

W. G. a.

**AGENDA DATE:** May 20, 2009

**To:** Board of County Commissioners

**Department:** Commissioners Business

**Presented By:** Jeff Spartz, County Administrator  
Ron Bittler, Springfield Environmental Services/MWMC General Manager  
Peter Ruffier, Eugene Wastewater Division Director

**Title:** IN THE MATTER OF RATIFYING THE FY 09-10 REGIONAL  
WASTEWATER PROGRAM BUDGET AND CAPITAL IMPROVEMENTS  
PROGRAM AS APPROVED BY THE METROPOLITAN WASTEWATER  
MANAGEMENT COMMISSION (MWMC)

## **I. PROPOSED MOTION**

MOVE APPROVAL OF THE ATTACHED BOARD ORDER RATIFYING THE FY 09-10 METROPOLITAN WASTEWATER MANAGEMENT COMMISSION (MWMC) REGIONAL WASTEWATER PROGRAM BUDGET AND CAPITAL IMPROVEMENTS PROGRAM (CIP) AS PRESENTED.

## **II. ISSUE OR PROBLEM**

As provided for in the Intergovernmental Agreement (IGA), Lane County, the City of Eugene, and the City of Springfield, as governing bodies, must ratify the annual MWMC Budget and Capital Improvements Program.

## **III. DISCUSSION**

### **A. Background**

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

### **B. Analysis**

The FY 09-10 RWP Budget and Capital Improvements Program (the budget document) was approved by the MWMC on April 10, 2009. The MWMC convened three budget work sessions and a public hearing prior to adopting the Budget and CIP. The FY 09-10 Budget funds all operations, administrative services, and capital projects planned for the RWP collection and treatment facilities. The CIP outlines and describes the capital projects planned for the next five years. In accordance with the IGA, MWMC contracts with the City of Eugene for operations and maintenance services, and with the City of Springfield for administrative services. The attached budget document provides regional program and budget summaries as well as

detailed budgets for the services provided by Eugene and Springfield. The budget document also provides information about how the RWP activities are driven by MWMC-established goals and how they are coordinated.

The FY 09-10 RWP Budget and CIP must be approved by MWMC and ratified by Lane County, Eugene, and Springfield, and then finally adopted by MWMC, prior to the beginning of the next fiscal year (July 1, 2009). The Eugene City Council ratified the Budget and CIP on May 11, 2009, and the Springfield City Council will ratify the Budget and CIP through its adoption of the City of Springfield Budget on June 15, 2009.

C. Alternatives

1. Ratify the MWMC FY 09-10 RWP Budget and CIP as adopted by MWMC and as ratified by the City of Eugene.
2. Request that MWMC modify the FY 09-10 RWP Budget and CIP and refer it back to MWMC for reconsideration.

D. Timing

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

**IV. IMPLEMENTATION/FOLLOW UP**

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

**V. ATTACHMENTS**

Attached is the FY 09-10 RWP Budget and CIP document, as approved by MWMC on April 10, 2009, and as ratified by the Eugene City Council on May 11, 2009.

# Metropolitan Wastewater Management Commission

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WASTEWATER  
MANAGEMENT*

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*MWMC  
Commission*

April 29, 2009

Hilary Loud  
Eugene Citizen  
MWMC President

Mr. Jeff Spartz, County Administrator  
Lane County  
125 E. 8<sup>th</sup> Street  
Eugene, OR 97401

Doug Keeler  
Springfield Citizen  
MWMC Vice President

**Subject: Metropolitan Wastewater Management Commission (MWMC)  
FY 09-10 Regional Wastewater Program (RWP) Budget and  
Capital Improvements Program (CIP)**

Bill Inge  
Lane County Citizen

Terry Gould  
Eugene Citizen

Dear Mr. Spartz:

On April 10<sup>th</sup>, the MWMC held a public hearing on the FY 09-10 Regional Wastewater Program (RWP) Budget and Capital Improvements Program (CIP). At this meeting, the FY 09-10 RWP Budget and CIP were approved. The RWP Budget funds operating and capital project requirements, and maintains targeted contributions to reserves.

Consistent with the Intergovernmental Agreement, the RWP Budget and CIP need to be ratified by the governing bodies of Eugene, Springfield and Lane County prior to final adoption by MWMC. Please forward the enclosed budget and CIP documents to the Board of Commissioners for their consideration on May 20, 2009. If I can be of any additional assistance, please contact me at 744-4170.

Thank you for your consideration and assistance in this matter.

Sincerely,

Ron Bittler  
MWMC General Manager

Jennifer Solomon  
Eugene City Councilor

Terri Leezer  
Springfield City Councilor

Faye Stewart  
Lane County Comm.

*Administration*

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

Order No.                                    )   **IN THE MATTER OF RATIFYING THE FY 09-10**  
  )   **REGIONAL WASTEWATER PROGRAM BUDGET**  
  )   **AND CAPITAL IMPROVEMENTS PROGRAM AS**  
  )   **APPROVED BY THE METROPOLITAN**  
  )   **WASTEWATER MANAGEMENT COMMISSION**

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

**WHEREAS**, the Metropolitan Wastewater Management Commission, after holding a required public hearing and following additional discussions and deliberation, directed on April 10, 2009, that the FY 09-10 Regional Wastewater Program Budget and Capital Improvements Program be approved and forwarded to the governing bodies for ratification; and

**WHEREAS**, Lane County, one of the participating governing bodies, has now reviewed the Metropolitan Wastewater Management Commission's proposed Regional Wastewater Program Budget and Capital Improvements Program for FY 09-10;

**NOW, THEREFORE, IT IS HEREBY ORDERED** that the Metropolitan Wastewater Management Commission's Regional Wastewater Program Budget and Capital Improvements Program for FY 09-10 is hereby ratified.

Dated this \_\_\_\_\_ day of May, 2009.

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

**IN THE MATTER OF RATIFYING THE FY 09-10 METROPOLITAN WASTEWATER PROGRAM BUDGET AND  
CAPITAL IMPROVEMENTS PROGRAM AS APPROVED BY THE METROPOLITAN WASTEWATER  
MANAGEMENT COMMISSION**

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**REGIONAL WASTEWATER PROGRAM**  
**BUDGET**  
**and**  
**CAPITAL IMPROVEMENTS PROGRAM**  
**FY 09-10**

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The Metropolitan Wastewater Management Commission adopted its Operating Budget and Capital Improvements Program (CIP) for FY 09-10 April 10, 2009. The Budget and CIP were ratified by the Springfield City Council on June XX, 09 the Lane County Board of Commissioners on May XX, 2009, and the Eugene City Council on May XX, 2009. The Commission gave final ratification to the budget and CIP on June XX, 2009.

**COMMISSION MEMBERS:**

Hilary Loud, President (Eugene)  
Doug Keeler, Vice-President (Springfield)

Terri Leezer, (Springfield)  
Jennifer Solomon, (Eugene)  
Terry Gould (Eugene)  
Bill Inge, (Lane County)  
Faye Stewart, President (Lane County)

**STAFF:**

Susie Smith, MWMC Executive Officer/Springfield Public Works Director  
Ron Bittler, MWMC General Manager/Springfield Environmental Services Manager  
Peter Ruffier, Eugene Wastewater Division Director  
Robert Duey, MWMC Finance Officer/Springfield Finance Director

April 28, 2009  
Review Draft

**METROPOLITAN WASTEWATER MANAGEMENT COMMISSION**  
**ADOPTED FY 09-10 BUDGET AND CAPITAL IMPROVEMENTS PROGRAM**  
**for the**  
**REGIONAL WASTEWATER PROGRAM**

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**BUDGET MESSAGE****To the Metropolitan Wastewater Management Commission:**

I am pleased to present the Metropolitan Wastewater Management Commission's (MWMC) budget for fiscal year (FY) 2009-10. This budget funds operations, administration, and capital projects planned for the Regional Wastewater Program (RWP). The MWMC administration and Capital Improvements Program (CIP) components of the budget are reflected in the City of Springfield's RWP budget. The operations, maintenance, equipment replacement, and major rehabilitation components are reflected in the City of Eugene's RWP budget. The Cities' Industrial Pretreatment Programs, managed locally in compliance with the MWMC Model Ordinance, also are included in the RWP budget.

This year's budget reflects a continued focus on design and construction of capital improvements planned to ensure that operation of the Regional Wastewater Facilities meets environmental regulations, and that adequate capacity will be provided to meet the needs of a growing service area. The FY 09-10 capital budget and FY 09-10 – FY 13-14 capital improvements work plan, which are included in this budget document, and are derived from the 2004 MWMC Facilities Plan. The budgeted amount for FY 09-10 Facilities Plan capital improvement projects is \$65,016,782. The FY 09-10 capital budget also includes Major Rehabilitation, Equipment Replacement and Major Capital Outlay capital projects, budgeted at \$158,700, \$258,710 and \$0 respectively. For FY 09-10, the combination of new projects and continuing projects carried forward from FY 08-09 results in a total capital budget of \$65,434,192. Approximately \$16 million of the total capital budget will not be spent in FY 09-10, but is included to enable contracts for construction that will occur in FY 09-10. Unspent funds will be carried forward to the FY 10-11 budget as appropriate. In order to fund the actual cash flow requirements of the FY 09-10 CIP, the Commission will use another \$27.8 million in borrowing authority to secure the most strategic combination of revenue bonds and State Revolving Fund (SRF) loans. This borrowing is actually anticipated to occur in FY 09-10 to match the cash flow requirements carried forward at the end of FY 08-09.

The FY 09-10 RWP Operating Budget for Personnel Services, Materials and Services and Capital Outlay expense is \$15,243,872. Consistent with the Commission's Financial Plan and policies, the FY 09-10 budget maintains and uses several reserves, which are fully described in this budget document. Finally, the FY 09-10 budget includes debt service payments totaling \$7,712,938 as scheduled for repayment of \$47.3 million of revenue bonds issued in November 2006, and an additional \$52.7 million in borrowing in FY 08-09 to fund the Facilities Plan capital improvements.

Revenue sources necessary to fund Operations, Capital programs, debt service requirements and reserves include user charges, system development charges (SDCs), interest earnings and a small amount of miscellaneous revenues. For FY 09-10, user fee revenues (including septage service) are projected at \$24,666,551. This level of revenue is projected based on a 18% increase in regional wastewater user fees, as recommended by the MWMC financial advisor in order to meet the Commission's Financial Plan policies and net revenue objectives. SDC charges will be adjusted downward by 25% over the FY 08-09 estimated actual SDC revenue to reflect the downturn in development, revenues from SDCs are projected at \$663,750.

In summary, the projected FY 09-10 budget funds operations and administration sufficiently to maintain existing levels of service, and to meet the environmental performance and other legal obligations of the Commission. It funds Capital Programs at a level necessary to implement the 2004 Facilities Plan objectives for compliance with the National Pollutant Discharge Elimination System (NPDES) permit issued to MWMC and the two Cities. Finally, this budget implements the Commission's adopted Financial Plan policies regarding reserves, asset management, and capital financing.

<b>REGIONAL WASTEWATER PROGRAM RESOURCE AND EXPENDITURE SUMMARY</b>			
	<b>BUDGET 2008-09</b>	<b>AMENDED 2008-09</b>	<b>PROPOSED 2009-10</b>
<b>RESOURCES</b>			
User Fees	\$21,193,517	\$21,193,517	\$24,666,551
Beginning Cash	59,833,392	69,085,496	83,981,156
Internal Transfers	5,088,081	5,088,081	7,413,743
System Development Charge	1,770,000	1,770,000	663,750
Interest	2,691,000	2,691,000	2,420,000
Revenue Bond/SRF Proceeds	86,000,000	86,000,000	27,800,000 ***
Miscellaneous	1,728,900	1,728,900	1,721,500
	<b>\$178,304,890</b>	<b>\$187,556,994</b>	<b>\$148,666,700</b>
<b>EXPENDITURES</b>			
Reserves	\$56,090,286	\$57,439,857	\$51,530,021
Operations	10,616,760	10,730,072	11,368,840
Internal Transfers	5,097,281	5,097,281	7,413,743 *
CIP	96,902,414	104,691,635	65,434,192 **
Bond Sale/Arbitrage Expense	600,000	600,000	654,939
Debt Service	5,074,388	5,074,388	8,389,933
Administration	3,923,761	3,923,761	3,875,032
	<b>\$178,304,890</b>	<b>\$187,556,994</b>	<b>\$148,666,700</b>

\* Includes two equipment replacement contributions totaling \$794,700 and a Capital Reserve contribution of \$4,200,000.

\*\* In governmental budgeting, projects are fully budgeted in the fiscal year in which the contract is awarded. At the end of each fiscal year, unspent funds are carried forward until the project is completed. This provides budget appropriations necessary for MWMC to commit to contracts that span more than one fiscal year. Therefore, although the budgeted amount in the capital budget for FY 09-10 is \$65,434,192, the expected capital project spending for FY 09-10 is only expected to total about \$49,014,000.

\*\*\* Because all capital projects for which contracts will be awarded in FY 09-10 must be fully budgeted in FY 09-10, the revenue requirements, and in this case, necessary borrowing, must also be shown in the budget year. The actual borrowing planned for FY 09-10 is \$27,800,000.

Respectfully submitted,

Susie Smith,  
MWMC Executive Officer



## REGIONAL WASTEWATER PROGRAM OVERVIEW

### **The Metropolitan Wastewater Management Commission**

The MWMC was formed by Eugene, Springfield, and Lane County through an intergovernmental agreement (IGA) in 1977 to provide wastewater collection and treatment services for the Eugene-Springfield metropolitan area. The seven-member Commission is composed of members appointed by the City Councils of Eugene (3 representatives), Springfield (2 representatives), and the Lane County Board of Commissioners (2 representatives). Since its inception, the Commission, in accordance with the IGA, has been responsible for oversight of the RWP including: construction, maintenance, and operation of the regional sewerage facilities; adoption of financing plans; adoption of budgets, user fees and connection fees; adoption of minimum standards for industrial pretreatment and local sewage collection systems; and recommendations for the expansion of regional facilities to meet future community growth. Staffing and services have been provided in various ways over the 32 years of MWMC's existence. Since 1983, the Commission has contracted with the Cities of Springfield and Eugene for all staffing and services necessary to maintain and support the RWP. Lane County's partnership has involved participation on the Commission and support to the Lane County Metropolitan Wastewater Service District (CSD), which managed the proceeds and repayment of general obligation bonds issued to construct RWP facilities.

### **Regional Wastewater Program Purpose and Key Outcomes**

The purpose of the RWP is to protect public health and safety and the environment by providing high quality wastewater management services to the Eugene-Springfield metropolitan area. The MWMC and the regional partners are committed to providing these services in a manner that is effective, efficient, and meets customer service expectations. Since the mid-1990s, the Commission and RWP staff have worked together to identify key outcome areas within which to focus annual work plan and budget priorities. The FY 09-10 RWP work plans and budget reflect a focus on the following key outcomes or goals.

In carrying out the daily activities of managing the regional wastewater system, we will strive to achieve and maintain:

1. *High environmental standards;*
2. *Fiscal management that is effective and efficient;*
3. *A successful intergovernmental partnership;*
4. *Maximum reliability and useful life of regional assets and infrastructure;*
5. *Public awareness and understanding of MWMC, the regional wastewater system, and MWMC's objectives for maintaining water quality and a sustainable environment.*

The Commission believes that these outcomes, if achieved in the long term, will demonstrate success of the RWP in carrying out its purpose. In order to determine whether we are successful, indicators of performance and targets have been identified for each key outcome. Tracking performance relative to identified targets over time assists in managing the RWP to achieve desired results. The following indicators and performance targets provide an important

framework for the development of the FY 09-10 RWP Operating Budget, Capital Improvements Program and associated work plans.

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

Indicators:	Performance:		
	FY 07-08 Actual	FY 08-09 Estimated Actual	FY 09-10 Target
• Amount of wastewater treated to water quality standards	100 %; 13.87 billion gallons	100 %; 13.16 billion gallons	100 %; 14.0 billion gallons
• Compliance with environmental performance requirements of all permits	—	100% compliance	100% compliance
• MWMC target for high quality biosolids	<50% EPA 40CFR Part 503.13 -Table 3 Pollutant Concentrations: Policy Met	<50% EPA 40CFR Part 503.13 -Table 3 Pollutant Concentrations: Policy Met	<50% EPA 40CFR Part 503.13 -Table 3 Pollutant Concentrations: Policy Met
• Amount of reclaimed water beneficially reused (million gallons, as percent of 10MGD CIP target)	3.3%	4.0%	4.0%
• Performance targets under the Environmental Management System are achieved	100% of numeric EMS targets met	100% of numeric EMS targets met	100% of numeric EMS targets met

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

Indicators:	Performance:		
	FY 07-08 Actual	FY 08-09 Estimated Actual	FY 09-10 Target
• Annual Budget and Rates meet MWMC Financial Plan Policies	Policies Met	Policies Met	Policies Met
• Annual audited financial statements	Clean Audit	Clean Audit	Clean Audit
• Uninsured Bond Rating	A	AA-	A
• Reserves Funded at Target Levels	yes	yes	yes
• Net Revenue to Debt Service coverage ratio	3.10	1.59	>1.25

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

Indicators:	Performance:		
	FY 07-08 Actual	FY 08-09 Estimated Actual	FY 09-10 Target
<ul style="list-style-type: none"> <li>Industrial Pretreatment Program— Implementation in compliance with State/Federal requirements; any required corrections completed</li> </ul>	100%	100%	100%
<ul style="list-style-type: none"> <li>Wet Weather Flow Management Plan (WWFMP) implemented (MWMC portion – treatment plant upgrades) and updated in a timely manner</li> </ul>	Implemented MWMC FY 07-08 WWFMP elements	Implementing MWMC FY 08-09 scheduled WWFMP elements; planning work for WWFMP update	WWFMP update ongoing (MWMC/Eugene/Springfield updated work plan elements)
<ul style="list-style-type: none"> <li>MWMC Facilities Plan projects consistent with CIP budget and schedule</li> </ul>	—	100% of projects within budget	100% of projects within budget and on schedule

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

Indicators:	Performance:		
	FY 07-08 Actual	FY 08-09 Estimated Actual	FY 09-10 Target
• Preventive maintenance completed on time (best practices benchmark is 90%)	84%	84%	90%
• Preventative maintenance to corrective maintenance ratio (benchmark 4:1-6:1)	4:1	4:1	5:1
• Maintain infrastructure in good to excellent condition (rating scale 0 to 5, with 5 being excellent)	No Assessment scheduled for FY 07-08	4	No Assessment scheduled for FY 09-10
• Emergency maintenance required (best practices benchmark is <2% of labor hours)	0.9%	0.5%	<2% of labor hours
• New infrastructure added to maintenance management system in a timely manner	—	—	Asset Reports complete by time of Annual Audit

**Outcome 5: Achieve and maintain public awareness and understanding of MWMC, the regional wastewater system, and MWMC's objectives for maintaining water quality and a sustainable environment.**

Indicators:	Performance:		
	FY 07-08 Actual	FY 08-09 Estimated Actual	FY 09-10 Target
• MWMC Annual Report	Produced	Produced	Produced
• Updated MWMC Informational Brochures	—	Partial Completion of Portfolio	Complete Portfolio
• Presentations made about MWMC and its activities	—	Roadshow Presentation Updated	8 Facilities Plan Progress Report Roadshows
• MWMC/Biocyte Farm Websites	Updated monthly	Updated monthly	Update monthly
• Clean Water Workshops (Springfield/4J Schools)	—	—	10 Workshops

### Roles and Responsibilities

In order to effectively oversee and manage the RWP, the partner agencies provide all staffing and services to MWMC. The following sections describe the roles and responsibilities of each of the partner agencies, and how intergovernmental coordination occurs on behalf of the Commission.

#### City of Eugene

The City of Eugene supports the RWP through representation on MWMC, provision of operation and maintenance services, and active participation on interagency project teams and committees. Three of the seven MWMC members represent Eugene--two citizens and one City Councilor. Pursuant to the IGA, the Eugene Wastewater Division operates and maintains the Regional Water Pollution Control Facility (WPCF), the Biosolids Management Facility (BMF) and associated residuals and reclaimed water activities, along with regional wastewater pumping stations and transmission sewers. In support of the RWP, the Division also provides technical services for wastewater treatment; management of equipment replacement and infrastructure rehabilitation; biosolids treatment and recycling; industrial source control (in conjunction with Springfield staff); and regional laboratory services for wastewater and water quality analyses. These services are provided under contract with MWMC through the regional funding of 76.49 FTE.

#### City of Springfield

The City of Springfield supports the RWP through representation on MWMC, provision of MWMC administration services, and active coordination of and participation on interagency project teams and committees. Two MWMC members represent Springfield--one citizen and one City Councilor. Pursuant to the IGA, the Springfield Public Works Director and the Environmental Services Manager serve as the MWMC Executive Officer and General Manager, respectively. The Environmental Services Division and Finance Department staff provide ongoing staff support to the Commission and administration of the RWP in the following areas: legal and risk management services; financial management and accounting; coordination and management of public policy; regulatory and permit compliance issues; coordination between the Commission and the governing bodies; long-range capital project planning, design, and construction management; coordination of public information, education, and citizen involvement programs; and coordination and development of regional budgets, rate proposals, and revenue projections. Springfield staff also provides local implementation of the Industrial Pretreatment Program, as well as billing coordination and customer service. These services are provided under contract with MWMC through the regional funding of 18.55 FTE of Public Works Department staff and .85 FTE of Finance Department staff, as reflected in the adopted FY 09-10 budget.

#### Lane County

Lane County supports the RWP through representation on MWMC, and by maintaining the CSD when in use. Two MWMC members represent Lane County--one citizen and one County Commissioner. The Board of County Commissioners oversees the CSD, including administration of local General Obligation (GO) bond proceeds and governance of the District. The District was formed, under agreement with MWMC and the partner agencies, to enable long-term financing of regional facilities through issuance of GO bonds. The CSD adopts an

annual budget for CSD funds, which is separate from the MWMC budget. The GO bond debt, which was retired in August, 2002, was repaid by CSD through an annual property tax assessment for Eugene and Springfield properties. Sewer users in the unincorporated areas such, as the River Road/Santa Clara area, contributed to bond repayment through an “in-lieu-of-tax charge” (ILOTTC). Because the bond debt has been fully repaid, property tax assessments and ILOTTC payments are no longer being assessed.

