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**AGENDA DATE:** MAY 19, 2004

**To:** Board of County Commissioners

**Department:** Commissioners Business

**Presented By:** Bill VanVactor, County Administrator  
Susie Smith, MWMC General Manager *CS*  
Kurt Corey, Public Works Director, City of Eugene

**Title:** IN THE MATTER OF CONCURRING WITH THE  
METROPOLITAN WASTEWATER MANAGEMENT  
COMMISSION (MWMC) WASTEWATER FACILITIES PLAN  
AS APPROVED BY THE MWMC

## **I. PROPOSED MOTION**

MOVE APPROVAL OF THE ATTACHED BOARD ORDER CONCURRING WITH THE MWMC FACILITIES PLAN AS APPROVED BY MWMC ON MAY 6, 2004.

## **II. ISSUE OR PROBLEM**

On May 6, 2004, the MWMC adopted the 2004 Facilities Plan, which includes a list of planned regional wastewater facilities capital improvement projects needed to serve the wastewater treatment needs for the Eugene-Springfield metropolitan area through 2025. MWMC is forwarding the Facilities Plan to the governing bodies of Eugene, Springfield and Lane County because implementation of the plan will provide expanded capacity for future community growth that is consistent with the Eugene-Springfield Metropolitan Area General Plan.

## **III. DISCUSSION**

### **A. Background**

The MWMC was established by an intergovernmental agreement (IGA), signed by the governing bodies of Eugene, Springfield, and Lane County in February of 1977. Construction of the Eugene-Springfield regional wastewater facilities was based on the 1977 "208 Plan," which set out original projections, requirements, and projects to serve the wastewater treatment needs of the Eugene-Springfield community for a twenty-year period. MWMC acquired \$85,000,000 in federal grant funds to support construction, which began in the early 1980's. The majority of the facilities were brought on line in 1984 at a total cost of \$105,000,000. General obligation bonds were issued by the Lane County Metropolitan Wastewater Service District (CSD) for \$29,000,000 and were repaid through property taxes, and fully paid off in 2002.

MWMC's development of the 2004 Facilities Plan is consistent with the

Commission's obligations under the IGA. The IGA specifies that "when the sewage loading into the treatment plant becomes 85% of the initial design capacity, the Commission shall institute a program to expand and/or upgrade the treatment system beyond the initial design capacity." This trigger point is now being reached for several of the unit process capacities. The MWMC Facilities Plan includes planning and engineering evaluations, and a resulting set of system-wide improvements needed to maintain compliance with state and federal standards, which also is required by the IGA.

In the mid-1990s, some improvements were made to the regional wastewater treatment facilities to improve their performance, yet some capacity limitations were being reached prematurely relative to the originally projected design life. As a result, additional expansions would be needed to actualize the projected 2004 design life. In 1996, the Commission began a planning process to evaluate short-term and long-range improvements necessary to improve facility operations and meet increasing capacity and evolving performance demands. The MWMC Master Plan was completed in 1997. Although it was not a comprehensive Facilities Plan, it did provide analyses of historic flows, loads, and reporting data to generally identify capital improvements needed to resolve capacity shortfalls in biosolids processing and peak flow management.

Later in 1997, the Commission adopted the Biosolids Management Plan which was the culmination of Citizen Advisory Committee (CAC) and engineering evaluation processes. This plan reflects the Commission's adopted strategy to resolve biosolids processing capacity shortfalls based on an evaluation of available technologies, cost effectiveness, reliability, and public acceptance. The biosolids dewatering facility completed in 2001, the ongoing maintenance of biosolids air drying beds, the composting operation, the cooperative application of biosolids on private farm lands, and the development of the Biocycle Farm are the beneficial outcomes of the Commission's adopted biosolids management strategy.

To address the peak flow capacity issues, the Commission, the City of Eugene, and the City of Springfield adopted the Wet Weather Flow Management Plan (WWFMP) in 2001. The objectives of the WWFMP were to eliminate overflows and basement flooding and provide the most cost-effective means to mitigate flows in excess of system capacity. The plan developed a sophisticated hydraulic model that was calibrated and refined with actual system performance data over several year's of the study. The Wet Weather CAC reviewed a wide mix of solutions and recommended the policies and capital improvements included in the WWFMP. The plan remains the guiding policy document in setting the Cities' annual Capital Improvement Plans (CIP) for sanitary sewer rehabilitation and replacement, as well as the Commission's capital improvements and operations for addressing peak flows.

Development of the 2004 Facilities Plan gave concentrated effort to: 1) updating the system hydraulic model; 2) analyzing sufficient data to predict wastewater flows and loads through the next 20 years (2025); 3) modeling the treatment plant processes and

effluent quality; and 4) determining the most cost-effective set of capital improvements to meet capacity and performance needs while utilizing existing plant assets, and building new plant expansions only where necessary. The above mentioned plans, which reflect Commission-adopted citizen recommendations and strategies, direct Commission guidance, the wastewater discharge permit requirements, and State/Federal regulations have provided the context for the proposed Facilities Plan. No new policies were developed in connection with the 2004 Facilities Plan.

Facility planning analyses were conducted by CH2M HILL with the oversight of a 12-member Eugene-Springfield steering committee beginning in March, 2003. Review and direction on final formulation of the Facilities Plan by MWMC began in November, 2003. The Commission reviewed the draft Facilities Plan in a special publicly advertised evening workshop on November 24, 2003, and gave consensus instruction to finalize the project list to include the recommended preferred solutions and new disinfection system. On January 8, 2004, the MWMC Commission, after another review of the Facilities Plan draft and associated costs, gave direction to proceed with the finalization of the 20-Year Project List. A third public open house was advertised and held the evening of March 3, 2004. Public hearings were advertised and convened by MWMC on April 22, 2004 and on May 6, 2004. The Commission adopted the Facilities Plan on May 6, 2004.

## **B. Analysis**

Wastewater collection and treatment infrastructure are critical components in the support of community and environmental health and wellbeing. Periodic updates to wastewater facilities plans are necessary to ensure that the infrastructure remains adequate to handle the projected demands for wastewater collection and treatment without an interruption or deficiency in service that can lead to public health risks, damage to the environment, or economic restrictions due to sewer connection moratoriums. The Oregon Department of Environmental Quality (DEQ) maintains planning guidelines that are applied consistently throughout the state for reviewing and approving community wastewater facilities plans. These guidelines were generally followed in preparing the 2004 Facilities Plan.

The DEQ reissued MWMC's National Pollutant Discharge Elimination System (NPDES) permit in May, 2002, which prompted the Commission to expand engineering studies originally intended to focus on projects needed to address the current peak flow capacity deficit. A more comprehensive Facilities Plan update was undertaken to address the new ammonia and thermal load limits of the renewed permit, as well as the new requirements to implement a Temperature Management Plan (TMP) and the WWFMP. In addition to these analyses, the Commission also evaluated, and incorporated into the plan, an alternative disinfection system to mitigate worker safety and community risk concerns.

Until this time, MWMC has not updated the 1977 "208 Plan," which was the original DEQ-approved facilities plan. The 2004 Facilities Plan incorporates the existing adopted plans (the WWFMP and the Biosolids Management Plan), updates the technical analyses and flow and load projections, and applies the new (2002) permit requirements and limitations. Implementation of the 20 year list of capital improvements on schedule will provide reasonable assurance of compliance with state and federal regulations. Concurrence by the DEQ and the governing bodies with MWMC's 2004 Facilities Plan also will make MWMC eligible for public loans and grants, and will improve MWMC's access to low interest capital project financing.

### **C. Conclusions**

As stated above, the Facilities Plan will help to ensure continued compliance with regulatory requirements that govern the quality of effluent discharged from the treatment works as well as conditions for the collection and transmission of wastewater to the treatment plant. It also will address the regulations that compel MWMC to address the significant peak flow capacity deficit, which was projected in the earlier WWFMP, and which was validated and updated to the year 2025 based on updated modeling including 2003-04 data. These regulations present legal requirements for the provision of wastewater services to the community, and compliance with them is required by the MWMC IGA. Therefore, they necessarily provide the foundation for the evaluation and design criteria used in developing the Facilities Plan.

The MWMC-approved Facilities Plan is based on the least costly system-wide set of improvements needed to meet planning requirements. Failure to implement the 2004 Facilities Plan in a timely manner would have significant negative consequences. It would greatly increase the probabilities of regulatory violations, and would pose increasing risks to public and environmental health. It would result in significantly shorter planning and construction timeframes for taking actions in reaction to system shortfalls, which would increase overall costs to sewer users and the community from less efficient planning and financial management processes. It would increase risks of DEQ enforcement actions and third-party lawsuits, and could result in fines and penalties from the U.S. Environmental Protection Agency. Finally, it also could result in restrictions to the community's ability to add new users to the system.

In developing the Facilities Plan, MWMC evaluated a large array of improvements that could be implemented to achieve the necessary performance. Four final combinations of improvements were rigorously evaluated, ranging in total costs from \$144,000,000 to \$233,000,000 (in 2004 dollars). The Commission selected the least-cost set of improvements and found that it would meet all of the planning objectives. DEQ will review the improvements for adequacy, and the plan includes contingencies in the event DEQ finds additional improvements are warranted.

Implementation of the Facilities Plan will require a financial investment which is

most significant over the first five years. While about \$100,000,000 of improvements were already contemplated based on the Commission's previously established plans, an additional \$44,000,000 of improvement needs was identified through the facilities planning process. About \$90,000,000 (in 2004 \$) of this need will be realized in the first five years to reasonably assure compliance with peak flow management requirements by the year 2010, as established by the DEQ.

Revenues to support the anticipated capital project needs will be derived from user rates and systems development charges. In order to mitigate potentially significant impacts to user rates, a significant amount of debt financing will be necessary. The MWMC Financial Plan, adopted in 2003, anticipates this need and provides financial policies and tools which will serve the Commission in managing the revenue requirements over the coming years to minimize overall costs and user rate increases. (User rates have not yet been finalized, but the anticipated total increase for a typical residence over the next five years would range from approximately \$5.60 to \$6.50 per month.)

While the original facilities construction involved the issuance and management of \$29 million in general obligation bonds that were managed by the County and overseen by the CSD, the 2003 Financial Plan concluded that direct issuance of revenue bonds by MWMC is currently the most cost-beneficial financing tool available to MWMC at this time. Therefore, MWMC does not anticipate involvement by the CSD in the financing of future MWMC capital improvements.

#### **D. Alternatives**

1. Approve the attached Board Order by motion, acknowledging Board concurrence with the 2004 MWMC Facilities Plan.
2. Provide staff with requests for additional information or for specific modifications to the 2004 MWMC Facilities Plan to be requested of MWMC for their consideration.

#### **E. Timing**

Planning projections indicate that important capacity limitations and needs for upgraded treatment capabilities will be realized in the relative short-term future. In addition, optimization of the various capital projects to meet multiple objectives and maximize the capabilities of existing infrastructure requires an integrated and synchronized process for design and construction. This process needs appropriate lead-time in order to ensure that the necessary projects can be designed, built, and brought on-line in time to meet regulatory deadlines and increased demands on the wastewater system.

While the Commission is assigned the responsibility of planning for plan upgrades/expansions, and for constructing, operating and maintaining them, the

MWMC 2004 Facilities Plan and 20-Year Project List are being forwarded to the governing bodies for consideration, as it will result in expanded capacity to provide for community growth through 2025. Therefore the Commission is formally requesting that the governing bodies acknowledge their concurrence with the 2004 Facilities Plan. Timely review is requested to enable MWMC to maintain the schedule of capital improvements approved for FY 03-04 and planned for FY 04-05 to address the most urgent capacity and performance shortfalls. The Facilities Plan also will be submitted to the DEQ for formal review and approval. If the DEQ requires changes, the Facilities Plan will be re-routed for additional consideration as needed.

Timing is also affected by the adoption of the MWMC FY 04-05 Budget and CIP, which must go through the IGA's established approval process with MWMC and the governing bodies. The MWMC budget was adopted by the Commission on May 6 and will be scheduled for Board consideration (i.e. ratification) at a future meeting.

#### **IV. IMPLEMENTATION/FOLLOW UP**

If the Board adopts the attached Board Order indicating concurrence with the 2004 MWMC Facilities Plan, no further Board action on this matter is necessary. The Springfield and Eugene City Councils will be considering this matter at work sessions on May 17<sup>th</sup> and May 19<sup>th</sup>, respectively. If the Board wishes additional information and/or consideration of this matter prior to taking formal action, additional meetings can be scheduled in the immediate future. The annual MWMC budget and CIP will be before the Board in the near future for ratification as a separate matter.

#### **V. ATTACHMENTS**

Attached are the 2004 MWMC Facilities Plan and a Board Order for the Lane County Board of Commissioners' consideration.

- Attachment 1: 2004 Facilities Plan
- Attachment 2: Board Order
- Attachment 3: April 22, 2004, MWMC Meeting Minutes
- Attachment 4: May 6, 2004, MWMC Draft Meeting Minutes
- Attachment 5: Frequently Asked Questions About the 2004 MWMC Facilities Plan and System Development Charge Methodology
- Attachment 6: Response to April 2, 2004, Questions from Eugene Chamber of Commerce – MWMC Facilities Plan and System Development Charge Update

**IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON**

Order No.                                 )     **IN THE MATTER OF CONCURRING WITH**  
   )     **THE METROPOLITAN WASTEWATER**  
   )     **MANAGEMENT COMMISSION (MWMC)**  
   )     **WASTEWATER FACILITIES PLAN AS**  
   )     **APPROVED BY THE MWMC**

**WHEREAS**, the intergovernmental agreement establishing the MWMC, entered into by the governing bodies of Lane County, Eugene, and Springfield, in 1977 assigns to the MWMC specific functions and obligations, including planning, constructing, maintaining and operating regional sewerage facilities, and making recommendations to the governing bodies for expansions and improvements of such facilities; and

**WHEREAS**, the MWMC contracted with CH2M HILL engineers to update the Commission's plans and capital improvements programs to address regional wastewater treatment capacity and performance needs to facilitate community growth and meet State and Federal regulatory requirements through 2025; and

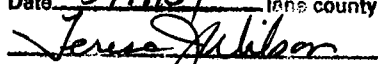
**WHEREAS**, the MWMC held public hearings on the Facilities Plan on April 22, 2004, and on May 6, 2004, and following discussion of the public testimony, directed that the Facilities Plan be approved and forwarded to the governing bodies for concurrence; and

**WHEREAS**, Lane County, as a governing body, has now reviewed the MWMC-approved wastewater Facilities Plan;

**NOW, THEREFORE, IT IS HEREBY ORDERED** that the Metropolitan Wastewater Management Commission's regional wastewater Facilities Plan is hereby concurred with by the Lane County Board of Commissioners.

Dated this \_\_\_\_\_ day of May, 2004.

**APPROVED AS TO FORM**

Date 5/11/04     Lane County  
  
 OFFICE OF LEGAL COUNSEL

\_\_\_\_\_  
 Chair, Lane County Board of Commissioners

IN THE MATTER OF CONCURRING WITH THE METROPOLITAN  
 WASTEWATER MANAGEMENT COMMISSION (MWMC) WASTEWATER  
 FACILITIES PLAN AS APPROVED BY THE MWMC

# Metropolitan Wastewater Management Commission



*partners in wastewater management*

## MWMC MEETING

Thursday, 7:30 a.m., April 22, 2004  
Springfield Library Meeting Room

### MINUTES

<b>MEMBERS PRESENT:</b>	Anne Ballew Deborah Evans	George Poling Walt Meyer	Anna Morrison Bill Inge
<b>ABSENT:</b>	Doug Keeler		
<b>STAFF IN ATTENDANCE:</b>	Dave Breitenstein Deanna Buckern Gary Colwell Bob Brew Linda Delaplain Dan Brown Tonja Kling	Dave Jewett Sandy Kelley Troy McAllister Mary Beth Perkins Ed Pabor Len Goodwin Valerie Warner	Susie Smith Steve Templin Bob Sprick Ken Vanderford Todd Anderson Fred McVey
<b>GUESTS:</b>	Matt Noesen, CH2M HILL Mike Kortenhof, DEQ-Salem Philip Farrington, PeaceHealth Oregon Region Roxie Cuellar, Home Builders Association of Lane County Kurt Corey, Public Works Director, Eugene Jim Maloney, member WWFMP CAC Camilla Pratt, member WWFMP CAC Lily Evans, Commissioner Evans' daughter William Carpenter, citizen		



A Revised Agenda, which changed the order of the agenda items was reviewed by President Ballew with the Commission prior to proceeding.

