and it was an opportunity to further talk about the good work MWMC is doing.

The MWMC's NPDES permit status was pushed out from the date originally expected. After talking with the DEQ Water Quality Administrator, it was indicated the permit is still on track for the end of the year. Situations have come up on DEQ's end and they hope to get an applicant review draft to MWMC by the end of October. In the coming week, DEQ is expected to do an inspection of MWMC facilities.

Staff was hoping to meet in person for the September MWMC meeting, but statistics have changed since July and meetings will be virtual through the end of the year. Depending on where things go with COVID, staff will modify meeting plans as needed. When staff is able to meet in person, they will let the Commission know.

Traditionally, staff would have a procurement rules update by this time. However, the State has delayed adopting those procurement rules due to impacts associated with COVID, but staff expects to have those procurement rules later in the winter. Brian Millington added the State has adopted statutes. The model rules used for updating MWMC's procurement rules have not been drafted yet. When those are drafted the information will be brought to the Commission.

*DISCUSSION:* Commissioner **Meyer** said while attending meetings with the DEQ permitting group, he learned they do not want to continue the mass load requirements in the permits for when the flow reaches a certain threshold in the permit. DEQ said they are not continuing to have those limits in there. It might be worth looking into the existing permit, learning what that threshold flow is, and what will be the impact if DEQ does this. DEQ has said if you cannot make it, you then have to apply for a mass load increase associated with that maximum day discharge. Mr. **Stouder** said we will keep an eye out for that.

#### **BUSINESS FROM THE WASTEWATER DIRECTOR**

Dave Breitenstein shared information about COVID and said the Wastewater Plant was recently in a study with Biobot Labs. This national study was prepared by the Federal Department of Health and Human Services. Two samples were taken from the plant at the peak of COVID for Lane County, in terms of cases per day, and the results came in high. The genetic markers (RNA) measured for concentration levels was at the 98th percentile of all samples analyzed in the country. The Oregon Health Authority dashboard is now measuring, and reporting concentrations. Mr. Breitenstein will be sending the link for information to the Commission.

Each year the Wastewater Plant lab techs are required, by our permit, to participate in an EPA quality assurance quality control study. This evaluates the laboratories performance and accuracy and over 40 blind samples are sent out. Lab techs are required to analyze and send the results back in, and the Wastewater Plant lab scored 100% again for the fourth consecutive year.

The MWMC will be in the spotlight next week during the Pacific Northwest Clean Water Association's annual conference. Mr. Breitenstein and Wayne Gresh from Carollo Engineers will be presenting the MWMC resiliency study and the dependencies assessment for O&M response and recovery. They will also present this information in October at the Water Environment Federation Conference in Chicago.

Commissioner Pishioneri adjourned the meeting at 9:30am

# Metropolitan Wastewater MANAGEMENT COMMISSION



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## MEMORANDUM

**DATE:** October 7, 2021

**TO:** Metropolitan Wastewater Management Commission (MWMC)

**FROM:** Valerie Warner, MWMC Accountant

**SUBJECT:** FY 2020-21 Annual Financial Summary, Budget Reconciliation

**ACTION REQUESTED:** Informational and Discussion

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### **ISSUE**

This memo presents the results of the FY 2020-21 Operating and Capital budgets from two perspectives: (1) a comparison between actual results and the FY 2020-21 budget, and (2) a comparison of actual results and the FY 2020-21 year-end estimates used during the FY 2021-22 budget and rate development process.

### **DISCUSSION**

#### **Results of Operations**

It is important to compare budget and actual results to ensure that legally authorized expenditure levels are not exceeded, as well as to evaluate overall budgeting accuracy. "Budget to Actual" results are detailed in the regular MWMC monthly report for June 30, 2021 (Attachments 1 and 2 to this memorandum). The results are summarized in Table 1 on Page 2.

The difference between budgeted and actual operating revenues reflects the following factors:

Operating revenue fell short of budget by \$240,971 or 0.68%. This was driven mainly by a combination of shortfalls in the monthly user fee revenue (\$236,888 or 0.69%) and the internal engineering fees revenue (\$177,928 or 36.6%) offset by the receipt of unbudgeted revenue for Coronavirus Relief Funds, \$30,872, FEMA funds related to the 2018 ice storm, \$125,980, and miscellaneous revenue, \$149,473.