#### Interagency Coordination

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

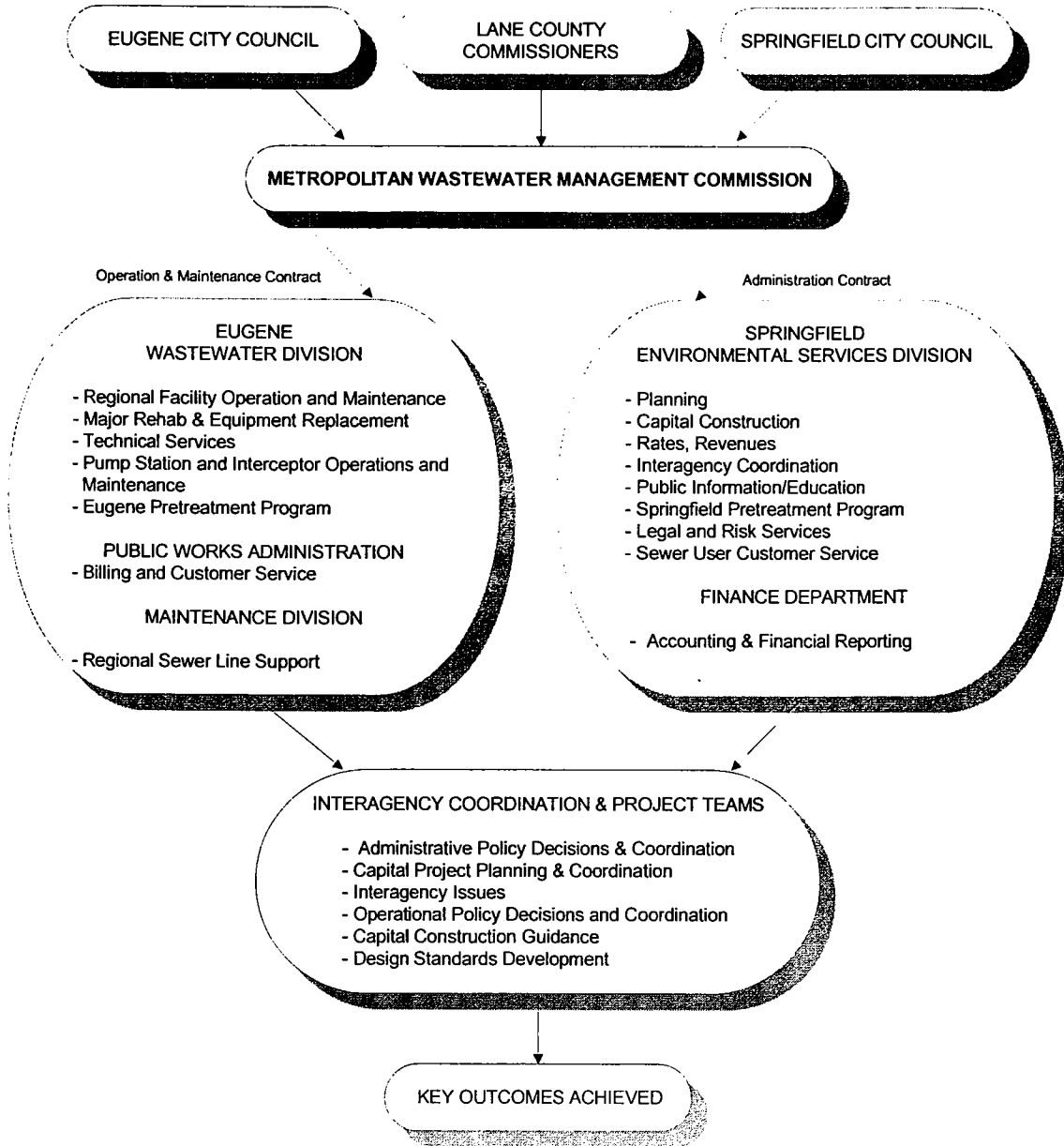
Exhibit 1 on the following page reflects the interagency coordination structure supporting the RWP. Special project teams are typically formed to manage large projects such as design and construction of new facilities. These interagency staff teams are formulated to provide appropriate expertise, operational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

#### Relationship to Eugene and Springfield Local Sewer Programs

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

EXHIBIT 1

REGIONAL WASTEWATER PROGRAM  
INTERAGENCY COORDINATION STRUCTURE



**REGIONAL WASTEWATER PROGRAM  
FY 09-10 BUDGET**

MWMC's RWP Operating Budget provides the Commission and governing bodies with an integrated view of the RWP elements. Exhibit 2 provides a summary of the overall Operating Budget. Separate Springfield and Eugene agency budgets and staffing also are presented within this budget document. Major program areas supported by Springfield and Eugene are described in the pages that follow and are summarized in Exhibit 3 on page 12. Finally, Exhibit 4 on page 13 combines revenues, expenditures, and reserves to illustrate how funding for all aspects of the RWP is provided. It should also be noted that the "Amended Budget FY 08-09" column in all budget tables represents the updated FY 08-09 RWP budget as of February 17, 2009, which reconciled actual beginning balances at July 1, 2008, and approved budget transfers and supplemental requests.

**EXHIBIT 2**

**REGIONAL OPERATING BUDGET SUMMARY:  
INCLUDING RESERVE CONTRIBUTIONS**

	ADOPTED BUDGET FY 08-09	AMENDED BUDGET FY 08-09	PROPOSED BUDGET FY 09-10	CHANGE (1) INCR/(DECR)	
FTE	96.62	96.62	95.89	(0.73)	-1%
Personnel Services (2)	\$8,429,238	\$8,429,238	\$8,660,632	\$231,394	3%
Materials & Services (2)	6,087,783	6,201,095	6,553,780	465,997	8%
Capital Outlay (2,3)	23,500	312,500	29,460	5,960	25%
Equip Replacement Contr (4)	790,966	790,966	794,700	3,734	0.5%
Capital Reserve Contr (5)	4,297,115	4,297,115	6,619,043	2,321,928	54%
Working Capital Reserve (6)	900,000	900,000	900,000	0	0%
Rate Stability Reserve Contr (7)	1,529,150	1,949,972	4,669,071	3,139,921	205%
Operating Reserve (8)	1,460,000	1,460,000	1,542,283	82,283	6%
Debt Service (9)	1,033,696	1,033,696	2,880,957	1,847,261	179%
Rate Stabilization Reserve Contr (10)	2,000,000	2,000,000	0	NA	NA
SRF Loan Reserve (11)	500,000	200,000	200,000	(300,000)	NA
Revenue Bond Reserve (12)	8,100,000	8,100,000	3,100,000	(5,000,000)	NA
<b>Budget Summary</b>	<b>\$35,151,448</b>	<b>\$35,674,582</b>	<b>\$35,949,926</b>	<b>\$2,798,478</b>	<b>8%</b>

Notes:

1. The Change column and Percent Change column compare the proposed FY 09-10 budget with the originally Adopted FY 08-09 Budget column.
2. Personnel Services, Materials and Services, and Capital Outlay budget amounts represent combined Springfield and Eugene Operating Budgets that support the RWP.
3. Capital Outlay does not include CIP, Equipment Replacement, Major Capital Outlay, or Major Rehabilitation, which are capital programs.
4. The Equipment Replacement Contribution is a budgeted transfer of operating revenues to "sinking funds" (reserves) for scheduled future replacement of major equipment, vehicles, and computers. See table on page 22 for year-end balance.



5. The Capital Reserve Contribution is a budgeted transfer of operating revenues to “sinking funds” (reserves). Capital is passed through the Springfield Administration Budget. See table on page 24 for year-end balance.
6. The Working Capital Reserve acts as a revolving account which is drawn down and replenished on a monthly basis to fund Eugene’s and Springfield’s cash flow needs.
7. The Rate Stability Reserve is used to accumulate revenues available at year-end after the budgeted Operating Reserve target is met. It is budgeted based on projected revenues and expenditures and is intended to lessen the size of needed rate increases over time. See Exhibit 7 on page 21 for year-end balance.
8. The Operating Reserve is used to account for the accumulated operating revenues net of operations expenditures. The Commission has adopted a policy of maintaining a minimum Operating Reserve balance approximately equal to 10% of the adopted Operating Budget. This targeted level of funding provides for contingency funds in the event unanticipated expenses or revenue shortfalls occur during the budget year.
9. The Debt Service line item is the sum of annual interest and principal payments on the Revenue Bonds and SRF loans made from the Operating Budget (derived from user rates). The total amount of debt service budgeted in FY 09-10 is \$2,084,322, the balance of which is budgeted from SDCs.
10. The Rate Stabilization Reserve was established as a result of the 2006 MWMC Revenue Bond Declaration and Covenants. It holds funds that are available if needed, to ensure debt service payments can be made.
11. The SRF loan reserve is being budgeted at 10% of the anticipated loan proceeds.
12. The Revenue Bond Reserves are established to cover the 2006 bond (\$4 million), the 2008 bond issue (\$4.1 million), with an additional contribution for the 2010 bond issue (\$2.0 million). The need to establish reserves for the bond issues is driven by changes in the rating of our bond insurer and anticipated market conditions.

**EXHIBIT 3**  
**REGIONAL WASTEWATER PROGRAM OPERATING BUDGET**  
**LINE ITEM SUMMARY BY PROGRAM AREA**

	ACTUAL FY 07-08	ADOPTED BUDGET FY 08-09	AMENDED BUDGET FY 08-09	PROPOSED BUDGET FY 09-10	CHANGE INCR/(DECR)	
<b>SPRINGFIELD</b>						
<b>MWMC ADMINISTRATION</b>						
Personnel Services	\$1,088,201	\$1,483,717	\$1,483,717	\$1,477,713	(\$6,004)	0%
Materials & Services	1,596,814	1,967,732	1,967,732	1,947,823	(19,909)	-1%
Capital Outlay	1,007	0	0	0	0	NA
<b>TOTAL</b>	<b>\$2,686,022</b>	<b>\$3,451,449</b>	<b>\$3,451,449</b>	<b>\$3,425,536</b>	<b>(\$25,913)</b>	<b>-1%</b>
<b>INDUSTRIAL PRETREATMENT</b>						
Personnel Services	\$154,646	\$280,129	\$280,129	\$260,527	(\$19,602)	-7%
Materials & Services	74,336	92,446	92,446	101,797	9,351	10%
Capital Outlay	0	13,500	13,500	0	(13,500)	NA
<b>TOTAL</b>	<b>\$228,982</b>	<b>\$386,075</b>	<b>\$386,075</b>	<b>\$362,324</b>	<b>(\$23,751)</b>	<b>-6%</b>
<b>ACCOUNTING</b>						
Personnel Services	\$70,524	\$71,388	\$71,388	\$73,448	\$2,060	3%
Materials & Services	5,367	14,849	14,849	13,724	(1,125)	-8%
Capital Outlay	0	0	0	0	0	NA
<b>TOTAL</b>	<b>\$75,891</b>	<b>\$86,237</b>	<b>\$86,237</b>	<b>\$87,172</b>	<b>\$935</b>	<b>1%</b>
<b>TOTAL SPRINGFIELD</b>						
Personnel Services	\$1,313,371	\$1,835,234	\$1,835,234	\$1,811,688	(\$23,546)	-1%
Materials & Services	1,676,517	2,075,027	2,075,027	2,063,344	(11,683)	-1%
Capital Outlay	1,007	13,500	13,500	0	(13,500)	NA
<b>TOTAL</b>	<b>\$2,990,895</b>	<b>\$3,923,761</b>	<b>\$3,923,761</b>	<b>\$3,875,032</b>	<b>(\$48,729)</b>	<b>-1.24%</b>
<b>EUGENE</b>						
<b>ADMINISTRATIVE SERVICES</b>						
Personnel Services	\$1,247,365	\$1,423,021	\$1,423,020	\$1,446,702	23,681	2%
Materials & Services	351,862	725,578	798,890	621,252	(104,326)	-14%
Capital Outlay	10,554	0	0	0	0	NA
<b>TOTAL</b>	<b>\$1,609,781</b>	<b>\$2,148,599</b>	<b>\$2,221,910</b>	<b>\$2,067,954</b>	<b>(\$80,645)</b>	<b>-4%</b>
<b>BIOSOLIDS MANAGEMENT</b>						
Personnel Services	\$956,752	\$1,020,546	\$1,020,546	\$1,080,787	\$60,241	6%
Materials & Services	627,583	845,538	845,538	1,209,299	363,761	43%
Capital Outlay	45	0	289,000	0	0	NA
<b>TOTAL</b>	<b>\$1,584,380</b>	<b>\$1,866,084</b>	<b>\$2,155,084</b>	<b>\$2,290,086</b>	<b>\$424,002</b>	<b>23%</b>
<b>INDUSTRIAL SOURCE CONTROL</b>						
Personnel Services	\$296,581	\$468,693	\$468,693	\$486,825	\$18,132	4%
Materials & Services	35,202	111,664	111,664	127,899	16,235	15%
Capital Outlay	0	0	0	0	0	NA
<b>TOTAL</b>	<b>\$331,783</b>	<b>\$580,357</b>	<b>\$580,357</b>	<b>\$614,724</b>	<b>\$34,367</b>	<b>6%</b>
<b>TREATMENT PLANT</b>						
Personnel Services	\$3,306,150	\$3,500,394	\$3,500,394	\$3,634,659	\$134,265	4%
Materials & Services	1,458,712	2,025,299	2,065,299	2,212,091	186,792	9%
Capital Outlay	121,057	10,000	10,000	29,460	19,460	195%
<b>TOTAL</b>	<b>\$4,885,919</b>	<b>\$5,535,693</b>	<b>\$5,575,693</b>	<b>\$5,876,210</b>	<b>\$340,517</b>	<b>6%</b>
<b>REGIONAL PUMP STATIONS</b>						
Personnel Services	\$94,048	\$78,557	\$78,557	\$84,109	\$5,552	7%
Materials & Services	174,707	243,885	243,885	258,277	14,392	6%
Capital Outlay	0	0	0	0	0	NA
<b>TOTAL</b>	<b>\$268,755</b>	<b>\$322,442</b>	<b>\$322,442</b>	<b>\$342,386</b>	<b>\$19,944</b>	<b>6%</b>
<b>SEASONAL INDUSTRIAL WASTE FACILITY</b>						
Personnel Services	\$106,446	\$102,793	\$102,793	\$115,862	\$13,069	13%
Materials & Services	48,303	60,792	60,792	61,617	\$825	1%
Capital Outlay	0	0	0	0	\$0	NA
<b>TOTAL</b>	<b>\$154,749</b>	<b>\$163,585</b>	<b>\$163,585</b>	<b>\$177,479</b>	<b>\$13,894</b>	<b>8%</b>
<b>TOTAL EUGENE</b>						
Personnel Services	\$6,007,342	\$6,594,004	\$6,594,003	\$6,848,944	\$254,940	4%
Materials & Services	3,422,387	4,012,756	4,126,068	4,490,436	477,679	12%
Capital Outlay	131,656	10,000	299,000	29,460	19,460	195%
<b>TOTAL</b>	<b>\$9,561,385</b>	<b>\$10,616,760</b>	<b>\$11,019,071</b>	<b>\$11,368,840</b>	<b>\$752,080</b>	<b>7%</b>
<b>TOTAL REGIONAL BUDGET</b>		<b>\$14,540,521</b>		<b>\$15,243,872</b>	<b>\$703,351</b>	

**EXHIBIT 4**  
**REGIONAL WASTEWATER PROGRAM**  
**BUDGET SUMMARY AND COMPARISON**

	ADOPTED		AMENDED		PROPOSED		CHANGE *
	FTE	BUDGET	BUDGET	FTE	BUDGET	INC(DEC)	
<b>OPERATING BUDGET</b>							
Administration	21.05	\$3,923,761	\$3,910,761	19.40	\$3,863,532		(\$60,229)
Operations	75.57	10,616,760	10,730,072	76.49	11,368,840		752,080
Capital Contribution		4,297,115	4,297,115		6,619,043		2,321,928
Equip Repl - Contribution		790,966	790,966		794,700		3,734
Operating & Revenue Bond Reserves		10,489,150	10,909,972		9,866,855		(622,295)
Transfer to General Fund		9,200	9,200		0		NA
Debt Service		1,206,996	1,206,996		2,880,957		1,673,961
<b>Total Operating Budget</b>	96.62	\$31,333,948	\$31,855,082	95.89	\$35,393,927		\$4,059,979
<b>Funding:</b>							
Beginning Balance		\$8,148,931	\$8,683,065		\$6,894,154		(\$1,254,777)
User Fees		21,193,517	21,193,517		24,666,551		3,473,034
Other		1,978,500	1,978,500		1,969,500		(9,000)
<b>Total Operating Budget Funding</b>		\$31,320,948	\$31,855,082		\$33,530,205		\$2,209,257
<b>CAPITAL PROGRAM BUDGET</b>							
Biosolids - Poplar Plantation III		0	0		100,000		NA
Biosolids - Line Lagoons I		0	35,000		0		NA
Biosolids - Line Lagoons II		2,894,000	2,888,843		2,397,843		(496,157)
WWFMP Update		293,176	396,488		320,488		27,312
Facility Plan Engineering Services		57,881	39,837		60,775		2,894
Clarifier Improvements		0	825,996		425,996		NA
Digester Mixing Improvements		0	1,000		0		NA
Odorous Air Treatment I		10,253,254	10,404,102		6,084,102		(4,169,152)
Odorous Air Treatment II		1,704,000	1,704,000		1,404,000		(300,000)
Aeration Basin Improvements		3,767,000	4,959,760		924,760		(2,842,240)
Effluent Reuse I		3,218,000	3,318,000		3,023,000		(195,000)
Influent PS/Willakenzie PS/Headworks		24,969,359	25,529,295		11,628,335		(13,341,024)
Biocycle Farm - Poplar Plantation III		354,000	370,970		86,440		(267,560)
Primary Sludge Thickening		4,308,000	4,488,270		4,202,270		(105,730)
Parallel Primary/Secondary Treatment		21,579,087	23,445,254		11,031,288		(10,547,799)
Sodium Hypochlorite Conversion		7,378,647	7,294,127		4,444,127		(2,934,520)
Tertiary Filtration I		14,368,000	14,448,814		13,727,814		(640,186)
Master Landscape Plan		0	123,544		3,544		NA
Effluent Reuse II		0	0		5,152,000		NA
<b>EUGENE</b>							
Equipment Replacement Purchases		569,010	817,624		258,710		(310,300)
Major Rehab		900,000	1,228,180		158,700		(741,300)
Major Capital Outlay		289,000	2,372,531				NA
<b>Total Capital Projects</b>		\$96,902,414	\$104,691,635		\$65,434,192		(\$31,468,222)
<b>Funding:</b>							
Equipment Replacement		569,010	817,624		258,710		(310,300)
Capital Bond Fund		95,144,404	100,273,300		65,016,782		(30,127,622)
Capital Reserve		1,189,000	3,600,711		158,700		(1,030,300)
<b>Total Capital Projects Funding</b>		\$96,902,414	\$104,691,635		\$65,434,192		(\$31,468,222)

Notes: \* The Change (Inc/Decr) column compares the proposed FY 09-10 budget to the originally adopted FY 08-09 budget column.

### **OPERATING BUDGET AND RATE HISTORY**

The graphs on page 16 show a five-year Regional Operating Budget comparison, and Regional Residential Sanitary Sewer costs over a fifteen-year period. Because the Equipment Replacement and Major Infrastructure Rehabilitation programs are managed in the Eugene Operating Budget, these programs are incorporated into both the five-year Regional Operating Budget comparison graph and the Five-Year Capital Programs comparison graph on page 45.

As shown on the following graph, regional sewer user charges remained highly stable from 1992 through 2004. During the late 1990s, considerable efforts were made by MWMC to absorb increased costs due to inflation and service level increases through improvements in organizational efficiency and effectiveness. However, as the Regional Wastewater Facilities approached the end of their original design lives, and increased regulatory requirements emerged, MWMC completed a comprehensive update to its Facilities Plan in 2004. This Plan demonstrated the need for a significant capital investment in new and expanded facilities to meet environmental performance requirements and capacity to serve the community through 2025. Although a portion of these capital improvements can be funded through system development charges (SDCs), much of the funding for approximately \$196 million (in 2006 dollars) in capital improvements over the twenty-year period will come from user charges. Since 2004, this has become the major driver of MWMC's need to increase sewer user rates on an annual basis.

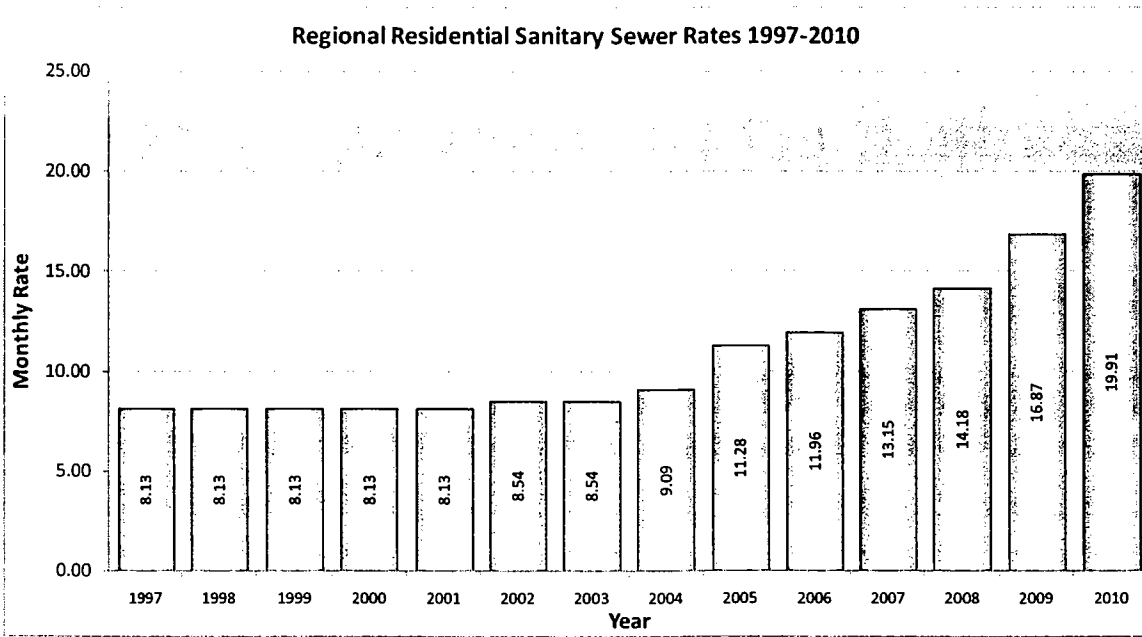
In FY 08-09, there was an 11% user rate increase over FY 07-08 rates applied uniformly across all user classes. This rate increase provided adequate revenue to meet current bond covenants and meet requirements to issue \$50.7 million in bonds in FY 08-09.

In October of 2008, the Commission adopted an interim user rate increase of 7% due to the closure of Hynix Semiconductor. This increase was necessary to issue new revenue bonds and maintain bond covenants for existing bonds. The typical residential monthly wastewater bill (based on 5,000 gallons of usage) increased an additional \$1.10 per month and went into effect on December 1, 2008.

The FY 09-10 RWP operating budget is based on an 18% user rate increase over FY 08-09 rates applied uniformly across all user classes. This rate provides for Operations, Administration, Capital programs, reserves and debt service to be funded at sufficient levels to meet FY 09-10 requirements. It is intended to meet capital and operating requirements, the Commission's Financial Plan policies, and covenants associated with MWMC's 2006 and 2008 revenue bonds as well as provide adequate debt service coverage ratios for an additional \$20 million bond sale in FY 09-10.

An 18% increase in the MWMC user charge will increase the typical residential monthly wastewater bill (based on 5,000 gallons of usage) from \$16.87 in FY 08-09 to \$19.91 in FY 09-10. This is an increase of about \$3.04 per month

The figure below compares the regional component of average monthly residential sewer rates.