- I. **CONSENT CALENDAR**
  - a. MWMC 04-01-04 Meeting Minutes



IT WAS MOVED BY COMMISSIONER MEYER TO APPROVE THE CONSENT CALENDAR. THE MOTION WAS SECONDED BY COMMISSIONER EVANS. THE MOTION PASSED UNANIMOUSLY.

## **II. PUBLIC COMMENT**

Philip Farrington, Director, Land Use Planning and Development, PeaceHealth Oregon Region: Mr. Farrington addressed the public comments period and requested that the public hearing records be left open for comment.

Roxie Cuellar, Director of Government Affairs, Home Builders Association of Lane County (HBA), 2053 Laura St., Springfield. Ms. Cuellar stated that the HBA is willing to work with MWMC on the SDC issue. She said the HBA feels there are serious flaws in the methodology and the numbers that came out don't work. Once real numbers are applied to a generic methodology, the numbers don't work any more.

## **III. MWMC FACILITIES PLAN and 20-YEAR PROJECT LIST**

(Note: Copy of the slide presentation is attached.)

Susie Smith, MWMC General Manager, began the staff presentation by acknowledging Troy McAllister and the Facilities Plan team for an incredible amount of work commitment to the project. She introduced Mike Kortenof of the Department of Environmental Quality (DEQ), who was in attendance to answer any questions.

Ms. Smith indicated that Chapters Six and Seven cover the alternatives and the recommended plan. Chapter Five lays out the regulatory requirements and indicates where MWMC's facilities stand. Ms. Smith gave a brief background on the Facilities Plan. She stated that the evolution of the Plan is from the Biosolids Study to the Wet Weather Flow Management Plan (WWFMP) study, to the predesign process to where it is today, and has been guided by the Commission, the policies that have been adopted, and the regulatory requirements.

A public hearing is to be convened on the Facilities Plan and Ms. Smith stated that staff was requesting to leave the public hearing record open, but set a closing date for written comments in order to allow staff the opportunity to respond. She recommended continuing the hearing to receive oral testimony at the May 6<sup>th</sup> meeting.

Ms. Smith reviewed the history of the regional wastewater facilities. The original facilities were designed and built from 1979-1986 at a cost of \$200 million (in 2004 dollars), with the assistance of 80-85% Federal grant funding. In the mid 1980s, the Biosolids Management Facility was built, and in early 2000, the dewatering facility and Biocycle Farm were constructed. She stated that the 1997 Master Plan launched the 1997 Biosolids Master Plan and the 2000 Wet Weather Flow Management Plan (WWFMP). These two plans provided the quality guidance and basis for the strategies and criteria in the Facilities Plan.

Continuing on, Ms. Smith stated that in addition to cost, the most significant driver of the Plan is the regulatory requirements. Through the planning process the least cost method of meeting these regulatory requirements was identified and recommended.

Matt Noesen, CH2M HILL consultant, continued the presentation covering the analyses of facility capacity, future requirements, and the recommended plan. He reviewed the current average rated capacity conditions with the historical values for dry season and wet season. The current facility has a peak flow capacity deficit.

Regarding the dry season historical flows of 26-49 mgd and wet season flows of 36-90 mgd, Commissioner Morrison asked how many times between 1990-2002 were these conditions reached. Mr. Noesen indicated he would provide this information for the next meeting.

Mr. Noesen indicated there were five alternatives or options:

- (1) Do Nothing,
- (2) Full Primary and Secondary treatment, which meets most planning objectives,
- (3) Full Primary treatment, which meets most planning objectives,
- (4) High Rate Clarification treatment, which meets all planning objectives, and
- (5) Parallel Primary Secondary treatment, which meets all planning objectives.

Mr. Noesen indicated that the alternatives were reviewed, costs were developed, and a comparison was made against the planning objectives. Alternatives 4 and 5 were the only ones that met all the planning objectives and Alternative 5 is the least expensive. Alternative 5 is the recommended alternative.

Commissioner Morrison expressed concern regarding whether DEQ will accept Alternative 5 or whether DEQ will add additional requirements. Mr. Noesen indicated that the approach for either Alternative 4 or 5 is to go ahead--assuming the Facilities Plan is adopted--and implement a financing strategy around Alternative 5. If DEQ requests Alternative 4, then the financing strategy can be adjusted to accommodate that.

Commissioner Morrison inquired if Lane County would be involved with bonding. Ms. Smith answered no, that the adopted 2003 Financial Plan recommended the use of revenue bonds. This is a tool that was not available when the plant was first constructed. Ms. Smith added that, for the purposes of the 20-Year Project List, which the SDCs are related to, the facilities indicated in Alternative 4 are not included, and are therefore not included in SDC calculations at this time.

Regarding whether or not DEQ would require Alternative 4, Commissioner Meyer commented that Alternative 5 is a mechanism that DEQ has generally endorsed in approval of plans throughout the State. It is called "select" treatment or "blended" treatment. He stated it was very unlikely DEQ would require going to Alternative 4. Nationally, the US EPA is looking at the blending policy. Ms. Smith added that this alternative reflects a contingency if blending is not permitted.

Mr. Noesen said the 20-Year Project List is based on Alternative 5--\$144 million (in 2004 dollars) in capital investments that needs to occur over the next 20 years. Project phasing was created so that the project(s) would be built only when absolutely needed to meet requirements. Implementing the recommended plan will increase monthly rates. Mr. Noesen stated that the Eugene and Springfield rates were compared with Albany, Salem, and Tri-Cities (Gladstone, West Linn, Oregon City) because they have similar conditions and permit requirements. On a capital investment basis, and relative to the other communities, MWMC compares very favorably--MWMC's monthly user rates and SDCs are lower.

Ms. Smith commented that staff would like to continue this public hearing until May 6<sup>th</sup>, with a final date to leave the record open for written comments. On May 6<sup>th</sup>, staff will be requesting the Commission to make a recommendation to forward the Facilities Plan and 20-Year Project List to the governing bodies for adoption and then forwarding it to DEQ.

Ms. Smith indicated that the related activities ongoing are (1) Public Facilities and Services Plan(PFSP)/Metro Plan Amendments that the Joint Planning Commission reviewed April 20, 2004; (2) SDC rates; (3) MWMC Budget and CIP; and (4) the monthly user rates. Ms. Smith also recommended that the Commission take action on the SDC charges on May 6<sup>th</sup> because it requires application of the 20-Year Project List, which would not be adopted at their April 22<sup>nd</sup> meeting.

Regarding future Federal changes and requirements referenced as possible in the staff report, Commissioner Morrison asked if MWMC would have to wait until the permit was up for renewal before amending the Plan. Mr. Noesen indicated that, typically when there is a change at the Federal level, DEQ does not review the permit until it is up for renewal.

Commissioner Morrison also expressed concern about MWMC adopting something that another body does not adopt. She asked what effect MWMC's decision would have regarding the three Planning Commissions and what they bring forward and what happens if there is a conflict. Ms. Smith said that Greg Mott, Springfield Planning Director, conveyed to the Planning Commissions--at the Joint Planning Commission meeting--the difference between reviewing the MWMC's Facilities Plan and reviewing the Public Facilities and Services Plan/Metro Plan. There are two different lists involved because one is for the purpose of broad community long-range land use planning and one is for the purpose of complying with the SDC statutes.

Commissioner Evans inquired about the phasing of projects and what criteria was used to determine the timing of a project. She also asked if the primary driver for the phasing was regulatory. Ms. Smith said yes, the driver for the project phasing is regulatory and the completion of the project phasing started with the WWFMP study. Every project was examined and the consultants and staff determined on how late it could be completed to meet the 2010 requirement (prohibition) on overflows. Mr. Noesen added that the best MWMC can do is go with DEQ's current policy and guidelines for blending and peak flow standards, which the Facilities Plan does. He indicated that Chapter 7 of the Facilities Plan addresses the phasing and there are fact sheets for each project.

PRESIDENT BALLEW OPENED THE PUBLIC HEARING.

Camilla Pratt: 120 Westbrook Way, Eugene, member of the WWFMP CAC. Ms. Pratt gave a brief background on the WWFMP CAC and the formation of the WWFMP that was adopted in 2001 by MWMC, and the cities of Springfield and Eugene. She stated that WWFMP is an important aspect of the Facilities Plan, and the 2002 permit renewal will require improvements to existing facilities beyond those identified in WWFMP or the previous Master Plan. Ms. Pratt indicated she favored Alternative 5 which meets all the planning objectives at the lowest cost. She also agreed with Mark Hamlin, DEQ, that (1) we must proactively plan for the future and ensure that MWMC can provide for wastewater treatment for the next 20 years without violating Oregon's water quality standards, and (2) that it may seem cheaper to violate statutory permit requirements, but penalties can be increased by the amount of economic benefit gained from

non-compliance. Also, there can be severe consequences, including court-ordered actions resulting from third party lawsuits. She stated it is our responsibility and obligation to be a good steward of this water resource--the McKenzie-Willamette watershed--which means full compliance with State and Federal Clean Water Act standards. Governor Kulongoski's top priority is to clean up a seriously polluted Willamette River. In closing, Ms. Pratt said that in honor of Earth Day and of all the downstream water users, she urged support of the draft MWMC Facilities Plan and the 20-Year Project List.

Jim Maloney: 4391 Shadow Wood Dr., Eugene, member of the WWFMP CAC. Mr. Maloney commented on the WWFMP CAC and that he was very impressed with the staff and CH2M HILL during this process. He stated he is in support of the proposed Facilities Plan, and especially delighted that it is addressing the ammonia and thermal loading issues that have come up since the WWFMP work. He said there are legal, as well as social and moral, obligations under DEQ and EPA requirements as users of the river to communities downstream and to instream wildlife.

Philip Farrington: 677 E. 12<sup>th</sup> Ave., Suite N-225, Eugene, representing PeaceHealth. Mr. Farrington asked if he was not able to submit written testimony by April 28<sup>th</sup>, would he be barred from submitting it at the public hearing on May 6<sup>th</sup>. President Ballew answered that after the closing of the record date, written testimony would not be taken, but the closing date could be extended. Staff needs time to respond to comments and it would depend on the will of the Commission. Oral testimony would be taken at the May 6<sup>th</sup> public hearing.

Roxie Cuellar, Director of Government Affairs, Home Builders Association of Lane County (HBA), 2053 Laura St., Springfield. Ms. Cuellar said if the record is open, it has to be open to everybody. So if no written comments are accepted after April 28<sup>th</sup>, then staff comments can't be accepted for the record either. She stated she is grateful the record is left open as there are several technical issues. She wants to do a good job in getting her written comments to the Commission. She reminded the Commission that the Facilities Plan list also includes a separate list for the SDC. For example, on the 20-year reuse, in January the Commission voted that the reuse was to be reduced down to 15 million and that's never been done. According to this, HBA is paying SDCs on an amount the Commission didn't approve. Commissioner Meyer put it in there as a placeholder because you don't what you're going to build or if you'll build it. When you start looking at the SDC portion, you have to be careful because you can only charge SDCs for projects that you are actually going to build.

The other big general issue that the HBA has with the Facilities Plan is how the capacity is calculated. According to the 1997 Master Plan, only 57% of our dry weather capacity is used. Now according to the materials provided to the advisory committee, 89% of our dry weather capacity is used. That's using up 31% of our capacity in seven years. Have we actually used it up? Of course, we haven't. The way in which we are calculating our capacity has changed. That was brought up at the CAC, and the answer was, first, it's recommended for this SDC update. She said that scares her because if you are eliminating 31% of the dry weather capacity for the SDC update, that's not appropriate. But, second, the fact that it says it is recommended suggests that there is a choice. But about three lines down, the inference is that it is required under the permit to calculate it that way. She said she's talked to people, and she's still going to check on this, but she doesn't think that is the case. We have the same issues with BOD and TSS. Capacity that existed under the Master Plan disappeared because of the way things are calculated. Thank you.

President Ballew asked staff to verify that they were recommending to continue the public hearing until May 6<sup>th</sup> and close the written comment period prior to that date. Ms. Smith said there is no stipulation in the Commission Bylaws or any legal mandated process that has to be followed in keeping the record open. The Commission can close the record for written testimony prior to the May 6<sup>th</sup> continued hearing if it chooses to provide staff the opportunity to review and respond to written testimony. After some discussion, it was suggested by Commissioners Inge and decided by the Commission to hold the record open for written comments until Monday, May 3<sup>rd</sup>.

Commissioner Morrison stated she would not be at the remainder of the meeting for voting on the next three agenda items, but asked to be on the record that she is opposed to all three. Commissioner Morrison left the meeting at 8:47 a.m.

PRESIDENT BALLEW CLOSED THE PUBLIC HEARING.

#### **IVa. MWMC BUDGET and CAPITAL IMPROVEMENT PROGRAM**

Ms. Smith indicated that the differences between the updated draft budget the Commissioners recently received and the previous one primarily relates to the fact that the consultants figured out that the tertiary filters could be moved out a couple years. There are a couple other minor changes to the five year view of the Capital Improvements Plan and the staff-recommended rate scenario was included.

Ms. Smith also indicated that the Budget discussion and the rate scenario public hearing were being combined because at last meeting's rate scenario discussion, the Commissioners reviewed four scenarios with differing philosophies on the path to take. The Commissioners advised staff to come up with a middle-ground rate scenario for consideration. The staff recommendation (the middle-ground scenario) was used for the budget figures. The actions for the budget and the sewer user rates are tied together. Ms. Smith indicated that if the Commissioners selected a different rate scenario, then staff would revise the budget as needed to reflect rate and revenue information based on the Commissioners' decision.

Ms. Smith summarized the regional implications of the budget compared to last year's budget. The FY 04-05 budget is a status quo budget with a few notable exceptions. Ms. Smith summarized these.

President Ballew asked about an increase in PERS. Mr. Bob Brew, Senior Management Analyst, indicated that those rates are adopted on a two-year basis so the increase won't be seen until next year.

Commissioner Inge inquired about the replacement for the Public Information and Education Services position. Ms. Smith indicated that the position needs to be replaced soon as the preparation of good public information is needed, beginning with the Capital Improvements Program, in order to provide neighborhoods with answers to questions.

Commissioner Poling asked how a budget could be approved that is tied to a 20-Year Project List that hadn't been approved. Ms. Smith indicated that the decision on the budget could be deferred to the May 6<sup>th</sup> meeting to correspond with the Commission's action on the Facilities Plan.

President Ballew suggested continuing the public hearing to May 6<sup>th</sup> with the comment period open until May 3<sup>rd</sup> for the budget as well as the sewer user rates.

Commissioner Meyer inquired about projects showing up in the budget when they start. Some of the projects cover over a two year period. Ms. Smith responded that there are two things that guide the budgeting of projects. One is that staff looks at the amount that will be contracted up front in a given fiscal year. Even though it may span budget years, sufficient funding has to be appropriated to meet the contractual needs. Commissioner Meyer asked if there was a cash flow summary on all the projects. Ms. Smith indicated that the cash flow view was presented for each of the projects in the FY 04-05 CIP in the project description sections. Ms. Smith said that a summary of cash flow could be worked on in staff's continuous effort to improve the budget document.