Operating expenses came in under budget by \$2,433,436 or 7.37% for Eugene and Springfield combined. The Springfield savings were \$551,299, comprised of 29% personal services and 71% materials and services, with the most significant areas of savings in litigation/attorney fees, of \$80,000, the Small Home SDC, \$51,008, and contractual services, \$81,769. These three items comprised over half of the Springfield M&S savings. Personnel costs were under budget by \$165,720 or 8%, representing a budgeted 1.0 full-time equivalent Design and Construction Engineering position that remained vacant, plus short-term vacancies with employee turnover such as 3 months of vacant Administrative Assistant,

4 months of vacant Public Information Analyst and lastly, a reduction in the contribution to vacant Public Works Director position down from 5% to 3% of that position for the entire year.

In Eugene savings were \$1,864,237. Personnel costs came in at \$1,129,506, or 11.3%, less than budgeted due mainly to holding positions vacant during the hiring process, much less need for overtime from Ops/BMF and Sampling staff, and WW Utility Billing Administrator positions (4 FTE) that received retro pay in FY20 instead of a 2-step pay increase in FY21 as had been budgeted.

Eugene's materials and services, including indirect charges, came in under budget by \$626,826 or 11.9%. Lower spending occurred in utility costs, as \$200,000 additional was budgeted in FY21 in anticipation of the RNG system startup and the resulting consumption of more purchased gas and electricity. Other Materials & Supplies items that came in under budget included significant savings on Training and Related Travel (roughly \$120,000 less than usual), and less spending on Tools and Minor Equipment. In Addition, the Eugene capital outlay came in under budget by \$108,000, or 89% due to mid-year priority changes for project scheduling.

**Table 1 – FY 2020-21 Budget-to-Actual Comparison**

	Budget	Actual	Variance	% Over/Under
Operating Revenue	\$ 35,291,210	\$ 35,050,239	\$ (240,971)	-0.68%
Beginning Cash	85,830,953	85,830,953	-	0.00%
Capital Revenue (excludes SDCs)	14,843,118	13,615,060	(1,228,058)	-8.27%
SDC Revenue	<u>1,650,000</u>	<u>3,218,913</u>	<u>1,568,913</u>	<u>95.09%</u>
Total Revenue	<u>\$ 137,615,281</u>	<u>137,715,165</u>	<u>\$ 99,884</u>	<u>0.07%</u>
Operating Expenses	\$ 33,022,892	\$ 30,589,456	\$ 2,433,436	-7.37%
Capital Expenses	28,600,213	11,705,735	16,894,478	-59.07%
Debt Service	4,260,934	4,260,920	14	0.00%
Reserves	<u>71,731,242</u>	<u>91,159,054</u>	<u>(19,427,812)</u>	<u>27.08%</u>
Total Expenses & Reserves	<u>\$ 137,615,281</u>	<u>\$ 137,715,165</u>	<u>\$ (99,884)</u>	<u>-0.07%</u>

The Capital Revenue is under budget (8%) due to an unforeseen drop in interest rates, causing interest revenue to come in well under budget. SDC revenues exceeded budget by 95%.

Ending reserves are substantially higher than budgeted. This is due to the capital expenditures that were budgeted, but not yet expended. While these reserves are present as of the end of the year, they are re-programmed in FY 2021-22 for those same capital projects.

**FY 2021-22 Supplemental Budget Adjustments**

Actual amounts often differ from estimates used during the budget process, principally because the budget development process takes place mid-year. Consequently, estimates for the future year are based on approximately six months of actual experience. As a result, certain adjustments are generally necessary at the beginning of a new fiscal year in order to reconcile actual prior year ending balances with budgeted beginning balances for the subsequent year. These adjustments were discussed with the Commission at the September meeting (Supplemental Budget #1 request). The following summaries show the difference between estimated (mid-year) and actual amounts for the major components of the Regional Wastewater Program FY 2020-21 Budget.