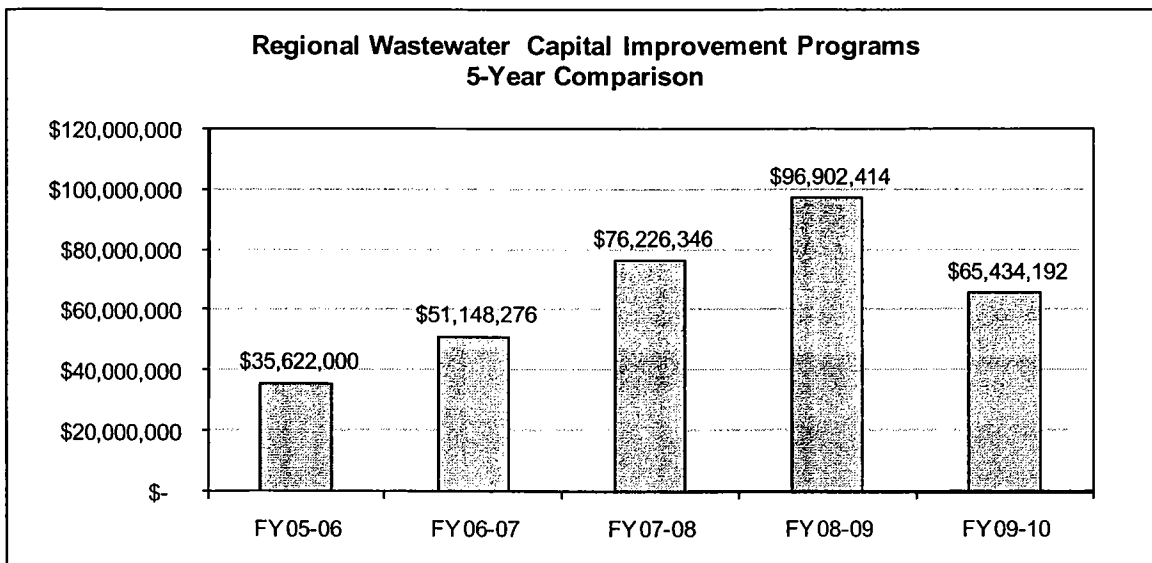
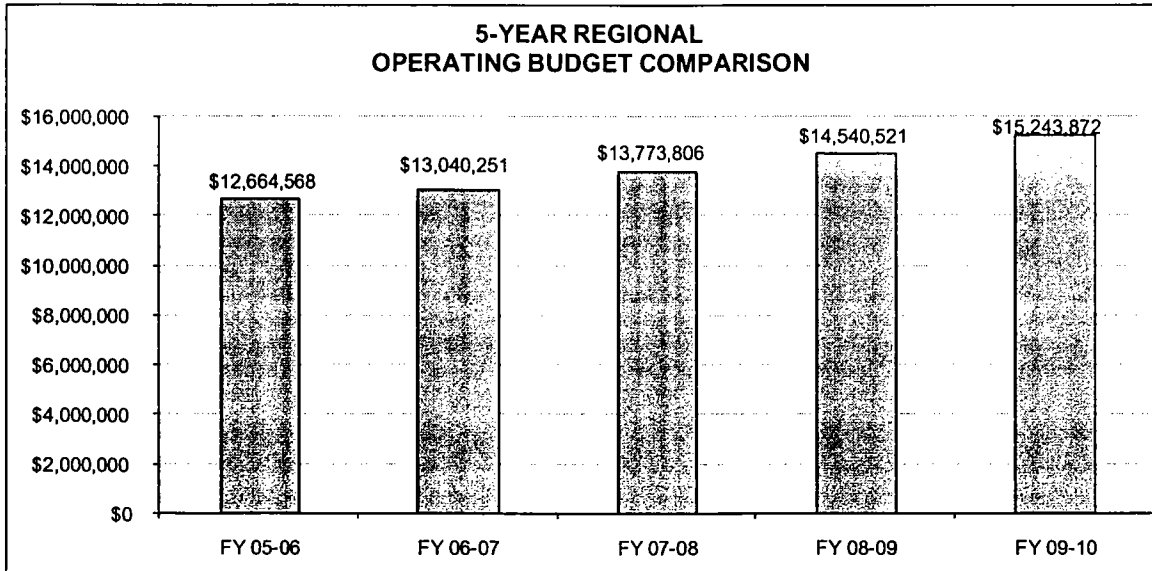
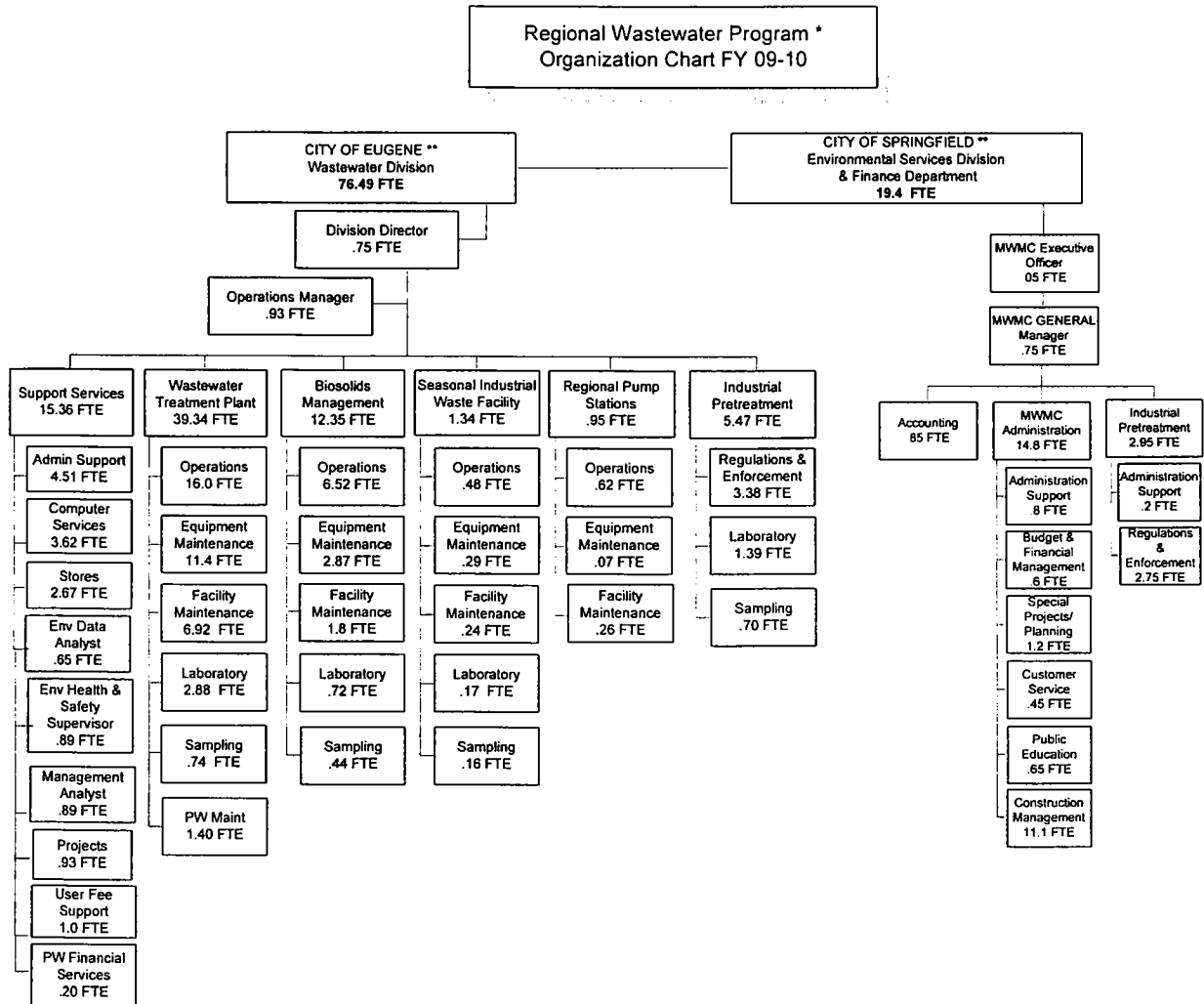


EXHIBIT 5



Notes:

- \* FTE figures represent portions of Eugene and Springfield staff funded by regional wastewater funds.
- \*\* The chart represents groups of staff dedicated to program areas rather than specific positions.

## EXHIBIT 6

REGIONAL WASTEWATER PROGRAM  
POSITION SUMMARY

CLASSIFICATION	BUDGET	ADOPTED	PROPOSED	CHANGE
	FY 07-08	FY 08-09	FY 09-10	
<b>SPRINGFIELD ENVIRONMENTAL SERVICES &amp; FINANCE</b>				
Public Works Director	0.05	0.05	0.05	0.00
ESD/MWMC Manager	0.75	0.75	0.75	0.00
ESD/MWMC Asst. Manager	0.90	0.90	0.70	-0.20
Enviro Services Supervisor/Sewer & Drainage	0.50	0.50	0.50	0.00
Enviro Services Supervisor/Pretreat & Pollution Prev	0.95	0.95	0.95	0.00
Supervising Civil Engineer	2.00	2.00	2.00	0.00
Civil Engineer/Design & Construction Coordinator	5.00	5.00	5.00	0.00
Engineering Assistant	2.45	2.45	2.45	0.00
Public Information & Education Specialist	0.65	0.65	0.65	0.00
Secretary	0.80	0.80	0.80	0.00
Clerk II	0.80	0.80	0.80	0.00
Accountant	0.80	0.80	0.80	0.00
Accounting Manager	0.20	0.10	0.00	-0.10
Accounting Director	0.00	0.00	0.05	0.05
Engineering Assistant (Special Project)	1.00	0.00	0.00	0.00
Assistant Project Manager	0.00	0.90	0.90	0.00
Senior Environmental Technician	0.90	0.90	1.00	0.10
Environmental Services Technician I	0.50	0.50	0.00	-0.50
Environmental Services Technician II	0.00	1.00	1.00	0.00
Construction Inspector II	2.00	2.00	1.00	-1.00
<b>TOTAL SPRINGFIELD</b>	<b>20.25</b>	<b>21.05</b>	<b>19.40</b>	<b>-1.65</b>

Note: Springfield's Industrial Pretreatment Program staffing of 2.95 FTE is incorporated into the position summary because the Industrial Pretreatment Programs are funded through the RWP.



## EXHIBIT 6 (Continued)

REGIONAL WASTEWATER PROGRAM  
POSITION SUMMARY

CLASSIFICATION	BUDGET	ADOPTED	PROPOSED	CHANGE
	FY 07-08	FY 08-09	FY 09-10	
<b><u>EUGENE WASTEWATER DIVISION &amp; OTHER PW</u></b>				
Division Director	0.80	0.80	0.75	-0.05
Operations Manager	0.82	0.82	0.93	0.11
Business Manager	0.89	0.89	0.89	0.00
Pretreatment/Laboratory/Sampling Supervisor	0.79	0.82	0.82	0.00
Operations Supervisor	1.00	1.00	1.00	0.00
Residuals Supervisor	1.00	1.00	1.00	0.00
Pump Station Supervisor	0.35	0.20	0.00	-0.20
Electrical Maintenance Supervisor	0.00	0.89	1.00	0.11
Equipment Maintenance Supervisor	0.97	1.00	0.97	-0.03
Facilities Supervisor	0.93	1.00	0.91	-0.09
Parts and Supply Supervisor/Buyer	0.89	0.89	0.89	0.00
Environmental Data Analyst	0.65	0.65	0.65	0.00
Health and Safety Supervisor	0.89	0.89	0.89	0.00
Technical Services Analyst	0.89	0.89	0.89	0.00
Project Specialist	0.93	0.93	0.93	0.00
PW Financial Services Manager	0.00	0.20	0.20	0.00
PW Maintenance Supervisor	0.05	0.05	0.05	0.00
Applications System Analyst	2.67	2.67	2.67	0.00
Applications Support Technician	0.50	0.50	0.95	0.45
Computer Maintenance Management Specialist	0.89	0.00	0.00	0.00
Tech Specialist 2	0.35	0.35	0.57	0.22
Wastewater Technician (Operator)	15.00	15.00	15.00	0.00
Wastewater Technician (Residuals)	5.00	5.00	5.00	0.00
Wastewater Technician (Pretreatment)	3.17	3.14	3.14	0.00
Wastewater Technician (Laboratory)	4.73	4.73	4.73	0.00
Wastewater Technician (Sampling)	1.85	1.89	1.89	0.00
Wastewater Technician (Mechanical)	7.18	8.18	7.83	-0.35
Wastewater Instrument/Electrician	3.88	3.88	3.88	0.00
Electrician	1.97	1.00	1.00	0.00
Maint Worker	9.43	9.36	9.31	-0.05
Billing Specialist	1.00	1.00	1.00	0.00
Engineering Associate	0.00	0.00	0.35	0.35
Senior Office Supervisor	0.00	0.89	0.89	0.00
Admin Specialist, Sr	0.89	0.89	0.89	0.00
Admin Specialist	2.28	1.39	1.84	0.45
Parts and Supply Specialist	1.78	1.78	1.78	0.00
Custodial Worker	1.00	1.00	1.00	0.00
<b>TOTAL</b>	<b>75.42</b>	<b>75.57</b>	<b>76.49</b>	<b>0.92</b>
<b>GRAND TOTAL</b>	<b>95.67</b>	<b>96.62</b>	<b>95.89</b>	<b>-0.73</b>

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## REGIONAL WASTEWATER PROGRAM RESERVES

The RWP maintains reserve funds for dedicated purpose to sustain stable rates while fully funding operating and capital needs. Commission policies and guidance, which direct the amount of reserves appropriated on an annual basis, are found in the MWMC Financial Plan (2005). Further details on the FY 09-10 reserves are provided below.

### OPERATING RESERVES

The MWMC Operating Budget includes four separate reserves: the working capital reserve, rate stability reserve, rate stabilization reserve, and the operating reserve. Revenues are appropriated across the reserves in accordance with Commission policy and expenditure needs. Each reserve is explained in detail below.

#### WORKING CAPITAL RESERVE

The Working Capital Reserve acts as a revolving account that is drawn down and replenished on a monthly basis to provide funds for payment of Springfield Administration and Eugene Operations costs prior to the receipt of user fees from the Springfield Utility Board and Eugene Water and Electric Board. The Working Capital Reserve is set at \$900,000 for FY 09-10, \$200,000 of which is dedicated to Administration and \$700,000 is dedicated to Operations.

#### RATE STABILITY RESERVE

The Rate Stability Reserve was established to implement the Commission's objective of maintaining stable rates. It is intended to hold revenues in excess of the current year's operating and capital requirements for use in future years, in order to avoid "rate spikes." The amount budgeted on an annual basis varies in response to the variability of actual revenues net of expenses, and annual budgeted amounts for the operating and capital reserves. For FY 09-10, the Rate Stability Reserve is currently being reviewed.

#### STATE REVOLVING FUND RESERVE

The State Revolving Fund (SRF) Reserve was established in accordance with SRF loan covenant requirements. In order to secure an SRF loan, sufficient reserves are created to provide assurances that adequate revenue coverage will be provided for future debt service payments. The reserve amount is set at 10% of the loan proceeds and is transferred to the operating reserves from the capital fund. For FY 09-10, the SRF Reserve is \$780,000.

#### RATE STABILIZATION RESERVE

The Rate Stabilization Reserve contains funds to be used at any point in the future when net revenues are insufficient to meet the bond covenant coverage requirement. The Commission shall maintain the Rate Stabilization account as long as bonds are outstanding. In FY 09-10 no

additional contribution to this reserve is budgeted and the balance at June 30, 2010 will remain at \$2,000,000.

#### OPERATING RESERVE

The Operating Reserve is used to account for accumulated operating revenues net of operating expenditures (including other reserves). The Commission's adopted policy is to budget the Operating Reserve at approximately 10% of the adopted operating budget. For FY 09-10, the Operating Reserve is budgeted at \$1,542,283, which is 10% of total Personal Services, Materials and Services, and Capital Outlay in accordance with Commission policy.

#### EXHIBIT 7

	ADOPTED BUDGET FY 08-09	AMENDED BUDGET FY 08-09	PROPOSED BUDGET FY 09-10
<b>OPERATING RESERVES</b>			
Beginning Balance	8,148,931	8,683,065	6,894,154
User Fee Revenue	20,899,367	20,899,367	24,550,343
Septage Revenue	294,150	294,150	116,208
Other Revenue	1,648,500	1,648,500	1,634,500
Interest	330,000	330,000	335,000
Personal Services	(8,429,238)	(8,429,238)	(8,660,632)
Materials & Services	(6,074,783)	(6,188,095)	(6,542,280)
Capital Outlay	(23,500)	(23,500)	(29,460)
Interfund Transfers	(9,197,281)	(9,197,281)	(7,413,743)
Transfer to Bond Debt Service Fund	(1,033,696)	(1,033,696)	(2,880,957)
Debt Service - SRF Loan	(173,300)	(173,300)	0
<b>WORKING CAPITAL</b>	(900,000)	(900,000)	(900,000)
<b>RATE STABILITY RESERVE</b>	(1,529,150)	(1,949,972)	(3,560,850)
<b>RATE STABILIZATION RESERVE</b>	(2,000,000)	(2,000,000)	(2,000,000)
<b>STATE REVOLVING FUND LOAN RESERVE</b>	(500,000)	(500,000)	0
<b>OPERATING RESERVE</b>	<b>1,460,000</b>	<b>1,460,000</b>	<b>1,542,283</b>

#### CAPITAL RESERVES

The MWMC Capital Budget includes five reserves: the Equipment Replacement Reserve, SDC Reserves (i.e. Reimbursement and Improvement), the Capital Reserve and the Bond Reserve. These reserves accumulate revenue to help fund capital projects including equipment replacement and major rehabilitation. They are funded by annual contributions from user rates, SDCs, bond proceeds, and SRF loans. Each reserve is explained in detail below.

#### EQUIPMENT REPLACEMENT RESERVE

The Equipment Replacement Reserve accumulates replacement funding for three types of equipment: 1) major/stationary equipment items costing less than \$200,000 with useful lives of

20 years or less; 2) fleet vehicles maintained by the Eugene Wastewater Division; and 3) computers that serve the Eugene Wastewater Division. Contributions to the Equipment Replacement Reserve in the FY 09-10 budget total \$794,700 additional budget detail is provided below.

The Equipment Replacement Reserve is intended to accumulate funds necessary to provide for the timely replacement or rehabilitation of equipment, and may also be borrowed against to provide short-term financing of capital improvements. An annual analysis is performed on the Equipment Replacement Reserve. The annual contribution is set so that all projected replacements will be funded over a 20-year period and at the end of the 20-year period, the reserve will contain replacement funds for all equipment projected to be in use at that time. Estimates used in the analysis include interest earnings, inflation rates and useful lives for the equipment.

<b>EQUIPMENT REPLACEMENT RESERVE</b>	<b>PROPOSED BUDGET FY 09-10</b>	<b>AMENDED BUDGET FY 08-09</b>	<b>PROPOSED BUDGET FY 09-10</b>
Beginning Balance	5,872,047	5,872,047	8,085,318
Reserve Allocation Correction	2,311,929	2,311,929	0 *
Annual Equipment Contribution	516,184	516,184	517,799
Annual Vehicle Contribution	242,034	242,034	241,431
Annual Computer Contribution	32,748	32,748	35,470
Interest	210,000	210,000	300,000
Fund Equip Repl in Projects	(282,000)	(282,000)	0
Equipment Purchases	(569,010)	(817,624)	(258,710)
<b>Reserve</b>	<b>8,333,932</b>	<b>8,085,318</b>	<b>8,921,308</b>

\* To correct reserve allocation between capital and equipment replacement previously not adjusted to equipment replacement model.

#### SYSTEM DEVELOPMENT CHARGE (SDC) RESERVES

SDCs are required as part of the MWMC IGA. They are connection fees charged to new users to recover the costs related to system capacity, and are limited to funding Capital Programs. The purpose of the SDC Reserves is to collect and account for SDC revenues separately from other revenue sources, in accordance with Oregon statutes. The Commission's SDC structure includes a combination of "Reimbursement" and "Improvement" fee components. Estimated SDC revenues for FY 09-10 total \$663,750. Budgeted expenditures include \$3,003,963 from Reimbursement Fees and \$2,505,013 from Improvement Fees to fund portions of the annual debt service payments on the 2006 revenue bonds. The projected beginning SDC Reserve balance on July 1, 2009 is \$9,295,206.

	PROPOSED BUDGET FY 09-10	AMENDED BUDGET FY 08-09	PROPOSED BUDGET FY 09-10
<b>REIMBURSEMENT SDC RESERVE</b>			
Beginning Balance	4,433,210	4,375,924	2,985,046
Reimbursement SDCs Collected	155,000	155,000	58,125
Interest	301,000	301,000	175,000
Xfr to Debt Service (Fund 312)	(1,633,696)	(1,633,696)	(3,003,963)
Materials & Services	(8,500)	(8,500)	(7,500)
SDC Contingency Reserve	0	0	0
<b>Reserve</b>	<b>3,247,014</b>	<b>3,189,728</b>	<b>206,708</b>

	PROPOSED BUDGET FY 09-10	AMENDED BUDGET FY 08-09	PROPOSED BUDGET FY 09-10
<b>IMPROVEMENT SDC RESERVE</b>			
Beginning Balance	7,450,020	7,440,054	6,310,160
Improvement SDCs Collected	1,615,000	1,615,000	605,625
Interest	400,000	400,000	300,000
Materials & Services	(4,500)	(4,500)	(4,000)
Xfr to Debt Service (Fund 312 )	(2,233,696)	(2,233,696)	(2,505,013)
SDC Contingency Litigation Reserve	0	0	0
<b>Reserve</b>	<b>7,226,824</b>	<b>7,216,858</b>	<b>4,706,772</b>

#### CAPITAL RESERVE

The Capital Reserve accumulates funds transferred from the Operating Reserve for the purpose of funding the CIP, Major Capital Outlay and Major Rehabilitation Program costs. The intent is to collect sufficient funds over time to construct a portion of planned capital projects with cash in an appropriate balance with projects that are funded with debt financing. The FY 09-10 Budget includes a contribution from the Operating Reserve of \$4,200,000. The beginning balance on July 1, 2009 is projected to be \$59,586,748. Additional budget detail on the CIP, Major Capital Outlay and Major Rehabilitation Program reserves is provided on the following page.

#### BOND RESERVE

The Bond Reserve was created to provide assurances to the bond holders that adequate revenue coverage will be provided for future debt service payments. For FY 09-10 the Bond Reserve is budgeted at \$8,100,000 in order to meet reserve requirements of the bond issuances (\$4,100,000 for 06 issuance and \$4,000,000 for 08 issuance).

