

**AGENDA DATE:** May 21, 2003

**To:** Board of County Commissioners

**Department:** Commissioners Business

**Presented By:** Commissioner Morrison, Designated Representative to MWMC  
Susie Smith, Environ. Services/MWMC Manager, City of Springfield ~~SS~~  
David Breitenstein, Plant Manager, City of Eugene Wastewater Division

**Title:** IN THE MATTER OF RATIFYING THE FY 03-04 REGIONAL WASTE-  
WATER PROGRAM BUDGET AS APPROVED BY THE METROPOLI-  
TAN WASTEWATER MANAGEMENT COMMISSION (MWMC)

### **I. PROPOSED MOTION**

MOVE APPROVAL OF RATIFYING THE FY 03-04 METROPOLITAN  
WASTEWATER MANAGEMENT COMMISSION (MWMC) REGIONAL  
WASTEWATER PROGRAM BUDGET 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.

### **III. DISCUSSION**

#### **A. Background**

Board ratification of the MWMC Regional Wastewater Program (RWP)  
Budget 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 2003-2004 RWP Budget was approved by the MWMC on April 17,  
2003. The MWMC convened three budget work sessions and a public hear-  
ing prior to adopting the Budget. The FY 2003-2004 Budget funds all opera-  
tions, administrative services, and capital projects planned for the RWP col-  
lection and treatment facilities. 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 de-  
tailed 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 2003-2004 RWP Budget, as adopted by MWMC, implements several strategies to mitigate the multi-year impact of significant revenue shortfalls. A combination of aggressive water conservation efforts, economic declines, and significant increases in power costs and utility billing expenses over the past two years has resulted in revenue shortfalls of about \$500,000 per year in the past two years.

Steps taken by MWMC to address this trend in FY 2003-2004 include: (1) maintaining Materials and Services budgets as flat as possible by reducing expenses where possible to offset non-discretionary increases; (2) maintaining the same number of employees even though increased biosolids production will necessitate increased staffing; (3) taking a one-time reduction in the budgeted contribution to Capital Reserves of about \$1,250,000 (resulting in a budgeted contribution of \$750,000); and (4) implementing a 6.5% increase in user rates. This strategy assumes additional revenues will be needed in FY 2004-2005 to restore adequate funding on the Capital Reserves.

The FY 2003-2004 RWP Budget must be approved by MWMC and ratified by Lane County, Eugene and Springfield, and then finally adopted by MWMC, prior to the July 1, 2003, beginning of the fiscal year. The Eugene City Council is scheduled to ratify the Budget on May 12, 2003, and the Springfield City Council will ratify the Budget through its adoption of the City of Springfield Budget in June, 2003

C. Alternatives

1. Ratify the MWMC FY 2003-2004 RWP Budget as adopted by MWMC.
2. Request that MWMC modify the FY 2003-2004 RWP Budget and refer it back to MWMC for reconsideration.

D. Timing

If the Board elects to pursue Alternative 2 - to request modifications to the RWP Budget - the specific request needs to be forwarded to MWMC immediately in order to provide time for MWMC reconsideration, and Board, Eugene, and Springfield reconsideration in June.

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

If the Board ratifies the Budget as recommended, no further action is necessary. However, as noted above, if the Board elects to pursue Alternative 2 - to request modifications to the RWP Budget - 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 in June. The IGA provides for a mediation process if agreement on the Budget cannot otherwise be achieved.

## **V. ATTACHMENTS**

Attached is the FY 2003-2004 RWP Budget document, as approved by MWMC on April 17, 2003.

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

**Order No.** ) **IN THE MATTER OF RATIFYING THE FY 03-04**  
                  ) **REGIONAL WASTEWATER PROGRAM BUDGET**  
                  ) **AS APPROVED BY THE METROPOLITAN**  
                  ) **WASTEWATER MANAGEMENT COMMISSION**

**WHEREAS**, Board ratification of the Metropolitan Wastewater Management Commission budget 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 discussion and deliberation, directed on April 17, 2003 that the FY 03-04 Metropolitan Wastewater Program budget 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 budget;

**NOW, THEREFORE, IT IS HEREBY ORDERED** that the Metropolitan Wastewater Management Commission's Regional Wastewater Program Budget for FY 2003-2004 is hereby ratified.

Dated this \_\_\_\_\_ day of May, 2003.

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

APPROVED AS TO FORM  
Date 5/13/03 Lane County  
*Teresa J. [Signature]*  
OFFICE OF CLERK, LANE COUNTY

**IN THE MATTER OF RATIFYING THE FY 03-04 METROPOLITAN WASTEWATER PROGRAM BUDGET  
AS APPROVED BY THE METROPOLITAN WASTEWATER MANAGEMENT COMMISSION**

# Metropolitan Wastewater Management Commission

*PARTNERS IN  
WASTEWATER  
MANAGEMENT*



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*MWMC  
Commission*

May 6, 2003

Deborah Evans  
Eugene Citizen  
MWMC President

Mr. Bill VanVactor  
County Administration  
Lane County  
225 East 8<sup>th</sup> St.  
Eugene, OR 97401

Bill Inge  
Lane County Citizen  
MWMC Vice-President

Subject: Metropolitan Wastewater Management Commission (MWMC)  
Fiscal Year 2003-2004 Budget

Anna Morrison  
Lane County  
Commissioner

George Poling  
Eugene City Councilor

Walt Meyer  
Eugene Citizen

Dear Bill:

On April 17, 2003, the MWMC held a public hearing and approved the FY 03-04 Regional Wastewater Program (RWP) Budget. No public testimony was received by the Commission, and the Budget was approved as submitted. The FY 03-04 RWP Budget funds operating and capital project requirements.

Anne Ballew  
Springfield City Councilor

Doug Keeler  
Springfield Citizen

Consistent with the Intergovernmental Agreement, the RWP Budget needs to be ratified by the governing bodies of Eugene, Springfield, and Lane County prior to final adoption by MWMC. Please forward the budget document to the Lane County Commissioners for their consideration. If I can be of any additional assistance, please contact me at 726-3697.

*Administration*

Thank you for your consideration and assistance in this matter.

Sincerely,

Susan Smith  
Environmental Services/  
MWMC General Manager  
City of Springfield  
225 Fifth Street  
Springfield Oregon 97477  
(541) 726-3694  
FAX (541) 726-2309

A handwritten signature in cursive script that reads "Susan L. Smith".

Susan L. Smith  
MWMC General Manager

*Operations*

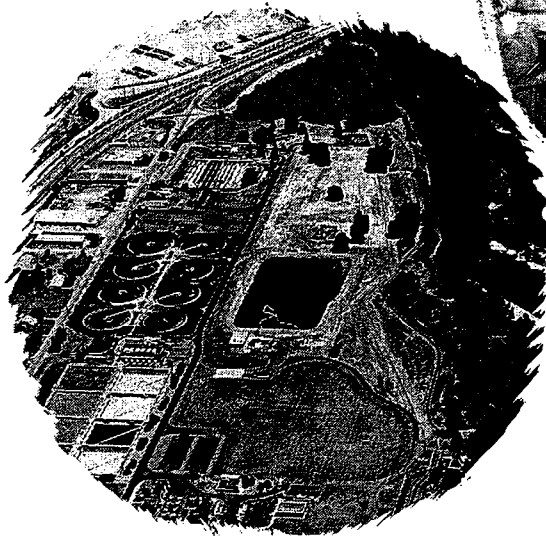
Peter Ruffier  
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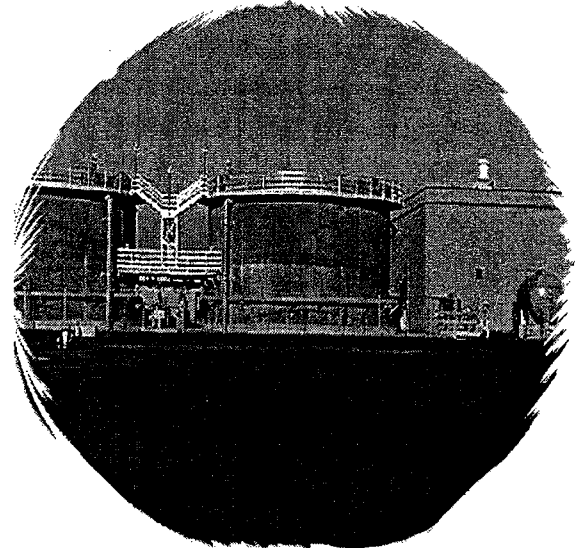
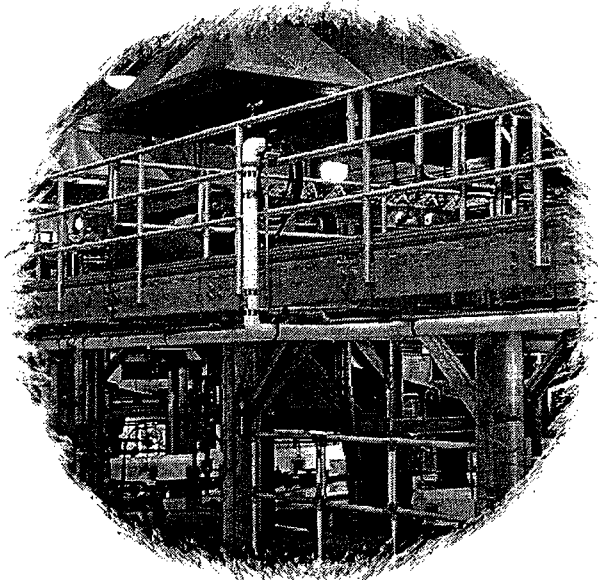
# Metropolitan Wastewater Management Commission



*partners in wastewater management*



Draft  
Document



**FY 03-04 BUDGET  
REGIONAL WASTEWATER PROGRAM**

May 2003

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# **FY 03-04 BUDGET**

## **REGIONAL WASTEWATER PROGRAM**

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The Metropolitan Wastewater Management Commission adopted its operating budget for FY 03-04 on April 17, 2003. The budget was ratified by Eugene City Council on \_\_\_\_\_ Lane County Board of Commissioners on \_\_\_\_\_, and Springfield City Council on \_\_\_\_\_. The Commission gave final ratification to the budget on \_\_\_\_\_.