**Operating Fund** – The Operating Reserve adjustments, displayed below in Table 2, outline what makes up the change to beginning cash for the current budget year, and how much was re-budgeted in FY 2021-22.

**Table 2 – Operating Fund – Estimated vs. Actual**

Adjustments to FY2021-22 Operating budget:

Operating/Administration expenses under estimates	\$ 2,151,285
User fees over estimates	229,767
Septage revenue over estimates	29,499
Miscellaneous revenue over estimates	41,483
	<hr/>
	\$ 2,452,034
Supplemental budget - Tiny Home SDC carryforward	51,008
Supplemental budget - Eugene Capital Outlay carryforward	70,000
	<hr/>
Net change to operating reserve with SB1	<u><u>\$ 2,331,026</u></u>

**Capital Fund** – The Capital reserve adjustments displayed below in Table 3 outline what made up the change to beginning cash for the current budget year, how much was re-budgeted in FY 2021-22, and the one new money requests in SB1.

**Table 3 – Capital Funds – Estimated vs. Actual**

Adjustments to FY2021-22 Capital budget:

Capital projects not spent	\$ 2,990,207
Eugene capital not spent	2,755,748
SDC revenues above estimates	1,498,913
Miscellaneous items	(1,955)
Interest income below estimates	<u>(958,089)</u>
Beginning cash adjustment for FY2021-22	<u>\$ 6,284,824</u>
Supplemental budget - capital projects carryforwards	\$ 2,766,723
Supplemental budget - Equipment Replacement carryforward	1,385,700
Supplemental budget - Major Rehabilitation carryforward	254,300
Supplemental budget - Major Capital Outlay carryforward	370,000
Supplemental budget - new spending request	<u>250,000</u>
Net increase to capital reserves with SB1	<u>\$ 1,258,101</u>

**ACTION REQUESTED**

Informational and discussion.