#### **IVb. FY 04-05 SEWER USER RATES and SEPTAGE RATES**

Mr. Colwell provided the staff report. He began by commenting on the previous four rate scenarios and the Commission's request for a middle-ground scenario. Staff is recommending that the Commission adopt the middle-ground scenario which is a 24% increase the first year and 6% increase each of the following years. Mr. Colwell indicated that this scenario was built into the budget document. He explained that capital dedication is the amount that would be transferred to the Capital Reserve plus any amount that would go towards debt service.

Commissioner Inge asked if the impact was the same for industrial users as it is for residential users. Mr. Colwell responded that, percentage-wise, yes it was the same.

There was some discussion regarding the scenarios and President Ballew indicated there didn't appear to be a consensus towards any one scenario. Ms. Smith said that Scenario B was a 12% increase and Scenario C was a 38% increase, so staff selected a middle-ground rate of 24% (Scenario D), which is the amount used for the budget document.

Mr. Colwell mentioned that Commissioner Meyer expressed interest in a multi-year schedule of rates. He said that, in the past, the Commission has done this on a two-year basis. There still is a good deal of uncertainty and the only thing certain is that the construction program will have a big impact on the rates. Ms. Smith also added that both Eugene and Springfield are looking at increases on the local side of the sewer rates.

Commissioner Evans commented on the stable rate MWMC carried for five years and now it is necessary to make this large increase.

After further Commission discussion, President Ballew summarized and advised staff to continue to use Scenario D in the budget and presentations until a conclusion is reached on the Facilities Plan and 20-Year Project List. Commissioner Evans would like to see what the rates would look like for an industry. Ms. Smith said that the industries are so varied in their usage, but one industry could be selected to use as an example. President Ballew asked Mr. Colwell to make a chart that lined the scenarios side by side for the first year to make it easier to make comparisons.

PRESIDENT BALLEW OPENED THE PUBLIC HEARING FOR THE MWMC BUDGET AND CAPITAL IMPROVEMENT PROGRAM AND FOR THE USER RATES AND SEPTAGE FEE.

William Carpenter: 680 "T" Street, Springfield. Mr. Carpenter said he saw two things missing from the budget that may need to have a red flag raised. The first is the fact that there may be endangered species traveling through the mixing zone area. There are certain Federal restrictions that prevent parties or entities from harming those endangered species. Mr. Carpenter admitted he was a little behind in knowing what the permit allows for a mixing zone, but is well aware that the Great Lakes now has many municipal treatment facilities that have a zero mixing zone, meaning that they have to meet the water quality standards that are in the river without a mixing zone. He noted that there is a mixing zone study coming up in the next year or two and he urged the Commission to make sure that the mixing zone study anticipates the scenario that there may not be a mixing zone in the future based on the status of endangered fish traveling through the area of the discharging. Mr. Carpenter's second point was that he did not see anywhere in the budget that there was an enforcement program to ensure that pretreaters discharging into the facility are actually in compliance with their pretreatment permits. He stated the district should go ahead and be sure they have an adequate enforcement program and substantial penalties to ensure that those entities that are causing more than their cost of treatment are brought into compliance and made to minimize their cost on the system.

Roxie Cuellar: Director of Government Affairs, Home Builders Association of Lane County (HBA), 2053 Laura St., Springfield. Ms. Cuellar asked if this public hearing also stayed open until May 3<sup>rd</sup>. President Ballew stated it was open for written testimony until May 3<sup>rd</sup> and oral public testimony May 6<sup>th</sup>.

PRESIDENT BALLEW CONTINUED THE PUBLIC HEARING UNTIL MAY 6, 2004, WITH MAY 3<sup>RD</sup> AS THE DEADLINE FOR WRITTEN TESTIMONY TO BE PRESENTED.

Commissioner Evans asked where in the budget "fees collected for enforcement" was indicated. Ms. Smith indicated that both the cities of Eugene and Springfield have pretreatment programs, including enforcement programs, that are guided by the Commission's Model Pretreatment Ordinance. The Commission has also adopted, and DEQ has approved, an Enforcement Guidance Manual that has to be followed in issuing fines and penalties when dischargers have violations of their pretreatment permit. Fines and penalties are taken back in as revenue to the program.

Commissioner Inge inquired about the septage rates since there wasn't a separate presentation. He asked if the rate that is being charged covers the costs. Mr. Colwell said current Commission policy is to set the rate consistent with the statewide average. He also suggested another possibility. All the ratepayers will be taking a big hit regardless which scenario is used (12% or 38%). The Commission might want to consider something similar for co-users of the treatment facilities. Ms. Smith added that staff had tried to do a cost of service analysis on the septage haulers and the sense was that it is not a worthwhile exercise to try to figure out every incremental attributable cost to the system. This topic could be taken to MWMC's Technical Advisory Committee (TAC) for discussion. Ms. Smith indicated that it is necessary to finalize this action at the May 6<sup>th</sup> Commission meeting. The Commissioners could choose not to take action on that part and direct staff to change Commission policy or re-evaluate it based on the capital program or enact the fee for this year based on policy for this year and next year see about a change in policy.

Commissioner Inge stated that the Commission needs to issue an increase to the septage haulers that is consistent with the other ratepayers. President Ballew indicated she would support that action.

Staff will bring back a revised rate for the May 6<sup>th</sup> Commission meeting.

**V. FY 04-05 SDC CHARGES**

Since this topic is also being carried over to the May 6<sup>th</sup> meeting, Mr. Colwell made some brief comments. He indicated that the Systems Development Charge Schedule (of Fees) was included in the Agenda packet. Only in the case of the single family resident is there a final cost. Everything else is based on units. The SDC fee is applied in accordance to the methodology the Commission adopted on April 1, 2004. Mr. Colwell said he had not run the costs using the previous methodology, but would do so for comparison for the next meeting.

In response to President Ballew's inquiry about "Improvement Credit for Rate Support," Mr. Colwell said that State Statute requires that users cannot be charged twice. The improvement fee is based on the value of future improvements that are necessary to serve growth. Once a person connects, they begin paying user fees. Because of the timing of SDC collection, the capital budget cannot be supported strictly on SDCs. The value was arrived at by an analyses done by a financial professional that indicated what ratepayers pay in user fees depending on when they connect to the system that might duplicate what they already paid for in an SDC. That is what the credit is for.

**VI. BUSINESS FROM COMMISSION, GENERAL MANAGER, and WASTEWATER DIRECTOR**

There will be a Commission meeting on Thursday, May 6<sup>th</sup>, 7:30 a.m., Springfield Library Meeting Room.

**ADJOURNMENT**

President Ballew adjourned the meeting at 9:45 a.m.



# Metropolitan Wastewater Management Commission



*partners in wastewater management*

## MWMC MEETING

Thursday, 7:30 a.m., May 6, 2004  
Springfield Library Meeting Room

### MINUTES

#### **MEMBERS PRESENT:**

Anne Ballew	George Poling	Aana Morrison
Deborah Evans	Bill Inge	Doug Keeler
Walt Meyer, by conference call until 8:45 a.m.		

#### **STAFF IN ATTENDANCE:**

Dave Breitenstein	Dave Jewett	Susie Smith
Dan Brown	Sandy Kelley	Steve Templin
Gary Colwell	Troy McAllister	Bob Sprick
Bob Brew	Mary Jean Payne	Ken Vanderford
Donna Adams	Peter Ruffner	Tonja Kling
Ed Pabor	Mary Beth Perkins	Len Goodwin
Steve Barnes	Fred McVey	Bill Bennett

#### **GUESTS:**

Matt Noesen, CH2M-HILL  
Shawn Clark, CH2M-HILL  
Tom Walz, Brown & Caldwell Engineers  
Camilla Pratt, Wet Weather Flow Management Plan CAC  
Joshua Skov, Systems Development Charge CAC  
Evelyn McConnaughey, SDC CAC  
Roxie Cuellar, Home Builders Association  
Terry Connolly, Eugene Chamber of Commerce  
Philip Farrington, PeaceHealth

#### **I. CONSENT CALENDAR**

- a. MWMC 04-22-04 Meeting Minutes
- b. Contract Award for Financial Advisor Services, Resolution 04-08

Item 1.b. was removed from the Consent Calendar in order to allow discussion. Commissioner Morrison asked what was the hourly rate of the Financial Advisor Services selected. Ms. Smith indicated the figure was not readily available but staff would have the answer before the end of the meeting. Commissioner Morrison also asked if funds were budgeted in the current

budget. Ms. Smith indicated there were no monies in the current fiscal year specifically budgeted for these services. However, in the Regional Wastewater portion of the Finance Department's budget there is about \$7,000 budgeted in Contractual Services that will be used to start the consultant's services. In the FY 04-05 proposed budget, there is \$40,000 budgeted. The services of the consultants will be to prepare for a bond issuance July 1, 2005.

IT WAS MOVED BY COMMISSION KEELER TO APPROVE THE APRIL 22, 2004, MWMC MEETING MINUTES. THE MOTION WAS SECONDED BY COMMISSIONER EVANS. MOTION PASSED UNANIMOUSLY.

## **II. PUBLIC COMMENT**

There was no public comment.

## **III. MWMC FACILITIES PLAN & 20-YEAR PROJECT LIST**

President Ballew opened the Public Hearing.

Roxie Cuellar, Director of Government Affairs, Home Builders Association of Lane County (HBA), 2053 Laura St., Springfield. Ms. Cuellar apologized for her rough comment letter she submitted on May 3<sup>rd</sup> and indicated she has since had more opportunity to review the Facilities Plan and had additional issues on the proportions. She commented that the Facilities Plan also includes the list for the Systems Development Charges (SDCs) and the percentages are allocated to growth for each of the projects. One of the issues she has is that improvement fees cannot be used for replacement costs and she noticed at least three items in the Facilities Plan. One is the digestion improvement. Almost 66% of that cost is allocated to growth and yet the description in the Facilities Plan says that it is replacing the gas mixing system for the existing three digesters with a pump mixing system. Ms. Cuellar said it sounded like part of that is replacement cost and yet 66% of that cost is being billed. Regarding the headworks, Ms. Cuellar said that the Facilities Plan states that the new facilities would be constructed to accommodate 160 million gallons a day (mgd) dry weather capacity, even though less capacity is needed for total wet weather flow--in other words, over building. Quoting from the Plan, she said the Plan states that the facilities should be operated so that the frequency with which the existing pretreatment facility would have to be brought on and off line during the dry season is minimized. Ms. Cuellar stated that this is over building so (the plant) can use the new headworks with the existing headworks as a back up and to a certain extent, this is replacement.

Continuing on, Ms. Cuellar said that, regarding odor control, the Plan mentioned new 14' bioscrubber vessels and that with the implementation of the bioscrubber vessels, the existing biofilters can be phased out of service and the new bioscrubbers will handle the existing odor control needs in addition to the new needs. Ms. Cuellar said this is replacement again, to a certain extent, and improvement fees cannot be charged to the extent that (MWMC) is simply replacing existing capacity. The HBA has an issue with that.

Another issue, Ms. Cuellar said, is that sometimes HBA feels not enough credit is being given for performance versus capacity. She quoted an example as the gravity belt thickener, which is listed as 100% capacity and yet in the description of the project driver, it states nitrification required by the NPDES permit and increasing wastewater flows and loads generates more solids.

Ms. Cuellar said this is performance because of the ammonia requirement and would be billed differently because of that.

NOTE: At this point, Commissioner Meyer was connected to the meeting via conference call.

Ms. Cuellar stated she had one more issue and that is that she had no clue the Facilities document (Plan) existed until she met with Eugene staff the previous week and she called to request a copy of the Plan. However, when she called, there were no copies available for the public and staff had not decided how they would make copies or how much to charge. She stated she is grateful for the copy she got in a few hours for \$60. Her issue is that there was a hearing the previous week and these documents needed to be available to the public and the public needs to know these documents exist long before the public hearing.

Terry Connolly, Eugene Chamber of Commerce, 1401 Willamette Street, Eugene. Mr. Connolly expressed appreciation to the staff for making a presentation at the Chamber of Commerce regarding the Facilities Plan. He commented on the magnitude of the costs associated with the Plan and said there is a finite amount of resources in the community to cope with these needs. He added that the Plan is complicated and commented that the public really doesn't have the knowledge of what the Plan entails and how much it is going to cost. He said it is difficult to decide if the Plan is doing the maximum required or is there a lower threshold that would satisfy all the necessary requirements and are all the assumptions built into the Plan that DEQ says needs to be done. Mr. Connolly commented that, as the Plan goes forward, communities should be prepared that this is a major price tag and is not the only item that local governments are considering or problems they are dealing with and the Commission should be mindful that this will be a challenge.

Commissioner Morrison asked how the Eugene Chamber of Commerce felt about the responses received to their questions submitted previously as far as fully addressing the questions that were asked. Mr. Connolly replied that the responses did address the questions and there were some high level questions. He said the Plan needs to be made clear to the public by saying "here is a solution to a problem that hasn't been defined to the public yet and here are the steps being taken to upgrade the Facilities Plan and define the purpose."

Commissioner Morrison stated she was not excited about the answers to the questions and that they were not clear enough so people could understand them. Her overall concern is that the average citizen does not have a clue about what is going to hit them in July in regards to the fee increases, nor about the SDCs. She stated that staff is suppose to be outreaching to the community and educating them but "stuffers" in the utility bills are allowed only twice a year and nothing had been put into a "stuffer" regarding the pending fee increases. She said she is concerned about education of the public.

Camilla Pratt: 120 Westbrook Way, Eugene, member of the WWFMP CAC. Ms. Pratt said she questioned how much the public is willing to be educated and this Plan is very basic, public service. She urged the Commission to accept the staff's recommendation. She stated she had a tremendous amount of respect for all the people that put in time on this project and hoped the Commission approved the Plan as it beats being sued into submission.

Philip Farrington, Director, Land Use Planning and Development, PeaceHealth Oregon Region. Mr. Farrington stated that PeaceHealth is interested in insuring that adequate infrastructure will be

available to meet current needs and future demands for planned health care facilities and that the community's environmental stewardship objectives are met as well. He commented that PeaceHealth will be paying a significant amount in SDCs and are also major contributors towards the standard rate structure and will be paying towards improvements one way or the other. He stated that the 2003 increase to the SDC resulted in nearly a 50% increase in SDCs and the proposal now proposed would result in yet another SDC increase of 78%. He commented on DEQ's evaluation of MWMC's NPDES permit which identified that the plant operated at 60% design capacity in dry weather, 42% during wet weather period and the Metropolitan Public Facilities Plan was adopted as part of the Metro Plan under the presumption, consistent with the previously approved MWMC Facilities Plan, that there is adequate capacity in the regional wastewater plant to meet projected growth through the planning period. He said it appeared that much of the basis for the projects that are proposed in the Facilities Plan are to address thermal loading and peak flows during wet weather. Mr. Farrington said the wet weather issue is addressed by reducing inflow and infiltration (I/I) while thermal loading is addressed with a new river outfall. He stated that his concern is that the proposed solutions describe a disproportionate burden to new development to address both of these problems. He believed the inefficient existing sewer pipes and connections should have the regulatory burdens borne by all system users and ratepayers, and not a disproportionate amount by new development.

Mr. Farrington indicated PeaceHealth had a number of questions. First, can the Commission authorize an interpretation that SDCs be calculated based on the gross square footage of occupiable space that generates the demand for sanitary sewer services? He heard previously from staff that calculations are based on total gross square footage in the broadest sense for any use. For the planned hospital project, this has significant cost implications and doesn't stand to reason. For example, should sanitary SDCs be assessed against mechanical space? He said half of the fourth floor in the proposed hospital is mechanical space that serves surgical suites and catheterization labs, as well as other ancillary services within the first three floors. He would like an interpretation from the Commission to direct staff to appropriately direct discussions by nailing down anticipated SDC values.