### **COMMISSION MEMBERS:**

Deborah Evans, President (Eugene)  
Bill Inge, Vice President (Lane County)

Anne Ballew (Springfield)  
Doug Keeler, (Springfield)  
Walt Meyer (Eugene)  
Anna Morrison (Lane County)  
George Poling (Eugene)

### **STAFF:**

Dan E. Brown, MWMC Executive Officer/Springfield Public Works Director  
Susie Smith, MWMC General Manager/Springfield Environmental Services Manager  
Peter Ruffier, Eugene Wastewater Division Director  
Robert Duey, MWMC Finance Officer/Springfield Finance Director

**METROPOLITAN WASTEWATER MANAGEMENT COMMISSION**

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**METROPOLITAN WASTEWATER MANAGEMENT COMMISSION  
PROPOSED BUDGET FY 03-04  
for the  
REGIONAL WASTEWATER PROGRAM**

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**REGIONAL WASTEWATER  
PROGRAM**

**BUDGET MESSAGE**



**BUDGET MESSAGE**

METROPOLITAN WASTEWATER MANAGEMENT COMMISSION MEMBERS:

**Introduction**

Consistent with the Intergovernmental Agreement, I am presenting a proposed budget for FY 03-04 that funds operations, administrative services, and capital projects planned for the Regional Wastewater Program (RWP). The Metropolitan Wastewater Management Commission (MWMC) administration and capital improvement program components of the budget are reflected in the regionally funded portions of the City of Springfield's Environmental Services Division, Public Works Administration and Finance Department budgets. The operations, maintenance, equipment replacement, and major rehabilitation components are reflected in the regionally funded portions of the City of Eugene's Wastewater, Engineering and Maintenance Divisions' budgets. The Cities' Industrial Pretreatment Programs, managed in compliance with the MWMC Model Ordinance, also are included in the RWP budget.

The Capital Improvement Program (CIP) portion of the budget for FY 03-04 includes funding for several ongoing capital projects, including: Design and construction of the Biocycle Farm and associated reclaimed water distribution infrastructure, completion of the Predesign Study and Facility Master Plan update for the Water Pollution Control Facility (WPCF), and continued implementation of the Wet Weather Flow Management Plan. Funds for each of these projects that were budgeted in FY 02-03 are being carried forward into FY 03-04 to support actual project schedules. New capital projects in the FY 03-04 budget include installation of a new biosolids lagoon dredge movement system and an electronic archival storage system for MWMC project records and drawings. Other Capital Programs, including Major Rehabilitation and Equipment Replacement, also are fully funded in the proposed FY 03-04 budget.

The proposed FY 03-04 RWP Operating Budget includes actions taken to mitigate the cumulative impacts of two successive years of revenue shortfalls that occurred because of declining economic conditions in the community and ramped up water conservation activities. First, RWP managers prepared "flat" budgets that absorb unavoidable cost increases where possible. Most of the proposed budget increases are for non-discretionary costs such as fees, utilities and employee benefits. Budget reductions in some areas have been incorporated where possible to partially offset increases in other areas. The proposed FY 03-04 RWP Operating Budget also includes a one-time reduction in user fee funding of the Capital Reserves. After significant review and deliberation of the 2003 MWMC Financial Plan and the 2003-2004 MWMC Rate Study, the Commission directed staff to take this one-time action to moderate the user rate impact.

Together, these actions result in a 4% reduction in the FY 03-04 Operation Budget as compared to the originally adopted FY 02-03 Operating Budget. The revenues required to fund the FY 03-04 Operating Budget will necessitate a 6.5% user rate increase. This new rate will result in an average residential billing of \$9.09 per month, based on a typical residential water consumption of 5,000 gallons.

**Budget Highlights**

- FY 03-04 staffing allocations to the RWP are proposed at the same level (76.54 FTE) as in FY 02-03, with only minor reallocations within the Eugene Wastewater Division to address shifting priorities.
- RWP personnel services costs will increase by about 8% overall which reflects the combined effects of projected 3% cost of living adjustment for Eugene and Springfield, and significant increases in Eugene's employee health care and benefits costs.
- The proposed FY 03-04 materials and services budget reflect staff's efforts to maintain the overall RWP budget as flat as possible. While the budget tables contained in this document do not readily reflect it, materials and services expenses are proposed at 1.7% below the amended FY 02-03 budget amounts. The budget comparisons contained in the tables show the proposed FY 03-04 budget compared to the originally adopted FY 02-03 budget, which did not include adequate funding for certain FY 02-03 expenses.

**Budget Assumptions**

The following assumptions and/or projections form the basis of the FY 03-04 RWP Operating Budget:

- The MWMC Key Outcomes and corresponding performance measures for FY 03-04, along with the MWMC Services Agreement, form the basis for the RWP Work Plan and Operating Budget.
- Existing levels of service are funded with no net increase in RWP staffing.
- New National Pollutant Discharge Elimination System (NPDES) discharge permit requirements are addressed operationally and in planning/development of CIP projects, and all permit conditions are met.
- New environmental challenges (e.g. ESA, CWA regulations) are monitored, planned for and responded to.
- Materials and services expenses are held flat or reduced where possible to offset unavoidable increases in some budget categories.
- For budget purposes, electrical costs at the Water Pollution Control Facility are assumed to increase by 6%. Actual cost increases will be a function of weather and potential additional increases in Eugene Water and Electric Board's wholesale power costs. Supplemental budget actions in FY 03-04 may be needed to fully fund actual utility expenses.
- Proposed annual cost of living wage adjustments include an increase of 3% for Eugene and Springfield personnel.
- Property and liability insurance costs are expected to increase slightly over FY 02-03 levels, due to inflation and more accurate accounting of MWMC capital assets.

- All SIW site operations and maintenance requirements are fully integrated and funded in the residuals program.
- Working capital remains budgeted at \$200,000 for Springfield and \$500,000 for Eugene.
- The Commission targets for funding the Operating Reserve and Equipment Replacement Reserve are met.
- A one-time reduction of user fee funding for Capital Reserves is included to compensate for revenue shortfalls experienced in FY 01-02 and FY 02-03.
- CIP projects budgeted in FY 03-04 will be completed in that timeframe.
- Projected FY 02-03 revenues are as follows: User fees - \$11,642,000 ; Interest - \$437,137 ; System Development Charges - \$850,000 ; and Chiquita Capital Repayment - \$240,000 .

**REGIONAL WASTEWATER PROGRAM  
RESOURCE AND EXPENDITURE SUMMARY**

|                           | BUDGET<br>2002-03   | PROPOSED<br>2003-04 |
|---------------------------|---------------------|---------------------|
| <b>RESOURCES</b>          |                     |                     |
| User Fees                 | \$11,200,000        | \$11,642,000        |
| Beginning Cash            | 23,718,550          | 24,729,872          |
| Internal Transfers        | 7,595,441           | 1,231,098           |
| Intergovernmental         | --                  | 142,000             |
| System Development Charge | 540,000             | 850,000             |
| Capital Repayment         | 243,476             | 240,000 *           |
| Interest                  | 463,402             | 437,137             |
| Miscellaneous             | 39,484              | 37,765              |
|                           | <b>\$43,800,353</b> | <b>\$39,309,872</b> |
| <b>EXPENDITURES</b>       |                     |                     |
| Reserves                  | \$20,284,505        | \$20,085,327        |
| Operations                | 7,980,217           | 8,314,028           |
| Internal Transfers        | 7,595,441           | 1,231,098 **        |
| CIP                       | 6,301,733           | 7,843,630           |
| Administration            | 1,638,457           | 1,835,789           |
|                           | <b>\$43,800,353</b> | <b>\$39,309,872</b> |

\* Capital Repayment revenue is money received from Chiquita Processed Foods in repayment of the local capital investment in the SIW.

\*\* Includes three equipment replacement contributions totaling \$481,098 and a Capital Reserve contribution of \$750,000.