**ATTACHMENTS**

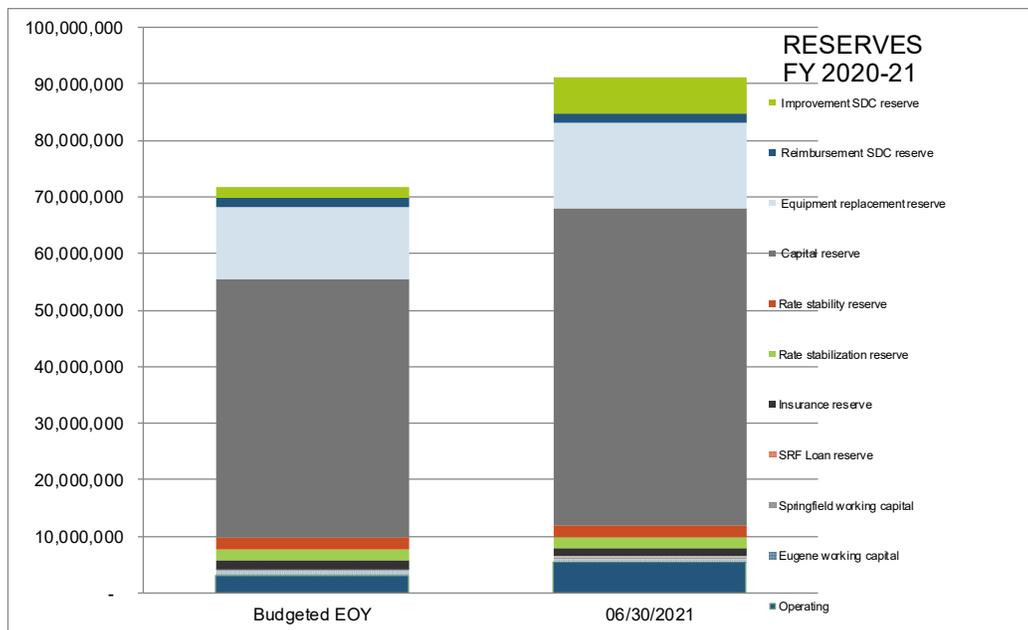
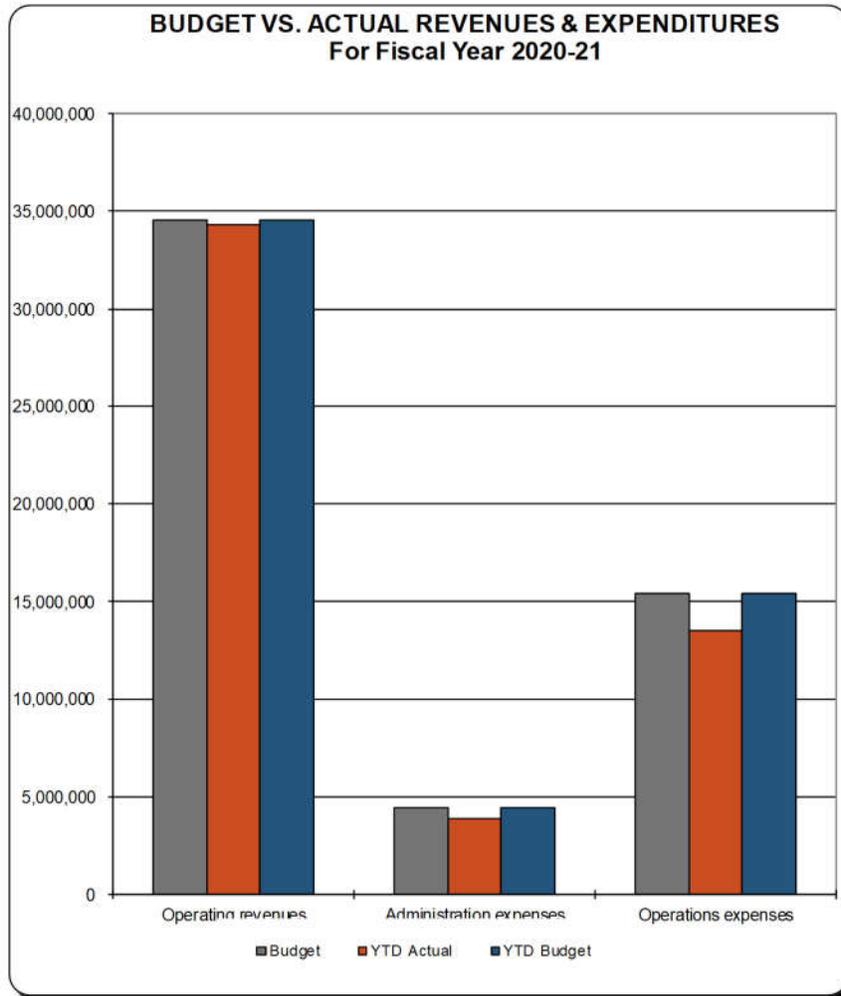
1. MWMC Statement of Revenues and Expenses
2. MWMC Comparison and Reserve Charts

**Statement of Revenues and Expenses**

**METROPOLITAN WASTEWATER MANAGEMENT COMMISSION  
STATEMENT OF REVENUES AND EXPENSES  
For the Month Ending June 30, 2021 - FINAL**