	PROPOSED BUDGET FY 08-09	AMENDED BUDGET FY 08-09	PROPOSED BUDGET FY 09-10
<b>CAPITAL RESERVES</b>			
Beginning Balance	33,929,184	42,714,406	59,586,748
Reserve Allocation Correction	(2,311,929)	(2,311,929)	0 *
Transfer from Operating Reserve	4,297,115	4,297,115	6,619,043
Transfer to fund FY 06 Revenue Bond Reserve	4,100,000	4,100,000	0
Interest	350,000	350,000	450,000
Interest Income (Revenue Bond Proceeds)	1,100,000	1,100,000	860,000
State Marine Board Grant	80,000	80,000	80,000
Revenue Bond Sale & SRF Proceeds	86,000,000	86,000,000	27,800,000
Miscellaneous Receipts	400	400	7,000
Bond Sale Expense	(350,000)	(350,000)	(200,000)
Bond Insurance	(250,000)	(250,000)	0
Arbitrage Expense	0	0	(454,939)
Transfer from Equipment Relacement	282,000	0	0
Funding For Capital Improvement Projects	(95,144,404)	(99,991,300)	(65,016,782)
Funding For Major Rehabilitation	(900,000)	(1,228,180)	(158,700)
Funding For Major Capital Outlay	(289,000)	(2,372,531)	0
Revenue Bond Reserve	(8,100,000)	(8,100,000)	(10,100,000)
<b>Capital Reserve</b>	<b>22,793,366</b>	<b>24,037,981</b>	<b>19,472,370</b>

\* To correct reserve allocation between capital and equipment replacement previously not adjusted to equipment replacement model.

**CITY OF SPRINGFIELD  
REGIONAL WASTEWATER PROGRAM RESPONSIBILITIES**

The City of Springfield manages administration services for the RWP under a contract with the MWMC. The programs maintained by Springfield to support the RWP are summarized below and are followed by Springfield's regional wastewater budget summaries. Activities, and therefore program budgets, for MWMC administration vary from year to year depending upon the major construction projects and special initiatives underway. A list of the capital projects Springfield staff will support in FY 09-10 is provided in Exhibit 3 on page 12.

**MWMC ADMINISTRATION**

The Springfield Environmental Services Division and Finance Department provide ongoing support and management services for MWMC. The Public Works Director and the Environmental Services Manager serve as the MWMC Executive Officer and General Manager, respectively. Springfield provides the following administration functions: financial planning management, accounting and financial reporting; risk management and legal services; coordination and management of public policy; coordination and management of regulatory and permit compliance issues; coordination between the Commission and the governing bodies; long-range capital project planning and construction management; coordination of public information, education, and citizen involvement programs; sewer user customer service; and coordination and development of regional budgets, rate proposals, and revenue projections.

**INDUSTRIAL PRETREATMENT (SOURCE CONTROL) PROGRAM**

The Industrial Pretreatment Program is a regional activity implemented jointly by the cities of Eugene and Springfield. The Industrial Pretreatment section of the ESD is charged with administering the program for the regulation and oversight of wastewater discharged to the sanitary collection system by industries in Springfield. This section is responsible for ensuring that these wastes do not damage the collection system, interfere with wastewater treatment processes, result in the pass-through of harmful pollutants to treated effluent or biosolids, or threaten worker health or safety.

This responsibility is fulfilled, in part, by the use of a permit system for industrial dischargers. This permit system, common to both Eugene and Springfield, implements necessary limitations on waste characteristics and establishes inspection, monitoring, and reporting requirements for documenting waste quality and quantity controls. The Industrial Pretreatment section is also responsible for locating new industrial discharges in Springfield and evaluating the impact of those discharges on the regional WPCF. As of February 2009, there were 20 significant industrial users under permit in Springfield. The Industrial Pretreatment Program also addresses the wastewater discharges of some commercial/industrial businesses through the development and implementation of Pollution Management Practices. Pretreatment program staff also coordinates pollution prevention activities in cooperation with the Pollution Prevention Coalition of Lane County.

**ACCOUNTING & FINANCIAL REPORTING**

Accounting and financial reporting services for the RWP are provided by the Accounting section in the Springfield Finance Department, in coordination with ESD. Springfield Accounting staff maintains grant and contract accounting systems, as well as compliance with all local, State and Federal accounting and reporting requirements for MWMC finances. This section also assists ESD with preparation of the MWMC budget, capital financing documents, sewer user rates, and financial policies and procedures.

**PROGRAMS AND SIGNIFICANT SERVICE/EXPENDITURE CHANGES**

In FY 09-10, the City of Springfield will support the following major regional initiatives in addition to ongoing Commission administration and industrial pretreatment activities:

- Continue to implement the Wet Weather Flow Management Plan (WWFMP), including flow monitoring, data tracking, and regional coordination, and manage the update of the WWFMP, which was adopted in 2001.
- Implement Capital Financing strategies necessary to meet current revenue bond obligations, prepare for additional debt financing, and ensure sufficient revenues in accordance with the 2005 MWMC Financial Plan.
- Continue implementation of the 2004 MWMC Facilities Plan to meet all regulatory requirements and capacity needs.
- Continue public information and outreach activities focused on the MWMC Facilities Plan and MWMC work to maintain river health.
- Protect RWP interests through participation in Association of Clean Water Agencies activities and Board of Directors.
- Coordinate TMDL compliance planning and implementation efforts.



**SIGNIFICANT CHANGES FOR FY 09-10**

The budget for Springfield Personnel Services, Materials and Services, and Capital Outlay for FY 09-10 totals \$3,875,032 representing an overall decrease of \$48,729 over the adopted FY 08-09 budget (1.24%).

**Personnel Services**

Personnel Services totaling \$1,811,688 represent an FY 09-10 decrease of \$23,546 or (1.28%) over the originally adopted FY 08-09 budget.

**Staffing**

- A net decrease of 1.65 FTE is included in the FY 09-10 budget.
- 1.0 Unfilled Position: Construction Inspector – This position inspects work and materials of contractors to assure compliance with contract documents of both locally and Federally funded public works construction projects, pertaining to the improvement of streets, sanitary sewers and storm drainage. Position to remain unfilled for FY 09-10.
- 0.5 Unfilled Position: Environmental Services Technician I – A Tech II position was added to the Industrial Pretreatment Program in FY 08-09 to address increased industrial permitting activity and improvements needed in the fats, oils and grease, and photo processor pollution management programs. The Tech II position was filled with an internal promotion leaving the .5 Tech I position unfilled for FY 09-10.
- 0.15 This decrease represents a combination of several re-allocations of individual FTE across other programs.

**Regular Wages - \$1,219,440 [Decrease of \$60,621 or (5%)]**

- This decrease represents net decrease of 1.65 FTE as well as merit increases and a projected 2% cost of living increase.

**Employee Benefits - Budget Request \$564,144 [Increase \$18,176 or 3%]**

- Benefits for FY 09-10 increase by 3%.

**Materials and Services**

The Materials and Services budget represents a total FY 09-10 decrease of \$11,683 or (0.56%) over the originally adopted FY 08-09 budget. The major changes are in the following budget categories:

**Billing & Collection –\$555,000 [Increase of \$53,805 or 11%]**

- Billing and Collection costs are projected to increase from \$501,195 to \$555,000 primarily from an increase in cost due to an EWEB software upgrade.

**Internal Building Preservation Charge –\$15,262 [New Charge]**

- Internal Building Preservation charges are annual contributions, based on FTE, to establish funds to pay for non-maintenance expenditures related to the buildings in which staff works. This item was not reflected in the FY 08-09 budget because the charge was implemented after the Regional Budget was approved.

**Program Expense –\$43,500 [Decrease of \$36,050 or (45%)]**

- In FY 08-09, \$36,000 was budgeted for EWEB's Energy Share Program in the Program Expense budget. EWEB's Energy Share Program is designed to assist low-income individuals to pay their monthly utility bills. However, this program does not include assistance for the payment of wastewater bills by which funds would ultimately return to the Regional Wastewater Program in the form of revenues. In FY 08-09, no funds have been contributed to this program and the FY 09-10 budget does not reflect any planned contribution to EWEB's Energy Share Program.

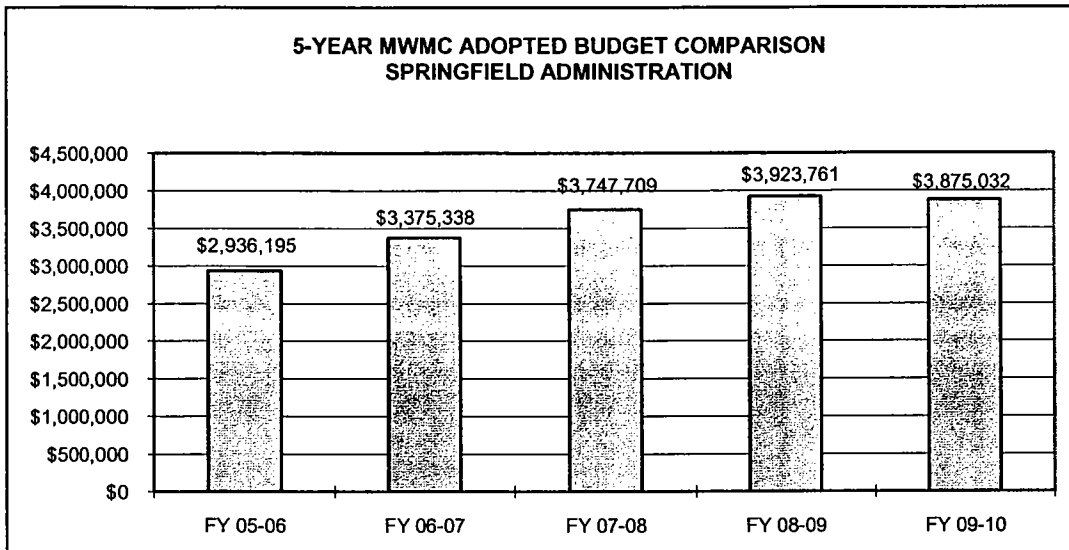
**Computer Software –\$23,950 [Decrease of \$10,100 or (30%)]**

- Computer Software expense includes a reduction of \$10,100 which is primarily due to a license renewal of \$10,000 for laserfiche is no longer required.

**EXHIBIT 8**

**SPRINGFIELD ADMINISTRATION PROGRAM  
PROPOSED FY 08-09  
BUDGET SUMMARY**

	ACTUAL FY 07-08	ADOPTED BUDGET FY 08-09	AMENDED BUDGET FY 08-09	PROPOSED BUDGET FY 09-10	CHANGE *	
					INCR/(DECR)	
Personnel Services	\$1,728,021	\$1,835,234	\$1,835,234	\$1,811,688	(\$23,546)	-1.3%
Materials & Services	2,198,213	2,075,027	2,075,027	2,063,344	(11,683)	-0.6%
Capital Outlay	0	13,500	13,500	0	(13,500)	NA
<b>Budget Summary</b>	<b>\$3,926,234</b>	<b>\$3,923,761</b>	<b>\$3,923,761</b>	<b>\$3,875,032</b>	<b>(\$48,729)</b>	<b>-1.24%</b>



Note: \* Change column and Percent Change column compare proposed FY 09-10 budget to originally adopted FY 08-09 budget.

**EXHIBIT 9**  
**SPRINGFIELD ADMINISTRATION**  
**LINE ITEM BUDGET SUMMARY**

	ADOPTED			PROPOSED	CHANGE	
	AMENDED FY 07-08	BUDGET FY 08-09	BUDGET FY 08-09	BUDGET FY 09-10	INCR/(DECR)	
<b><u>PERSONNEL SERVICES</u></b>						
Regular Wages	\$1,155,666	\$1,280,061	\$1,277,000	\$1,219,440	(\$60,621)	-5%
Seasonal/Intern/Temp Wages	0	0	0	18,000	18,000	NA
Overtime	5,500	5,496	5,496	5,508	12	0%
Employee Benefits	500,270	545,968	545,510	564,144	18,176	3%
Cell Phone Allowance	2,880	3,565	3,733	4,416	851	24%
Pers Services Adjustments	21,751	0	3,351	0	0	NA
Comp Time Payoff	41,822	0	0	0	0	NA
Car Allowance	132	144	144	180	36	25%
<b>Total Personnel Services</b>	<b>\$1,728,021</b>	<b>\$1,835,234</b>	<b>\$1,835,234</b>	<b>\$1,811,688</b>	<b>(\$23,546)</b>	<b>-1.3%</b>
FTE	20.25	21.05	21.05	19.40	(1.65)	-8%
<b><u>MATERIALS &amp; SERVICES</u></b>						
Billing & Coll Exp	409,065	501,195	501,195	555,000	53,805	11%
Contractual Services	221,000	209,000	209,000	208,500	(500)	0%
Litigation Expense	366,000	150,000	150,000	150,000	0	0%
Environmental Ed	5,000	5,000	5,000	5,000	0	0%
Attorney Fees	75,000	75,000	75,000	75,000	0	0%
Merchant Fees	15,750	15,750	15,750	13,500	(2,250)	-14%
PP&L Insurance	275,000	275,000	275,000	275,000	0	0%
Telephone	2,300	2,310	2,310	2,310	0	0%
Ris/Airs/Geo Charges	13,715	14,107	14,107	14,178	71	1%
Computer Equipment	25	1,550	1,550	0	(1,550)	NA
Advertising	4,500	5,800	5,800	5,800	0	0%
Duplicating Supplies	2,300	2,200	2,200	2,200	0	0%
Printing	9,500	9,500	9,500	9,500	0	0%
Travel & Meeting Expenses	30,750	37,200	37,200	34,100	(3,100)	-8%
Property Taxes	5,000	5,000	5,000	5,000	0	0%
WPCF/NPDES Permits	105,000	116,120	116,120	119,625	3,505	3%
Pretreatment Supplies	3,000	3,000	3,000	3,000	0	0%
Safety Clothing/Eq	1,000	1,250	1,250	1,250	0	0%
Gasoline & Oil	2,000	2,750	2,750	2,950	200	7%
Utilities	6,224	6,224	6,224	7,158	934	15%
Memberships, Books, Subscrips	16,502	17,550	17,550	17,950	400	2%
Postage & Shipping Charges	3,500	3,500	3,500	3,500	0	0%
Office Supplies	9,400	6,900	6,900	6,850	(50)	-1%
Computer Software	45,460	34,050	34,050	23,950	(10,100)	-30%
Small Furniture & Appliances	1,500	3,000	3,000	1,000	(2,000)	-67%
Commuter Trip Reduction	300	300	300	450	150	50%
Program Expense	84,550	79,550	79,550	43,500	(36,050)	-45%
Equipment Maintenance	10,600	10,600	10,600	10,600	0	0%
Property Maintenance	1,000	1,500	1,500	1,500	0	0%
Employee Development	28,900	31,250	31,250	28,950	(2,300)	-7%
Internal Insurance Chgs	46,914	56,699	56,699	47,350	(9,349)	-16%
Internal Veh Mt Chgs	3,703	2,378	2,378	3,328	950	40%
Internal Fac Rent	42,592	34,897	34,897	34,897	0	0%
Computer Equip Chgs	9,453	10,686	10,686	6,924	(3,762)	-35%
Bldg Maint Chgs	30,273	38,422	38,422	36,119	(2,303)	-6%
Internal Veh & Equip Rent	7,101	7,535	7,535	7,992	457	6%
Internal Employee Benefit	17,292	18,499	18,499	13,165	(5,334)	-29%
License & Fee Refunds	5,569	5,543	5,543	5,350	(193)	-3%
Internal MS Enterprise Agreement	0	0	0	0	0	NA
Indirect Costs	281,475	274,212	274,212	265,636	(8,576)	-3%
Internal Building Preservation Chgs	0	0	0	15,262	15,262	NA
<b>Total Materials &amp; Services</b>	<b>\$2,198,213</b>	<b>\$2,075,027</b>	<b>\$2,075,027</b>	<b>\$2,063,344</b>	<b>(\$11,683)</b>	<b>-0.6%</b>
<b><u>CAPITAL OUTLAY</u></b>						
Total Capital Outlay	0	13,500	13,500	0	(13,500)	NA
<b>TOTAL</b>	<b>\$3,926,234</b>	<b>\$3,923,761</b>	<b>\$3,923,761</b>	<b>\$3,875,032</b>	<b>(\$48,729)</b>	<b>-1.2%</b>

**CITY OF EUGENE  
REGIONAL WASTEWATER PROGRAM RESPONSIBILITIES**

The Wastewater Division for the City of Eugene manages all regional wastewater pollution control facilities serving the Eugene/Springfield and River Road/Santa Clara areas under the Intergovernmental Agreement for the Metropolitan Wastewater Management Commission (MWMC).

These regional facilities include the Eugene/Springfield Regional Water Pollution Control Facility (WPCF), the 154 acre Biosolids Management Facility, the 286 acre Beneficial Reuse Site, the 600 acre Biocycle Farm site, and regional wastewater pumping stations and transmission sewers. In support of the water pollution control program, the Division also provides technical services for wastewater treatment, management of equipment replacement and infrastructure rehabilitation, biosolids treatment and recycling, an industrial source control and pretreatment program in conjunction with City of Springfield staff, regional laboratory services for wastewater and water quality analyses, and flow monitoring on the regional sanitary trunk sewers.

**ADMINISTRATIVE AND MANAGEMENT SERVICES**

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

**REGIONAL WASTEWATER TREATMENT  
FACILITY OPERATIONS**

The Wastewater Division operates the WPCF to treat domestic and industrial liquid wastes to achieve an effluent quality that protects and sustains the beneficial uses of the Willamette River. The WPCF is designed to treat 49 million gallons per day (mgd) of dry weather flow, with a peak hydraulic capacity of 105 mgd for full secondary treatment. The Operations section optimizes wastewater treatment processes to ensure effluent quality requirements are met in an effective manner. In addition, the Operations section provides 24 hour per day monitoring of the alarm functions for all plant processes, regional and local pump stations, and the Biosolids and Seasonal Industrial Waste Facilities.

**REGIONAL WASTEWATER TREATMENT  
FACILITY MAINTENANCE**

The Maintenance section of the Wastewater Division is responsible for preservation of the multi-million dollar investment in the equipment and infrastructure of the WPCF. This section provides a preventative maintenance program to maximize equipment life and performance; a

corrective maintenance program for repairing unanticipated equipment failures; a facility maintenance program to maintain the buildings, treatment structures, and grounds; and a stores unit that purchases and stocks parts and supplies and assists with professional services contracting. Also included within the Maintenance section's charge are the pump stations and sewers in the regional and local collection system, and the facilities and equipment at the Biosolids Management and Seasonal Industrial Waste Facilities.

#### BIOSOLIDS MANAGEMENT

The Residuals Management section of the Wastewater Division manages the handling and beneficial reuse of the biological solids (biosolids) produced as a result of the activated sludge treatment of wastewater. This section operates the BMF and Biocycle Farm located at Awbrey Lane in Eugene. Approximately 5,000 dry tons of biosolids are produced annually by the WPCF. These biosolids are treated using anaerobic digestion, stored in facultative lagoons (which provide some additional treatment benefits), and then processed through a belt filter press and air-dried to reduce the water content and facilitate transport. The dried material is ultimately applied to agricultural land or irrigated on the poplar trees at the Biocycle Farm as a beneficial fertilizer and soil conditioner. This section also manages the Beneficial Reuse Site, which formerly served to treat wastewater from food processing operations.

#### INDUSTRIAL SOURCE CONTROL (Pretreatment) and ANALYTICAL SERVICES, SAMPLING TEAM

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

This responsibility is fulfilled through the use of a permit system for industrial dischargers. This permit system, common to both Eugene and Springfield, implements necessary limitations on waste characteristics and establishes inspection, monitoring, and reporting requirements for documenting waste quality and quantity controls. The staff is also responsible for locating new industrial discharges in Eugene and evaluating the impact of new non-residential discharges on the WPCF. As of December 2008, there were 23 significant industrial users under permit in Eugene.

The section also has responsibilities related to environmental spill response activities.

The Analytical Services group provides necessary analytical work in support of wastewater treatment, residuals management, industrial source control, stormwater monitoring, and special project activities of the Wastewater Division. The laboratory's services include sample handling and analyses of influent sewage, treated wastewater, biosolids, industrial wastes, stormwater, and groundwater. Information from the laboratory is used to make treatment

process control decisions, document compliance with regulatory requirements, demonstrate environmental protection, and ensure worker health and safety.

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

#### MANAGEMENT INFORMATION SERVICES (MIS)

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

#### PROJECT MANAGEMENT

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

### **PROGRAMS AND SIGNIFICANT SERVICE/EXPENDITURE CHANGES**

In FY 09-10, Eugene staff will support the following major regional initiatives in addition to ongoing operational activities.

- Continue efforts to optimize service effectiveness and efficiency, and further develop performance measurement and tracking systems (through implementation of a Balanced Scorecard approach to defining and managing organizational objectives).
- Manage the Operations & Maintenance (O&M) aspects of the Biocycle Farm, continuing the development of the biosolids irrigation practices and poplar tree management.
- Manage the O&M responsibilities of the NPDES permits for the wastewater discharge and treatment plant stormwater programs and the LRAPA air emissions permit for the regional wastewater treatment plant.
- Work cooperatively on the CIP elements and effectively integrate capital project work with ongoing O&M activities, with emphasis on maintaining an effective CIP management and coordination program with Springfield.
- Provide technical input and O&M assessments related to proposed initiatives for addressing TMDL compliance, greenhouse gas emission controls, and renewable energy objectives.

- Continue to evaluate impacts of regulatory actions (such as the federal SSO and blending policy development, Willamette River TMDLs implementation, and any newly adopted state water quality standards) upon operational responsibilities.
- Complete scheduled major rehabilitation and equipment replacement projects in an efficient and timely manner.
- Complete major steps in the effective use of the maintenance management program, including updating of the computerized maintenance management system for maintenance scheduling, asset information, reporting, and monitoring performance.

#### **SIGNIFICANT CHANGES FOR FY 09-10**

The proposed budget for Operations and Maintenance of the regional wastewater treatment facilities (personnel, materials and services, and capital outlay) for FY 09-10 totals \$11,368,840. The amount represents a 7% increase from the FY 08-09 budget. The largest cost drivers for this proposed budget are regular wages, fleet operating charges, and chemicals. These expenses can be further related to new union contract agreements, additional O&M expenses associated with implementation of Phase 3 of the Biocycle Farm (fleet, contractual services, labor) and increased chemical costs for the new wastewater disinfection technology. Details of the significant changes proposed for the FY 09-10 Operations and Maintenance budget as compared to the FY 08-09 budget are highlighted below:

#### **Personnel Services**

Personnel Services totaling \$6,848,944 represents a FY 09-10 increase of \$254,940 or 3.9%. The major changes are in the following budget categories:

#### **Staffing**

- A budget increase of .92 FTE allocation is projected for FY 09-10:
- 0.90 Converting two half time positions to full time-- The work loads of an Application Support Technician for support of the wastewater computer systems and software, and the Administrative Specialist for budget, accounting, and admin support, have increased.
- 0.02 Fund Reallocations – During the preparation of the annual budget proposal, the distribution of FTE hours for regional and non-regional activities from the previous year are reviewed and adjustments are made to the proposed year's budget. This is done to project proper charges of staffing based on actual time spent between the regional and local funds, and considering planned labor activities for the coming fiscal year.

#### **Regular Wages – \$4,338,806 [Increase of \$221,972 or 5%]**

- Salaries are based upon negotiated management/labor contracts between the City of Eugene and the local union (AFSCME). The Cost of Living (COLA) is projected at 4%. The increase also



includes the FTE adjustments described below, and annual merit increases for existing staff, as applicable.