Metropolitan Wastewater Management Commission



Dan E. Brown  
Executive Officer





REGIONAL WASTEWATER  
PROGRAM

OVERVIEW



## REGIONAL WASTEWATER PROGRAM OVERVIEW

### The Metropolitan Wastewater Management Commission

The Metropolitan Wastewater Management Commission (MWMC) was formed by Eugene, Springfield, and Lane County through an intergovernmental agreement (IGA) in 1977 to provide wastewater collection and treatment services for the Eugene-Springfield metropolitan area. The seven-member commission is composed of members appointed by the City Councils of Eugene (3), Springfield (2), and the Lane County Board of Commissioners (2). Since its inception, the Commission, in accordance with the IGA, has been responsible for oversight of the Regional Wastewater Program (RWP) including: construction, maintenance, and operation of the regional sewerage facilities; adoption of financing plans; adoption of budgets, user fees and connection fees; adoption of minimum standards for industrial pretreatment and local sewage collection systems; and recommendations for the expansion of regional facilities to meet future community growth. Staffing and services have been provided in various ways over the 26 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 RWP 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-1990's, 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 03-04 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 its relation to Willamette River water quality.**

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 03-04 budget and work plans.

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

| Indicators:  | Performance:       |                    |                    |
|--|--------------------|--------------------|--------------------|
|  | FY 01-02<br>Actual | FY 02-03<br>Actual | FY 03-04<br>Target |
| • Number of overflows and/or pump station bypasses | 2                  | 0                  | 0                  |
| • Number of NPDES permit effluent limit violations | 0                  | 0                  | 0                  |
| • Biosolids quality—all regulated contaminants     | <50% EPA           | <50% EPA           | <50% EPA           |

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

| Indicators:  | Performance:       |                    |                    |
|--|--------------------|--------------------|--------------------|
|  | FY 01-02<br>Actual | FY 02-03<br>Actual | FY 03-04<br>Target |
| • Changes needed in user rates to fund annual budget | 0 for 5 years      | 0                  | 6.5%               |
| • Annual audited financial statements                | 100% Clean audit   | Clean audit        | Clean audit        |

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

| Indicators:  | Performance:                   |                                    |                                    |
|--|--------------------------------|------------------------------------|------------------------------------|
|  | FY 01-02<br>Actual             | FY 02-03<br>Actual                 | FY 03-04<br>Target                 |
| • Model Pretreatment Ordinance—developed and adopted regionally (MWMC); implemented by two cities      | No changes needed              | Successful update                  | Evaluated, No Update Needed        |
| • Wet Weather Flow Management Plan--developed and adopted regionally (MWMC); implemented by two cities | Adopted by MWMC and two cities | Scheduled Implementation Completed | Scheduled Implementation Completed |
| • Unresolved issues among Eugene and Springfield staff in managing the Regional Wastewater Program     | 0                              | 0                                  | 0                                  |

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

| Indicators:  | Performance:       |                    |                              |
|--|--------------------|--------------------|------------------------------|
|  | FY 01-02<br>Actual | FY 02-03<br>Actual | FY 03-04<br>Target           |
| • Percent of scheduled preventative maintenance completed    | 84%                | 85%                | 85%                          |
| • Percent of planned maintenance work                        | 95%                | 90%                | 90%                          |
| • Develop formal infrastructure condition assessment program | N/A                | Complete           | Conduct Condition Assessment |

**Outcome 5: Achieve and maintain public awareness and understanding of MWMC, the regional wastewater system and its relationship to Willamette River water quality.**

| Indicators:                             | Performance:       |                    |  |
|---|--------------------|--------------------|--|
|   | FY 01-02<br>Actual | FY 02-03<br>Actual | FY 03-04<br>Target                             |
| • Public Education and Information Plan | 10% Complete       | Plan complete      | Implement Priority Public Education Activities |
| • MWMC Annual Report                    | Outline prepared   | Produced           | Produced                                       |
| • Updated MWMC Informational Brochures  | --                 | --                 | Complete Portfolio                             |

**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, the Biosolids Management Facility, the Seasonal Industrial Waste Facility (SIW), and 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 and Pretreatment Program (in conjunction with Springfield staff); regional laboratory services for wastewater and water quality analyses; and flow monitoring on the regional sanitary trunk sewers. These services are provided under contract with MWMC through the regional funding of 68.14 FTE of Wastewater Division staff, .75 FTE of Engineering Division staff and 1.4 FTE of Maintenance Division staff as reflected in the proposed FY 03-04 budget.

#### City of Springfield

The City of Springfield supports the RWP through representation on MWMC, provision of administrative 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 provide local implementation of the Industrial Source Control Pretreatment Program, as well as billing coordination and customer service. These services are provided under contract with MWMC through the regional funding of 7.85 FTE of Public Works Department staff and .55 FTE of Finance Department staff, as reflected in the proposed FY 03-04 budget.

#### Lane County

Lane County supports the RWP through representation on MWMC, by participation on some of the interagency project teams, and by maintaining the CSD. Two MWMC members represent Lane County--one citizen and one County Commissioner. The Board of County Commissioners oversees the CSD, including administration of local 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 bonds. The CSD adopts an annual budget for CSD funds, which is separate from the MWMC budget. The bond debt, which was retired in August, 2002, was repaid by CSD through an annual property tax assessment for Eugene and Springfield properties connected to the sewerage system. 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" (ILOT). Because the bond debt has been fully repaid, property tax assessments and ILOT payments will no longer be assessed.

#### Interagency Coordination

The effectiveness of MWMC and the RWP depends on extensive ongoing 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, the interagency Technical Advisory Committee (TAC) and project teams provide input to ongoing MWMC administration issues and ad hoc project needs. These committees rely on support from staff throughout the partner agency organizations, primarily from the respective Public Works Departments.

Exhibit 1 on the following page reflects the interagency coordination structure supporting the RWP. The TAC supports ongoing MWMC policy and coordination issues, and is coordinated by Springfield. 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.

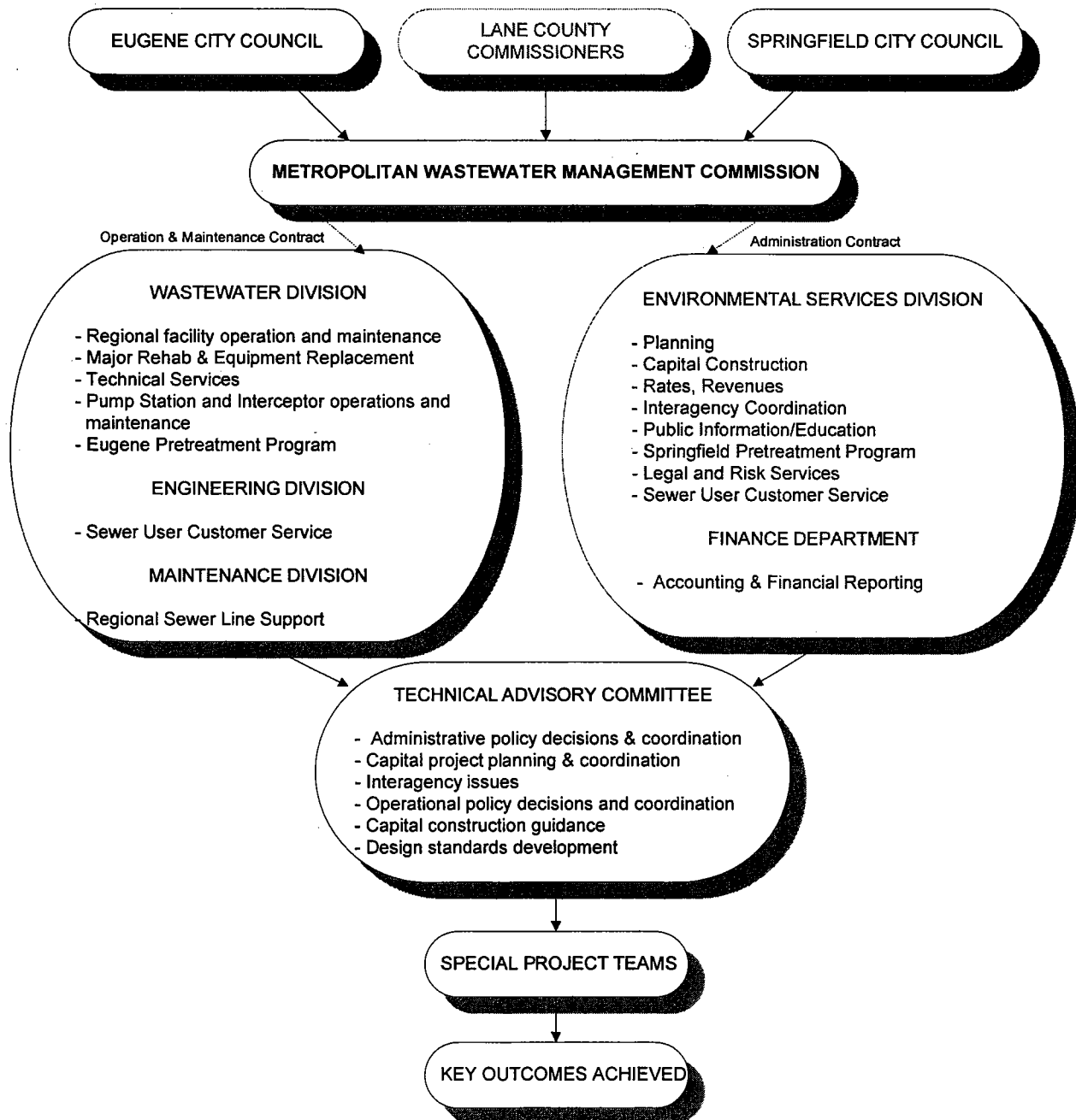
#### **Relationship To Eugene And Springfield Local Sewer Programs**

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

BUDGET AND PROGRAM  
SUMMARY



**REGIONAL WASTEWATER PROGRAM  
FY 03-04 BUDGET**

MWMC's RWP 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 4 on page 18. Finally, Exhibit 5 on page 19 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 02-03" column in all budget tables represents the updated RWP budget as of November 18, 2002, which reconciled actual beginning balances at July 1, 2002, and approved budget transfers as of November 18, 2002.