<b>REVENUES</b>	Budget	Current	YTD	100% YTD Budget	YTD Budget
<b>OPERATIONS:</b>					
User fees, Septage & lease income	\$ 34,576,000	\$ 5,724,831	\$ 34,340,824	34,576,000	99%
Miscellaneous & internal engineering	534,210	26,985	669,197	534,210	125%
Interest income	181,000	(15,385)	40,218	181,000	22%
Beginning cash-operations	11,703,830	-	11,703,830	11,703,830	
<b>Total operating revenue</b>	<b>46,995,040</b>	<b>5,736,431</b>	<b>46,754,069</b>	<b>46,995,040</b>	
<b>CAPITAL:</b>					
Capital and ER support from user fees	13,187,108	1,075,472	13,187,108	13,187,108	100%
SDC Revenues	1,650,000	939,826	3,218,913	1,650,000	195%
Interest income	1,652,000	(96,447)	421,910	1,652,000	26%
Misc Revenue	4,010	430	6,041	4,010	151%
Beginning cash - capital	74,127,123	-	74,127,124	74,127,123	
<b>Total capital revenue</b>	<b>90,620,241</b>	<b>1,919,281</b>	<b>90,961,096</b>	<b>90,620,241</b>	
<b>Total revenue</b>	<b>\$ 137,615,281</b>	<b>\$ 7,655,711</b>	<b>\$ 137,715,165</b>	<b>137,615,281</b>	
<b>EXPENDITURES</b>					
	Budget	Current	YTD	YTD Budget	
<b>OPERATIONS:</b>					
Administration - Springfield	\$ 4,456,584	\$ 386,565	\$ 3,887,485	4,456,584	87%
O&M - Eugene	15,379,200	3,106,000	13,514,863	15,379,200	88%
Capital and ER contribution	13,187,108	1,075,472	13,187,108	13,187,108	100%
<b>Total operating expenditures</b>	<b>33,022,892</b>	<b>4,568,037</b>	<b>30,589,456</b>	<b>33,022,892</b>	
<b>CAPITAL:</b>					
Capital projects	24,311,503	1,286,233	10,170,594	24,311,503	42%
Eugene equipment replacement	3,650,000	448,745	1,141,437	3,650,000	31%
Eugene major rehab.	610,000	218,176	362,815	610,000	59%
Other Capital Items - SDC	4,000	891	6,179	4,000	154%
Interfund transfers	24,710	2,059	24,710	24,710	100%
<b>Total capital expenditures</b>	<b>28,600,213</b>	<b>1,956,103</b>	<b>11,705,735</b>	<b>28,600,213</b>	
<b>DEBT SERVICE</b>	<b>4,260,934</b>	<b>-</b>	<b>4,260,920</b>	<b>4,260,934</b>	
<b>RESERVES</b>	<b>71,731,242</b>	<b>1,131,572</b>	<b>91,159,054</b>	<b>71,731,242</b>	
<b>TOTAL EXPENDITURES &amp; RESERVES</b>	<b>\$ 137,615,281</b>	<b>\$ 7,655,712</b>	<b>\$ 137,715,165</b>	<b>137,615,281</b>	

Schedule of Cash Reserves  
Budget vs. Actual Revenues and Expenditures



# Metropolitan Wastewater MANAGEMENT COMMISSION



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## MEMORANDUM

**DATE:** October 7, 2021

**TO:** Metropolitan Wastewater Management Commission (MWMC)  
Loralyn Spiro, Lead Communications Coordinator

**FROM:** April Miller, Communications Coordinator

**SUBJECT:** WPCF Renaming – Exploratory Work Staff Survey and Focus Group Results

**ACTION REQUESTED:** Information and Discussion

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### **ISSUE**

Earlier this year, the Commission asked staff to provide an outline for exploratory work for a possible renaming of the Water Pollution Control Facility. This request came after considering the 2019/2020 market research results and information provided during the September 2020 Commission meeting on the 2021 MWMC Communications Plan, including outcomes from Phase 2 Strategic Communications Planning. This work dovetails into the longer-term strategy to increase awareness and name recognition of the MWMC and its mission within the community.

Based on the results of the exploratory work, adjustments to the name of the facility may occur. This memo discusses the quantitative and qualitative findings of the recent staff survey, focus group, and social media outreach conducted as part of the renaming exploratory work including the top names for consideration. Next steps based on the results will be accompanied by a presentation at the October 15 Commission meeting.

### **BACKGROUND**

The Commission has adopted a set of Key Outcomes that are the guiding goals for the Regional Wastewater Program. Key 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 – is the guiding Key Outcome for the MWMC Communications Plan and its stated strategies and tactics.

Periodically, market research will be conducted to measure how this outcome is being met and how the stated strategies and tactics are working. Based on the results of the first two rounds of market research in 2014/2015 and 2019/2020, the community's awareness of the MWMC by name is very low.

In fall 2014, the MWMC conducted its first ever market research to better measure how Key Outcome #5 was being met and to create a benchmark of data for future comparisons. Based on the results, the MWMC Communications Plan was updated including objectives, strategies, and tactics. The MWMC conducted a second round of market research in 2019/2020 for comparison to the 2014/2015 results. The 2019/2020 findings showed that awareness of MWMC remained low. Less than one-fifth of respondents were aware of MWMC and awareness levels were unchanged from 2014.