Mr. Farrington asked what happened to the capacity identified in previously adopted plans? He said the information may be there but he had a hard time following it. He asked if there had been much growth since the 1997 or even the 2001 Metro Public Facilities Plan? He also asked what provisions there were for SDC credits and how are they determined. Another question he asked was how the local SDC rates match up with other communities or how would the rates compare between cities for non-residential SDCs. Mr. Farrington asked about SDC rates increasing again in the near future or if this is the last time these rates are going to be increased through this planning period. He said it is not clear to him the basis for the percentages that are allocated to growth in the MWMC Facilities Plan 20-Year Project List. Regarding the Project List, Mr. Farrington said a new bank site outfall is identified and 38% of that is described as new growth, but he asked if a new outfall that is established to address issues of mixing in receiving waters and allow for potential reuse be appropriately described as being as responsibility of all ratepayers. He didn't feel the outfall was a consequence of growth, doesn't directly relate to capacity or peak flow reduction or perhaps not to a 38% proportion. Mr. Farrington stated that PeaceHealth support the reuse concept and are looking to accept reclaimed wastewater at the Cottage Grove Community Hospital site and they would be a willing customer if that opportunity arose in this area.

Mr. Farrington said that, while MWMC should reduce the risk of sewage overflows, I/I may be a contributor and new growth represents a nominal part of that problem. Therefore, new

development is shouldering a disproportionate financial burden for addressing this I/I. He said PeaceHealth is going to be paying large sums to this community towards the improvements that are needed and they acknowledge the improvements that all applicable requirements and laws are met and the infrastructure is going to be available to support current needs and future development. PeaceHealth appreciates the work put forth by MWMC, staff, consultants, and citizen volunteers who worked on this important project.

Joshua Skov, Member of SDC CAC. Mr. Skov said that the proposed Facilities Plan protects quality of life. MWMC has fulfilled its responsibility to its constituents with responsive, thorough and transparent public process; and the SDCs generated by the methodology and Facilities Plan are low by any reasonable standard or benchmark. He said the current plan will address growth in Lane County and rising water quality requirements. Water and water quality issues are increasingly becoming a concern in maintaining a quality of life. He stated that the Facilities Plan is vital to addressing the needs of the community.

Mr. Skov commented that MWMC has done excellent work engaging a wide variety of constituencies and they have been effective, democratic and fair. He stated that the SDCs are low. Every comparable community with similar circumstances in Oregon has higher SDCs. He said that the SDCs associated with the new facilities seem high relative to the SDCs of the past, but those SDCs--in historical perspective--were artificially low for various reasons and therefore a poor frame of reference for current expectations. Mr. Skov thanked MWMC, staff and consultants for their excellent work.

President Ballew closed the Public Hearing.

Ms. Smith indicated some written comments were received by the deadline and CH2M Hill has reviewed and responded to the comments. The Commissioners were given a copy of the Home Builders letter with the consultants' comments included. Regarding the public process aspect of the Facilities Plan, Ms. Smith indicated the hearings and meetings were widely advertised and the first advertising for the public hearing was in the April 16<sup>th</sup> and 17<sup>th</sup> papers and the documents were available for review on April 16<sup>th</sup>. The reason extra copies of the Facilities Plan were not made is because the direct cost at Kinkos was over \$90 a book and based on the City's policy for copy charges, would have cost \$210. Staff's first objective was to put the Plan on a CD so it would be available at an inexpensive rate. It took a while to get the new technology for laser fiche to get that accomplished, however, a copy was provided in a fairly quick manner and settled on a \$60 charge, which was considerably under MWMC's cost. Continuing on, Ms. Smith stated that flyers were mailed directly to an ongoing list of interested parties.

Ms. Smith introduced Matt Noesen and Shawn Clark from CH2M Hill who would be responding to the comments received. Commissioner Morrison requested a copy of the list of people that received notices. Mr. Noesen covered two topics. One was in response to Commissioner Morrison's request for additional data analysis and the second one was to look at and respond to the submitted written comments.

Regarding Commissioner Morrison's question on what frequency does the historical data bump up against the dry season 49 mgd and wet season 75 mgd, Mr. Noesen said that the information was mailed to the Commissioners earlier in the week. A statistical analysis was done to look at what percent of the time the historical flows were above the 49 mgd rating and 43.8 is the current utilized capacity in the SDC methodology. When you look at that, 2.1% of the time the

historical data was above the 49 mgd and looking at the number used for the current utilized capacity, 12.5% of the time historical data was above. Looking at the wet season, which is 75 mgd, 21.1% of the time the historical data was above that value. Commenting on CBOD (carbonaceous biochemical oxygen demand), Mr. Noesen said this is an indicator of fluid strength coming into the treatment facility. It does not capture ammonia, which is another parameter pollutant that is now in the NPDES permit and which does use up quite a bit of existing and available capacity. Looking at Total Suspended Solids (TSS), he said the rated capacity is 2.5% of the time of the historical period is greater than the rated capacity and 7.5% of the time in the current rated capacity.

Commissioner Inge asked if "control" meant the plant would never have exceedances. Mr. Noesen said the draft Facilities Plan is not developed so that there would never be any exceedances. This is a topic being discussed with DEQ regarding what percent of the time exceedances would be acceptable.

Commissioner Meyer commented that, regarding flows, the standard in Oregon for summer is one in 10-year storm, and if the storm returns more than once every 10 years, it is considered an unusual condition. In the winter, it is one in five-year storm. This is a standard in the Water Regulations for the State. Mr. Noesen agreed and indicated DEQ submitted a letter stating that the capacity of the wastewater treatment system should be evaluated based on maximum flows and not based on average flows (copy attached).

Mr. Ruffier also added that the Water Quality Standards form the basis for the permit limit and established at the State level accepted by EPA. These are based on Federal guidance that basically targets a one in three year exceedance rate for chronic toxicity criteria. The Federal standards are developed assuming an event once in every three years, which equates to .09% rate of exceedance.

Moving on to the two written comments submitted, Mr. Noesen indicated that one letter was an endorsement of the Facilities Plan and SDCs. The second letter had a series of issues and questions raised. Mr. Noesen went on to address some of those issues brought up in the letter from the Home Builders (copy of letter and comments attached). He said a key issue brought up by HBA was comparing the 1997 Master Plan capacity assessment to the capacity assessment associated with the current 2004 Facilities Plan and SDC methodology. Other issues HBA mentioned were the SDC allocation and the alternatives evaluation and what technologies were looked at.

Regarding the comparison of the 1997 Master Plan and the 2004 Facilities Plan, Mr. Noesen said there are significant differences in the two analyses. For dry season flow, there is an 11% difference in population as well as a 9% decrease in per capita values that go into projecting flows. Mr. Noesen also commented on the use of maximum month instead of average in assessing capacity. The DEQ letter (attached) states that maximum flows (monthly, weekly, and daily) need to be looked at when assessing capacity, which is what has been done in the 2004 Facilities Plan and the SDC methodology. Mr. Noesen said the capacity assessment that is in the NPDES fact sheet was from 1996 when the staff submitted the permit renewal application to DEQ. Staff took information from the 1997 Master Plan, which was under development at the time. It took a number of years for DEQ to re-issue the permit and DEQ kept that 1996 data sheet and never re-evaluated it. There is a 12% increase in the maximum peaking factor between the 1997 data and today.

Mr. Noesen said a critical point is CBOD and TSS are now acting as surrogates for ammonia. Ammonia and thermal load are now in the permit and those parameters were not in the permit in 1996, when the capacity assessment was done for the 1997 Master Plan. When the SDC methodology was being evaluated, ammonia and thermal load could not be capacity parameters. Mr. Noesen said the reason these could not be used as parameters for all the users (industrial, residential, and commercial) is because there wasn't sufficient data to be able to implement SDCs and monthly user rates for these two parameters. To remove one pound of ammonia versus removing one pound of CBOD is a significant impact to capacity and this is captured in the current data but was not part of the analyses, or in the permit, in 1996.

Referring to the DEQ letter and the statement, Commissioner Morrison asked when DEQ changed their policy to require treatment plants to use maximum flows instead of average flows when looking at capacity. Mr. Noesen answered that the policy was changed in 1991, and in 1996 DEQ refined the change to that policy. He commented that the 1997 Master Plan is in error and incorrectly assessed capacity. The Plan should have looked at maximum month flows (in his opinion) compared to the 49 mgd, aside from the issue of not having thermal load and ammonia in the permit. Commissioner Morrison interjected that DEQ did not follow their own policy and Mr. Noesen agreed.

Ms. Smith commented that the 1997 Master Plan was not submitted to DEQ for review, because it was not intended to be a facility plan update like the 2004 Facilities Plan. The 2004 Facilities Plan is the first update that has been done in accordance with DEQ guidelines since the 208 Plan in 1977.

Mr. Noesen reviewed the population projections that formed the base for the 2004 Facilities Plan and the SDC methodology. Historical data and growth rates were evaluated and used to project out future population and that is the basis used for the Facility Plan. It reflects an anticipated reduced rate of population growth. He said if the argument is used that the population numbers are too high or too low, when it comes down to determining SDC rates and monthly sewer rates, there isn't going to be a big impact.

Mr. Noesen then reviewed the dry season maximum month flow historical and projected data. He said DEQ has a statistical method to arrive at the 10-year dry season and five-year wet season data and staff is in ongoing discussions with DEQ to use the Plan's projections, which are conservative, instead of DEQ's numbers, which would be even more conservative. He commented that the 2004 Facilities Plan is based on projections that are reasonable, lower than what was developed in 1997, and significantly lower than what DEQ would like to be used.

Commissioner Inge asked what the impact would be for facilities that needed to be built if the projections were raised or lowered. Mr. Noesen said one of things that could be impacted would be the phasing of the tertiary filters. It wouldn't necessarily enable the Commission to get rid of, or have more filters, but would impact when they would need to be built, and may not impact what needs to be built at all.

Regarding the allocations, Mr. Noesen said that the allocations that have been developed are a combination of what is in Chapter 8 of the Facilities Plan, plus what is in the SDC

methodology. The actual allocation of the 20-Year Project List will allocate the cost of those projects between growth and existing users. The development of this is in Chapter 8 of the Facilities Plan and some of the numbers that are used in applying that come from the SDC methodology.

Mr. Noesen then addressed the headworks expansion referenced in HBA's letter. This is a \$12.8 million project to expand preliminary treatment of the existing regional plant. Looking at the application of the SDC methodology to this project, there is 12.5% of the project gets allocated to average flow and 87.5% is allocated to peak flow. At this point, the project has to be evaluated as rehabilitation, capacity, or performance. The headworks project is 100% capacity, and 100% of average flow is allocated to growth, and only 29.4% of the peak flow is allocated to growth. This results in 38% of the total project cost allocated to growth. Mr. Noesen said the population growth over the study period is around 37%. A portion of the project gets allocated to average flow. The headworks is not only serving peak flow, some of it is serving average flow, and the allocation is a little higher than the actual population growth over the study period. Mr. Noesen added that for this project, and all the other projects on the 20-Year Project List, a very deliberate process is followed applying the SDC methodology to each project. It is a very equitable process between existing users and future users.

In addressing concerns raised by HBA that all the best/advanced technology might not have been evaluated, Mr. Noesen reviewed the evaluation process. He stated many alternatives and new technologies were evaluated. Results of the analyses showed that re-using the existing infrastructures and making improvements is the most cost-effective solution to do for the ratepayers.

Commissioner Inge asked if MWMC could divert to new, different technology in a few years if needed. Mr. Noesen indicated the Facilities Plan is a "roadmap" and is designed to be flexible, and things will change in the future.

IT WAS MOVED BY COMMISSIONER MEYER TO APPROVE THE MWMC FACILITIES PLAN AND 20-YEAR PROJECT LIST. THE MOTION WAS SECONDED BY COMMISSIONER EVANS.

Ms. Smith asked if the motion could reflect approval of Resolution 04-04.

IT WAS MOVED BY COMMISSIONER MEYER TO APPROVE RESOLUTION 04-04. THE MOTION WAS SECONDED BY COMMISSIONER EVANS. THE MOTION PASSED WITH 6 VOTING FOR THE MOTION AND ONE (COMMISSIONER MORRISON) OPPOSED.

Commissioner Poling stated that he believed staff, the consultants and the assistants involved in this project have put in a lot of time. He said this is an extremely technical information and his primary reason for voting in favor of the Resolution is to move forward. He said he was not totally convinced that MWMC is going down the right road but MWMC is not absolutely "married" to this master plan. With different population growths and advancement in technology, it can be changed if necessary. He added that he is voting yes but he is not totally convinced that this is the right path at this time. He said MWMC did an excellent job in getting the word out to people. The people receive it, but they don't pay attention to it until it is up for a final vote.



At this point, Commissioner Meyer had to terminate the conference call. He said he appreciated the hard work done by staff. The very best consultants were hired to take an extensive look at this project and he was confident that CH2M Hill did good work and MWMC is doing the right thing.

Ms. Smith made some comments on the next steps and where MWMC goes from here. She reminded the Commissioners that the preferred option selected by them is the least cost system-wide set of improvements. As the Plan moves forward and is approved by the elected officials of the governing bodies, it will also be going through a DEQ review process. It is possible that DEQ will require additional improvements.

Commissioner Keeler commented that his only reluctance with the Plan, which would not change his vote, is that such a good job was done in laying out Alternative 4 that we don't want that to become something that is so well defined that it is easy for DEQ to try and hold MWMC to that standard. He requests that staff keep that sentiment in mind as they go forward with the Plan.

Ms. Smith added that for the FY 04-05 budget and CIP, staff is essentially going forward with the projects that came out of the Wet Weather Flow Management Plan (WWFMP), which is primarily pre-design and design. The Commission and elected officials, on an annual basis, will be able to check on this as more information comes out of the design process.

The Public Hearing for the 2004 Facilities Plan and 20-Year Project List was closed.

8:45 a.m. Commissioner Morrison left the meeting.

**IVa. MWMC BUDGET & CAPITAL IMPROVEMENT PROGRAM**

**IVb. FY 04-05 SEWER USER RATES & SEPTAGE RATES**

Ms. Smith informed the Commissioners that the Public Hearings for the FY 04-05 Budget/Capital Improvement Program and for the FY 04-05 Sewer User Rates were being combined as one. She also stated that for the purposes of preparing the draft FY 04-05 budget, staff selected the 24% user rate scenario.

Gary Colwell, Environmental Services Manager, made the staff presentation. He re-iterated that the proposed budget was based on the 24% scenario so if the Commission selected a different scenario, the changes will be made for the final document.

President Ballew opened the Public Hearing for the FY 04-05 Budget and User Rates/Septage Rates.

No one responded and President Ballew closed the Public Hearing.

Commissioner Keeler indicated that, because he was not at the previous Commission meeting, he didn't have an understanding where each Commissioner wanted to go as far as the user rate was concerned. President Ballew answered that the Commission was wavering between the 24% and 38% increase. Ms. Smith told Commissioner Keeler that she did state that the 12% increase was preferred by him so that it would be in the record. At this point, President Ballew polled the Commissioners regarding their preference. After further discussion, the Commission members present settled on the 24% increase option.

IT WAS MOVED BY COMMISSIONER KEELER TO APPROVE THE MPMC BUDGET AND CAPITAL IMPROVEMENT PROGRAM FOR FY 2004-2005 AS DOCUMENTED CURRENTLY AND ADOPT THE 24% USER RATE INCREASE, WHICH IS SCENARIO D, IN RESOLUTIONS 04-05 AND 04-06. THE MOTION WAS SECONDED BY COMMISSIONER POLING.

Mr. Colwell interjected that the septage rates weren't included in the motion. Staff recommended an increase to \$.102 per gallon for septage haulers (state-wide average).