**EXHIBIT 2**

**REGIONAL OPERATING BUDGET SUMMARY**

|                             | ADOPTED<br>BUDGET<br>FY 02-03 | AMENDED<br>BUDGET<br>FY 02-03 | PROPOSED<br>BUDGET<br>FY 03-04 | CHANGE (1)<br>INCR/(DECR) |            |
|-----------------------------|-------------------------------|-------------------------------|--------------------------------|---------------------------|------------|
| FTE                         | 76.54                         | 76.54                         | 76.54                          | 0.00                      |            |
| Personnel Services (2)      | \$5,331,999                   | \$5,331,999                   | \$5,753,226                    | \$421,227                 | 8%         |
| Materials & Services (2)    | 4,169,322                     | 4,448,739                     | 4,372,591                      | 203,269                   | 5%         |
| Capital Outlay (2,3)        | 117,353                       | 213,963                       | 24,000                         | (93,353)                  | -80%       |
| Equip Replacement Contr (4) | 473,910                       | 473,910                       | 481,098                        | 7,188                     | 2%         |
| Capital Reserve Contr (5)   | 1,869,671                     | 1,869,671                     | 750,000                        | (1,119,671)               | -60%       |
| Working Capital Reserve (7) | 700,000                       | 700,000                       | 700,000                        | 0                         | 0%         |
| Operating Reserve (6)       | 991,432                       | 409,824                       | 1,014,320                      | 22,888                    | 2%         |
| <b>Budget Summary</b>       | <b>\$13,653,687</b>           | <b>\$13,448,106</b>           | <b>\$13,095,235</b>            | <b>(\$558,452)</b>        | <b>-4%</b> |

Notes:

1. The change column and percent change column compare the proposed FY 03-04 budget with the originally adopted FY 02-03 budget column, the change (increase/decrease) relative to the amended FY 02-03 budget is significantly different in several cases.
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 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.
5. The Capital Reserve Contribution is a budgeted transfer of operating revenues to "sinking funds" (reserves). Capital is passed through the Springfield Administrative Budget.

6. 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.
7. The Working Capital Reserve acts as a revolving account which is drawn down and replenished on a monthly basis to fund Eugene's operation.

**PROGRAMS AND SIGNIFICANT SERVICE/EXPENDITURE CHANGES****PROGRAM: RWP ADMINISTRATION**  
**CITY OF SPRINGFIELD**

In FY 03-04, Springfield staff will support the following major regional initiatives in addition to ongoing administrative and industrial pretreatment activities:

- Work with Eugene Staff to conduct a “state-of-the-utility” evaluation, updating the 1998 competitiveness report to the Commission; and support MWMC in refining goals, objectives and priority RWP issues.
- Continue oversight of Wet Weather Flow Management Plan implementation.
- Complete Awbrey Lane Poplar Farm site design, infrastructure construction, and tree planting.
- Continue participation in metropolitan pollution prevention coordinating activities and events.
- Construct reclaimed water system to supply Biosolids Management Facilities (BMF) water needs; actively seek Federal grant funding.
- Begin design/engineering work for phased relining of the BMF facultative sludge lagoons.
- Complete predesign and facility master plan update, focusing on: peak wet weather flow management; temperature; ammonia; disinfection; and effluent reuse capability.
- Manage projects identified in the FY 03-04 Capital Improvement Program.
- Develop electronic archival storage for MWMC plans, drawings and other documents requiring long-term accessible storage.
- Explore opportunities for distribution of reclaimed water to help meet thermal load limits in the discharge permit.
- Continue participation in Metropolitan Endangered Species Act Coordinating Team (MECT) to evaluate and address urban impacts to local water quality and salmonid habitat.
- Track State legislative activity and actively protect wastewater agency interests through Association of Clean Water Agencies Legislative Committee.

**Significant Changes for FY 03-04**

The proposed budget for Springfield Personnel Services, Materials and Services, and Capital Outlay for FY 03-04 totals \$1,835,789. While the total of all budget categories show a total 12% increase from the FY 02-03 adopted budget, this was related to underbudgeting for billing and collection in FY 02-03, which was remedied by the amended budget. The proposed FY 03-04 budget represents only a 2% increase from the amended FY 02-03 budget. Significant changes proposed for the FY 03-04 administrative budget include:

**Personnel Services – Budget Request \$629,236 [Increase \$36,236 of or 6%]**

Personnel Services shows a net budget increase of \$36,236 or 6%. The major changes are in the following budget categories:

**Staffing**

No FTE increases or adjustments in FTE allocations are projected for FY03-04.

**Regular Wages – Budget Request \$454,428 (Increase of \$11,354 or 3%)**

- Salaries for FY03-04 increase by 3%, per contract agreement between the City of Springfield and the local union (OPEU). The additional increases are from annual merit increases and budgets to fund end-of-service liabilities for personnel anticipating retirement in FY03-04.

**Overtime Wages – Budget Request \$5,500 (Decrease of \$3,000 or 35%)****Employee Benefits - Budget Request \$146,776 (Increase of \$5,350 or 4%)**

- The increase in employee benefits is driven by the increase for PERS and increases in health insurance premiums.

**Materials and Services**

The proposed Materials and Services budget represents a total FY 03-04 increase of \$175,486 which is 17%. The major changes are in the following budget categories:

**Utilities Expense – Budget Request \$4,969 (Increase of \$2,863 or 136%)**

- The budget for Utilities increased to reflect actual cumulative increases in utility costs over the last several years.

**WPCF/NPDES – Budget Request \$90,000 (Increase of \$14,000 or 18%)**

- The FY 02-03 budget was amended in November, 2002, to better reflect actual permit fees. The FY 03-04 proposed budget shows a 5% decrease from the amended budget amount.

**Capital Outlay - Budget Request - \$0, (Decrease of \$14,390)**

There are no capital outlay requests for FY 03-04; a reduction of \$14,390 from the prior fiscal year.

PROGRAM: REGIONAL WASTEWATER FACILITIES  
OPERATION AND MAINTENANCE - CITY OF EUGENE

In FY 03-04, Eugene staff will support the following major regional initiatives in addition to ongoing operational activities.

- Continue efforts to optimize service effectiveness and efficiency.
- Assess organizational structure and processes in light of personnel and programmatic changes.
- Maintain the Environmental Management System (EMS) and the ISO14001 registration. Document progress towards achieving the EMS objectives and targets. Evaluate the costs and benefits of the EMS program. Develop a proposal for including external stakeholders in a review of the EMS, and updating the objectives and targets.
- Work with Springfield staff to develop the design and O&M details for the Biocycle Farm program.
- Continue to provide leadership in the assessment of impacts and the development of mitigation measures related to the Endangered Species Act listings for the Willamette River.
- Continue to 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 treatment facility. Evaluate operational responsibilities related to new permit requirements (e.g. ammonia control, temperature management).
- Complete equipment replacement and major rehabilitation projects scheduled for FY 03-04.
- Participate in the pre-design project to develop the recommendations for Wet Weather Flow Management, process upgrades, and new operational requirements. Evaluate new federal regulations relating to Sanitary Sewer Overflows and Capacity, Management, Operations, and Maintenance (CMOM) functions, and work with State and Federal agencies in the development of the TMDLs for the Willamette River.

### **Significant Changes For FY 03-04**

The proposed budget for operations and maintenance Personnel Services, Materials and Services, and Capital Outlay for FY 03-04 totals \$8,314,028. The budget categories show a total 4% increase from the FY 02-03 budget. Significant changes proposed for the FY 03-04 operations and maintenance budget of the regional wastewater treatment facilities include:

#### **Personnel Services**

Personnel Services shows a net budget increase of \$384,991 or 8%. The major changes are in the following budget categories:

#### **Staffing**

- No FTE increases or adjustments in FTE allocations are projected for FY 03-04.



**Regular Wages – Budget Request \$3,268,886 [Increase of \$83,840 or 3%]**

- Salaries for FY 03-04 increase by 2% per contract agreement between the City of Eugene and the local union (AFSCME). The additional increase is for annual merit increases.

**Employee Benefits - Budget Request \$1,150,749 [Increase of \$240,353 or 26%]**

- The increase in employee benefits is driven by the increase for PERS contributions.

**Health Insurance - Budget Request \$561,902 [Increase \$53,740 or 11%]**

- Annual health insurance costs increased from \$7,464 to \$8,256 per employee which is a 10.5% increase from the FY 02-03 budget.