**Overtime - \$109,020 [Increase of \$51,570 or 90%]**

- Overtime hours were adjusted to reflect gradual increases in actuals from prior years based on coverage of holidays and sick leave in the operations section as well as the need for increased staffing at the BMF in the seasonal fluctuations.

**Worker's Compensation & Unemployment - \$82,158 [Decrease of \$11,017 or (12%)]**

- The decrease is due to an 11.2% decrease in the organization based on its good claims experience. Rates in turn are allocated taking into account the experience and exposure of the department then allocated to the division level based on the number of employees.

**Materials and Services**

The proposed Materials and Services budget totaling \$4,490,436 represents a total FY 08-09 increase of \$477,680 which is 11.9%. The major changes are in the following budget categories:

**Fleet Operating Charges – \$373,739 [Increase of \$117,720 or 46%]**

- Each year fleet rates are estimated by proportioning historic costs by vehicle category. The increase in this line item of \$53,000 is due to an adjustment based on previous year's expenditures for equipment that is charged on time and materials (equipment is being used harder and kept longer, generating more maintenance costs). The purchase of the new Brown Bear Equipment (used for biosolids management) will incur an additional \$18,000 in fleet operating charges. The remaining expenses are not a baseline increase, but are due to increased rates from fleet services.

**Contractual Services – \$462,316 [Increase of \$70,993 or 18%]**

- While this expense category was decreased in several program areas, \$106,000 was added to the budget for vegetation control at the Poplar Farm (pruning of the poplar trees), which has increased with the addition of Phase 3 of the Biocycle Farm.

**Chemicals – \$449,555 [Increase of \$220,989 or 97%]**

- The increase is primarily due to budgeting for the new chlorination system which uses Sodium Hypochloride, the increase of \$192,855 is for higher chemical costs (sodium hypochloride is significantly more expensive than compressed gaseous chlorine). \$22,385 of the overall increase in chemical costs is due to the switch from SO<sub>2</sub> to bisulfite (used to inactivate the chlorine prior to discharge of treated wastewater to the Willamette River). The additional

\$10,000 increase is due to the purchase of the iron sponge/carbon media used for filtration of methane gas prior to combustion for cogeneration purposes (electricity generation).

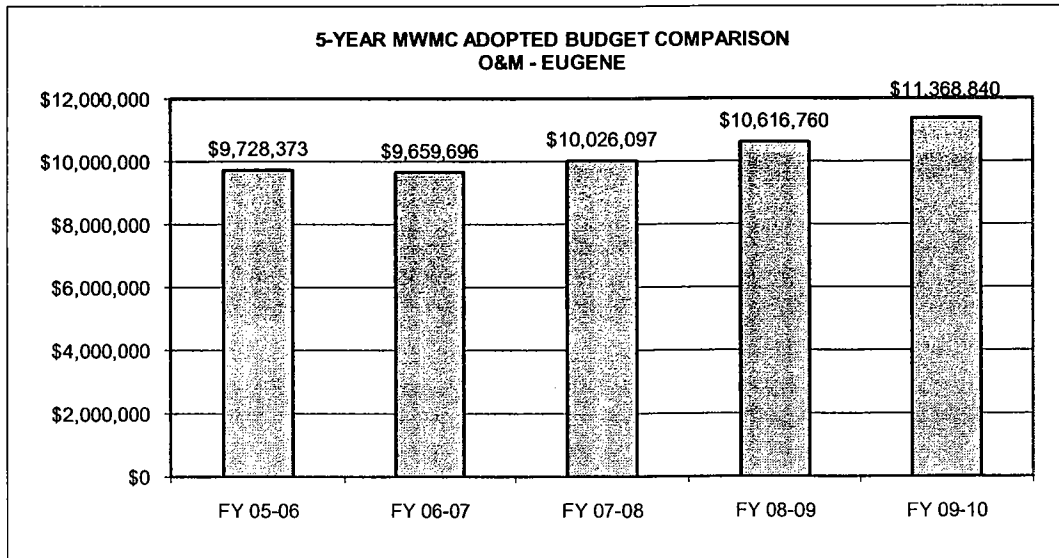
**Computer Equipment, Supplies, Maintenance - \$186,401 [Increase of \$33,465 or 22%]**

- The increase of \$25,000 is due to the purchase of software for the biosolids management program to monitor the irrigation systems serving the Biocycle Farm. \$10,000 of the overall increase is due to an increase in service contracts for maintenance and support of existing software applications.

**EXHIBIT 10**

**O & M - CITY OF EUGENE PROGRAM  
PROPOSED FY 09-10  
BUDGET SUMMARY**

	ACTUAL FY 07-08	ADOPTED BUDGET FY 08-09	AMENDED BUDGET FY 08-09	PROPOSED BUDGET FY 09-10	CHANGE *	
Personnel Services	\$6,007,342	\$6,594,004	\$6,594,004	\$6,848,944	\$254,940	3.9%
Materials & Services	\$3,422,387	\$4,012,756	\$4,126,068	\$4,490,436	477,680	11.9%
Capital Outlay	179,243	10,000	299,000	29,460	19,460	194.6%
<b>Budget Summary</b>	<b>\$9,608,972</b>	<b>\$10,616,760</b>	<b>\$11,019,072</b>	<b>\$11,368,840</b>	<b>\$752,080</b>	<b>7.1%</b>



Note: \* Change column and Percent Change column compare proposed FY 09-10 budget to originally adopted FY 08-09 budget.

**EXHIBIT 11**  
**O&M - CITY OF EUGENE**  
**LINE ITEM BUDGET SUMMARY**

	ACTUAL FY 07-08	ADOPTED BUDGET FY 08-09	AMENDED BUDGET FY 08-09	PROPOSED BUDGET FY 09-10	CHANGE INCR/(DECR)	
<b><u>PERSONNEL SERVICES</u></b>						
Regular Wages	\$3,832,669	\$4,166,834	\$4,166,834	4,388,806	\$221,972	5%
Extra Help	186	0	0	-	0	NA
Overtime	51,105	57,450	57,450	109,020	51,570	90%
Employee Benefits	1,283,164	1,398,587	1,398,587	1,310,454	(88,133)	-6%
Health Insurance	44,819	877,958	877,958	958,506	80,548	9%
Workers' Comp/Unemploy Ins	795,398	93,175	93,175	82,158	(11,017)	-12%
<b>TOTAL PERSONNEL SERVICES</b>	<b>6,007,342</b>	<b>6,594,004</b>	<b>6,594,004</b>	<b>6,848,944</b>	<b>254,940</b>	<b>3.9%</b>
FTE	75.42	75.57	75.57	76.49	0.92	1.2%
<b><u>MATERIALS &amp; SERVICES</u></b>						
Utilities	570,195	690,033	690,033	707,362	17,329	3%
Fleet Operating Charges	307,819	256,019	256,019	373,739	117,720	46%
Maintenance-Equip & Facilities	373,126	381,999	381,999	383,840	1,841	0%
Contractual Services	266,131	391,323	431,685	462,316	70,993	18%
Materials & Program Expense	535,379	582,102	607,102	548,608	(33,494)	-6%
Chemicals	218,719	228,566	228,566	449,555	220,989	97%
Parts & Components	185,048	236,997	236,997	224,297	(12,700)	-5%
Laboratory Equipment & Supplies	68,522	90,226	110,226	74,265	(15,961)	-18%
Risk Insurance - Employee Liability	24,180	47,555	47,555	55,206	7,651	16%
Computer Equip, Supplies, Maint	147,252	152,936	180,886	186,401	33,465	22%
Indirects	726,017	955,000	955,000	1,024,847	69,847	7%
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>3,422,387</b>	<b>4,012,756</b>	<b>4,126,068</b>	<b>4,490,436</b>	<b>477,680</b>	<b>11.9%</b>
<b><u>CAPITAL OUTLAY</u></b>						
Motorized Vehicles	71,803	0	0	15,000	15,000	NA
Capital Outlay-Other	107,440	10,000	299,000	14,460	4,460	45%
<b>TOTAL CAPITAL OUTLAY</b>	<b>179,243</b>	<b>10,000</b>	<b>299,000</b>	<b>29,460</b>	<b>19,460</b>	<b>195%</b>
<b>LINE ITEM SUMMARY: EUGENE</b>	<b>9,608,972</b>	<b>10,616,760</b>	<b>11,019,072</b>	<b>11,368,840</b>	<b>752,080</b>	<b>7.1%</b>
<b>EQUIPMENT REPLACEMENT</b>	<b>\$ 384,485</b>	<b>\$ 569,010</b>	<b>\$ 817,624</b>	<b>\$ 258,710</b>	<b>\$ (310,300)</b>	<b>-38%</b>
<b>MAJOR REHAB</b>	<b>\$ 96,793</b>	<b>\$ 900,000</b>	<b>\$ 1,228,180</b>	<b>\$ 158,700</b>	<b>\$ (741,300)</b>	<b>-60%</b>
<b>MAJOR CAPITAL OUTLAY</b>	<b>\$ -</b>	<b>\$ 289,000</b>	<b>\$ 2,372,531</b>		<b>\$ (289,000)</b>	<b>NA</b>

## REGIONAL WASTEWATER PROGRAM CAPITAL PROGRAMS

### Overview and Goals

The FY 09-10 Regional Wastewater Program (RWP) Capital Budget and the FY 09-14 five-year Capital Improvement Program (CIP) are based on the MWMC Facilities Plan (the Plan), which was approved by the MWMC, the governing bodies of Eugene, Springfield and Lane County, and the Oregon Department of Environmental Quality in 2004. The Facilities Plan, and its 20-year capital project list, was the result of a comprehensive evaluation of the regional wastewater treatment facilities serving the Eugene-Springfield metropolitan area. The Plan built on previous targeted studies, including the 1997 Master Plan, 1997 Biosolids Management Plan, 2001 Wet Weather Flow Management Plan (WWFMP), and the 2003 Management Plan for a dedicated biosolids land application site. The Facilities Plan is intended to identify facility enhancements and expansions that are needed to meet increased regulatory and wet weather flow requirements and to serve the community's wastewater capacity and treatment needs through 2025.

The objectives of the Capital Program are:

- Compliance with applicable local, state, and federal laws and regulations;
- Protection of the health and safety of people and property from exposure to hazardous conditions such as exposure to untreated or inadequately treated wastewater;
- Provision of adequate capacity to facilitate community growth in the Eugene-Springfield metropolitan area consistent with adopted land use plans;
- Construction, operation, and management of the MWMC facilities in a manner that is as cost-effective, efficient, and affordable to the community as possible in the short and long term;
- Implementation of Citizens Advisory Committee recommendations, which represent diverse community interests, values and involvement, and that have been adopted by the Commission as MWMC plans and policies; and
- Mitigation of potential negative impacts of the MWMC facilities on adjacent uses and surrounding neighborhoods (ensuring that the MWMC facilities are "good neighbors" as judged by the community).

Attaining these objectives is the basis for the projects included in the five-year CIP and FY 09-10 Capital Projects budget administered by the Capital Projects Section staff in the City of Springfield. Particular emphasis has been placed on getting projects completed that will allow for conveyance and treatment of peak wet weather flows by the end of 2009.

The capital program objectives also guide the capital projects administered by the City of Eugene that extend the life of the existing facilities through equipment replacement, facility rehabilitation and capital outlay.

### **CIP Financial Planning and Policy Overview**

The RWP CIP is funded primarily through proceeds from revenue bond sales, system development charges, and transfers from the operating fund to Capital Reserves. Last year, staff applied for loan funding through the Clean Water State Revolving Fund loan program. As a result, this year the MWMC entered into a loan agreement with the State of Oregon Department of Environmental Quality (DEQ) that will allow the MWMC to borrow up to \$37.5 million over the next five years for qualifying projects. Two million dollars of funding under the loan agreement has been approved for the Tertiary Filtration—Phase 1 project.

The operating fund derives the majority of its revenue from wastewater user charges that are collected by Eugene and Springfield from their respective customers. Transfers from the operating fund are budgeted annually consistent with the MWMC Financial Plan to meet the financial needs of the capital projects. The RWP uses these transfers to reduce the amount of borrowing necessary to finance the capital program.

For each fiscal planning cycle, only one year of budget authority is appropriated. The remaining four years of the CIP are important and useful for fiscal and work planning purposes, but the funds in the outer years of the CIP are only planned for, not appropriated. The full amount of obligated multi-year project costs is typically appropriated in the first year of the project, unless a smaller subset of the project, such as project design, can be identified and funded without budgeting the full projected project cost. For these multi-year contracts, unspent funds from one fiscal year will be carried over to subsequent fiscal years until the project is completed.

The RWP CIP reflects projected price changes over time that affect the cost of materials and services. Until about 2003, the 20-year average Engineering News Record inflationary factor for construction served as a good predictor for future inflation and was used for projecting the MWMC costs. Initial cost projections for projects included in the Facilities Plan were included in the Plan based on January 2004 construction costs. In recent years however, construction inflation has accelerated and local construction cost inflation has even accelerated faster than the ENR average and the MWMC has modified its inflationary projections accordingly.

In early 2006, the MWMC hired the consulting firm CH2M Hill to perform a comprehensive update of project cost estimates. Following that update, the RWP CIP assumes general prices change at five percent per year over the planning period. This does not reflect a projection of any single inflation index but was developed by CH2M Hill to reflect a reasonable aggregate rate of increases for the next five years, based on the historical activity of both construction and non-construction price indices. Indices tracked include the Engineering News Record Construction Cost Index, the Turner Building Cost Index, and the Consumer Price Index.

### **Regional Wastewater Program Capital Projects Budget**

The following is a summary of the status of capital projects that are currently budgeted in the FY 08-09 Regional Wastewater Program Capital Budget and those included in the new FY 09-10 Capital Budget.

The Regional Wastewater Program Capital Projects budget consists of the projects in the first year of the FY 09-14 five-year CIP, totaling \$65,016,782.

Information regarding each project included in the FY 09-10 Capital Projects budget is included in the CIP project summary sheets included in this document. Each summary sheet provides a description of the project, the project purpose and what is driving the timing of the project, the funding schedule, and the expected final cost and cash flow for the project. For those projects that are in progress, a short status report is included on the summary sheet.

#### **Completed Capital Projects (Scheduled Completion by June 30, 2009)**

In FY 08-09, several on-going capital projects are being completed and closed out. Those projects projected to be closed out in FY 08-09 are listed below. No CIP summary sheets are included in this document for these projects because there is no expected carryover of project funds to FY 09-10, and therefore no requested budget for these projects in FY 09-10. All projects completed in FY 08-09 have been completed within the Commission-approved capital budgets for each project. The completed capital projects are:

- Digester Mixing Improvements (This project was earlier listed as complete but there was some unanticipated project activity that trailed into FY 08-09. Therefore, it is being listed herein as completed in FY 08-09.)
- Line Biosolids Lagoon – Phase 1 (This project was earlier listed as complete but there was some unanticipated project activity that trailed into FY 08-09. Therefore, it is being listed herein as completed in FY 08-09.)

The Clarifier Improvements and Aeration Basin Phase-1 projects are anticipated to be essentially complete by June 30, 2009. However, the Aeration Basin Improvements Phase-1 project's completion will depend on the weather. The Clarifier Improvements project, previously projected to be completed in FY 07-08, was delayed due to unanticipated factors, including a claim dispute with the construction contractor.

#### **Carryover Capital Projects (Projects Initiated in FY 08-09 or Earlier)**

Remaining funding for all capital projects that were started or are on-going in FY 08-09 is carried over in this FY 09-10 budget. CIP project summary sheets for these carryover projects are included in this document. All funding for these projects continues to be consistent with the CH2M Hill 2006 re-costing of capital projects.

The on-going carryover projects are:

- Clarifier Improvements
- Aeration Basin Improvements – Phase 1
- Biocycle Farm Poplar Plantation – Phase 3
- Wet Weather Flow Management Plan (WWFMP) Update
- Facilities Plan Engineering Services
- Influent Pumping Improvements and Headworks Expansion
- Sodium Hypochlorite Conversion
- Peak Flow Management Improvements
- Odorous Air Treatment – Phase 1
- Odorous Air Treatment – Phase 2
- Primary Sludge Thickening
- Tertiary Filtration – Phase 1
- Effluent Reuse – Phase 1
- Master Landscape Plan
- Line Biosolids Lagoon – Phase 2

Note that the Master Landscape Plan was not identified as a new project in the FY 07-08 CIP budget document but the project was created on March 3, 2008 as an administrative transfer of funds from other MWMC projects as follows:

Influent Pumping Improvements and Headworks Expansion	\$57,600
Peak Flow Management Improvements	\$52,200
Sodium Hypochlorite Conversion	\$16,200
Tertiary Filtration – Phase 1	\$34,200
Odorous Air Treatment – Phase 1	<u>\$19,800</u>
<b>Total for Master Landscape Plan</b>	<b>\$180,000</b>

### **New Projects for the FY 09-10 Capital Budget**

Consistent with the Facilities Plan project list and consistent with the FY 08-09 CIP, several additional projects are rolling from the second year of the adopted FY 08-13 CIP, into the first year of the FY 09-14 CIP, and therefore into the FY 09-10 Capital Budget. CIP project summary sheets for these projects are included in this document.

New projects added in the FY 09-10 Capital budget are:

- Line Biosolids Lagoon – Phase 3
- Effluent Re-use – Phase 2

### **Summary of FY 08-09 Capital Budget**

The following summary table shows the adjusted budget and end-of-year estimates for expenditures for the FY 08-09 Capital Budget and the amount of funding that is expected to be carried over to FY 09-10 for those projects that are ongoing to FY 09-10. Also shown is additional

funding and new projects in the FY 09-10 Capital Budget. The projects are organized in the table by where they are in the funding cycle, i.e. projects completed in FY 08-09, projects to be carried over from the FY 08-09 budget to the FY 09-10 budget, and projects that are newly budgeted. These projects and funding are consistent with the planning and funding as presented in the approved FY 08-13 CIP, with the exception of the following:

- Funding for the Facility Plan Engineering Services project was increased by \$18,044 to replenish funds that were mistakenly not carried over in the FY 08-09 approved budget
- Funding for the Line Lagoons – Phase 3 project budget was increased by \$406,000 to cover the anticipated cost of a construction access road and the uncertainty of the structural integrity of the existing lagoon bottom



## EXHIBIT 12

## Summary of FY 09-10 MWMC Construction Program Capital Budget

	FY 08-09 ADJUSTED BUDGET	FY 08-09 ESTIMATE D ACTUALS	FY 08-09 CARRYOVE R TO FY 09-10	FUNDING PROGRAMME D FOR FY 09-10	TOTAL PROPOSED FY 09-10 BUDGET
<b>Projects Completed in FY 08-09</b>					
Digester Mixing Improvements	1,000	1,000	0	0	0
Line Biosolids Lagoon - Phase 1	35,000	35,000	0	0	0
<b>Projects to be Carried Over to FY 09-10</b>					
Clarifier Improvements	825,996	400,000	425,996	0	425,996
Aeration Basin Improvements - Phase 1	4,959,760	4,035,000	924,760	0	924,760
Biocycle Farm Poplar Plantation- Phase 3	370,970	284,530	86,440	0	86,440
WWFMP Update	396,488	76,000	320,488	0	320,488
Facilities Plan Engineering Services (1)	39,837	57,881	-18,044	78,819	60,775
Influent Pumping and Headworks Exp	25,529,295	13,900,960	11,628,335	0	11,628,335
Sodium Hypochlorite Conversion	7,294,127	2,850,000	4,444,127	0	4,444,127
Peak Flow Management Improvements	23,445,254	12,413,966	11,031,288	0	11,031,288
Odorous Air Treatment - Phase 1	10,404,102	4,320,000	6,084,102	0	6,084,102
Odorous Air Treatment - Phase 2	1,704,000	300,000	1,404,000	0	1,404,000
Primary Sludge Thickening	4,488,270	286,000	4,202,270	0	4,202,270
Tertiary Filtration - Phase 1	14,448,814	721,000	13,727,814	0	13,727,814
Effluent Reuse - Phase 1	3,318,000	295,000	3,023,000	0	3,023,000
Master Landscape Plan	123,544	120,000	3,544	0	3,544
Line Biosolids Lagoon - Phase 2 (2)	2,888,843	897,000	1,991,843	406,000	2,397,843
<b>Newly Budgeted Projects for FY 09-10</b>					
Line Biosolids Lagoon - Phase 3				100,000	100,000
Effluent Reuse - Phase 2				5,152,000	5,152,000
<b>TOTAL</b>	<b>100,273,300</b>	<b>40,993,337</b>	<b>59,279,963</b>	<b>5,736,819</b>	<b>65,016,782</b>

(1) \$18,044 was added to the FY 08-09 approved budget for the Facility Plan Engineering Services project to replenish funds that were mistakenly not carried over from the FY 07-08 budget.

(2) The Line Lagoons – Phase 2 project budget has been increased by \$406,000 from the FY 08-09 amount of \$2,888,843 due to the anticipated cost of a construction access road and the uncertainty of the structural integrity of the existing lagoon bottom.

**Regional Wastewater Program FY 08-13 Five-Year CIP**

The projects in the out years of the Regional Wastewater Program FY 09-14 Five-Year CIP are based almost exactly on the programming of regional capital projects in the current adopted FY 08-13 CIP. Significant changes from the current CIP include:

- Continuation of funding for the Facility Plan Engineering Services in FY 13-14, which includes an adjustment for inflation.
- Moving of the Waste Activated Sludge Thickening project back one year, from FY12-13 to FY13-14, with increased funding to account for inflation.

- Reduction of \$16,981,500 of funding from the Increased Digestion Capacity/Class A project to reflect a scope reduction that removes the Class A digestion facilities, which were deemed unnecessary given the MWMC's biosolids management program strategic needs.

Staff has continued, as in past CIPs, to organize the projects in the CIP based on categories that illustrate the major functions they serve in the wastewater system. The classification system groups capital projects in four main project categories as follows:

- a. Biosolids Management,
- b. Non-Process Facilities and Facilities Planning,
- c. Conveyance Systems, and
- d. Plant Facilities Improvements.

The above classifications of projects are used to organize projects in the summary table for the FY 09-14 CIP in Exhibit 13, and to organize the CIP summary sheets that describe each project.