Based on the market research results, and the Phase 2 Strategic Communications Planning that coincided with the market research, the MWMC Communications Plan was again updated in 2020 and published with implementation starting in January 2021. The overall goal of the MWMC Communications Plan is to increase awareness of the MWMC and its role in the health and vitality of our community and environment.

The 2021 MWMC Communications Plan includes objectives, strategies, and tactics to support the MWMC's Mission, Vision, and Values Statements and continue the efforts of increasing awareness of the MWMC. Additionally, the plan aims to build community members' understanding of the importance of clean water and protecting the environment. And more specifically, objective #1 aims to increase community awareness so that more than 25 percent of those surveyed can identify the MWMC; up from an average of 17.5 percent.

To support an increase in community awareness of the MWMC, the Commission asked staff to provide an outline for exploratory work for a possible renaming of the Regional Wastewater Treatment Plant, officially known as the Water Pollution Control Facility.

To create the outline to conduct the exploratory renaming work, staff considered the following:

- Effort and cost it takes to conduct market research
- Surveys conducted as part of the Mission, Vision, and Values Statements work
- Staff relationship with the treatment plant
- Success of the implementation of the MWMC Communications Plan Appendix A – MWMC Social Media Plan to grow and engage followers

The purpose of the exploratory work approach was to provide for engagement of both staff and community members at a low-cost. Additionally, this approach allowed for staff input to be weighted more and continued to build onto the sense of pride staff has for their work.

## **DISCUSSION**

The exploratory work consisted of three tactics – staff survey, staff focus group, and social media post. The following is a summary of results from each.

*Staff survey* – Staff were asked to participate in an eight-minute survey via SurveyMonkey. Questions asked staff to provide their insights based on their experience and knowledge of the treatment plant or interactions with community members who visit or call the plant. The survey was an opportunity for the Commission to engage with all staff that work on behalf of the MWMC. Roughly 30% of the staff that work on behalf of the MWMC responded to the survey. The following is a summary of the key findings from the staff survey.

#### Water Pollution Control Facility – official name

- Roughly 85% of respondents said that the current official name of Water Pollution Control Facility either somewhat or does not at all communicate with community members what type of infrastructure is located at 410 River Avenue.
- Roughly 85% of respondents said the current official name somewhat or does not tell what services are being provided to the community.
- Over 80% of respondents said the current official name does not tell community members what area is being served.

#### Regional Wastewater Treatment Plant – unofficial name

- Roughly 85% of respondents said that the current unofficial name of Regional Wastewater Treatment Plant either somewhat or does communicate with community members what type of infrastructure is located at 410 River Avenue.
- Roughly 90% of respondents said the unofficial name somewhat or does tell what services are being provided to the community.
- Over 85% of respondents said the unofficial name somewhat or does not tell community members what area is being served.

#### Themes from additional comments received:

- Metropolitan Wastewater Management Commission is confusing and not clear as well. Will changing or modifying the overall name be considered?
  - This was mentioned more than once in some form.
- Keep the name simple and not wordy.
- Thank you for including staff in this discussion.
- Renaming is a great step in communicating better and more clearly to the community and partners what we do.
- What will happen to the name if we start providing services outside the Eugene-Springfield area?
- Thank you for doing this work!

*Staff Focus Group* – Seven staff members participated in a 90-minute focus group session conducted by the Communications staff. The focus group was made up of staff working on behalf of the MWMC from both the City of Eugene and City of Springfield, and representing a variety of work functions. The findings from the staff survey helped direct the questions that were asked during the staff focus group that allowed for more in-depth discussion. At the end of the focus group, three main questions were answered. The following is a summary of those questions with answers.

1. *What names should be forwarded to the Commission for consideration?*
  - Greater Eugene-Springfield Wastewater Treatment Plant
  - Greater Eugene-Springfield Advanced Wastewater Treatment
  - Twin Rivers Advanced Wastewater Treatment
  - Greater Eugene-Springfield Advanced Wastewater Treatment Plant
  - Greater Eugene-Springfield Wastewater Pollution Control & Reclamation Facility
  
2. *Should the official name of the Water Pollution Control Facility be changed?*
  - Yes – The focus group was unanimous in this decision based on the results of the staff survey and their discussion.
  