**Materials and Services**

The proposed Materials and Services budget represents a total FY 03-04 increase of \$27,783 which is less than 1%. The major changes are in the following budget categories:

**Fleet Operating Charges – Budget Request \$190,426 [Increase of \$29,284 or 18%]**

- The City's fleet services did an extensive rate review just prior to the budget process. These costs are intended to reflect the actual costs for maintaining fleet vehicles.

**Maintenance of Equipment & Facilities – Budget Request \$233,537 [Decrease of \$181,798 or 44%]**

- Reduction of \$191,550 for one-time expenses from FY 02-03.

**Contractual Services – Budget Request \$233,762 [Increase of \$18,975 or 9%]**

- An increase of \$52,000 in one-time expenditures for electrical switchboard testing and engineering services.

**Risk Insurance - Employee Liability – Budget Request \$122,697 [Increase of \$66,022 or 116%]**

- These rates are based upon the City's actual experience over the last five years (60%) and on actual exposure (40%). The rates represent the Wastewater Division's proportional share of the City's self-insured risk pool costs.

**Indirects – Budget Request \$812,104 [Increase of \$82,994 or 11%]**

- Indirects are charged based upon actual personnel and materials and services expenses. The rate used to calculate the FY 03-04 budget is 10.86%; a increase from the FY 02-03 indirect rate of 10.34%.

**Capital Outlay**

**Capital Outlay - Other - Budget Request \$24,000**

- Blanket Finders in Secondary area \$ 15,000
- Samplers in Pretreatment area \$ 9,000

CAPITAL PROGRAMS

The RWP budget includes several capital programs, including the Capital Improvement Program (CIP), the Major Infrastructure Rehabilitation Program, and the Equipment Replacement Program. The CIP consists of capital projects that are administered by the City of Springfield as part of its contract responsibilities for MWMC. CIP projects typically provide for new or expanded facilities and/or capacity enhancements. The annual CIP budget is administered by Springfield and is separate from the Operating Budget.

The proposed FY 03-04 CIP is funded by a combination of SDCs, contributions from the operating budget, and capital reserves. The proposed FY 03-04 CIP budget is summarized in Exhibit 3 below, and described on pages 24-26.

Other capital programs, consisting of Major Infrastructure Rehabilitation Program and the Equipment Replacement Program include capital projects/purchases that are administered by the City of Eugene as part of its contractual responsibilities for MWMC. These programs provide for major construction, repairs, and purchases necessary to maintain functionality, lifespan, and effectiveness of existing facility assets and capacity. The proposed FY 03-04 budget for these capital programs is summarized in Exhibit 3 below, and itemized on the page 27.

**EXHIBIT 3****REGIONAL CAPITAL PROGRAMS**

| DESCRIPTION                                     | FY 03-04 PROPOSED BUDGET |
|---|--------------------------|
| Biosolids - Poplar Plantation                   | 5,700,000                |
| Biosolids - Dredge Movement System              | 150,000                  |
| Electronic Records & Storage                    | 50,000                   |
| EBI/WBI Flow Monitoring                         | 135,000                  |
| Pre-Design Study                                | 600,000                  |
| <b>Total (Not Included in Operating Budget)</b> | <b>\$6,635,000</b>       |
| Other Capital Programs (Eugene Operations)      |                          |
| Equipment Replacement                           | \$1,026,630              |
| Major Rehabilitation                            | 182,000                  |
| Major Capital Outlay                            | 0                        |
| <b>Total (Not Included in Operating Budget)</b> | <b>\$1,208,630</b>       |

## EXHIBIT 4

REGIONAL WASTEWATER PROGRAM OPERATING BUDGET  
LINE ITEM SUMMARY BY PROGRAM AREA

|   | ACTUAL<br>FY 01-02 | ADOPTED<br>BUDGET<br>FY 02-03 | AMENDED<br>BUDGET<br>FY 02-03 | PROPOSED<br>BUDGET<br>FY 03-04 | CHANGE<br>INCR/(DECR) |            |
|---|--------------------|-------------------------------|-------------------------------|--------------------------------|-----------------------|------------|
| <b>SPRINGFIELD</b>                        |                    |                               |                               |                                |                       |            |
| <b>MWMC ADMINISTRATION</b>                |                    |                               |                               |                                |                       |            |
| Personnel Services                        | \$318,125          | \$415,070                     | \$415,070                     | \$440,802                      | \$25,732              | 6%         |
| Materials & Services                      | 899,573            | 956,097                       | 1,104,877                     | 1,125,859                      | 169,762               | 18%        |
| Capital Outlay                            | 2,722              | 11,200                        | 11,200                        | 0                              | (11,200)              | NA         |
| <b>TOTAL</b>                              | <b>\$1,220,419</b> | <b>\$1,382,367</b>            | <b>\$1,531,147</b>            | <b>\$1,566,661</b>             | <b>\$184,294</b>      | <b>13%</b> |
| <b>INDUSTRIAL SOURCE CONTROL</b>          |                    |                               |                               |                                |                       |            |
| Personnel Services                        | \$125,139          | \$136,457                     | \$136,457                     | \$144,922                      | \$8,465               | 6%         |
| Materials & Services                      | 56,666             | 65,845                        | 65,845                        | 71,518                         | 5,673                 | 9%         |
| Capital Outlay                            | 0                  | 3,190                         | 3,190                         | 0                              | (3,190)               | NA         |
| <b>TOTAL</b>                              | <b>\$181,805</b>   | <b>\$205,492</b>              | <b>\$205,492</b>              | <b>\$216,440</b>               | <b>\$10,948</b>       | <b>5%</b>  |
| <b>ACCOUNTING</b>                         |                    |                               |                               |                                |                       |            |
| Personnel Services                        | \$30,655           | \$41,473                      | \$41,473                      | \$43,512                       | \$2,039               | 5%         |
| Materials & Services                      | 1,096              | 9,125                         | 9,125                         | 9,176                          | 51                    | 1%         |
| Capital Outlay                            | 0                  | 0                             | 0                             | 0                              | 0                     | NA         |
| <b>TOTAL</b>                              | <b>\$31,752</b>    | <b>\$50,598</b>               | <b>\$50,598</b>               | <b>\$52,688</b>                | <b>\$2,090</b>        | <b>4%</b>  |
| <b>TOTAL SPRINGFIELD</b>                  |                    |                               |                               |                                |                       |            |
| Personnel Services                        | \$473,919          | \$593,000                     | \$593,000                     | \$629,236                      | \$36,236              | 6%         |
| Materials & Services                      | 957,334            | 1,031,067                     | 1,179,847                     | 1,206,553                      | 175,486               | 17%        |
| Capital Outlay                            | 2,722              | 14,390                        | 14,390                        | 0                              | (14,390)              | NA         |
| <b>TOTAL</b>                              | <b>\$1,433,975</b> | <b>\$1,638,457</b>            | <b>\$1,787,237</b>            | <b>\$1,835,789</b>             | <b>\$197,332</b>      | <b>12%</b> |
| <b>EUGENE</b>                             |                    |                               |                               |                                |                       |            |
| <b>ADMINISTRATIVE SERVICES</b>            |                    |                               |                               |                                |                       |            |
| Personnel Services                        | \$715,923          | \$795,627                     | \$795,627                     | \$957,438                      | \$161,811             | 20%        |
| Materials & Services                      | 356,366            | 486,984                       | 495,419                       | 506,940                        | 11,521                | 2%         |
| Capital Outlay                            | 0                  | 0                             | 0                             | 0                              | 0                     | NA         |
| <b>TOTAL</b>                              | <b>\$1,072,289</b> | <b>\$1,282,611</b>            | <b>\$1,291,046</b>            | <b>\$1,464,378</b>             | <b>\$173,332</b>      | <b>14%</b> |
| <b>BIOSOLIDS MANAGEMENT FACILITY</b>      |                    |                               |                               |                                |                       |            |
| Personnel Services                        | \$529,093          | \$601,853                     | \$601,853                     | \$634,136                      | \$32,283              | 5%         |
| Materials & Services                      | 439,125            | 474,113                       | 474,113                       | 490,196                        | 16,083                | 3%         |
| Capital Outlay                            | 0                  | 0                             | 85,000                        | 0                              | 0                     | NA         |
| <b>TOTAL</b>                              | <b>\$968,219</b>   | <b>\$1,075,966</b>            | <b>\$1,160,966</b>            | <b>\$1,124,332</b>             | <b>\$48,366</b>       | <b>4%</b>  |
| <b>INDUSTRIAL SOURCE CONTROL</b>          |                    |                               |                               |                                |                       |            |
| Personnel Services                        | \$412,942          | \$428,707                     | \$428,707                     | \$462,932                      | \$34,225              | 8%         |
| Materials & Services                      | 99,056             | 92,899                        | 92,899                        | 104,973                        | 12,074                | 13%        |
| Capital Outlay                            | 0                  | 0                             | 0                             | 0                              | 0                     | NA         |
| <b>TOTAL</b>                              | <b>\$511,998</b>   | <b>\$521,606</b>              | <b>\$521,606</b>              | <b>\$567,905</b>               | <b>\$46,299</b>       | <b>9%</b>  |
| <b>METRO PLANT</b>                        |                    |                               |                               |                                |                       |            |
| Personnel Services                        | \$2,518,778        | \$2,654,736                   | \$2,654,736                   | \$2,795,283                    | \$140,547             | 5%         |
| Materials & Services                      | 1,615,667          | 1,677,857                     | 1,800,059                     | 1,655,467                      | (22,390)              | -1%        |
| Capital Outlay                            | 11,603             | 102,963                       | 114,573                       | 24,000                         | (78,963)              | -77%       |
| <b>TOTAL</b>                              | <b>\$4,146,048</b> | <b>\$4,435,556</b>            | <b>\$4,569,368</b>            | <b>\$4,474,750</b>             | <b>\$39,194</b>       | <b>1%</b>  |
| <b>REGIONAL PUMP STATIONS</b>             |                    |                               |                               |                                |                       |            |
| Personnel Services                        | \$152,016          | \$138,340                     | \$138,340                     | \$147,455                      | \$9,115               | 7%         |
| Materials & Services                      | 260,304            | 342,464                       | 342,464                       | 342,553                        | 89                    | 0%         |
| Capital Outlay                            | 0                  | 0                             | 0                             | 0                              | 0                     | NA         |
| <b>TOTAL</b>                              | <b>\$412,320</b>   | <b>\$480,804</b>              | <b>\$480,804</b>              | <b>\$490,008</b>               | <b>\$9,204</b>        | <b>2%</b>  |
| <b>SEASONAL INDUSTRIAL WASTE FACILITY</b> |                    |                               |                               |                                |                       |            |
| Personnel Services                        | \$187,910          | \$119,736                     | \$119,736                     | \$126,746                      | \$7,010               | 6%         |
| Materials & Services                      | 280,040            | 63,938                        | 63,938                        | 65,909                         | 1,971                 | 3%         |
| Capital Outlay                            | 0                  | 0                             | 0                             | 0                              | 0                     | NA         |
| <b>TOTAL</b>                              | <b>\$467,950</b>   | <b>\$183,674</b>              | <b>\$183,674</b>              | <b>\$192,655</b>               | <b>\$8,981</b>        | <b>5%</b>  |
| <b>TOTAL EUGENE</b>                       |                    |                               |                               |                                |                       |            |
| Personnel Services                        | \$4,516,663        | \$4,738,999                   | \$4,738,999                   | \$5,123,990                    | \$384,991             | 8%         |
| Materials & Services                      | \$3,050,557        | \$3,138,255                   | \$3,268,892                   | 3,166,038                      | 27,783                | 1%         |
| Capital Outlay                            | \$11,603           | \$102,963                     | \$199,573                     | 24,000                         | (78,963)              | -77%       |
| <b>TOTAL</b>                              | <b>\$7,578,823</b> | <b>\$7,980,217</b>            | <b>\$8,207,464</b>            | <b>\$8,314,028</b>             | <b>\$333,811</b>      | <b>4%</b>  |
| <b>TOTAL OPERATIONS</b>                   |                    |                               |                               |                                |                       |            |
|   |                    | \$9,618,674                   |                               | \$10,149,817                   |                       |            |