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

	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	TOTAL
<b>CAPITAL PROJECTS</b>						
<b>Biosolids Management</b>						
Biocycle Farm - Poplar Plantation III	86,440					86,440
Line Biosolids Lagoon - Phase II	2,397,843					2,397,843
Line Biosolids Lagoon - Phase III	100,000	3,100,000				3,200,000
Line Biosolids Lagoon - Phase IV			375,000	2,925,000		3,300,000
Repair/Replace of Biosolids Force Main		100,000	1,400,000			1,500,000
<b>Non-Process Facilities and Facilities Planning</b>						
WWFMP Update	320,488					320,488
Facility Plan Engineering Services	60,775	63,814	67,005	70,355	73,873	335,822
2010 Facility Plan Update		221,000				221,000
Master Landscape Plan	3,544					3,544
<b>Conveyance Systems</b>						
Influent Pumping & Headworks	11,628,335					11,628,335
Glenwood Pump Station Upgrade		741,500				741,500
<b>Plant Performance Improvements</b>						
Clarifier Improvements	425,996					425,996
Aeration Basin Improvements Phase I	924,760					924,760
Sodium Hypochlorite Conversion	4,444,127					4,444,127
Peak Flow Management Improvements	11,031,288					11,031,288
Odorous Air Treatment I	6,084,102					6,084,102
Odorous Air Treatment II	1,404,000					1,404,000
Primary Sludge Thickening	4,202,270					4,202,270
Tertiary Filtration I	13,727,814					13,727,814
Effluent Reuse I	3,023,000					3,023,000
Effluent Reuse II	5,152,000					5,152,000
Effluent Reuse III			6,542,000			6,542,000
Waste Activated Sludge Thickening					3,894,000	3,894,000
Increased Digestion Capacity/Class A			600,000	5,500,000	2,500,000	8,600,000
<b>TOTAL CAPITAL PROJECTS</b>	<b>65,016,782</b>	<b>4,226,314</b>	<b>8,984,005</b>	<b>8,495,355</b>	<b>6,467,873</b>	<b>93,190,329</b>
<b>ASSET MANAGEMENT</b>						
Equipment Replacement	258,710	1,180,695	2,272,569	1,260,963	1,813,727	6,786,664
Major Rehab	158,700	930,000	318,764	332,425	352,000	2,091,889
Major Capital Outlay				933,903	204,429	1,138,332
<b>TOTAL ASSET MANAGEMENT</b>	<b>417,410</b>	<b>2,110,695</b>	<b>2,591,333</b>	<b>2,527,291</b>	<b>2,370,156</b>	<b>10,016,885</b>
<b>TOTAL CAPITAL IMPROVEMENTS</b>	<b>65,434,192</b>	<b>6,337,009</b>	<b>11,575,338</b>	<b>11,022,646</b>	<b>8,838,029</b>	<b>103,207,214</b>

The FY 09-14 five-year CIP for Regional Capital Projects amounts to \$93,190,329. When Asset Management Capital Program planned expenditures (administered by the City of Eugene) are added in, the total five-year CIP comes to \$103,207,214. Information regarding each capital project in the FY 09-14 CIP is included in the CIP summary sheets included in this document. This includes those projects in the first year of the CIP, which constitute the FY 09-10 Capital Budget. Each summary sheet provides a description of the project, the project purpose and what is driving the timing of the project, the funding schedule, and the expected final cost and cash flow

for the project. For those projects that are in progress, a short status report is included on the summary sheet.

### **Regional Wastewater Asset Management Capital Program**

Another category of projects in the MWMC Capital Budget are those capital projects and capital purchases that are administered by the City of Eugene for MWMC, and which provide for major reconstruction, replacement, repairs, and purchases necessary to maintain functionality, lifespan, and effectiveness of existing facility assets. We call this the Asset Management Capital Program. Three sub-categories are included in the Asset Management category:

- a. Equipment Replacement –
- b. Major Rehabilitation –
- c. Major Capital Outlay –

### **FY 09-10 Asset Management Capital Program Budget**

- **Equipment Replacement Program - Budget**

The FY 09-10 Capital Programs budget includes \$258,710 in Equipment Replacement purchases, which are identified on the table below.

<b>Equipment Replacement Projects - FY 09-10</b>	
<b>Project Description</b>	<b>FY 09-10 Proposed Budget</b>
Heat Pump, Pretreatment Building	\$20,000
HVAC Control Panel, Pretreatment Building	\$8,000
Activated Sludge Pumps (2)	\$100,000
Hot Water Parts Washer	\$27,000
Computer Replacement	\$5,710
Fleet Replacement	\$98,000
<b>Total</b>	<b>\$258,710</b>

Heat Pumps and HVAC Control Panel for Pretreatment Building – This HVAC equipment to be replaced is 26 or more years old and is the original equipment from regional plant construction.

Activated Sludge Pumps – These return activated sludge pumps are also 26 or more years old. They have been rebuilt a number of times over the years and have approached the end of their

useful life. The return activated sludge pumps are essential equipment for the operation of the secondary treatment activated sludge process.

Hot Water Parts Washer – The current hot water parts washer in the regional treatment plant’s maintenance shop has reached the end of its useful life. A new washer constructed of stainless steel will serve the maintenance shop well into the future because it will be much less susceptible to corrosion.

Computer replacement includes replacement of three personal computers and two laptop computers. Fleet replacement consists of replacement of one pickup service truck and two micro trucks.

- **Major Rehabilitation Program - Budget**

The FY 09-10 Capital Programs budget includes \$158,700 for Major Rehabilitation projects, which are identified on the table below.

<b>Major Rehab Projects</b>	
<b>Description</b>	<b>FY 09-10 Proposed Budget</b>
Roof Replacement, Facilities Maint Shop	\$49,500
Roof Replacement, BMF Pump Station	\$10,200
Asphalt Repair/Sealing, BMF Parking Lot and Road	\$40,000
Concrete Pressure Grouting, Primary Clarifiers (2)	\$44,000
Slat Replacement, Plant Perimeter Fencing	\$15,000
<b>Total Budget</b>	<b>\$158,700</b>

Operations Building Improvements – This expenditure will go towards miscellaneous repairs and renovation to maintain and improve the functionality of the Operations and/or Maintenance Building for staff. Business functions and staff size have changed substantially for office and technical staff since original construction of the Operations and Maintenance buildings. Rehabilitation and functionality improvements help to delay the need for additional floor space.

Roof Replacements – Roofs will be rebuilt on two structures as identified in the above table. All replacements were identified in the course of carrying out our comprehensive roof inspection and testing program. In addition to visual inspections the program includes testing for moisture penetration. Timely replacement avoids more extensive and costly repairs when roof problems are otherwise ignored or delayed.

Asphalt Repair/Sealing – The asphalt road, parking area, and service areas have aged and deteriorated to a point that repairs and sealing to extend their useful life are required. Failure to repair and maintain would require more extensive and costly repairs with prolonged delay.

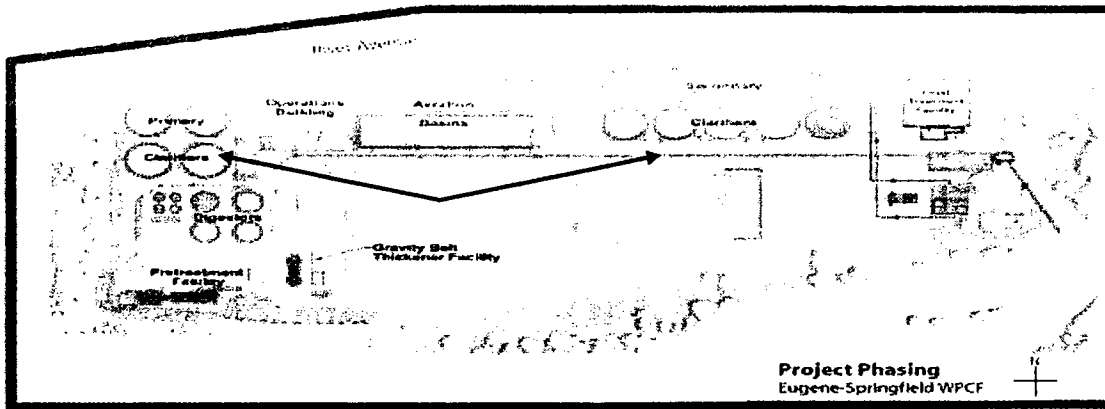
- **Major Capital Outlay - Budget**

There is no Major Capital Outlay in the FY 09-10 budget.

**Summary of FY 09-10 Asset Management Capital Budget**

<b><u>Category of Capital Expense</u></b>	<b>FY 09-10 Proposed Budget</b>
Equipment Replacement	\$258,710
Major Rehabilitation	\$158,700
<b>TOTAL</b>	<b>\$417,410</b>

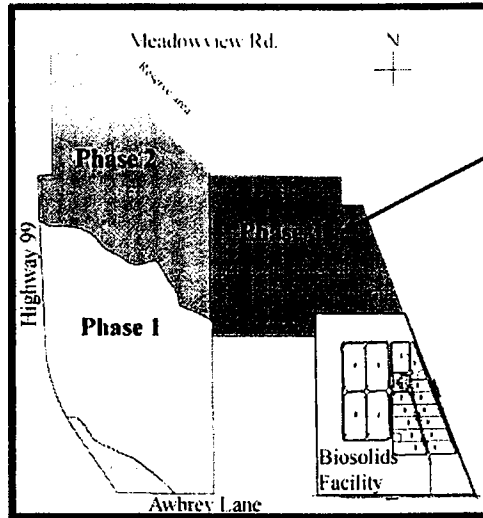
CLARIFIER IMPROVEMENTS



- Description:** Clarifier Improvements (originally Primary Clarifier Enhancements, Secondary Clarifier Enhancements and new 9<sup>th</sup> and 10<sup>th</sup> Secondary Clarifiers).
- Status:** The MWMC clarifier construction work was completed by MKB Constructors (general contractor). The construction contract included three milestones that relate to different warranty timelines. As of December of 2008, staff is investigating a galvanizing issue in some of the secondary clarifiers and evaluating the performance of the upgraded clarifiers. Additional follow up work is anticipated to address cathodic protection system upgrades and grouting of two secondary floors related to the clarifier budget.
- Justification:** Enhancing the existing clarifiers will increase primary and secondary treatment capacity and will maximize the facilities investment in existing infrastructure. Adding the two new clarifiers will increase secondary treatment capability and increase ability to handle peak flows.
- Project Driver:** Increase capacity to treat base and peak flows and improve effluent quality and reliability so that a blended primary and secondary effluent can meet the current National Pollutant Discharge Elimination System (NPDES) total suspended solids limits.
- Project Trigger:** From the MWMC 2004 Facilities Plan – the trigger for this project is unacceptably high clarifier surface overflow rates and wet weather flows.
- Project Type:** 100% Capacity – Primary Clarifier Enhancements  
50% Capacity and 50% Performance – Secondary Clarifier Enhancements  
100% Capacity – 9<sup>th</sup> and 10<sup>th</sup> Secondary Clarifiers
- Estimated Project Cost:** Revised budget for this project was \$17.48 million. Estimated cost to complete is \$15.58 million.
- Expected Cash Flow:** FY 04-05 = \$130,325; FY 05-06 = \$1,511,663; FY 06-07 = \$8,944,368;  
FY 07-08 = \$4,174,004; FY 08-09 = \$400,000; FY 09-10 = \$425,996

Expenditure/Category:	Prior Years	2008-09						Total
		Est. Act.	2009-10	2010-11	2011-12	2012-13	2013-14	
Design/Construction	\$14,760,360	\$400,000	\$425,996	0	0	0	0	\$15,586,356
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$14,760,360</b>	<b>\$400,000</b>	<b>\$425,996</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>\$15,586,356</b>

**BIOCYCLE FARM POPLAR PLANTATION - PHASE 3**

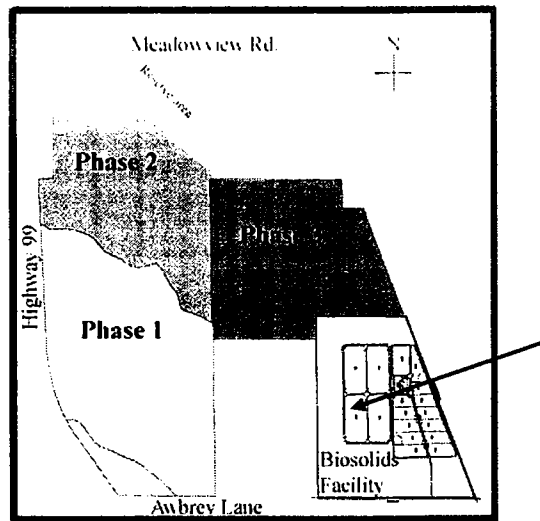


- Description:** Phase 3 of the poplar plantation (approximately 117 acres) at the Biocycle Farm. Site preparation began in fall 2008. Poplar planting will occur in early spring of 2009.
- Justification:** Land already purchased and provides additional area adjacent to Biosolids Management Facility (BMF) for application of liquid and dewatered biosolids. Expansion of the Biocycle Farm provides the Metropolitan Wastewater Management Commission (MWMC) with more flexibility and control of overall biosolids management program.
- Project Driver:** Increased solids production at the Eugene/Springfield Water Pollution Control Facility (WPCF).
- Project Trigger:** Biocycle Farm Phases 1 and 2 loading limits for liquid and dewatered biosolids will be reaching capacity. The planting must fit into the planned cycle of growing and harvesting of poplar trees.
- Project Type:** 100% Performance
- Improvement SDC Eligibility:** 22%
- Estimated Project Cost:** \$372,000
- Expected Cash Flow:** FY 07-08 = \$1,030, FY 08-09 = \$284,530; FY 09-10 = \$86,440

<u>Expenditure/Category:</u>	<u>Prior Years</u>	<u>2008-09 Est. Act.</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>Total</u>
Design/Construction	\$1,030	\$284,530	\$86,440	0	0	0	0	\$372,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$1,030</b>	<b>\$284,530</b>	<b>\$86,440</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$372,000</b>



LINE BIOSOLIDS LAGOONS – PHASE 2



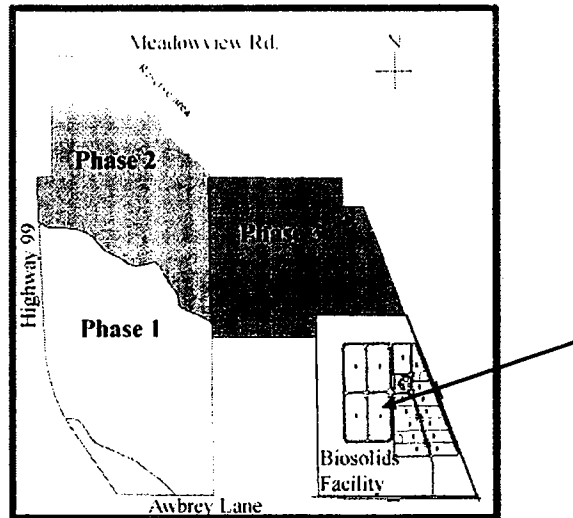
- Description:** Reline existing lagoons, Phase 2 at the Biosolids Management Facility (BMF).
- Status:** As of January 2009, the design consultant is developing the construction bid package.
- Justification:** Existing clay lagoon liners are reaching the end of the material's useful life. A new synthetic liner will be installed in the lagoons. In Phase I, the liner material of choice was high density polyethylene. In the Phase 1 project implementation, the contractor installed the main components for a new dredge lateral movement system for all four lagoons, for improved operational safety and efficiency.
- Project Driver:** MWMC proactively desires to improve the safety of BMF staff, improve operational reliability of the facultative lagoons, and ensure DEQ compliance related to groundwater protection.
- Project Trigger:** Monitoring will be conducted to determine the effectiveness of the first phase of the lagoon lining project. MWMC anticipates rehabilitating all four existing lagoon liners in four separate phased projects.
- Project Type:** 100% Rehabilitation

**Estimated Project Cost:** \$3,300,000 (Note: The estimated project budget need has been increased by \$406,000 from the FY 08-09 estimate of \$2,888,843 due to the anticipated cost of a construction access road and the uncertainty of the structural integrity of the existing lagoon bottom.)

**Expected Cash Flow:** FY 07-08 = \$5,157; FY 08-09 = \$897,000; FY 09-10 = \$2,397,843

<u>Expenditure/Category:</u>	<u>Prior Years</u>	<u>2008-09 Est. Act.</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>Total</u>
Design/Construction	\$5,157	\$897,000	\$2,397,843	0	0	0	0	\$3,300,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$5,157</b>	<b>\$897,000</b>	<b>\$2,397,843</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,300,000</b>

LINE BIOSOLIDS LAGOONS – PHASE 3



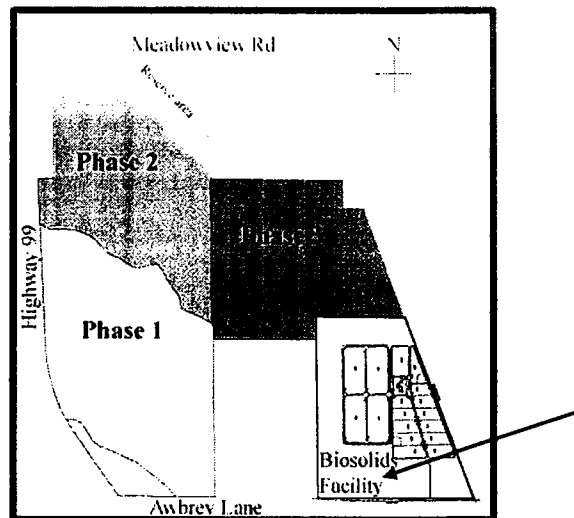
- Description:** Reline existing lagoons, Phase 3 at the Biosolids Management Facility (BMF).
- Justification:** Existing clay lagoon liners are reaching the end of the material's useful life. A new synthetic liner will be installed in the lagoons. In Phase I, the liner material of choice was high density polyethylene. In the Phase 1 project implementation, the contractor installed the main components for a new dredge lateral movement system for all four lagoons, for improved operational safety and efficiency.
- Project Driver:** MWMC proactively desires to improve the safety of BMF staff, improve operational reliability of the facultative lagoons, and ensure DEQ compliance related to groundwater protection.
- Project Trigger:** Monitoring will be conducted to determine the effectiveness of the first and second phase of the lagoon lining projects. MWMC anticipates rehabilitating all four existing lagoon liners in four phased projects and will monitor the new liner improvements.
- Project Type:** 100% Rehabilitation

**Estimated Project Cost:** \$3,200,000

**Expected Cash Flow:** FY 09-10 = \$100,000; FY 10-11 = \$1,480,000; FY 11-12 = \$1,620,000

Expenditure/Category:	Prior Years	2008-	2009-10	2010-11	2011-12	2012-	2013-	Total
		09 Est. Act.				13	14	
Design/Construction	0	0	\$100,000	\$3,100,000	\$0	0	0	\$3,200,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$3,100,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,200,000</b>

LINE BIOSOLIDS LAGOONS – PHASE 4



- Description:** Reline existing lagoons, Phase 4 at the Biosolids Management Facility (BMF). Phase 4 rehabilitation work is anticipated to be completed in 2013.
- Justification:** Existing clay lagoon liners are reaching the end of the material's useful life. A new synthetic liner will be installed in the lagoons. In Phase I, the liner of choice was high density polyethylene. In the Phase 1 project implementation, the contractor installed the main components for a new dredge lateral movement system for improved operational safety and efficiency.
- Project Driver:** MWMC proactively desires to improve the safety of BMF staff, improve operational reliability of the facultative lagoons, and ensure DEQ compliance related to groundwater protection.
- Project Trigger:** Monitoring will be conducted to determine the effectiveness of the first, second and third phases of the lagoon lining projects. MWMC anticipates rehabilitating all four existing lagoon liners in four separate phased projects.
- Project Type:** 100% Rehabilitation
- Estimated Project Cost:** \$3,300,000
- Expected Cash Flow:** FY 11-12 = \$375,000; FY 12-13 = \$1,600,000; FY 13-14 = \$1,325,000

Expenditure/Category:	Prior Years	2008-09 Est. Act.	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Design/Construction	0	0	0	0	\$375,000	\$2,925,000	\$0	\$3,300,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$375,000</b>	<b>\$2,925,000</b>	<b>\$0</b>	<b>\$3,300,000</b>

## REPAIR AND/OR PARTIAL REPLACEMENT OF BIOSOLIDS FORCE MAIN

**Description:** Investigate repair and/or replace sections of the biosolids force main (piping system) where struvite deposits reduce the pipe diameter and cannot be removed by an acid washing method. The piping system connects the Water Pollution Control Facility (WPCF) to the Biosolids Management Facility (BMF). A project estimate is \$1.5 million that may require additional funding due to a lack of an existing helpful investigation technology.

**Justification:** Project will rehabilitate portions of the existing biosolids conveyance system.

**Project Driver:** Maintain system functionality of the biosolids conveyance system.

**Project Trigger:** Functionality issues within the existing pipeline.

**Project Type:** 100% Rehabilitation

**Estimated Project Cost:** \$1,500,000

**Expected Cash Flow:** FY 10-11 = \$80,000; FY 11-12 = \$1,420,000

<u>Expenditure/Category:</u>	<u>Prior</u> <u>Years</u>	<u>2008-09</u> <u>Est. Act.</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>Total</u>
Design/Construction	0	0	0	\$100,000	\$1,400,000	\$0	0	\$1,500,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$1,400,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,500,000</b>

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**WET WEATHER FLOW MANAGEMENT PLAN UPDATE**


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**Description:** Evaluate collection system flow monitoring data collected since the original WWFMP (Wet Weather Flow Management Plan) was finalized in 2000, update and run collection system model and confirm (revise) convey and treat approach. Review importance of private lateral rehabilitation and investigate ways to encourage or require private lateral repairs. This project is a combination of two original projects – one for the update of the WWFMP report, and one for the further pursuit of a private lateral program.

**Status:** The collection system model update portion of the work has been completed. An ongoing planning effort is underway to update the WWFMP report and develop a private lateral improvement program.

**Project Driver:** Ongoing monitoring data might impact I/I reduction priorities and will affect future decisions regarding transport and treatment capacity planning. Private lateral infiltration remains an important issue to address.

**Project Trigger:** Scheduled update.

**Improvement SDC Eligibility:** 11%

**Estimated Project Cost:** \$532,000

**Expected Cash Flow:** FY 05-06 = \$6,028; FY 06-07 = \$86,895; FY 07-08 = \$42,589; FY 08-09 = \$76,000; FY 09-10 = \$229,000; FY 10-11 = \$91,488

<u>Expenditure/Category:</u>	<u>Prior Years</u>	<u>2008-09 Est. Act.</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>Total</u>
Design/Construction	0	0	0	0	0	0	0	0
Other	\$135,512	\$76,000	\$320,488	0	0	0	0	\$532,000
<b>Total Cost</b>	<b>\$135,512</b>	<b>\$76,000</b>	<b>\$320,488</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$532,000</b>

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**FACILITY PLAN ENGINEERING SERVICES**


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**Description:** Engineering services for analysis, project definition, cost estimating, and general consultation regarding the 20-Year Facilities Plan.

**Status:** This year, work has continued to assist with overall coordination of utility needs for the various projects in the capital program at the plant, to assist with the Conditional Use Permit application, and also to provide consultation and more detailed definition of the drivers and design criteria for various projects.

**Justification:** Projects were developed to varying levels of specificity in the 20-Year Facilities Plan and there is an on-going need to have a consistent resource to help in further refining projects and generally assisting with implementation of the plan. Another need addressed by this resource is assurance that the new improvements maintain the overall integrity of the plan in terms of treatment processes and hydraulics.