COMMISSIONER KEELER AMENDED HIS MOTION TO INCLUDE AN INCREASE IN SEPTAGE RATES TO \$.102 PER GALLON AS RECOMMENDED BY STAFF. THE MOTION WAS SECONDED BY COMMISSIONER POLING.

Commissioner Inge asked if these two issues could be handled in separate motions. He was in favor of the sewer user increase but not for the septage increase. Commissioner Inge said the septage haulers should not receive a better deal than what the users will be paying. If residential, commercial, and industrial rates are raised 24%, the same should be done to the septage haulers.

Ms. Smith suggested taking the Budget and CIP as one action and the rates as a second action.

COMMISSIONER INGE MOVED TO SEPARATE THE TWO MOTIONS FOR RESOLUTIONS 04-05 AND 04-06. THE MOTION WAS SECONDED BY COMMISSIONER POLING. MOTION CARRIED UNANIMOUSLY.

Because the first motion did not include consideration of the septage rates, it now stood as stated. Commissioner Ballew called for a vote on the motion made by Commissioner Keeler, seconded by Commissioner Poling, to approve the MPMC Budget and Capital Improvement Program for FY 2004-2005 as documented currently and adopt the 24% user rate increase, which is scenario D, in Resolutions 04-05 and 04-06. THE MOTION CARRIED UNANIMOUSLY.

Discussion followed on septage rates.

IT WAS MOVED BY COMMISSIONER INGE TO INCREASE THE SEPTAGE HAULER RATE CONSISTENT WITH THE INCREASES IN THE OTHER RESIDENTIAL AND COMMERCIAL INCREASES (24%) UNDER SCENARIO D.

Ms. Smith requested that part of the motion make clear that the Commission is waiving a previously established Commission policy guiding septage rates. COMMISSIONER INGE AGREED TO THE INCLUSION IN THE MOTION. THE MOTION WAS SECONDED BY COMMISSIONER EVANS. THE MOTION PASSED UNANIMOUSLY.

Mr. Colwell indicated that the schedule attached to Resolution 04-06 needed to have the septage rate removed from Exhibit A of the Resolution. This rate didn't need to be on the schedule since the cities do not implement the rate, only the treatment plant. He indicated the rate would be approximately \$1.10 per gallon under the Scenario D increase.

Commissioner Inge also clarified that his motion was intended to mean that the septage hauler rate will continue to increase consistent with the other rates. Commissioner Evans indicated that was her understanding as well.

Ms. Smith indicated that staff will bring back a revised policy to the Commission.

#### **V. FY 04-05 SDC CHARGES**

President Ballew called for discussion. Seeing none, she indicated that the SDC methodology was adopted on April 1, 2004, and the 2004 Facilities Plan and 20-Year Project list were approved earlier in the meeting.

IT WAS MOVED BY COMMISSIONER EVANS TO APPROVE THE FY 04-05 SDC CHARGES AND ADOPT RESOLUTION 04-07. THE MOTION WAS SECONDED BY COMMISSIONER KEELER. MOTION PASSED UNANIMOUSLY.

Commissioner Evans expressed appreciation for all the work and effort that went in to this by the Citizens Advisory Committee. She also indicated that the public comments helped the Commission to address the issues.

#### **IV. BUSINESS FROM COMMISSION, GENERAL MANAGER, AND WASTEWATER DIRECTOR**

- a. Contract Award - MWMC Professional Financial Advisor (Item 1.b. removed from the Consent Calendar.) Ms. Smith commented that Commissioner Morrison had requested the hourly rate for the Financial Advisor Contract and said it was \$165 per hour. She added that MWMC will receive the services of two partners and the intent of using these services is to maximize the amount of the work that can be done internally, seeking the expertise that the partners provide.

IT WAS MOVED BY COMMISSIONER POLING TO APPROVE ITEM 1.b. THE MOTION WAS SECONDED BY COMMISSIONER KEELER. MOTION PASSED UNANIMOUSLY.

- b. Mr. Ruffier informed the Commissioners that on May 1<sup>st</sup> the plant was made aware of a leak from the force main at the Irving Station. The flow was controlled and channeled into a manhole in the sanitary system so there was no exposure to the public. DEQ has been notified and concurred that the plant could take more time to work out a plan to deal with this. The leak was in an area that is complicated with a lot of utilities, difficult to get to, plus part of it is in the County and part in the City. Mr. Ruffier didn't feel this would be recorded as a violation to the permit.

Mr. Breitenstein, Wastewater Plant Manager, added that by acting responsibly, it is not considered a violation and the plant has not been issued a Notice of Noncompliance in regards to reported overflows.

- c. Mr. Ruffier said the first phase of the poplars have been planted. Ms. Smith added her appreciation to Steve Templin, Biocycle Farm Project Manager, who has worked extremely hard on this project.

Commissioner Poling mentioned he had talked with Ms. Smith regarding the poplar farm property and he wanted to share that information with the other Commissioners. Ms. Smith indicated there were previous discussions on how much property the Commission wanted to initially plant. Of the approximate 600 acres, 196 are within the Urban Growth Boundary (UGB) and designated for future industrial use. This issue was also brought before the City Managers of Eugene, Springfield and the County Administrator (SEL meeting) and the result was that, because the site is about 70% wetlands with a lack of services to the site and with the wetland mitigation that is required, development was not desirable. The property can be farmed and poplars can be grown. The agricultural use is a permitted use within the UGB on an interim basis.

Ms. Smith went on to say that, with the increasing interest from the Farm Bureau and restricting urban area's ability to do re-use and land application on exclusive farm used zoned property, the Commission and SEL felt that the poplar farm was a good risk management strategy.

President Ballew requested a "ball park estimate" of how much money MWMC will make on the poplar farm. Ms. Smith indicated this is on the list of things to do, but a marketing business plan-type strategy is needed for the wood product. There are preliminary estimates but it will take more work as the market for poplar wood is firming up. Ms. Smith also said that this has not been accounted for in the projected revenue stream ten years out.

Commissioner Evans indicated she recently read information regarding prior converted crop land. If she locates that information, she will forward it to staff. Ms. Smith made a correction and indicated staff is not working under prior converted land but under farmed wetlands.

- d. Mr. Ruffier reminded the Commission about the Wastewater Division being accepted into EPA's Performance Track Program and commented that he attended a meeting of the program participants. He will bring information to the Commission at a future date.
- e. Ms. Smith indicated that an updated Governing Bodies calendar was given to the Commissioners. She said she would be contacting some of the Commissioners to see if they could accompany staff to some of the scheduled meetings with the other agencies. The Facilities Plan is now the Commission's Plan. The calendar will continually be updated.
- f. In light of all the activities going on, Commissioner Inge inquired on the status of filling the Public Information and Education Specialist position vacated by Rachael Dillman. How is MWMC going to get the education and information to the public during the interim search for a replacement? Ms. Smith said the position was currently being advertised. It will not be filled in time for the adoption process, but as the design process proceeds and before any type of dirt turning occurs, the position will be filled.

Commissioner Inge asked how much notice the public gets regarding the rate increases. Mr. Ruffier indicated the City of Eugene will send out a brochure and flyer with information on the rate and there will be a public hearing. Ms. Smith indicated that

Eugene citizens will get more advanced notice because of the timing to put information in an EWEB bill. She indicated she was looking into whether or not Springfield could get earlier billing information sent out with the SUB bills and the answer was no. Public hearing notices are posted and Ms. Smith said that a display ad could be put in the newspaper. She also added that staff is working with the news media to get additional coverage on the adopted plans.

- g. Commissioner Evans indicated that the billing process and costs were discussed in the past and wanted to know if this would be coming back to the Commission. Ms. Smith indicated the results of a competitive review was brought back to the Commission and there wasn't sufficient benefit to push the issue to the City Councils to change the vendors. On the Springfield side, Ms. Smith said the proposal from SUB for increases this current year and next year have caused staff to bump this up to the City Council for review and direction.
- h. Commission Keeler recognized all the long, good and hard work that has been done by the staff and consultants and the public partners. He said "today was a culmination of a lot of work." President Ballew concurred.

THE MEETING WAS ADJOURNED.

### **Next meeting:**

Thursday, June 24, 2004

7:30 a.m.

Springfield Library Meeting Room

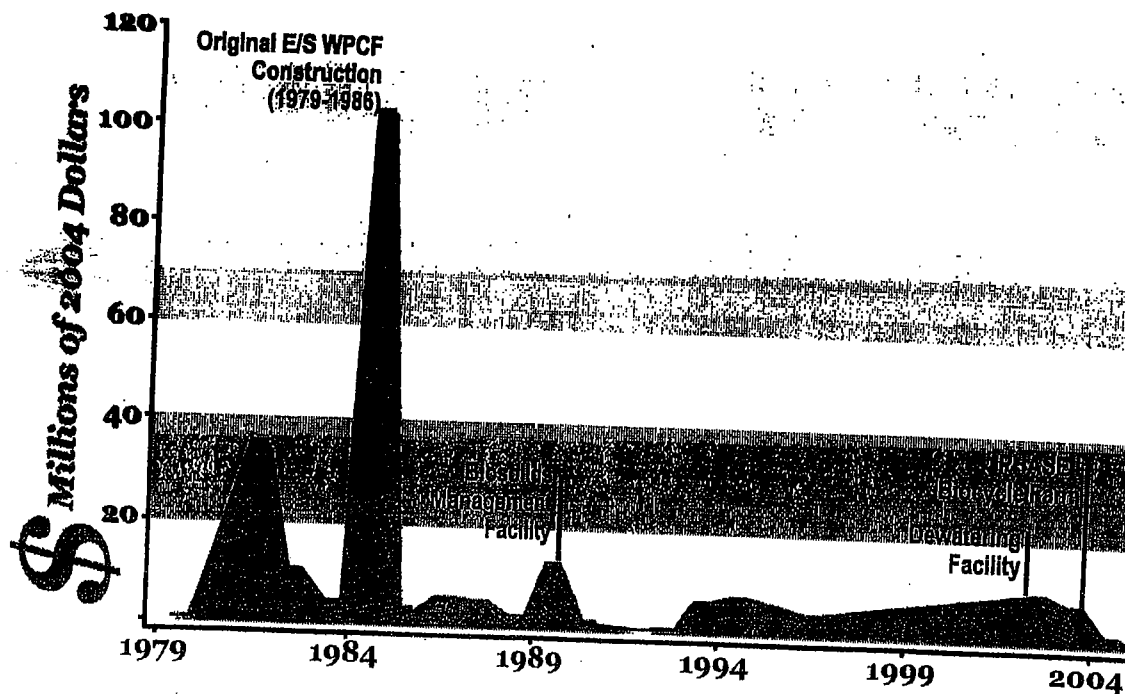
# Frequently Asked Questions About the 2004 MWMC Wastewater Facilities Plan and System Development Charge Methodology

The Metropolitan Wastewater Management Commission (MWMC), City of Eugene, City of Springfield, and Lane County are in the process of adopting the 2004 MWMC Facilities Plan and the 2004 regional wastewater System Development Charge Methodology. The following information answers questions that might arise from Commissioners, City Council members, and the general public.

## FAQs About the 2004 Facilities Plan

### Facilities Plan Question 1. How much has MWMC invested in wastewater facilities since its inception in 1978?

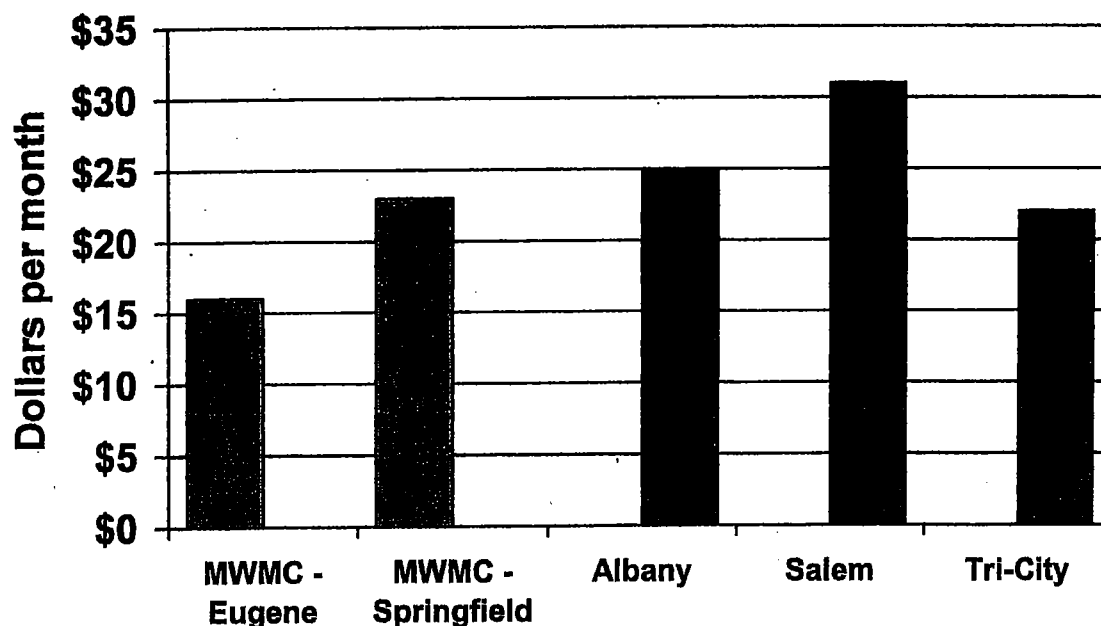
MWMC has spent the equivalent of \$218 million (in today's dollars) constructing wastewater infrastructure serving the Eugene-Springfield metropolitan area. As shown in following figure, the majority of this investment was made during the first 10 years when the original regional Eugene-Springfield Water Pollution Control Facility (WPCF) was constructed. When annualizing this expenditure over the 24-year history of MWMC, the investment equates to roughly \$9 million per year.



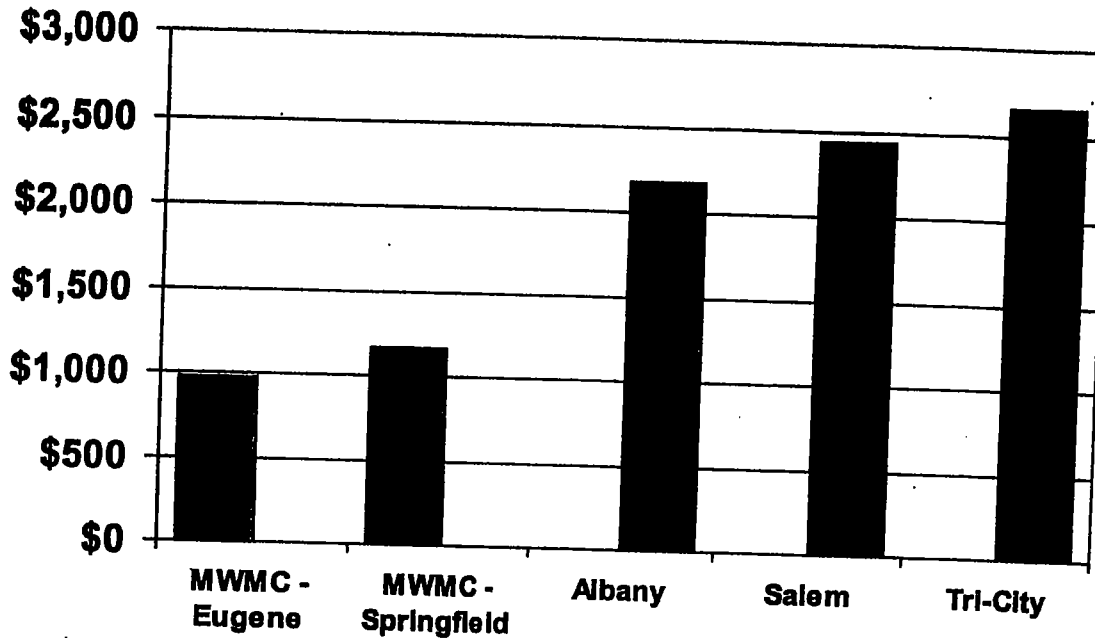
## Facilities Plan Question 2. How do MWMC's current monthly sewer rates and system development charges (SDCs) compare to other Oregon wastewater service providers?