## EXHIBIT 5

REGIONAL WASTEWATER PROGRAM  
BUDGET SUMMARY AND COMPARISON

|   | ADOPTED BUDGET |                     | AMENDED BUDGET |                     | PROPOSED BUDGET |                     | CHANGE *<br>INC(DEC) |
|---|----------------|---------------------|----------------|---------------------|-----------------|---------------------|----------------------|
|   | FTE            | FY 02-03            | FTE            | FY 02-03            | FTE             | FY 03-04            |                      |
| <b>OPERATING BUDGET</b>                     |                |                     |                |                     |                 |                     |                      |
| Administration                              | 8.40           | \$1,638,457         |                | \$1,787,237         | 8.40            | \$1,835,789         | \$197,332            |
| Operations                                  | 68.14          | 7,980,217           |                | 8,207,464           | 68.14           | 8,314,028           | 333,811              |
| Capital Contribution                        |                | 1,869,671           |                | 1,869,671           |                 | 750,000             | (1,119,671)          |
| Equip Repl - Contribution                   |                | 473,910             |                | 473,910             |                 | 481,098             | 7,188                |
| Operating Reserves                          |                | 1,691,432           |                | 1,109,824           |                 | 1,714,320           | 22,888               |
| <b>Total Operating Budget</b>               | <b>76.54</b>   | <b>\$13,653,687</b> |                | <b>\$13,448,106</b> | <b>76.54</b>    | <b>\$13,095,235</b> | <b>(\$558,452)</b>   |
| <b>Funding:</b>                             |                |                     |                |                     |                 |                     |                      |
| Beginning Balance                           |                | \$2,127,327         |                | \$1,921,746         |                 | \$1,151,870         | (\$975,457)          |
| User Fees                                   |                | 11,200,000          |                | 11,200,000          |                 | 11,642,000          | 442,000              |
| Other                                       |                | 326,360             |                | 326,360             |                 | 301,365             | (24,995)             |
| <b>Total Operating Budget Funding</b>       |                | <b>\$13,653,687</b> |                | <b>\$13,448,106</b> |                 | <b>\$13,095,235</b> | <b>(\$558,452)</b>   |
| <b>CAPITAL PROGRAM BUDGET</b>               |                |                     |                |                     |                 |                     |                      |
| <b>SPRINGFIELD</b>                          |                |                     |                |                     |                 |                     |                      |
| Biosolids Mngt - Dewatering                 |                | 0                   |                | 50,000              |                 | 0                   | NA                   |
| Biosolids - Poplar Plantation               |                | 2,549,096           |                | 2,549,096           |                 | 5,700,000           | 3,150,904            |
| Biosolids - Water Reclamation               |                | 0                   |                | 0                   |                 | 0                   |                      |
| Biosolids - Sludge Main Access Vaults       |                | 100,000             |                | 100,000             |                 | 0                   | NA                   |
| Biosolids - Dredge Movement System          |                | 0                   |                | 0                   |                 | 150,000             | NA                   |
| Biosolids - Groundwater Remediation         |                | 100,000             |                | 100,000             |                 | 0                   | NA                   |
| Biosolids - Line Lagoons                    |                | 0                   |                | 0                   |                 | 0                   | NA                   |
| Electronic Records & Storage                |                | 0                   |                | 0                   |                 | 50,000              | NA                   |
| Lab Remodel                                 |                | 1,058,000           |                | 1,344,646           |                 | 0                   | NA                   |
| EBI/WBI Flow Monitoring                     |                | 190,000             |                | 190,000             |                 | 135,000             | (55,000)             |
| Pre-Design Study                            |                | 900,000             |                | 900,000             |                 | 600,000             | (300,000)            |
| Secondary Clarifier and Outfall Diff Design |                | 0                   |                | 0                   |                 | 0                   | NA                   |
| Engine Gen.- Digester Gas Filter            |                | 300,000             |                | 300,000             |                 | 0                   | (300,000)            |
| <b>EUGENE</b>                               |                |                     |                |                     |                 |                     |                      |
| Equipment Replacement Purchases             |                | 0                   |                | 0                   |                 | 0                   | NA                   |
| Major Rehab                                 |                | 1,104,637           |                | 1,397,858           |                 | 1,208,630           | 103,993              |
| Major Capital Outlay                        |                | 0                   |                | 0                   |                 | 0                   | NA                   |
| <b>Total Capital Projects</b>               |                | <b>\$6,301,733</b>  |                | <b>\$6,931,600</b>  |                 | <b>\$7,843,630</b>  | <b>\$1,541,897</b>   |
| <b>Funding:</b>                             |                |                     |                |                     |                 |                     |                      |
| SDC Reserve                                 |                | \$1,788,000         |                | \$1,936,646         |                 | \$2,125,000         | \$337,000            |
| Equipment Replacement                       |                | 609,299             |                | 755,663             |                 | 1,026,630           | 417,331              |
| Capital Reserve                             |                | 3,904,434           |                | 4,239,291           |                 | 4,692,000           | 787,566              |
| Major Rehab Reserve                         |                | 0                   |                | 0                   |                 | 0                   | NA                   |
| <b>Total Capital Projects Funding</b>       |                | <b>\$6,301,733</b>  |                | <b>\$6,931,600</b>  |                 | <b>\$7,843,630</b>  | <b>\$1,541,897</b>   |

Notes: \* The Change (Inc/Decr) column compares the proposed FY 03-04 budget to the originally adopted FY 02-03 budget column.