**Project Driver:** Ongoing goal to efficiently follow and update the 20-Year Facilities Plan.

**Project Trigger:** On-going need.

**Estimated Project Cost:** \$493,747 (Note: \$18,044 was added to replenish funds that were mistakenly not carried over in the FY 08-09 approved budget. In addition, staff anticipates continuation of the need for facility plan engineering services in 2013-14 and beyond. Therefore, \$73,873 was added for FY 13-14, which assumes 5% inflation annually)

**Expected Cash Flow:** FY 06-07 = \$50,000; FY 07-08 = \$50,044; FY 08-09 = \$57,881; FY 09-10 = \$60,775; FY 10-11 = \$63,814; FY 11-12 = \$67,005; FY 12-13 = \$70,355; FY 13-14 = \$73,873

<u>Expenditure/Category:</u>	<u>Prior</u> <u>Years</u>	<u>2008-09</u> <u>Est. Act</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>Total</u>
Design/Construction	0	0	0	0	0	0	0	0
Other	\$100,044	\$57,881	\$60,775	\$63,814	\$67,005	\$70,355	\$73,873	\$493,747
<b>Total Cost</b>	<b>\$100,044</b>	<b>\$57,881</b>	<b>\$60,775</b>	<b>\$63,814</b>	<b>\$67,005</b>	<b>\$70,355</b>	<b>\$73,873</b>	<b>\$493,747</b>

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 2010 PARTIAL FACILITY PLAN UPDATE
 

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**Description:** Review of the Facilities Plan assumptions and costs. Consideration of new regulations, information, and technology to modify the plan.

**Justification:** Regulatory requirements and system data are not static and the plan may require course correction to meet new needs.

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

**Project Trigger:** Scheduled update.

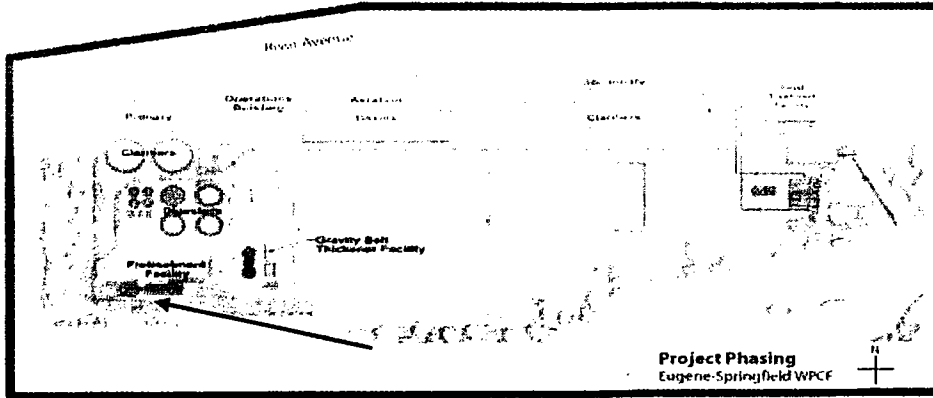
**Improvement SDC Eligibility:** 21%

**Estimated Project Cost:** \$221,000

**Expected Cash Flow:** FY 10-11 = \$221,000

<u>Expenditure/Category:</u>	<u>Prior Years</u>	<u>2008-09 Est. Act</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>Total</u>
Design/Construction	0	0	0	0	0	0	0	0
Other	0	0	0	\$221,000	0	0	0	\$221,000
<b>Total Cost</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$221,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$221,000</b>

**INFLUENT PUMPING IMPROVEMENTS AND HEADWORKS EXPANSION**



**Description:** This project provides influent pumping improvements and headworks expansion required to accommodate the 2025 peak wet weather flow of 277 mgd. The budget for this project includes a total of \$687,000 that was transferred from the Equipment Replacement Reserve. Of this, \$405,000 was transferred in the FY 07-08 budget and \$282,000 was transferred in the FY 08-09 budget. These funds will be used at the Willakenzie Pump Station and key upstream locations to replace existing knife gate valves in the force mains; to replace variable frequency drives for five of the existing 300 horse power pumps at the Willakenzie Pump Station; and to replace the fans in the odor control system at the existing headworks. In addition, \$12,000 was transferred to the project budget in FY 07-08 from the Major Rehabilitation Reserves for the refurbishment of two grit channel metal rails at the existing headworks. Finally, the project includes landscaping and screening around the new construction area. Due to the time critical nature of this project, it is being delivered using a Construction Manager/General Contract (CM/GC) project delivery process.

**Status:** Construction stage. The headworks expansion facilities and force main improvements are under construction. This includes installation of gates and equipment.

**Justification:** Improved influent pumping and headworks hydraulic capacity are required to increase total plant influent hydraulic capacity to 277 mgd and to meet redundancy requirements for pumping and screening.

**Project Driver:** Ability to provide treatment to peak flows and systematic elimination of sanitary sewer overflows by the year 2010.

**Project Trigger:** Collection system computer model estimates the current wet weather peak flow to plant to be 264 mgd. Overall existing peak flow capacity is 175 mgd so there is already a capacity deficit.

**Project Type:** 100% Capacity

**Improvement SDC Eligibility:** 38%

**Estimated Project Cost:** \$28,054,000 (Note: \$57,600 was reallocated from this project to the Landscape Project, P80060)

**Expected Cash Flow:** FY 05-06 = \$16,348; FY 06-07 = \$376,293; FY 07-08 = \$2,132,064; FY 08-09 = \$13,900,960; FY 09-10 = 11,628,335

Expenditure/Category:	Prior Years	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total
		Est. Act.						
Design/Construction	\$2,524,705	\$13,900,960	\$11,628,335	0	0	0	0	\$28,054,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$2,524,705</b>	<b>\$13,900,960</b>	<b>\$11,628,335</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,054,000</b>



**GLENWOOD PUMP STATION UPGRADE**

**Description:** Expand Glenwood Pump Station capacity. The existing pump station is built to be expandable in capacity when the need arises.

**Justification:** Additional pumping capacity will be required at this regional/MWMC pump station to handle increasing flows in Glenwood area of Springfield and the Laurel Hill area of Eugene.

**Project Driver:** Keep up with capacity needs, maintain required pumping redundancy, and prevent overflows.

**Project Trigger:** The regional sewer system computer model estimates that a capacity increase will be needed by about 2010. Continued monitoring of flows and updating of the model will determine when the improvements are actually needed. The timing will be impacted by the effectiveness of I/I removal in the contributing wastewater sewer basins and the rate and type of development in the area.

**Project Type:** 100% Capacity

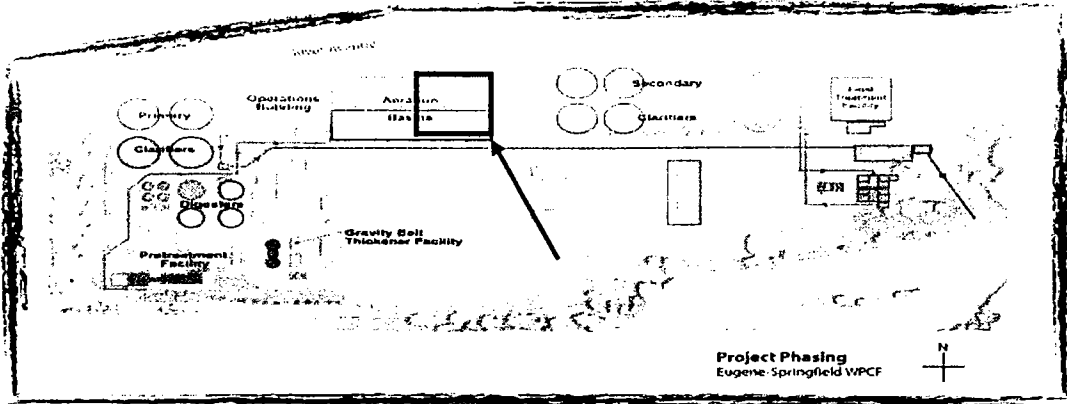
**Improvement SDC Eligibility:** 38%

**Estimated Project Cost:** \$741,500

**Expected Cash Flow:** FY 10-11 = \$200,000; FY 11-12 = \$541,500

<u>Expenditure/Category:</u>	<u>Prior Years</u>	<u>2008-09</u>		<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>Total</u>
		<u>Est.</u>	<u>Act.</u>						
Design/Construction	0	0	0	\$741,500	\$0	0	0	0	\$741,500
Other	0	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$741,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$741,500</b>

**AERATION BASIN IMPROVEMENTS – PHASE 1**



**Description:** Add step feed, anoxic selectors, and fine bubble diffusers to 4 of the 8 cells of the existing aeration basins and make hydraulic improvements. This project was originally the South Aeration Basin Improvements project, however further study showed that improvements to the 4 eastern most basins as a first phase would allow for better hydraulics and more operational flexibility. The project budget also includes \$312,000 of funding from the Equipment Replacement Reserve for the replacement of older aeration diffusers equipment. This MWMC phased project will help upgrade the secondary treatment process.

**Status:** The construction contract notice to proceed was issued to 2G Construction in April of 2007. As of December of 2008, the contractor has upgraded the south easterly aeration basins with new concrete partition walls, system piping and diffuser components and is actively upgrading the north easterly aeration basins with similar feature.

**Justification:** Increase the dry weather aeration basin treatment capacity to 65 mgd with respect to ammonia (with nitrification) and increase the wet weather treatment capacity to 130 mgd.

**Project Driver:** NPDES permit includes ammonia limit requiring nitrification in dry weather and expansion of wet weather capacity to treat wet weather flows to meet NPDES permit monthly and weekly suspended solids limits.

**Project Trigger:** Maximum month dry weather flow of 25 mgd requires nitrification. Peak wet weather flows above 103 mgd require hydraulic modifications.

**Project Type:** 50% Capacity; 50%Performance

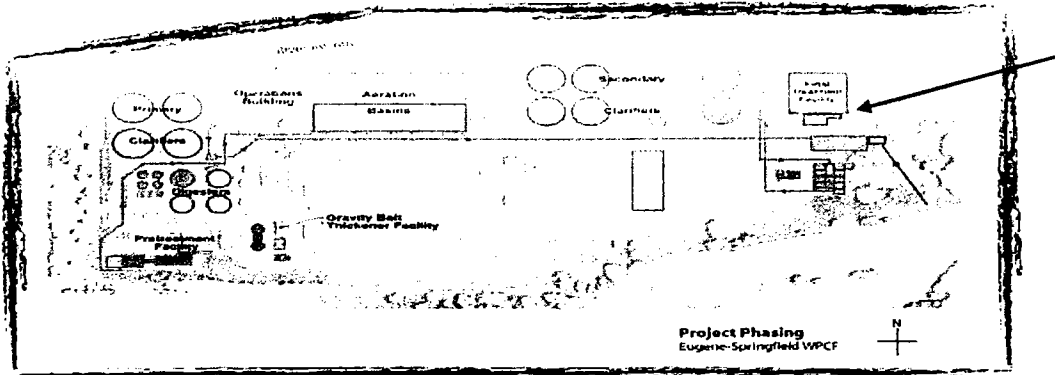
**Improvement SDC Eligibility:** 59%

**Estimated Project Cost:** \$10,189,680 (Note the December 2009 estimated cost to complete is below \$9.4-million.)

**Expected Cash Flow:** FY 04-05 = \$10,078; FY 05-06 = \$193,552; FY 06-07 = \$1,318,986; FY 07-08 = \$3,707,304; FY 08-09 = \$4,035,000; FY 09-10 = \$924,760

Expenditure/Category:	Prior Years	2008-09	2009-10	2010-	2011-12	2012-13	2013-14	Total
		Est. Act.		11				
Design/Construction	\$5,229,920	\$4,035,000	\$924,760	\$0	0	0	0	\$10,189,680
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$5,229,920</b>	<b>\$4,035,000</b>	<b>\$924,760</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,189,680</b>

SODIUM HYPOCHLORITE CONVERSION



**Description:** Convert existing chlorine gas system to sodium hypochlorite for the base flow. Retain the existing chlorine contact basins for the disinfection process. Install system with capability for high rate disinfection of primary effluent diversion using dosages of sodium hypochlorite into a new contact basin structure. The new contact basin has been split off of this project and is now part of a different MWMC project (Peak Flow Management Improvements), so the budget for that portion of the project has been moved also. Staff anticipates including upgrades of the existing recreational vehicle (RV) wastewater dump station to accommodate boat wastewater dumping in the construction bid documents for the sodium hypochlorite conversion project. The boat wastewater dump modifications are designed and being funded by the Oregon State Marine Board that the MWMC approved for implementation at the September 21, 2006, public meeting. The recommended project budget below includes \$80,000 allocated to the project for the boat wastewater dump that will be reimbursed by the State agency after construction is completed. Some of the project funding will support the treatment plant landscape upgrades.

**Status:** The project was re-bid on December 9, 2008, due to MWMC direction after a bid protest. The apparent low bidder is Emery and Sons Construction for \$2,478,000. The construction phase is anticipated to start in January of 2009.

**Justification:** Liquid sodium hypochlorite and sodium bisulfite system will replace the existing chlorine and sulfur dioxide gas systems and increase the disinfection capacity from 175 mgd to 277 mgd. The high rate disinfection of the primary effluent is a key component of the primary/secondary split treatment, which is needed for meeting the peak flow capacity needs of the treatment plant.

**Project Driver:** Operator and community safety issues and meeting flow capacity requirements for peak flows.

**Project Trigger:** Phasing with other related projects and need to meet peak flow treatment requirements.

**Project Type:** 50% Capacity; 50% Performance

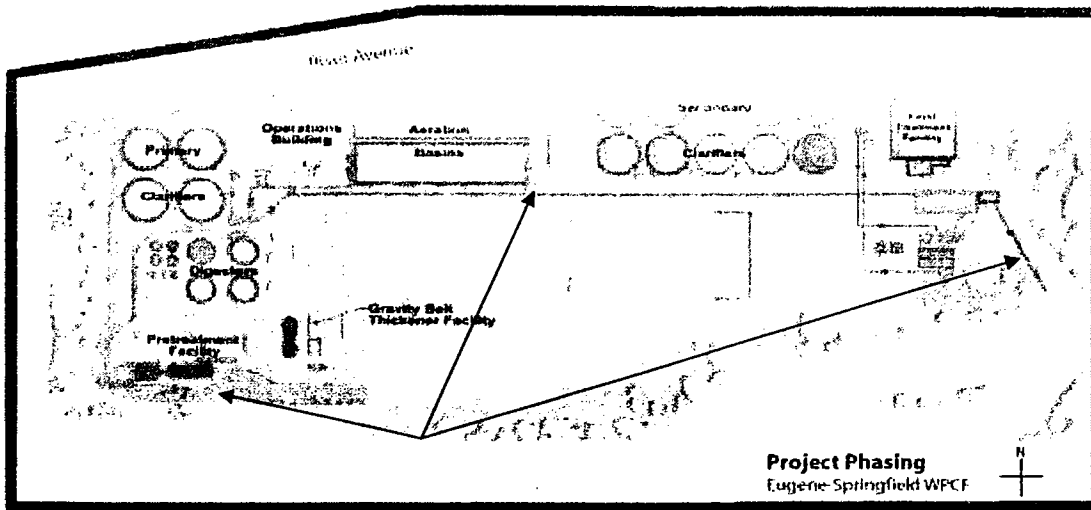
**Improvement**  
SDC Eligibility: 25%

**Estimated Project Cost:** \$7,873,800 (Part of the project money will support the treatment plant landscape upgrades)

**Expected Cash Flow:** FY 06-07 = \$1,353; FY 07-08 = \$594,520; FY 08-09 = \$2,850,000; FY 09-10 = \$3,000,000; FY 10-11 = \$1,444,127 (construction, landscape, etc.)

Expenditure/Category:	Prior Years	2008-09 Est. Act.	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Design/Construction	\$595,873	\$2,850,000	\$4,444,127	0	0	0	0	\$7,890,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$595,873</b>	<b>\$2,850,000</b>	<b>\$4,444,127</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,890,000</b>

PEAK FLOW MANAGEMENT IMPROVEMENTS



**Description:** The Peak Flow Management project combines several project elements described in the 2004 Facilities Plan into one project. These are 1) The Parallel Primary/Secondary Treatment project, 2) the Bankside Outfall project, 3) the Outfall Mixing Zone Study, and 4) the design and construction of the high rate disinfection basins, which was pulled out of the Sodium Hypochlorite Conversion project and added to the Peak Flow Management project. These project elements combine to provide the hydraulic infrastructure necessary to convey the peak flow through the plant, split the flow into the parallel primary and secondary treatment trains, provide additional disinfection capacity, and discharge the treated flow in accordance with the 2004 Facilities Plan.

**Status:** Construction stage. The major portion of work associated with the required large diameter piping, flow diversion structures, and high rate disinfection basins are anticipated to be completed this period.

**Justification:** This project expands the peak wet weather treatment capacity to 277 mgd through flow management techniques.

**Project Driver:** DEQ requirement that the peak wet weather flow (5-year, 24-hour rain event) be treated by the E/S WPCF and meet secondary effluent standards (diverted blended flow receives equivalent of primary treatment).

**Project Trigger:** Elimination of sanitary sewer overflows by the year 2010.

**Project Type:** 100% Capacity

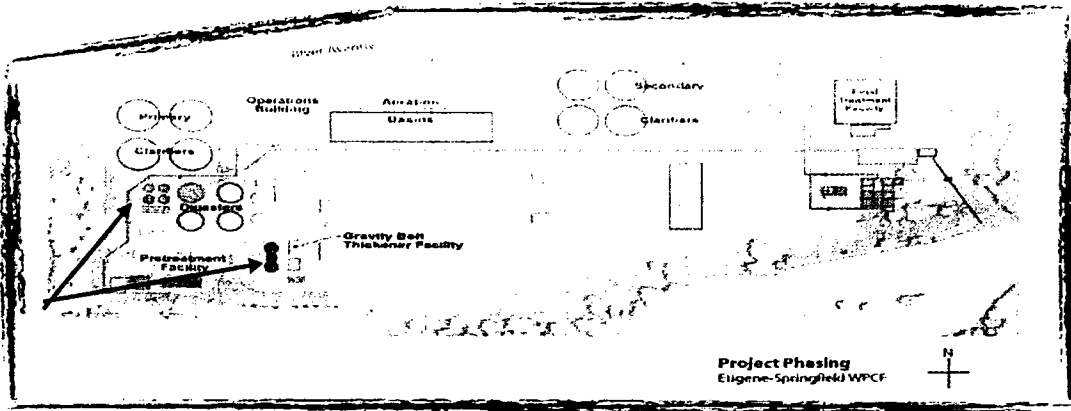
**Improvement SDC Eligibility:** 30.2%

**Estimated Project Cost:** \$24,974,000 (Note: \$52,200 was reallocated from this project to the Landscape Project, P80060)

**Expected Cash Flow:** FY 06-07 = \$28,913; FY 07-08 = \$1,499,833; FY 08-09 = \$12,413,966, FY 09-10 = \$11,031,288

<u>Expenditure/Category:</u>	<u>Prior Years</u>	<u>2008-09</u> <u>Est. Act.</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-</u> <u>13</u>	<u>2013-</u> <u>14</u>	<u>Total</u>
Design/Construction	\$1,528,746	\$12,413,966	\$11,031,288	0	0	0	0	\$24,974,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$1,528,746</b>	<b>\$12,413,966</b>	<b>\$11,031,288</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,974,000</b>

ODOROUS AIR TREATMENT – PHASE 1



**Description:** Biofilter technology treatment for odors from primary clarifiers, expanded pretreatment area and new influent pumping station. Includes the complete covering of the primary clarifiers, which is additional improvements beyond the 2004 Facilities Plan concept of covering only the weirs and launders in the clarifiers.

**Justification:** Primary clarifiers are odor sources. Although the 2004 Facilities Plan indicated that most odors are generated and can be captured at the weirs and launders of the clarifiers, information from other treatment plants which have used this technology indicates that the only effective means of odor control on the primaries would be complete coverage. This change in concept has been communicated to the Commission. The expanded pretreatment facilities and new influent pumping station will also be additional odor sources that must be dealt with.

**Status:** The 90% level of design workshop is scheduled for December 16, 2008, with the project team.

**Project Driver:** Maintain MWMC's status as environmental stewards. Address neighborhood odor complaints and community concerns regarding odors.

**Project Trigger:** Coordination with the design of the pretreatment expansion and influent pumping expansion and must be on-line in coordination with construction of those facilities.

**Project Type:** 100% Performance

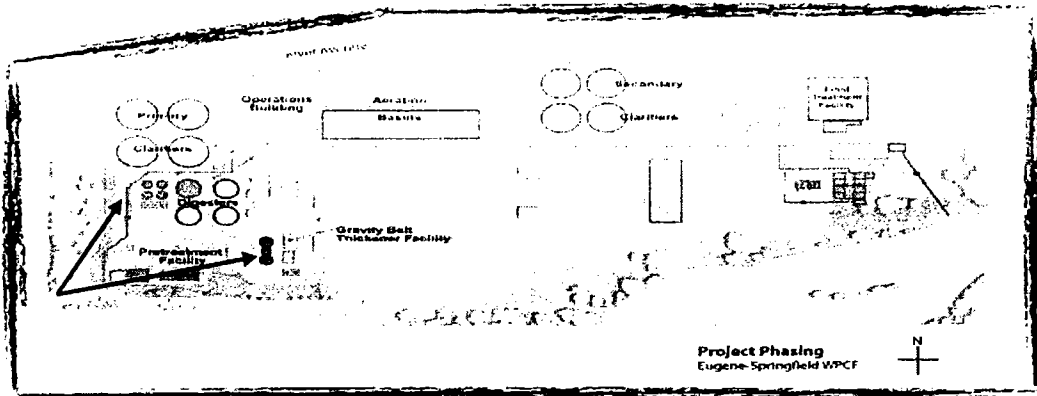
**Improvement SDC Eligibility:** 26%

**Estimated Project Cost:** \$10,814,200. (Note: The project budget has been reduced by \$19,800 to support the MWMC landscape consultant services contract for treatment plant upgrades. The budget is consistent with the CH2M HILL 2006 cost estimate for the project inflated to the midpoint of construction).

**Expected Cash Flow:** FY 05-06 = \$2,295; FY 06-07 = \$43,451; FY 07-08 = \$384,152; FY 08-09 = \$4,320,000; FY 09-10 = \$6,084,102

Expenditure/Category:	Prior Years	2008-09 Est. Act.	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Design/Construction	\$429,898	\$4,320,000	\$6,084,102	0	0	0	0	\$10,834,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$429,898</b>	<b>\$4,320,000</b>	<b>\$6,084,102</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$10,834,000</b>

ODOROUS AIR TREATMENT – PHASE 2



**Description:** Provide covers over new Gravity Sludge Thickeners (primary sludge thickeners) and convey odorous air to biofilters. Expand biofilters to accommodate the additional needed odor control.

**Justification:** Gravity Sludge Thickeners will be a significant source of odor if not controlled.

**Status:** The Odorous Air Treatment Phase 1 project is including some design elements for preparation of Phase 2 which will serve the new primary sludge thickeners. Coordination will occur with the appropriate projects (new primary sludge thickeners).

**Project Driver:** Maintain MWMC’s status as environmental stewards. Address neighborhood odor complaints and community concerns regarding odors.