MWMC's average monthly residential rates compare favorably to other communities (see current monthly rates figure). MWMC's SDCs are significantly lower than the SDCs associated with other communities (see current SDC figure). Albany, Salem and the Tri-City Service District in Clackamas County, which serves Gladstone, Oregon City, and West Linn, were selected for comparison because they also discharge their treated wastewater into the Willamette River and face similar discharge permit requirements. When compared to a broader range of Oregon communities Eugene-Springfield user rates and SDCs still compare favorably.

**Current Monthly Sewer Rates  
for Residential Customers**



### Current SDC



### Facilities Plan Question 3. How is this 2004 Facilities Plan different from previous planning efforts?

This 2004 Facilities Plan is the culmination of a series of planning efforts that began in the mid 1990s. In the early 1990s it was clear that MWMC wastewater management facilities and operations were beginning to experience some areas of capacity limitations, and yet slower than expected growth was occurring. Also, new water quality concerns and regulations for the Willamette River were beginning to emerge. In an effort to begin understanding the implications and potential costs of the changes, MWMC undertook a general master planning study focused primarily on the Water Pollution Control Facility (WPCF). The Master Plan, completed in 1997, identified the need for additional peak flow treatment capacity and the need for identifying cost-effective collection system infiltration and inflow (I/I) removal methods. This Master Plan did not address several of the key regulatory requirements that are now or will soon affect MWMC.

To complementing the Master Plan, an additional plan was prepared to address biosolids management strategies and establish treatment policies. Examples of policy direction that were recommended by the citizen's advisory committee (CAC) and adopted by the Commission include developing a biosolids dewatering facility and establishing a designated biosolids land application site. MWMC completed the dewatering facility and is in the process of completing implementation of the dedicated land application site. The



designated biosolids site or Biocycle Farm will be brought on-line in spring of 2004 and will add to the reliability, flexibility, and cost-effectiveness of MWMC's biosolids program.

Another follow-on study to the 1997 Master Plan was a comprehensive plan for wet-weather peak flow management. The 2001 Wet Weather Flow Management Plan (WWFMP) also included extensive public participation through a CAC that discussed numerous technical and policy topics at length and ultimately made several recommendations that the Commission adopted. The CAC placed a heavy emphasis on eliminating overflows of untreated wastewater into basements, streets, and the Willamette River. One of the resulting policies was the decision to have the Cities aggressively pursue cost-effective I/I reduction. The Cities also adopted the WWFMP, and have been implementing these I/I reduction efforts, including ongoing monitoring to assess the effectiveness of the efforts. The Wet Weather Flow Management Plan also concluded that the "convey and treat" solution was the most cost-effective approach for increasing peak flow capacity. The 2004 Facilities Plan now provides a more detailed plan through 2025 of how to implement the "convey and treat" approach in a manner that meets the MWMC policies and the current regulatory requirements.

As stated previously, this 2004 Facilities Plan is a comprehensive assessment of the wastewater collection, treatment and disposal/reuse needs for next 20 years. It has incorporated where appropriate, and updated or supplemented where needed, information and results from the previous planning efforts summarized above. This study will also meet the state's Department of Environmental Quality (DEQ) rigorous requirements for wastewater "Facilities Plans" that will enable MWMC to utilize the State Revolving Loan Fund if that becomes financially favorable over the study period and will enable MWMC to access Federal grant funds that have already been appropriated for its use. MWMC has not developed anything comparable to a DEQ-approved facilities plan since the original 208 Plan that was developed back in 1977.

#### **Facilities Plan Question 4. Why does MWMC now have to make a significant capital investment over the next several years?**

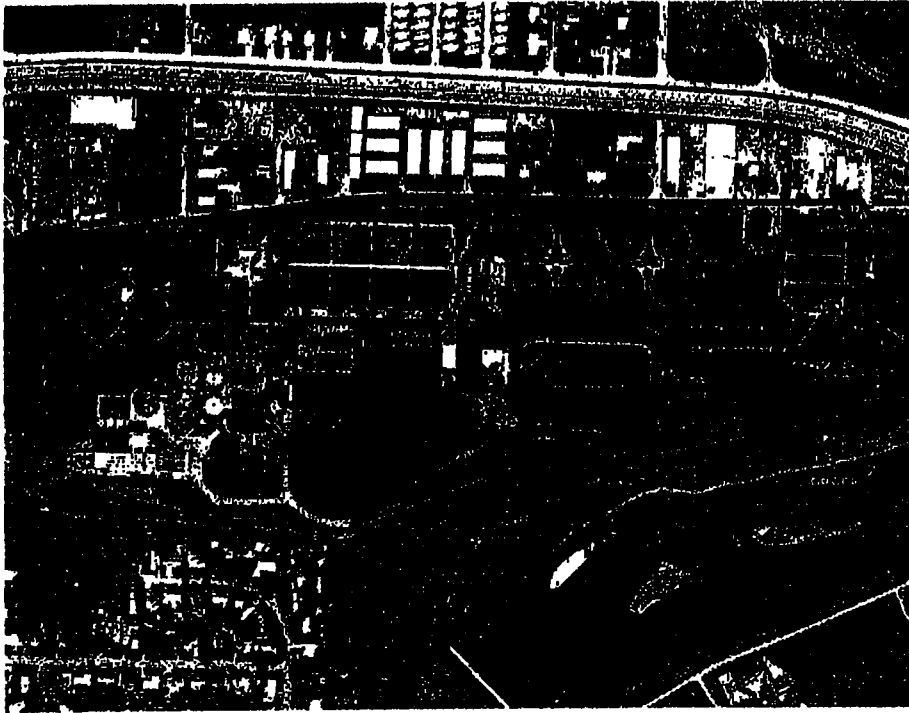
Investment is needed to address regulatory requirements. Regulatory drivers include peak wet weather flows, ammonia, thermal load limits, and mass load limits for conventional pollutants. Each is discussed below:

- **Peak Wet Weather Flows:** MWMC currently does not have adequate treatment plant capacity to handle all of the peak wet weather flows that occur. The Wet Weather Flow Management Plan identified projects needed to meet the conditions contained in the discharge permit issued by the Oregon Department of Environmental Quality (DEQ). Also, on January 1, 2010, DEQ will require MWMC to treat 100 percent of the peak wet weather flow. To date, some of the peak wet weather flow does not receive treatment before entering the Willamette River. As shown in the following table, an additional 102 million gallons per day (mgd) of peak flow treatment capacity is required through 2025.

Current Peak Flow Capacity	Required Peak Flow Capacity In 2025	Additional Capacity Required
175 million gallons per day (mgd)	277 mgd	102 mgd (277 less 175)

- **Ammonia:** In May 2002, MWMC was issued a revised discharge permit. DEQ added an ammonia limit to the permit to provide additional protection of water quality, threatened fish species, and other aquatic life in the Willamette River. The existing treatment facility was not designed to remove ammonia. If the plant were to use conventional treatment methods to remove ammonia from the wastewater, it would require roughly twice as much treatment basin volume and 4 to 5 times the amount of compressed air compared to conventional regulated carbon-based wastewater parameters. Ammonia is more expensive to treat than the conventional pollutants.
- **Temperature/Thermal Load:** DEQ also added a thermal load limit to the permit that regulates how much heat the treatment plant can discharge to the Willamette River. This requirement is to protect fish in the interim while DEQ develops a more thorough basis for the thermal load limit. It is anticipated that once the limit for temperature is finalized, MWMC's thermal load allocation in the Willamette River will be at least as stringent as the interim limit. Reusing the treated wastewater instead of discharging it is a beneficial approach to removing heat load from the Willamette River. Examples of reuse are irrigation on farmland, dual plumbing systems, and irrigation of parks and golf courses.
- **Mass Load Limits for Conventional Pollutants:** As wastewater flows increase due to planned growth, the fixed mass loads for conventional pollutants contained in the current NPDES permit become more difficult to meet. For example, in 2025 the treatment plant would need to achieve an additional 20% reduction in conventional pollutant discharge over current practices to meet permit requirements.

Finally, changes in community expectations are also driving the need for some of the improvements. As shown in the aerial photograph below, the facility is surrounded by residences and businesses. The Commission desires to take additional steps to ensure that MWMC is a "good neighbor." It is becoming increasingly important to respond to community concerns and expectations. These include providing facilities that control odors, are aesthetically pleasing, and provide a safe environment for the citizens that live adjacent to the WPCF through the reduction or elimination of hazardous materials.



### **Facilities Plan Question 5. What alternatives were evaluated for complying with current permit requirements?**

Table 1 summarizes the five treatment system alternatives that were considered, the alternatives costs, and provides a comparison of how well each alternative meets the the overall planning objectives.

**TABLE 1**  
Treatment Alternatives Evaluated and Estimated Costs

<b>Treatment System Alternatives</b>	<b>Estimated Cost (Millions of 2004 Dollars)</b>	<b>Meets Planning Objectives</b>
1 – No Project	-	No
2 - Full Primary and Secondary	\$233 million	Meets Most
3 – Full Primary	\$167 million	Meets Most
4 – High Rate Clarification	\$157 million	Meets All
5 – Parallel Primary Secondary	\$144 million	Meets All

### **Facilities Plan Question 6. Which one is the preferred alternative and why?**

Alternative 5 (Parallel Primary Secondary) is the preferred alternative because it protects water quality, maximizes the use of existing treatment facilities, and provides additional operational flexibility not provided by the other system alternatives. Alternative 5 is also the most cost-effective solution for MPMC and requires the lowest capital investment. Annual

operating and maintenance costs for Alternative 5 are slightly lower compared with the other alternatives.

### **Facilities Plan Question 7. What is the basis of the project cost estimate?**

The cost estimates are developed for each project based on the current understanding of that project. These estimates are generally broken down by construction categories (e.g., sitework, excavation, concrete, major treatment equipment, etc.). An industry standard 25% contingency is added to the construction subtotal to account for variability in equipment prices, fluctuations in bidding climate, and for unknowns associated with the project. For some of the projects an allowance has been added to improve the projects aesthetic appeal to the neighbors. Depending on the project, this allowance may vary, but it is typically 10 % of the construction subtotal. An additional 25% allowance is added to account for surveying, geotechnical exploration, engineering, design, construction management, legal, and administrative costs. The resulting project cost estimates are "ground-truthed" by comparing the facilities plan estimate to projects of similar scope and size that have recently been constructed. For example, Corvallis recently completed construction of a digester for \$5.5 million. The facilities plan estimate for a fourth digester at the WPCF which is similar in scope and size to the Corvallis project is \$4.5 million. A second example is the headworks expansion, and the Facilities Plan estimate is \$12.8 million. Portland recently completed the design of a similar project estimated to cost \$13.2 million.

### **Facilities Plan Question 8. A previous 20-year project list was estimated at \$100 million. Why has the cost of implementing these projects increased by \$44 million?**

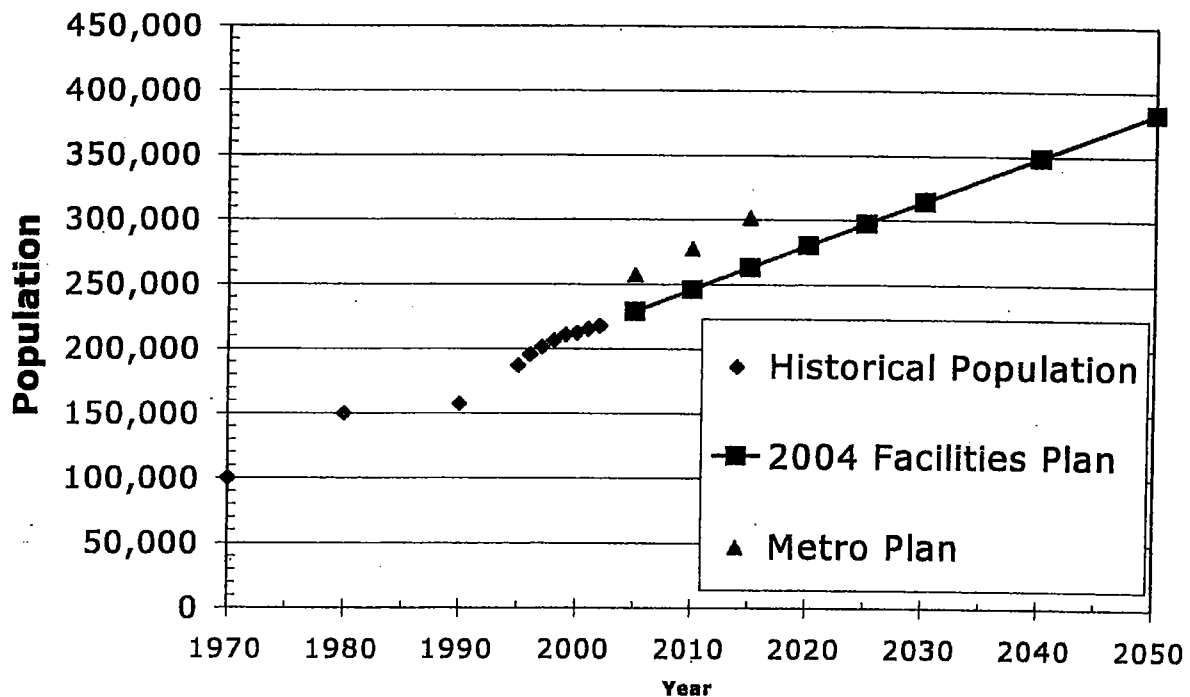
The previous project list was developed from prior planning efforts. At the time when those planning efforts were being done there were less stringent discharge permit requirements. In May of 2002, when the new NPDES permit was issued for MWMC, some new permit requirements were added. Those additions to the permit impact the cost of treating wastewater. The current 20-year project list is a key outcome of the more comprehensive 2004 Facilities Plan and includes capital investments to address the more stringent discharge permit and other regulatory requirements. Also, the following projects have been added to the 20-year project list at the direction of the Commission and to fulfill previous policy direction as outlined in the 1997 Biosolids Management Plan and the 2001 adopted Wet Weather Flow Management Plan (WWFMP):

- Odor Control at MWMC Treatment Plant - \$6.9 million
- Class A Digestion - \$9.2 million (two thirds of Digestion project)
- Conversion from chlorine to liquid bleach (sodium hypochlorite) for disinfection - \$4.1 million
- Effluent Reuse as a means to meet the new thermal load requirement - \$20 million

These items total approximately \$40 million. The 20-year project list was reduced by \$6 million by eliminating the 5<sup>th</sup> storage lagoon at the Biosolids Management Facility. Elimination of this project was enabled in part by the additional of the Class A portion of the digestion project.

### Facilities Plan Question 9. What are the population projections for this planning effort?

The Eugene-Springfield Metropolitan Area General Plan (Metro Plan) and its adopted functional plans provide the basis for projecting population growth and land usage through the year 2015. Because the MWMC Facilities Plan is intended to serve the two cities plus the population in the River Road/Santa Clara area that is provided with sanitary sewerage through the year 2025, a population projection beyond the time frame of the Metro Plan projection is necessary and required by DEQ for a 20-year plan. The projected population growth rate used for MWMC Facilities Plan purposes adjusted the growth rate used in the Metro Plan downward by about 0.2% to reflect the actual growth rate that has occurred between 1990 and 2002. The actual annual growth rate has been 1.59% over the last 12 years as shown in the figure below. This revised growth rate is carried forward to determine a 2025 projection. Because of slower than anticipated growth, it is regulatory requirements and existing plant capacity deficiencies that are driving the regional wastewater facilities needs at 2025.