**OPERATING BUDGET AND RATE HISTORY**

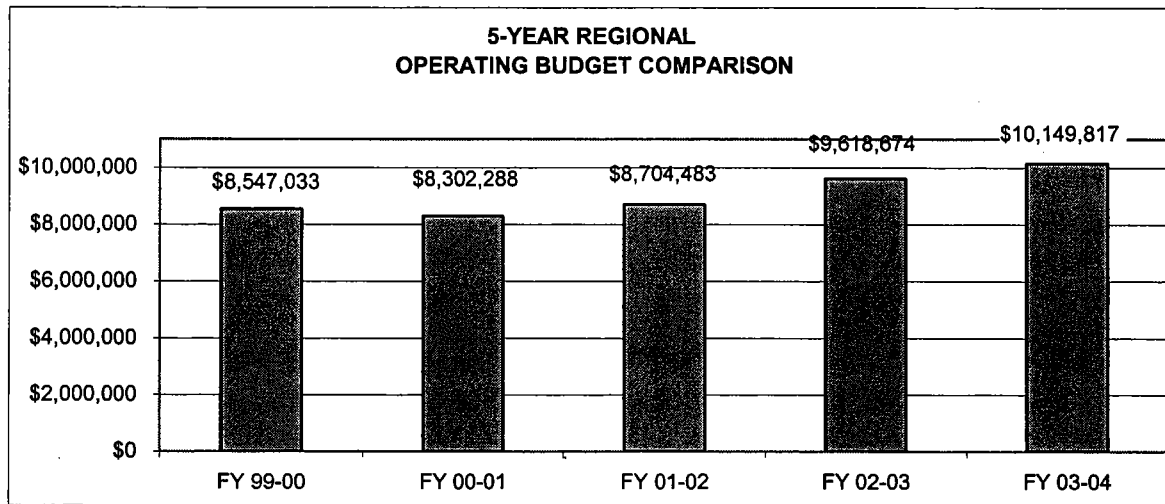
The graphs on this and the following page show a five-year Regional Operating Budget comparison, and Regional Residential Sanitary Sewer costs over a fifteen-year period. Because the Equipment Replacement and Major Infrastructure Rehabilitation programs are managed in the Eugene operating budget, these programs are incorporated into both the five-year Regional Operating Budget comparison graph (below) and the Five-Year Capital Programs comparison graph on page 28.

Between FY 97 and FY 01, the Commission was able to maintain the same rate of \$8.78 for a monthly regional sewer cost for the typical residential user, based on 5,800 gallons. This was achieved through the implementation of a competitiveness work plan which resulted in improved effectiveness and cost reduction. It should be noted that during the same timeframe, average residential water usage has progressively dropped to about 5,000 gallons per month, due to the effects of building code changes and conservation measures. At 5,000 gallons typical usage, the average residential bill went down to about \$8.13 per month.

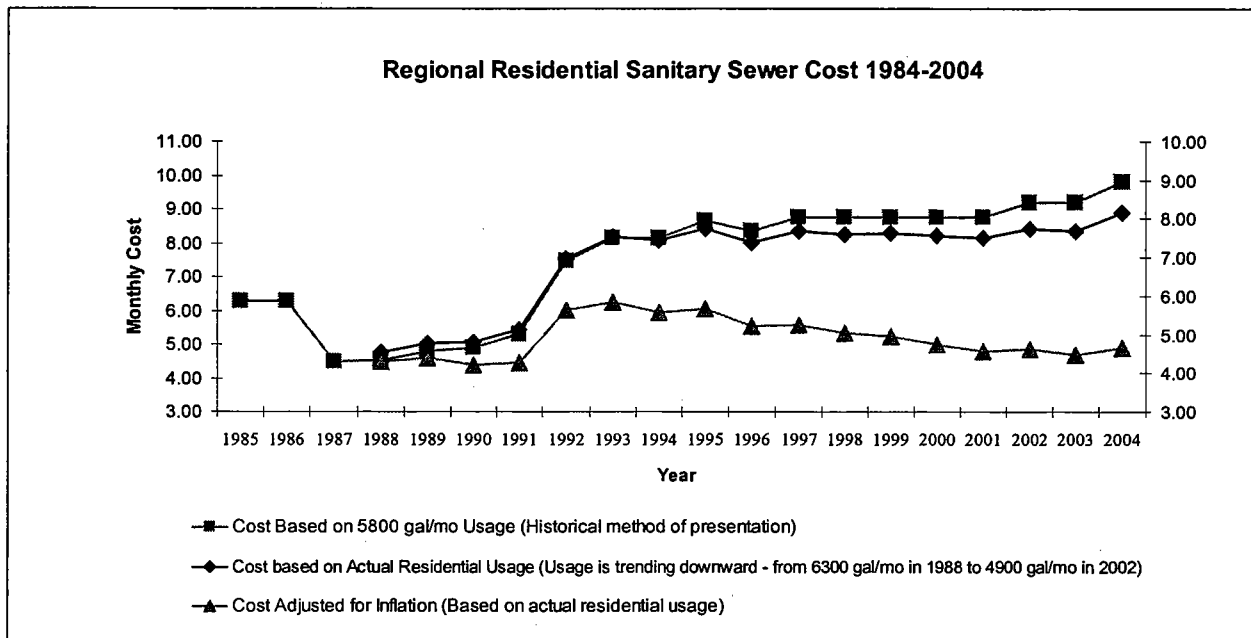
For FY 01-02, MWMC adopted a rate increase of 5%. The increase was intended to provide sufficient funding for several years. However, the fiscal year saw the beginning of an economic downturn, unexpected increases in power costs, billing and collection costs, and employee benefit costs. At the same time, reduced usage due to aggressive conservation efforts on the part of the water utilities resulted in a significant shortfall in revenue. The 5% increase in user rates resulted in less than a 1% increase in revenue in FY 01-02. The FY 02-03 budget was balanced without the need for a rate adjustment. At 5,000 gallons typical usage, the average residential bill during this 2-year period was about \$8.53 per month.

The Commission provided direction to staff to prepare the FY 03-04 budget assuming an increase in rates of 6.5%. The combination of increased operating costs and decreased revenues would typically indicate the need for a much higher increase, but the Commission chose to moderate the impact by reducing the User Rate contribution to the Capital Reserve for this fiscal year. The FY 03-04 budget was built to anticipate a number of future cost drivers, including future capital needs, utility cost increases, lower flows from industrial dischargers, and slower economic growth.

With the adoption of the new rate schedule for FY 03-04, the monthly regional sewer cost for the typical residential customer will be \$9.09, based on an average residential use of 5,000 gallons per month. If there are revenues collected in excess of current year operating and capital requirements, these funds will be held in the Rate Stability Reserve, to help sustain stable rates for the next fiscal year.



The figure below compares the regional component of average monthly residential sewer cost on several different basis; average usage, actual usage, actual cost, and cost adjusted for inflation.