**Project Trigger:** New construction requires expanded odor control. Must be coordinated with the construction of Gravity Sludge Thickeners

**Project Type:** 100% Performance

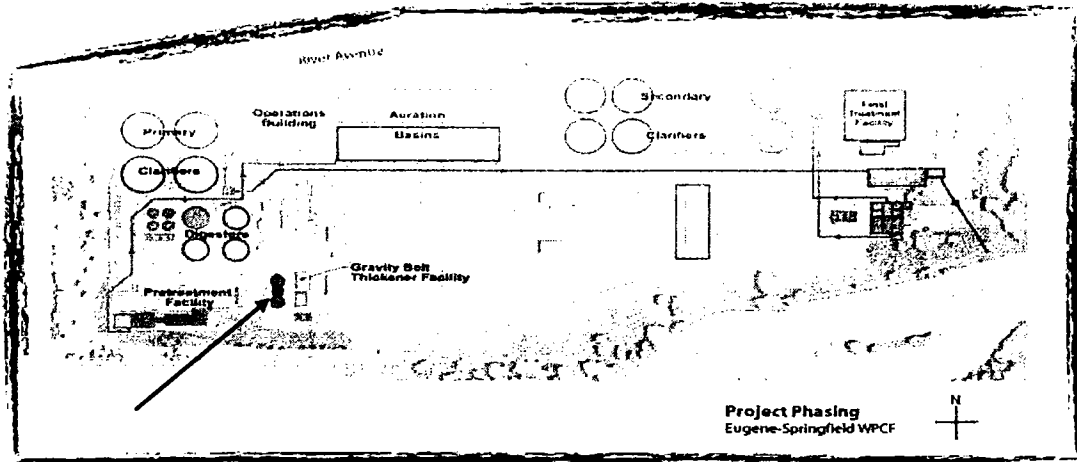
**Improvement SDC Eligibility:** 26%

**Estimated Project Cost:** \$1,704,000

**Expected Cash Flow:** FY 08-09 = \$300,000, FY 09-10 = \$1,300,000; FY 10-11 = \$104,000

Expenditure/Category:	Prior Years	2008-09 Est. Act.	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Design/Construction	0	\$300,000	\$1,404,000	0	0	0	0	\$1,704,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>0</b>	<b>\$300,000</b>	<b>\$1,404,000</b>	<b>\$0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$1,704,000</b>

PRIMARY SLUDGE THICKENING



**Description:** Thin primary sludge pumping and piping systems to gravity thickeners, two 50-foot-diameter gravity thickeners (covered for odor control), supernatant overflow pumping and piping, thickened sludge piping/pumping to digesters. See Odorous Air Treatment for treatment of odors.

**Status:** Planning phase. Staff plans to issue a consultant request for proposals in January of 2009 to begin the design development.

**Justification:** Meet class B biosolids requirements without building additional digester capacity. Also, keep sludge blanket lower in primary clarifiers to avoid washout of blanket during peak flow events.

**Project Driver:** Meet class B biosolids requirements during peak two-week solids loading event with all three digesters in service.

**Project Trigger:** Availability of sludge thickening capacity is required prior to next scheduled digester cleaning (i.e., before 2013).

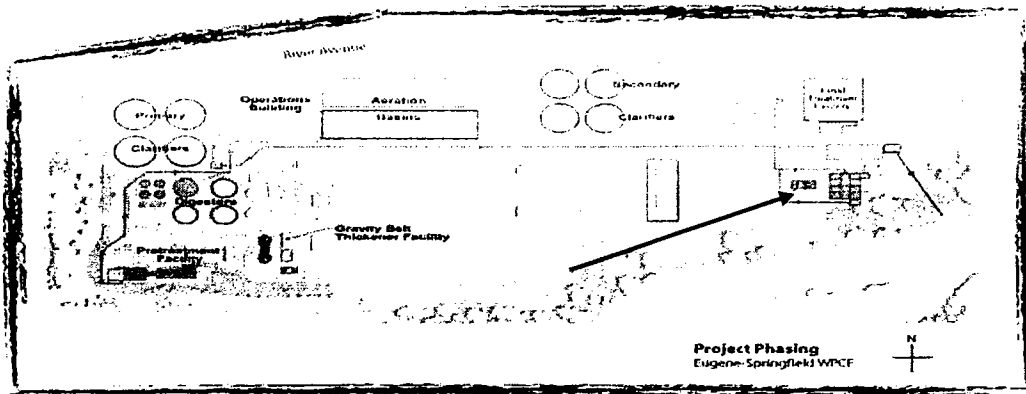
**Improvement SDC Eligibility:** 65%

**Estimated Project Cost:** \$4,498,000 (Part of the project money will support the treatment plant landscape upgrades)

**Expected Cash Flow:** FY 07-08 = \$9,730; FY 08-09 = \$286,000; FY 09-10 = \$2,606,000; FY 10-11 = \$1,596,270 (construction, landscape, etc.)

<u>Expenditure/Category:</u>	<u>Prior Years</u>	<u>2008-09 Est. Act.</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>Total</u>
Design/Construction	\$9,730	\$286,000	\$4,202,270	0	0	0	0	\$4,498,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$9,730</b>	<b>\$286,000</b>	<b>\$4,202,270</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,498,000</b>

TERTIARY FILTRATION - PHASE 1



**Description:** This project installs infrastructure/support facilities for 30 mgd of filters for tertiary filtration of secondary treated effluent; however, this first phase only installs filter cells sufficient for 10 mgd of treatment. Future phases of the project will install the remaining filter cells. Some of the project funding will support the treatment plant landscape upgrades.

**Justification:** Up to 10 mgd of filtration is required by 2010 to meet dry season mass limits, with the need for filtration increasing to up to 30 mgd by the end of the planning period (2025). The Facilities Plan proposes phasing filters on an as-needed basis, including as needed to facilitate development of Level A reuse. Filtration provides high quality secondary effluent and potential Level A reuse water. Also, filtration is needed to assist with meeting wet season mass load requirements during peak flow events.

**Status:** Planning stage. The design team has completed pilot testing of three tertiary filtration technologies. In December of 2008, the project team is starting the pre-design phase to select the filtration technology.

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

**Project Trigger:** NPDES permit compliance for TSS: Dry weather maximum month flow in excess of 49 mgd. Also, initially to provide higher quality effluent so that reuse can be developed.

**Improvement SDC Eligibility:** 42%

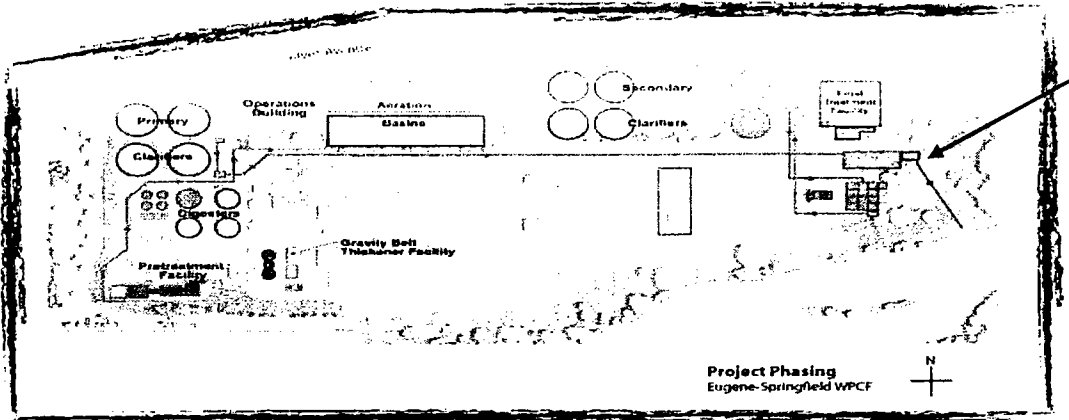
**Estimated Project Cost:** \$14,650,800 (Note: Part of the project money will support the treatment plant landscape upgrades. Also, MWMC will be receiving a state revolving fund (SRF) loan for the tertiary filtration project)

**Expected Cash Flow:** FY 07-08 = \$236,186; FY 08-09 = \$721,000; FY 09-10 = \$6,120,000; FY 10-11 = \$7,607,814 (construction, landscape, etc.)

Expenditure/Category:	Prior	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total
	Years	Est. Act.						
Design/Construction	\$236,186	\$721,000	\$13,727,814	0	0	0	0	\$14,685,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$236,186</b>	<b>\$721,000</b>	<b>\$13,727,814</b>	<b>\$0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$14,685,000</b>



EFFLUENT REUSE - PHASE 1



**Description:** This project is the first package of funding for wastewater effluent reuse to address thermal load issues and for multiple environmental benefits. This project combines two projects identified in the 2004 Facilities Plan; the Level C Reuse at Seasonal Industrial Waste and Level A Effluent Reuse Demonstration Projects. Project components may include additional treatment, disinfection, pumping, pipeline, and distribution/irrigation systems. The projects will be better defined as the planning for reuse continues and as markets for reuse are identified.

**Status:** Planning Stage.

**Justification:** Implements reuse so that thermal load is removed from the Willamette River and for multiple environmental benefits.

**Project Driver:** Expansion of effluent reuse programs. Current NPDES thermal load compliance.

**Project Trigger:** Potential exceedance of NPDES thermal load limit. Identification of water needs for potential clients.

**Project Type:** 100% Performance

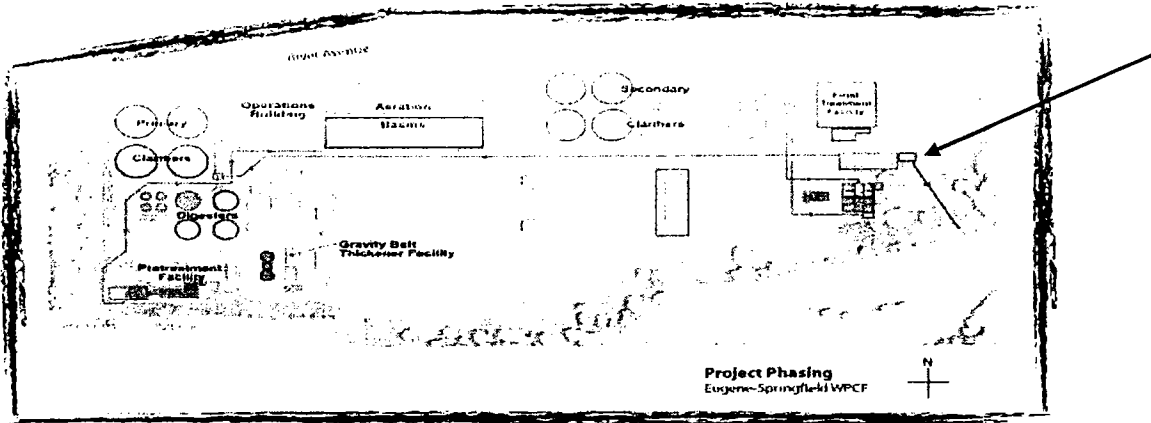
**Improvement SDC Eligibility:** 26%

**Estimated Project Cost:** \$3,325,000

**Expected Cash Flow:** FY 06-07 = \$7,000; FY 07-08 = \$0; FY 08-09 = \$295,000; FY 09-10 = \$1,805,000; FY 10-11 = 1,218,000

Expenditure/Category:	Prior Years	2008-09 Est. Act.	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Design/Construction	\$7,000	\$295,000	\$3,023,000	\$0	0	0	0	\$3,325,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$7,000</b>	<b>\$295,000</b>	<b>\$3,023,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,325,000</b>

EFFLUENT REUSE - PHASE 2



**Description:** This project is identified as Level C Effluent Reuse at the Biocycle Farm in the 2004 Facilities Plan. Provide 1.5 mgd of Level C reuse water at the Biocycle Farm. Installation of dedicated reuse irrigation pipeline and microspray system. Total reuse of 3.75 mgd in July and August. The project may change as planning progresses and other opportunities for reuse emerge.

**Justification:** Implements Level C reuse so that thermal load is removed from the Willamette River.

**Project Driver:** Expansion of dry weather effluent reuse programs. Current NPDES thermal load compliance.

**Project Trigger:** Potential exceedance of NPDES thermal load limit.

**Project Type:** 100% Performance

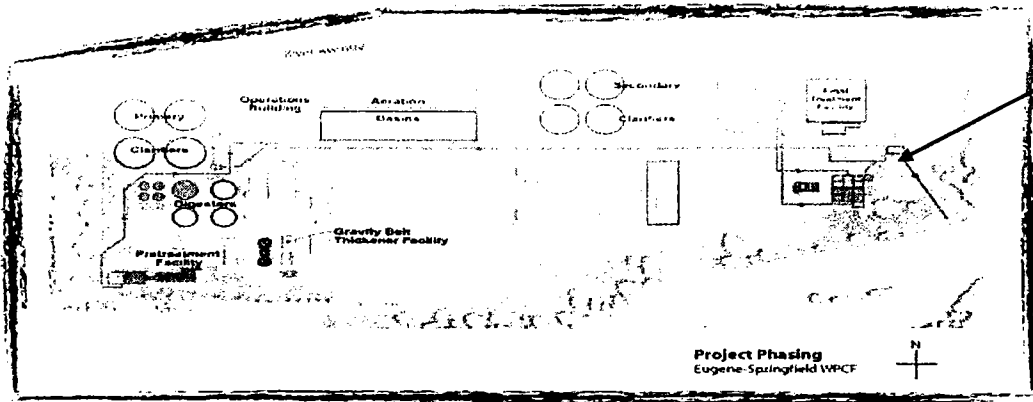
**Improvement SDC Eligibility:** 26%

**Estimated Project Cost:** \$5,152,000

**Expected Cash Flow:** FY 09-10 = \$2,500,000; FY 10-11 = \$2,652,000

<u>Expenditure/Category:</u>	<u>Prior Years</u>	<u>2008-09 Est. Act.</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>Total</u>
Design/Construction	0	0	\$5,152,000	\$0	0	0	0	\$5,152,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,152,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,152,000</b>

EFFLUENT REUSE - PHASE 3



**Description:** This project is the Facilities Plan project known as Permanent Level A Reuse. It is to provide 2.5 mgd of permanent Level A reuse water to local green-spaces and community areas. Project components may include additional treatment, disinfection with UV system, pumping, pipeline, and distribution/irrigation systems. The project will be better defined as the planning for reuse continues and as markets for reuse are identified.

**Justification:** Implements reuse so that thermal load is removed from the Willamette River and for multiple environmental benefits.

**Project Driver:** Expansion of effluent reuse programs. Current NPDES thermal load compliance.

**Project Trigger:** Potential exceedance of NPDES thermal load limit. Identification of water needs for potential clients.

**Project Type:** 100% Performance

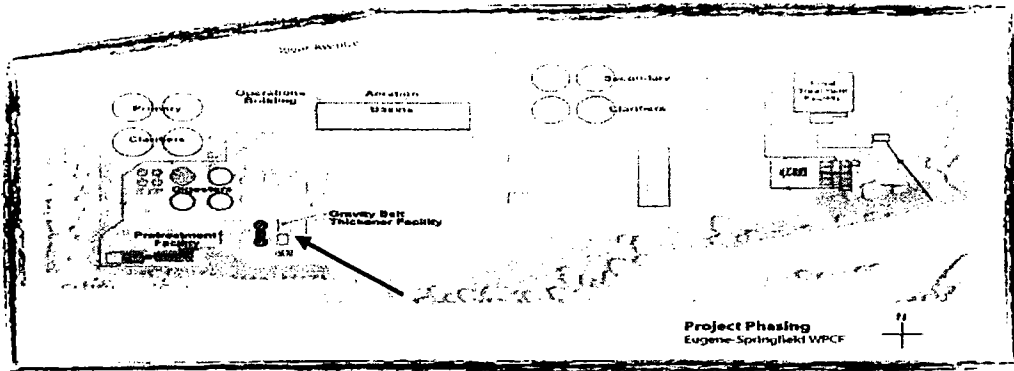
**Improvement SDC Eligibility:** 26%

**Estimated Project Cost:** \$6,542,000

**Expected Cash Flow:** FY 11-12 = \$2,000,000; FY 12-13 = \$3,000,000; FY 12-13 = \$1,542,000

Expenditure/Category:	Prior Years	2008-09 Est. Act.	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Design/Construction	0	0	0	0	\$6,542,000	\$0	0	\$6,542,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,542,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,542,000</b>

**WASTE ACTIVATED SLUDGE THICKENING**



**Description:** This project provides a third gravity belt thickener (GBT) and associated at-grade building improvements. The project also includes landscaping in vicinity of thickeners.

**Justification:** Provides additional capacity for Waste Activated Sludge (WAS) thickening and, along with addition of primary sludge thickening, will help to eliminate the need for additional digester capacity.

**Status:** Planning stage.

**Project Driver:** Additional capacity to provide WAS thickening with one unit offline at upper limit flow projections. Nitrification required by the NPDES permit and increasing wastewater flows and loads generates more WAS solids. Provide ability to conduct recuperative thickening so that need for additional digestion volume can potentially be deferred.

**Project Trigger:** Exceeding solids and hydraulic loading rate design criteria. The latest evaluations of need for Waste Activated Sludge thickening indicates a need by about 2012 or later. After the secondary treatment modifications are completed and operational for a time, the timing of need for this project should be reevaluated.

**Estimated Project Cost:** \$3,901,000

**Improvement SDC Eligibility:** 100%

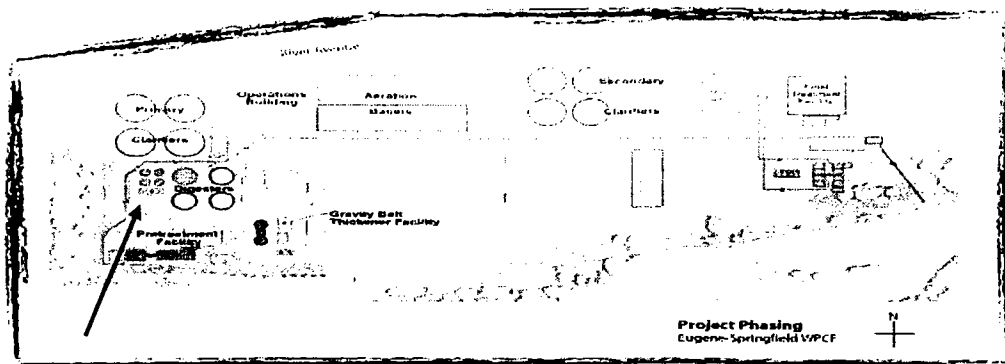
**Expected Cash Flow:** FY 13-14 = \$3,894,000

<u>Expenditure/Category:</u>	<u>Prior Years</u>	<u>2008-09 Est. Act.</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>Total</u>
Design/Construction	7,000	0	0	0	0	0	\$3,894,000	\$3,731,286
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$7,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$3,894,000</b>	<b>\$3,731,286</b>

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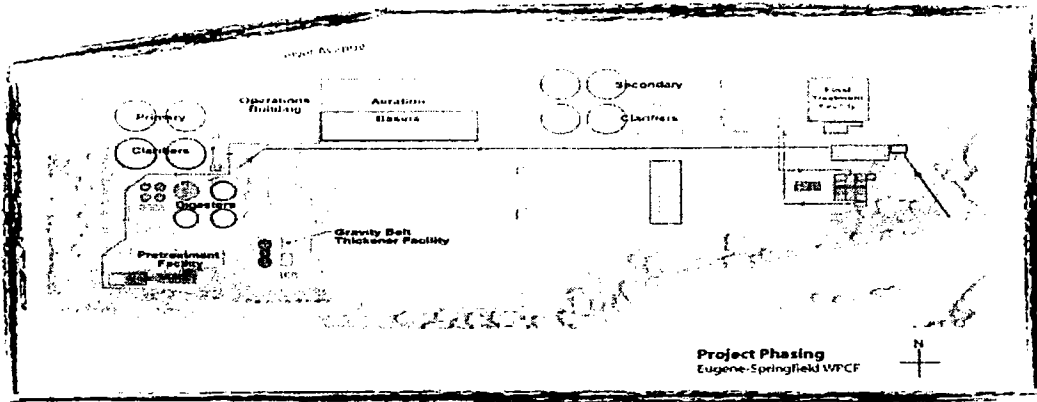
**INCREASE DIGESTION CAPACITY AND PROVIDE CLASS A CAPABILITY**


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- Description:** Installation of a fourth conventional high rate digester for continued and expanded production of Class B biosolids.
- Justification:** Continue to meet the requirements for Class B digestion with the ability to take one digester out of service for cleaning.
- Project Driver:** This project addresses the need for more anaerobic digestion capacity. In the 2004 MWMC Facilities Plan, an option was identified to also change the existing digestion method in order to produce Class A biosolids. This option was to be considered as a strategy to secure a wider range of beneficial end-use options in the case that that flexibility was needed for beneficial reuse. Since that time, MWMC has taken effective steps to expand the ability to handle Class B biosolids through the construction and expansion of the Biocycle Poplar Plantation and through working with other end users. Also, studies have shown that the current solids handling system will actually produce a Class A product because of the extended storage time available for biosolids in the lagoons at the biosolids handling facility. The digestion capacity issue will be influenced by several operational factors including the effectiveness of new primary sludge thickening and expanded WAS thickening processes, as well as digester cleaning protocols and schedules. Observation over the next several years is required prior to making a decision on when the expanded digestion facilities will be needed. A restudy of the anaerobic digestion system function and capacity should be undertaken prior to moving forward with this digestion expansion project. This study can be conducted as part of the Facilities Plan Engineering Services contract with CH2M HILL.
- Project Trigger:** The trigger for design and construction of new digestion facilities will depend on the findings of the digestion system capacity and process alternatives study, which should be started by FY 2011 under the continuing Facilities Plan Engineering Services contract.
- Improvement SDC Eligibility:** 54%
- Estimated Project Cost:** \$8,600,000 (Note: At this time, it is not anticipated that additional facilities for Class A biosolids production will be necessary to meet the objectives of MWMC's biosolids program as described above. For this reason, the portion of the project budget associated with these facilities [\$16,981,500] has been removed)
- Expected Cash Flow:** FY 11-12 = \$600,000; FY 12-13 = \$5,500,000; FY 13-14 = \$2,500,000

MASTER LANDSCAPE DESIGN & IMPLEMENTATION FOR WPCF



**Description:** The 2004 MWMC Facilities Plan included upgrades to the treatment plant landscape improvements. Also, the 2008 MWMC Conditional Use Permit and Greenway Permit includes requirements for landscaping that will be implemented in phases.

**Status:** The design consultant and project team are developing the treatment plant landscape master plan. Some landscape improvements are included in the existing MWMC construction contracts for implementation.

**Justification:** Landscape improvements were included in the 2004 MWMC Facilities Plan and are required for construction permits.

**Project Driver:** Address permit requirements and maintain MWMC's status as environmental stewards.

**Project Trigger:** Coordination with the design and permit phase of onsite infrastructure improvements.

**Estimated Project Cost:** \$180,000 (design consultant services and staff project management)

**Expected Cash Flow:** FY 07-08 = \$56,456; FY 08-09 = \$120,000; FY 09-10 = \$3,544;

<u>Expenditure/Category:</u>	<u>Prior Years</u>	<u>2008-09 Est. Act.</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>Total</u>
Design/Construction	\$56,456	\$120,000	\$3,544	0	0	0	0	\$180,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$56,456</b>	<b>\$120,000</b>	<b>\$3,544</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$180,000</b>