3. *What other information is recommended for the Commission to consider first before making a name change?*
  - Keep it the words simple and understandable for community members.
  - “Greater” was included in most of the potential names being forwarded with consideration to services provided outside the Eugene-Springfield area and for potential future growth of the service area.
  - Consider how the name change will fit in with the MWMC’s overall branding and names of other MWMC assets.
  - Consider changing the overall name of the Metropolitan Wastewater Management Commission as part of this work.

*Social Media* – Two sets of posts and/or stories occurred across all of the MWMC social media platforms asking community members for their input. The following are the results from the social media poll asking community members to rank/vote on the top potential names put forward based on the staff survey and staff focus group discussion.

- 3 community members selected Greater Eugene-Springfield Wastewater Treatment Plant as their favorite name.
- 2 community members selected Greater Eugene-Springfield Advanced Wastewater Treatment Plant as their favorite name.\*
- 9 community members selected Twin Rivers Advanced Wastewater Treatment as their favorite name.\*\*
- 2 people selected Greater Eugene-Springfield Wastewater Pollution Control & Reclamation Facility as their favorite name.

\*Options 2 and 4 listed at the top of this page were combined when asking community members for feedback on social media, since the names are the same except for the presence or lack thereof of “Plant” at the end. The decision to only present the version with “Plant” in the name was due to limitations from the social media platforms on the number of options that can be included in polls.

\*\*It should be noted that several people commented that they liked the brevity of this name, and that may have resulted in additional votes going to it. However, either “Plant” or “Facility”

would likely need to be added to the end of the name, at least when referring to the facility in writing. We believe this may have skewed the results slightly.

Below are a few comments of note:

- “I would prefer emerald valley than twin rivers but I think twin rivers sounds nice too. I like the use of advanced here as well.”
- “It’s good to keep it simple in my opinion.”
- “The word ‘facility’ sounds more welcoming than going to a ‘plant’.”
- “Greater Eugene-Springfield Wastewater Pollution Control & Reclamation Facility better describes what the company does.”
- “I like (Greater Eugene-Springfield Wastewater Pollution Control & Reclamation Facility). I like that ‘pollution control’ (is) in there. Also good to including the cities’ names. Too many Twin Rivers. Either ‘plant’ or ‘facility’ - I don’t see a problem with either word.”
- “(Greater Eugene-Springfield Advanced Wastewater Treatment Plant), it unites both cities, Greater - proud of our cities, Advancement says that you are always looking for better ways to process.”
- “Twin Rivers Advanced... It has a pleasant sound and it includes more (unincorporated) areas than just the city limits of Eugene and Springfield.”

## **RECOMMENDATION**

After contemplation of all the results and feedback, staff recommends simplifying the name even more than the ones tested. Based on the common theme of “keep it simple and easy to understand” that was captured through all three feedback channels, the following new name for the Water Pollution Control Facility has been forwarded:

- Eugene-Springfield Wastewater - Treatment Facility

In making this recommendation, the following additional information was considered:

- Eugene-Springfield Wastewater would allow for seamless future renaming/rebranding possibilities for other facilities and programs. For example:
  - Eugene-Springfield Wastewater – Biocycle Farm
  - Eugene-Springfield Wastewater – Renewable Natural Gas
  - Eugene-Springfield Wastewater – Biosolids Management Facility
  - Eugene-Springfield Wastewater – Recycled Water
- “Facility” was selected based on the survey results and for consistency with other MWMC infrastructure locations. While “Plant” is more common in the naming of wastewater treatment, it isn’t as friendly and doesn’t capture the true essence of all the processes that occur when cleaning wastewater and sustainability efforts.