### Facilities Plan Question 10. How is dry season capacity evaluated? What are the flow projections for this planning effort?

DEQ requires that maximum month flow be evaluated when assessing average dry season capacity needs. The reason is that the discharge permit stipulates that treatment plant effluent meet "monthly" requirements that are the same for the entire dry season (May through October). Therefore, the month with the maximum flow, typically May, presents the most difficult treatment challenge. Treatment facilities are sized to meet the monthly requirements during this maximum month.

Table 2 presents the flow projections used in the 2004 Facilities Plan. Also shown in Table 2 are the flow projections based on DEQ guidelines and the 1997 Master Plan. Flow projections based on the DEQ method and the 1997 Master plan are higher than the values used for the basis of planning in the 2004 Facilities Plan. MWMC is still negotiating with DEQ to gain their endorsement of the proposed 2004 Facilities Plan flow projections. However, DEQ may require MWMC to use the higher flow projections resulting from their methodology. The flow projections recommended in the 2004 facilities plan are different than those developed in the 1997 Master Plan because the 1997 Master Plan study used a smaller historical data set (only 5 years of data compared to 12 years of data analyzed for the current effort). The smaller data set included years with higher than average rainfall in the dry season and resulted in flow projections that would be too conservative.

**TABLE 2 - PROJECTED 2025 FLOWS USED FOR PLANNING PURPOSES**

	1997 Master Plan	DEQ Guidelines	2004 Facility Plan
Dry Weather Maximum Month	66 mgd	73 mgd	59 mgd
Peak Wet Weather Flow	Recommended a sewer system evaluation study as follow-up work. (The MWMC Wet Weather Flow Management Plan provided the follow-up work.)	429 mgd	277 mgd

**Facilities Plan Question 11. The proposed 20-year project list includes \$20 million to develop approximately 10 million gallons per day (mgd) of effluent reuse. This seems like a lot of money. Why is this needed?**

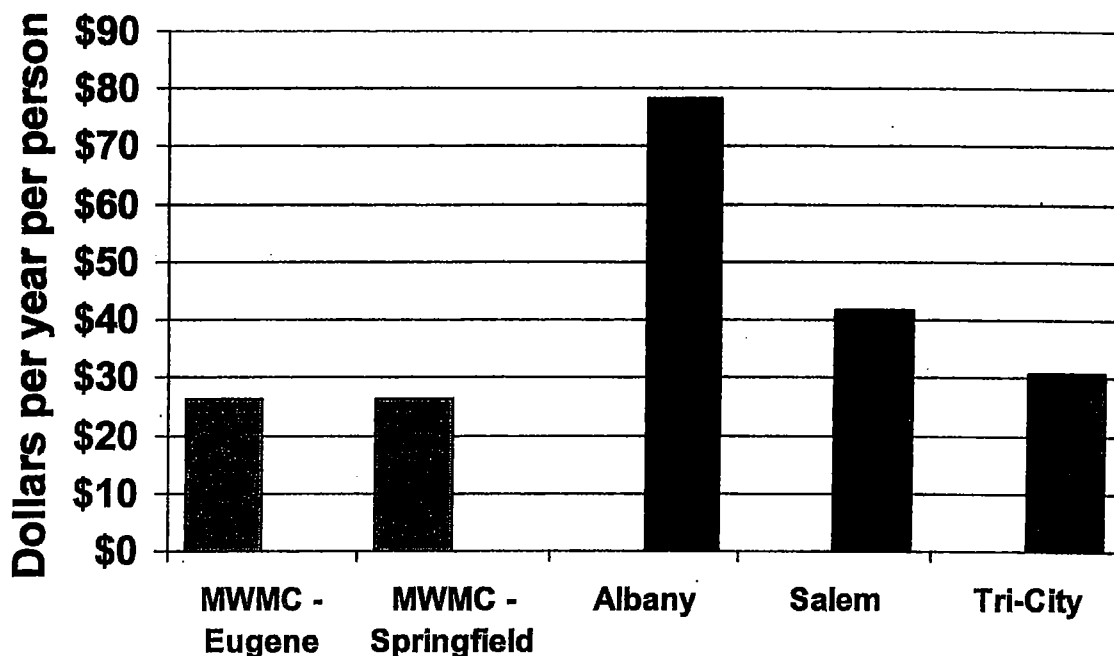
The MWMC treatment plant discharge permit has a new limit for thermal load discharge into Willamette River. As the wastewater flows increase, the thermal load also increases, making it more difficult to meet the limit. The most cost-effective and environmentally friendly way to meet the thermal load limit is to reduce the discharge of wastewater to the Willamette River. One way to accomplish this is to use the treated wastewater effluent to irrigate crops. This approach is called effluent reuse. The Commission is currently developing facilities to reuse effluent at the Biosolids processing facility, which, in addition to removing the effluent discharge from the river, will save on the cost of a significant amount of fresh water that would otherwise be used. Considering that this new requirement will affect MWMC's approach to effluent discharge, the Commissioners have directed the development of a modest reuse program, including funds to develop 10 mgd of effluent reuse. There is some uncertainty surrounding the total maximum daily load for temperature in the Willamette River, and it is possible that the current thermal load limit could change to become more stringent. For this planning effort it was anticipated that the

current thermal load limit in the NPDES permit will stay the same. In order to meet the limit in 2025, as much as 26 mgd of effluent reuse will be needed.

**Facilities Plan Question 12. How does this capital investment compare to other comparable size communities in Oregon that face similar regulatory issues?**

MWMC's proposed future capital investment for each person is significantly lower than other communities (see proposed future capital investment figure) facing regulatory changes.

### Proposed Future Capital Investment



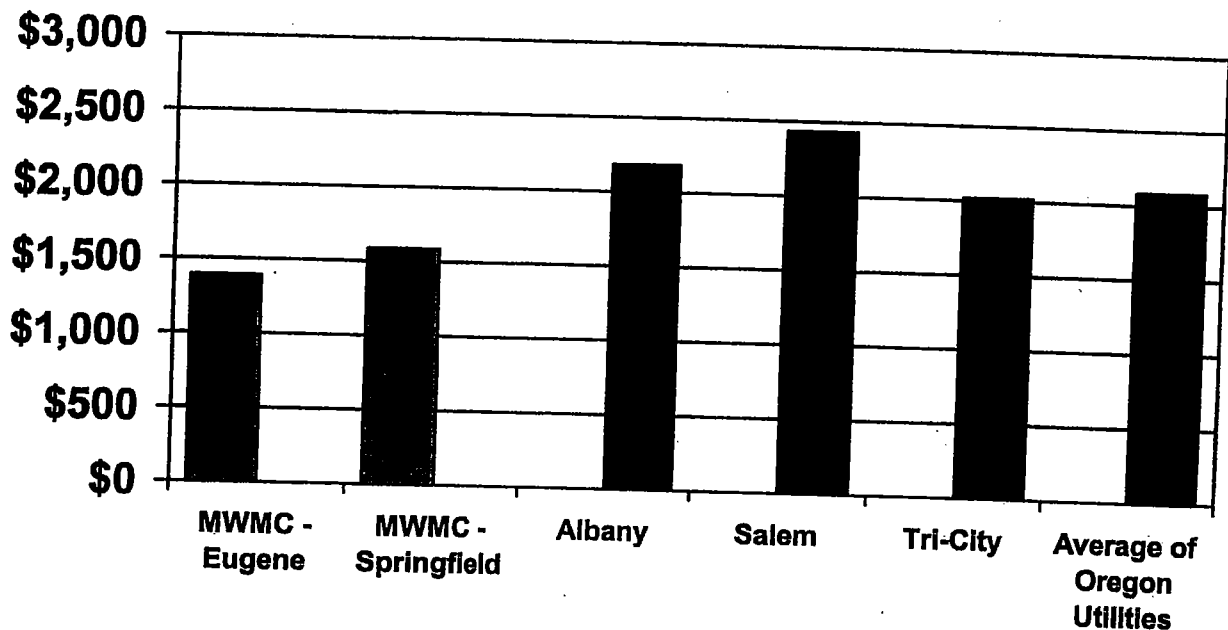
**Facilities Plan Question 13. What are the implications to monthly sewer rates if this proposed facility plan is adopted?**

The current rate model projects that sewer rates would have to increase approximately 57% to 67% over the next 5 years. This increase could be phased in a number of different ways; staff is currently evaluating several options and the MWMC will direct the final implementation senerio.

# **Facilities Plan Question 14. What are the implications to the one-time sewer hook-up fees or system development charges paid by new development if this proposed facility plan is adopted?**

The current hook-up fees are \$971 and \$1,167 for Eugene and Springfield, respectively. Applying the proposed system development charge (SDC) methodology to the \$144-million 20-year project list in the proposed facility plan, these fees are projected to increase to \$1,390 and \$1,585 for Eugene and Springfield, respectively. This represents roughly a 43% and 36% increase over the current fees. However, the increased fees are less than the fees charged by comparable entities that are providing a similar level of services. The fees are also less than the State average.

## **Proposed Hook-up Fees in Oregon**



MWMC has also recently updated the System Development Charge (SDC) methodology.

## **FAQs About the 2004 SDC Methodology**

**SDC methodology Question 1. Does the SDC methodology charge for the same capacity through the improvement fee and the reimbursement fee?**

No. The SDC methodology charges new development based on a weighted average cost of existing and future capacity.



Table 2 provides an example calculation of a combined fee unit cost based on the "same capacity" approach versus a "weighted average" approach (as the MWMC methodology is based on). The numbers included in the table are intended to illustrate the methodology only (when applied to the single capacity parameter of average flow) – they do not represent MWMC planning criteria or cost data. Furthermore, the total SDC would include similar calculations for other capacity parameters (i.e., peak flow, BOD, and TSS).

In the example provided, the unit cost of existing capacity is \$1 million per mgd, and the cost for new capacity is \$1.6 million per mgd. If the methodology charged for the same capacity through both fees, the unit cost would be \$2.6 million per mgd (as shown in line 5). However, the MWMC methodology is based on the unit cost calculation shown in line 6 – where the costs of growth (\$1 million of existing capacity and \$8 million of future capacity) are spread over the total growth units (6 mgd) to determine a weighted average cost of capacity of \$1.5 million.

**TABLE 2**  
Example Calculation for Single (Average Flow) Capacity Parameter\*

Element	Value	Capacity	Unit Cost
<b>Reimbursement Portion</b>			
(1) Existing System Total	\$5 million	5 mgd	\$1 million/mgd
(2) Available For Growth	\$1 million	1 mgd	\$1 million/mgd
<b>Improvement Portion</b>			
(3) Future Expansion	\$8 million	5 mgd	\$1.6 million/mgd
(4) Needed for Growth	\$8 million	5 mgd	\$1.6 million/mgd
<b>Combined Fee</b>			
(5) Total (Same Capacity Approach)	\$13 million	5 mgd	\$2.6 million/mgd
(6) Weighted Average (MWMC Methodology Approach)	\$9 million	6 mgd	\$1.5 million/mgd

\*Example only; not MWMC specific

## **SDC methodology Question 2. Does the methodology result in a double-charge of new development, by recovering a portion of the project list costs through the SDCs and a portion through user rates (which also will be paid by new development)?**

No. The methodology uses a cash flow analysis to determine future project list costs supported by rates charged to a new development based on the year of connection to the system. A credit equal to the estimated present value of future rate-funded project list costs is provided for in the methodology.

**SDC methodology Question 3. Does the methodology result in an equitable allocation of future project costs to new development?**

Yes, the methodology includes a process for evaluating individual projects and determining what portion of each project's costs relates to capacity needs of new development.

**SDC methodology Question 4. Does the methodology identify the capacity provided by projects on the project list?**

Yes, the methodology includes a process to identify projects related to the next increment of capacity within the planning period ("capacity projects") and projects sized for the total future capacity needs ("performance projects"). The projects (or portions of projects) that are identified as "capacity" work together to provide the next increment of capacity. In this way, the methodology recognizes the integrated nature of the system—multiple projects are generally needed to meet system capacity needs. An individual project's capacity is determined in relationship to the system as a whole. This approach is consistent with the methodology used to estimate existing available capacity for the reimbursement fee, where existing facilities are assumed to contribute equally to their relevant capacity parameter.

**Additional Technical Information Associated with MWMC's 2004 Facilities Plan**

The 277 mgd peak wet weather flow capacity need is based on the flow generated from a 5-year, 24-hour rainfall event of 3.9 inches, which is the requirement established by DEQ.



## MEMORANDUM

CH2MHILL

# MWMC Wastewater Facilities Plan and System Development Charge Update - Response to April 2, 2004, Questions from Eugene Chamber of Commerce

**PREPARED FOR:** Eugene Chamber of Commerce Government Affairs Committee

**COPIES:** Gary Colwell/City of Springfield  
Peter Ruffier/City of Eugene

**PREPARED BY:** Matt Noesen/CH2M HILL  
Debbie Galardi/Galardi Consulting

**REVIEWED BY:** Heather Young/Thorp Purdy Jewett Urness & Wilkinson

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## Introduction

This memorandum provides responses to questions submitted on April 2, 2004, by attendees of the Eugene Chamber of Commerce Government Affairs Committee breakfast meeting. The original questions/comments are shown in boldface.

## Response to Questions

### 1. Why isn't there a formula within the SDC methodology to calculate the SDC rate?

There is. The methodology provides a clearly defined framework for determining unit costs of existing available capacity and needed future capacity by capacity parameter - average flow, peak flow, biochemical oxygen demand (BOD), and total suspended solids (TSS). These unit costs are then applied to published data based on usage of different development types to determine their impact, and the SDC that results for each development type. The SDC calculations for the proposed project list, along with the methodology, will be made available by the Cities 60 days prior to the public hearing.

### 2. Why does the average flow from businesses and residences increase in the Facility Plan 20-year projections, when historical data indicates a decrease?

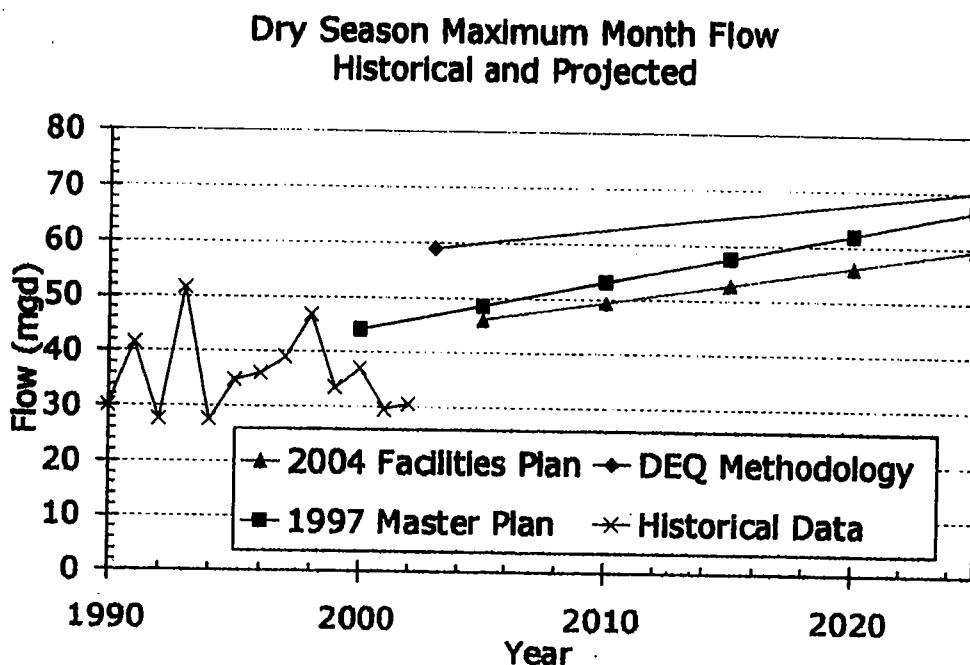
The average flow from businesses and residences is not declining. Over the last 10 years, the average increase in base flow has been about 1.5% per year (based on actual billed base flow). The Facility Plan 20-year projection is that this trend will continue. Three main factors cause the historical data (from 1990 - 2002) to give the appearance that average flows declined over the 1999 - 2002 period. The first is that the economic downturn in the area

caused a sharp decline in flows contributed by a few large-volume customers. The closure and scale-back of two major industries in Eugene resulted in a 1.2 mgd (15%) reduction from an 8 mgd base flow of combined commercial/industrial customers. The second factor is the severe drought conditions that have existed in the Willamette Valley over the past several years, as compared to the relatively normal rainfall patterns that occurred in the 1990s. The following table shows the trend in dry season average daily rainfall. The third factor is that I/I reduction efforts implemented over the past several years have been successful in reducing I/I into the collection system during the "dry" weather months of May and October. These months have significant variability in rainfall quantities from year to year and can contribute significant amounts of I/I into the collection system during the dry season.