Further, staff recommends the deliberation of an overall name change to:

- Eugene-Springfield Wastewater

In making this recommendation, the following information was considered:

- Eugene-Springfield Wastewater could stand on its own to describe all facilities and programs that the partnership provides in the service area.
- Eugene-Springfield Wastewater – Commission could be used as needed to further explain the partnership or specifically reference the Commission.
- Eugene-Springfield Wastewater would allow for easier and higher community awareness, name recognition, and understanding among ratepayers about who we are, the services we provide, and the area we serve.

#### Next Steps

Communications staff will act upon the discussion of the Commission as needed or as requested. Communications staff will also provide a follow up to all staff on the Commission's discussion and any decision(s) made about this exploratory work and next steps.

#### **ACTION REQUESTED**

This memo is provided for information and discussion.

# Metropolitan Wastewater MANAGEMENT COMMISSION



*partners in wastewater management*

## MEMORANDUM

**DATE:** October 7, 2021

**TO:** Metropolitan Wastewater Management Commission (MWMC)

**FROM:** Greg Watkins, Maintenance Manager

**SUBJECT:** Key Outcome 4 – Performance Indicators

**ACTION REQUESTED:** Provide input/direction to staff on Key Outcome 4 and associated Performance Indicators

### **ISSUE**

At the January 8, 2021 meeting, the Commission requested that staff review the Performance Indicators associated with the five Key Outcomes listed in the MWMC's Regional Wastewater Program (RWP) Budget and, at future meetings, present potential new and/or revised indicators. This memo focuses on Key Outcome 4, relating to asset management.

### **BACKGROUND**

Each year in January, staff begins the budget development process by providing the Commission with a presentation on the MWMC's five Key Outcomes and associated Performance Indicators. The value of each Indicator is provided for the past fiscal year (actual), current fiscal year (estimated actual), and upcoming fiscal year (target).

At the January 8, 2021 meeting, the Commission requested that staff evaluate whether the Performance Indicators could be improved to better represent the goal of each Key Outcome. Staff suggested, and the Commission agreed, to review the Key Outcomes individually over the course of calendar year 2021 during regular Commission meetings, as agenda time allows. Staff will present draft revisions to Key Outcome 4 at the October 8, 2021 Commission meeting.

### **DISCUSSION**

Key Outcome 4 relates to asset management, with specific language of, *"Maximize reliability and useful life of regional assets and infrastructure."* One of the four pillars of the MWMC's 2020 Strategic Plan is to *"Provide Reliable, Resilient Infrastructure"*, and includes the following goals:

- Employ best practices in asset management
- Develop and implement resiliency planning policies
- Sound governance of infrastructure development through capital planning that meets existing and future community needs

Attachment 1 lists the performance indicators of Key Outcome 4, as presented at the January 8, 2021 Commission meeting, along with draft red-lined modifications for the Commission’s consideration and feedback. Staff will discuss the proposed changes in more detail with the Commission at the October 8, 2021 meeting.

**ACTION REQUESTED**

Review and provide direction to staff regarding the draft Performance Indicators associated with Key Outcome 4, as listed on Attachment 1.

**ATTACHMENTS**

1. Draft Key Outcome 4

**Key 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
<ul style="list-style-type: none"> <li>Preventive maintenance completed on time (best practices benchmark is 90%)</li> </ul>	92%	94%	90%
<ul style="list-style-type: none"> <li>Preventive maintenance to corrective maintenance ratio (benchmark 4:1 – 6:1)</li> </ul>	5.6:1	5:1	5:1
<ul style="list-style-type: none"> <li>Emergency maintenance required (best practices benchmark is less than 2% of labor hours)</li> </ul>	2%	1%	<2%
<ul style="list-style-type: none"> <li>Asset management (AM) processes and practices review and development</li> </ul>	Annual update to the AM plan.	Change to bi-annual update of asset management plan	Bi-Annual update to AM plan.  Improve methodology to determine asset remaining life.
<ul style="list-style-type: none"> <li>MWMC Resiliency Plan</li> </ul>	Presented final plan to the Commission	Plan implementation	Continue plan implementation  Pump Station to conveyance pipe transition kits.
<p>Strategic Projects</p> <ul style="list-style-type: none"> <li>Complete buried pipe condition assessment</li> </ul>		Develop assessment plan.	Begin assessment of highest priority pipes