**TREND IN DRY SEASON AVERAGE DAILY RAINFALL**

Year	Average Daily Dry Season Rainfall (in)
1996	0.06
1997	0.07
1998	0.05
1999	0.04
2000	0.03
2001	0.03
2002	0.02

The following graph shows both historical (previous 12 years) and projected flow through 2025 for residential and commercial businesses. The historical data shows the wide variability in flows over the last 12 years. The data for the last few years shows the combined effect of low rainfall and the loss of a small number of significant customers. This variability is taken into account when projecting future wastewater flows so that communities in the Willamette Valley can provide adequate facilities needed to meet regulations that protect the environment and public health.



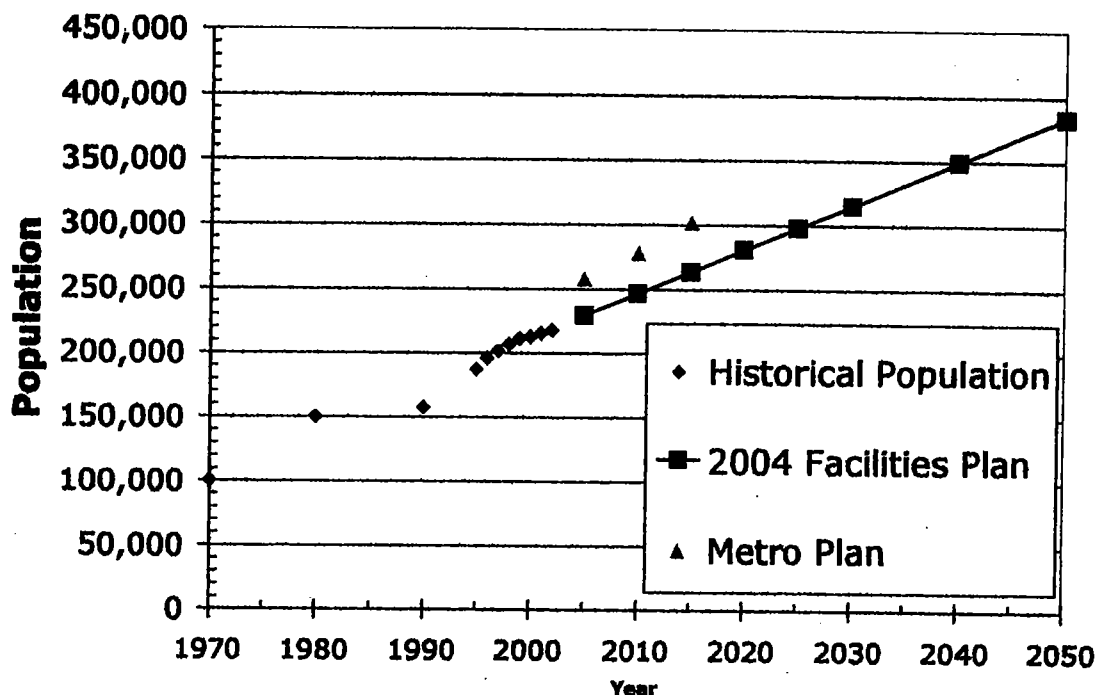
Also shown in this graph are the projections from a previous study (1997 Eugene-Springfield Water Pollution Control Facility Master Plan) and projections calculated using guidelines provided by the Oregon Department of Environmental Quality (DEQ). The 1997 study projected higher flows relative to the 2004 Facilities Plan projections because it considered a smaller historical data set that happened to be collected during a period of higher-than-average rainfall. Projections based on the DEQ guidelines, which result from historical rainfall data, are also higher than the 2004 Facilities Plan projections, which are based on historical WPCF flow data. MWMC is working with DEQ staff to determine whether the MWMC methodology results in an adequate dry weather flow projection, will provide adequate reliability in treating peak wet weather flows, and whether the historical methodology used by MWMC can be accepted as an alternative to the DEQ guidelines.

**3. Comment: The 40% growth projection is inconsistent with the growth rate used in other planning activities (e.g., transportation, water, and power supply).**

The growth projection used for 2004 is about 36.7% at 2025. Typically, wastewater planning uses population projections developed by the local planning jurisdiction(s). In this case, the Eugene-Springfield Metropolitan Area General Plan (Metro Plan) and its adopted functional plans have provided the basis for projecting population growth and land usage through the year 2015. Because the MWMC Facilities Plan is intended to serve the two cities plus the population in the River Road/Santa Clara area that is provided with sanitary sewerage through the year 2025, a population projection beyond the timeframe of the Metro Plan projection is necessary and required by DEQ for a 20-year plan.

Population projections used in the 2004 Facilities Plan were determined assuming a 1.59% annual growth rate applied to the year 2002 population. This growth rate is based on historical growth rates for the community since 1990 (see graph). The graph also shows population as far back as 1970 for historical perspective. This is a downward revision of the

Metro Plan projection by about 0.2%. The current MWMC service area population (2002) is 217,737. The projected service area population in 2025 is 297,585, which represents a 36.7 percent increase. MWMC's service area does not directly align with transportation, water, and power supply jurisdictions, which make direct comparisons difficult. However, to provide a reality check on the MWMC projected values, we have compared the City of Eugene portion of the MWMC projections to the Eugene Water and Electric Board (EWEB)



projections that have recently been developed as part of EWEB's 2004 Water Master Plan. Estimated existing and projected population values for the City of Eugene from the MWMC 2004 Wastewater Facilities Plan and the EWEB 2004 Water Master Plan are presented in the following table. The MWMC 2025 projection is 5% higher than the EWEB projection. The EWEB population projection is used to project future water needs. In developing that water use projection, a 12% allowance is added to account for daily fluctuations in water use. Considering that EWEB applied a water use allowance, the jurisdictional boundaries do not coincide exactly, and the fact that there is some uncertainty associated with any 20-year population projection, there is not an inconsistency between these two population projections.

Approximate City of Eugene Population Projections Comparison – MWMC versus EWEB

	Estimated City of Eugene Population	
	MWMC 2004 Wastewater Facilities Plan	EWEB 2004 Water Master Plan
Existing	163,791 (Year 2002) <sup>a</sup>	160,000 (Year 2000)
Growth Through 2025	60,065	53,655
Total Percent Increase	36.7%	33.1%
Annualized Percentage Increase	1.59%	1.15%
Projected Population in 2025	223,856 <sup>a</sup>	213,000
Amount that MWMC 2025 Projection is Greater Than EWEB 2025 Projection	10,856	-
Amount that MWMC 2025 Projection is Greater Than EWEB 2025 Projection (percentage basis)	5%	-

<sup>a</sup> Regarding the MWMC projections, both the existing and 2025 values include an additional 21,400 people to account for the Santa Clara/River Road area that is served by MWMC but has not been annexed into the City of Eugene.

**4. Could you please provide a comparison of the water, power, wastewater, and other SDCs applicable for a 5000-square-foot residence?**

The water, wastewater, surface water, parks, and transportation SDCs are not determined on a finished-space, square-foot basis. However, the SDCs in the following table present values that provide a sense of the relative difference between rates. Power utilities do not have SDCs.

SDC Type	Rate in 2004 Dollars	Basis
Water (EWEB)	\$1,880 <sup>a</sup>	¾" meter
Current Wastewater (MWMC)	\$529	Dwelling Unit
Wastewater (MWMC) – Based on 2004 SDC Methodology Applied to the 20-year project list in the 2004 Facilities Plan	\$947	Dwelling Unit
Local Wastewater	\$629	Base fee + 5,000 sq. ft
Stormwater	\$710	5,000 sq. ft
Transportation	1,312	Dwelling Unit
Parks (City of Eugene)	\$1,345	Per dwelling unit

<sup>a</sup> Source: City of Eugene survey November 2002



Water SDCs for EWEB are charged based on meter size. The fee for a 3/4" meter (based on Eugene's 11/02 survey) is \$1,860. Additional SDCs for Eugene as of October, 2003, include parks (\$1,345 per dwelling unit), transportation (\$1,312 per dwelling unit), stormwater (\$0.142 per square foot of impervious area), and local wastewater (\$629, including base fee of \$283.8 and charge per square foot of \$0.069). The Eugene survey provides SDCs for other communities for a residential customer with 2,000 square feet and 3/4" meter.

It is perhaps more useful to compare wastewater SDCs to other agencies' wastewater SDCs for a typical single-family residence. The following survey data provides a comparison of typical residential wastewater SDC charges among Oregon communities. The following is 2002 data, which have NOT been escalated to 2004 dollars, and does NOT capture increases in SDC charges that may have been implemented for 2003 and 2004.

**TYPICAL RESIDENTIAL WASTEWATER SDC RATES FOR OREGON COMMUNITIES**

<b>CITY</b>	<b>WASTEWATER SDC (2002 DATA)</b>
Abany	\$2,147
Ashland	\$2,482
Bend	\$1,020
Clean Water Services (Hillsboro example)	\$2,300
Corvallis	\$4,198
<b>Eugene (local + MWMC)</b>	<b>\$971</b>
Gresham	\$1,900
Lake Oswego	\$1,837
McMinnville	\$2,400
Portland	\$2,420
Roseburg	\$1,400
Salem	\$2,391
<b>Springfield (local + MWMC)</b>	<b>\$1,167</b>
Tri-Cities (West Linn example)	\$2,660

**5. Why is newly developed land that installed new infrastructure (wastewater pipes) required to pay SDC fees relating to wet weather treatment plant improvements? Developers believe that the Inflow/Infiltration (I/I) problem in the collection system is an existing deficiency/problem, and that the newly installed sanitary pipes should be tight.**

This assumption or belief is not correct. The existing system does allow a much greater percentage of the total wet weather flow to enter the system; however, some I/I unavoidably enters the collection system in newly developing areas. That amount of I/I increases over time, even though the cities implement aggressive collection system maintenance and rehabilitation programs. This must be addressed and accounted for by planning and constructing adequate peak flow capacity at the treatment plant. New developments connecting to the facilities are responsible only for a share of the peak flow capacity that is attributable to the I/I contribution of their development over time. It is a much smaller share than that borne by existing system users. While the I/I generated may be a small amount immediately after construction, the design life of a pipeline can be 50 years or greater, and the wet weather flows must be estimated to meet the demands of future conditions.

Nationwide experience over the last 25 years has shown that I/I cannot be considered simply a collection system deficiency resolved through ongoing collection system repair and rehabilitation. That is why wastewater treatment plants must be designed with capacities to handle a certain peak flow that will occur regardless of aggressive ongoing collection system work. The MWMC Wet Weather Flow Management Plan, completed in 2001, determined the most cost-effective combination of I/I work in the collection system and treatment capacity at the regional wastewater facilities. To estimate the amount of I/I from future systems, MWMC analyzed the I/I contribution from selected, existing developments that were constructed within the last 20 years using construction techniques and materials similar to those used today. That analysis and the experience of other agencies resulted in the establishment of the I/I contribution amount from future developed areas.

**6. What would a common sense standard be for the overflow standard (i.e., the 5-year storm event), and what effect would this have on the Facilities Plan capital project list?**

Understanding existing standards and their origin has assisted in developing an appropriate overflow standard for MWMC. EPA continues to develop a Sanitary Sewer Overflow (SSO) policy that in part has been delayed by a controversial prohibition clause that prohibits municipal sanitary sewer system discharges that occur prior to a publicly-owned treatment works (POTW). The only exemption would be for severe natural conditions "exceptional, unintentional, temporary and caused by factors beyond the reasonable control of the permittee." These pending regulations are significantly more restrictive than the DEQ standards, and many have interpreted this to mean that a 5- or 10-year storm event would not be considered to be an exceptional event.

The DEQ standard considers water quality in its development of an overflow frequency standard. Specifically, the standard is based on the bacteria specifications of the State water quality regulations. DEQ requires that sanitary sewer collection systems not discharge untreated wastewater for storm events smaller than the 5-year, 24-hour duration recurrence interval during the winter months. This water quality-based standard is used by all wastewater agencies throughout the State as their design criteria. Because it is based on impacts to receiving water quality and takes into account the seasonal river flows, it is considered a more common sense standard. It is this Oregon DEQ standard that the 20-year project list is based on. Relative to the draft EPA SSO policy that would prohibit overflows for nearly all wet weather events, the Oregon standard is certainly a more common sense standard. If the Federal EPA SSO rule were to be implemented, there would be significant increases in both projects and costs to the current 20-year project list.

Perhaps more importantly, however, is the set of standards and expectations that were developed and adopted in the MWMC Wet Weather Flow Management Plan. Completed in 2001, this plan involved an exhaustive review of the performance that should be achieved in managing peak flows. A citizen advisory committee (CAC), made up of a broad spectrum of community interests and stakeholders, found consensus in the objective that overflows should be eliminated, and that the treated wastewater should be treated to a higher standard than it is currently during peak flow conditions. While the CAC did not pursue the most aggressive capital improvement program, it recommended an approach that balanced cost and benefits of building increased increments of peak flow capacity. The Facilities Plan carries forward these citizen recommendations, which became adopted policy by the MWMC and which have served as the guidance for the Cities' I/I programs since 2001.

**IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON**

Order No.                                 )  
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**IN THE MATTER OF CONCURRING WITH  
THE METROPOLITAN WASTEWATER  
MANAGEMENT COMMISSION (MWMC)  
WASTEWATER FACILITIES PLAN AS  
APPROVED BY THE MWMC**

**WHEREAS**, the intergovernmental agreement establishing the MWMC, entered into by the governing bodies of Lane County, Eugene, and Springfield, in 1977 assigns to the MWMC specific functions and obligations, including planning, constructing, maintaining and operating regional sewerage facilities, and making recommendations to the governing bodies for expansions and improvements of such facilities; and

**WHEREAS**, the MWMC contracted with CH2M HILL engineers to update the Commission's plans and capital improvements programs to address regional wastewater treatment capacity and performance needs to facilitate community growth and meet State and Federal regulatory requirements through 2025; and

**WHEREAS**, the MWMC held public hearings on the Facilities Plan on April 22, 2004, and on May 6, 2004, and following discussion of the public testimony, directed that the Facilities Plan be approved and forwarded to the governing bodies for concurrence; and

**WHEREAS**, Lane County, as a governing body, has now reviewed the MWMC-approved wastewater Facilities Plan;

**NOW, THEREFORE, IT IS HEREBY ORDERED** that the Metropolitan Wastewater Management Commission's regional wastewater Facilities Plan is hereby concurred with by the Lane County Board of Commissioners.

Dated this \_\_\_\_\_ day of May, 2004.

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Chair, Lane County Board of Commissioners

**IN THE MATTER OF CONCURRING WITH THE METROPOLITAN  
WASTEWATER MANAGEMENT COMMISSION (MWMC) WASTEWATER  
FACILITIES PLAN AS APPROVED BY THE MWMC**