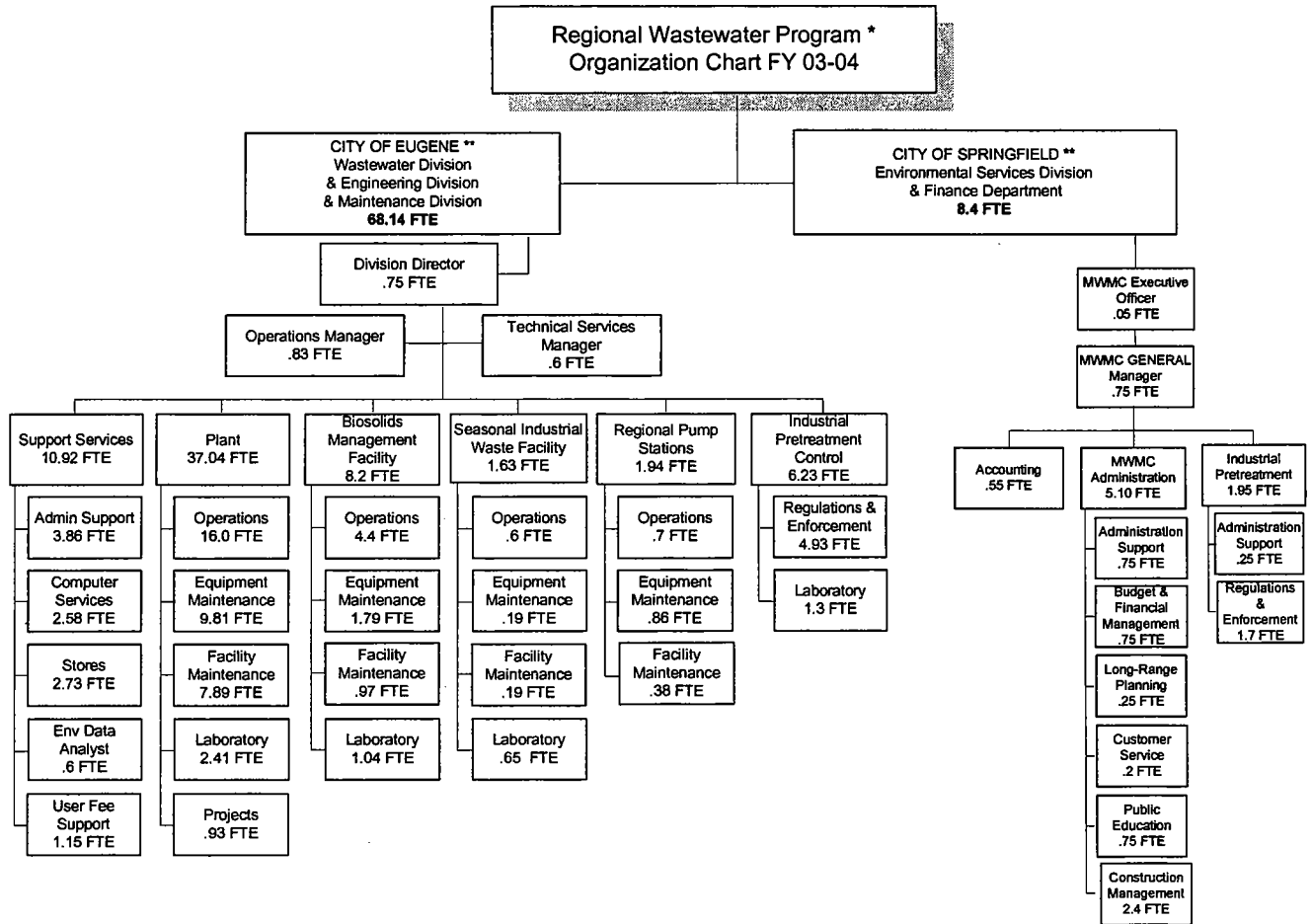
REGIONAL WASTEWATER  
PROGRAM

STAFFING





EXHIBIT 6



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 7**  
**REGIONAL WASTEWATER PROGRAM**  
**POSITION SUMMARY**

| CLASSIFICATION  | BUDGET<br>FY 01-02 | BUDGET<br>FY 02-03 | PROPOSED<br>FY 03-04 | CHANGE      |
|---|--------------------|--------------------|----------------------|-------------|
| <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        |
| Environmental Services Supervisor                       | 0.70               | 0.70               | 0.70                 | 0.00        |
| Supervising Civil Engineer                              | 0.85               | 0.85               | 0.85                 | 0.00        |
| Civil Engineer  | 0.00               | 1.00               | 1.00                 | 0.00        |
| Engineering Assistant                                   | 1.30               | 1.30               | 1.30                 | 0.00        |
| Public Information & Education Specialist               | 0.65               | 0.65               | 0.65                 | 0.00        |
| Senior Management Analyst                               | 0.35               | 0.35               | 0.35                 | 0.00        |
| Secretary   | 0.90               | 0.80               | 0.80                 | 0.00        |
| Accountant  | 0.35               | 0.35               | 0.35                 | 0.00        |
| Accounting Manager                                      | 0.10               | 0.20               | 0.20                 | 0.00        |
| Senior Environmental Technician                         | 0.90               | 0.90               | 0.90                 | 0.00        |
| Environmental Services Technician I                     | 0.40               | 0.50               | 0.50                 | 0.00        |
| <b>TOTAL</b>  | <b>7.30</b>        | <b>8.40</b>        | <b>8.40</b>          | <b>0.00</b> |
| <b>EUGENE WASTEWATER DIVISION &amp; OTHER PW</b>        |                    |                    |                      |             |
| Division Director                                       | 0.80               | 0.75               | 0.75                 | 0.00        |
| Technical Services Manager                              | 0.81               | 0.60               | 0.60                 | 0.00        |
| Operations Manager                                      | 0.76               | 0.83               | 0.83                 | 0.00        |
| Business Manager  | 0.83               | 0.88               | 0.88                 | 0.00        |
| Laboratory Supervisor                                   | 0.74               | 0.86               | 0.83                 | -0.03       |
| Pretreatment Supervisor                                 | 0.50               | 0.50               | 0.50                 | 0.00        |
| Operations Supervisor                                   | 1.00               | 1.00               | 1.00                 | 0.00        |
| Residuals Supervisor                                    | 0.75               | 1.00               | 1.00                 | 0.00        |
| Pump Station Supervisor                                 | 0.49               | 0.25               | 0.25                 | 0.00        |
| Maintenance Supervisor                                  | 0.78               | 0.90               | 0.90                 | 0.00        |
| Facilities Supervisor                                   | 0.89               | 0.94               | 0.94                 | 0.00        |
| Stores Manager/Buyer                                    | 0.90               | 0.91               | 0.91                 | 0.00        |
| Environmental Data Analyst                              | 0.50               | 0.60               | 0.60                 | 0.00        |
| Service Improvement Specialist                          | 0.80               | 0.00               | 0.00                 | 0.00        |
| Project Specialist                                      | 0.90               | 0.93               | 0.93                 | 0.00        |
| Applications System Analyst                             | 1.60               | 1.72               | 1.72                 | 0.00        |
| Applications Support Technician                         | 0.80               | 0.86               | 0.86                 | 0.00        |
| Maintenance Technician                                  | 0.90               | 0.90               | 0.90                 | 0.00        |
| Maintenance Control Technician                          | 1.56               | 1.80               | 0.00                 | -1.80       |
| Communications & Control Specialist                     | 0.00               | 0.00               | 0.90                 | 0.90        |
| Wastewater Technician (Operator)                        | 15.00              | 15.00              | 15.00                | 0.00        |
| Wastewater Technician (Residuals)                       | 1.75               | 3.00               | 3.00                 | 0.00        |
| Wastewater Technician (Pretreatment)                    | 4.38               | 4.38               | 4.43                 | 0.05        |
| Wastewater Technician (Laboratory)                      | 4.67               | 5.07               | 5.05                 | -0.02       |
| Wastewater Technician (Mechanical)                      | 6.15               | 6.00               | 6.90                 | 0.90        |
| Wastewater Instrument/Electrician                       | 1.60               | 2.92               | 2.92                 | 0.00        |
| Electrician   | 1.30               | 1.48               | 1.48                 | 0.00        |
| Maint Worker  | 8.19               | 8.49               | 8.49                 | 0.00        |
| Billing Specialist                                      | 0.00               | 0.25               | 0.25                 | 0.00        |
| Program Specialist                                      | 0.80               | 0.86               | 0.86                 | 0.00        |
| Admin Aide  | 1.55               | 1.64               | 1.64                 | 0.00        |
| Stores Clerk  | 1.80               | 1.82               | 1.82                 | 0.00        |
| Custodial Worker  | 1.00               | 1.00               | 1.00                 | 0.00        |
| <b>TOTAL</b>  | <b>64.50</b>       | <b>68.14</b>       | <b>68.14</b>         | <b>0.00</b> |
| <b>GRAND TOTAL</b>                                      | <b>71.80</b>       | <b>76.54</b>       | <b>76.54</b>         | <b>0.00</b> |

REGIONAL WASTEWATER  
PROGRAM

CAPITAL PROGRAM



## REGIONAL WASTEWATER PROGRAM CAPITAL PROGRAMS

The FY 03-04 Capital Improvement Program (CIP) budget of \$6,635,000 (included in Springfield's administration budget) is primarily composed of projects identified by the Facilities Master Plan, the Biosolids Master Plan, and the Wet Weather Flow Management Plan (WWFMP). Additional projects are included that extend the life of the regional wastewater management facilities and/or help meet new National Pollutant Discharge Elimination System (NPDES) permit requirements. The FY 03-04 CIP is funded using a combination of CIP reserve and System Development Charges (SDC's). CIP project summaries are provided below (see Capital Improvement memo to MWMC, January 9, 2003 for detailed project descriptions). Other capital programs, including the Equipment Replacement Program and Major Rehabilitation Program, are funded in Eugene's FY 03-04 operations and maintenance budget at \$1,026,630 and \$182,000 respectively. The funding for FY 03-04 will come from the Equipment Replacement and Capital Reserves, respectively. Itemized lists of Equipment Replacement purchases, Major Infrastructure Rehabilitation projects, and Major Capital Outlay are included on page 26.

### CAPITAL IMPROVEMENT PROJECTS

#### **Biocycle Farm Land Application Farm and BMF Reclaimed Water Supply**

##### **FY 03-04 Capital Budget = \$5,700,000**

MWMC purchased 596 acres of farmland adjacent to the Biosolids Management Facility (BMF) in July 2000, in order to develop a sustainable dedicated Biosolids Land Application Farm (Poplar Farm). Staff anticipates expending approximately \$400,000 of the \$2,549,096 budgeted in FY02-03 and carrying the remainder forward to FY 03-04.

The conceptual design has been refined by: (1) the addition of a reclaimed water conveyance system to serve both the dewatering facility and the Poplar Farm; (2) the connection of the reclaimed water line to the biosolids sludge force main to allow mitigation of struvite buildup; and (3) the addition of sludge strain presses. These additions, together with increases in consultant and permitting fees and adjustments for inflation bring the overall project cost estimate to \$6,100,000. This estimate includes funds previously budgeted for the reclaimed water conveyance and the force main access vaults.

Staff is managing the site development (land preparation and tree planting) with the assistance of a poplar farm consultant. Work on the land preparation is anticipated to begin in the summer of 2003. Tree planting is anticipated in the spring 2004.

#### **East and West bank Interceptors (EBI/WBI) Monitoring**

##### **FY 03-04 Capital Budget = \$135,000**

Additional flow monitoring was recommended as part of the WWFMP implementation package. MWMC has a three-year contract with MGD Technologies, Inc. to provide operations and maintenance services for six flow monitoring sites that were installed in mid-January 2002. The flow data is being collected for the East Bank and West Bank Interceptors (EBI/WBI). Eugene/Springfield staff have additional flow monitoring devices upstream of the EBI/WBI and

Water Pollution Control Facility to track the collection system performance. Approximately \$28,000 will be spent during the FY 03-04 budget. MGD's contracted services will end February 2005 unless MWMC approves a contract extension.

### **Plant Predesign Study and Facilities Plan Update (Formerly - Plant Performance Improvements - Predesign Study)**

#### **FY 03-04 Capital Budget = \$600,000**

The WWFMP identifies a 10-year program of specific capital improvement needed at the WPCF to address peak wet weather flow conditions. These include upgrading the primary treatment capacity to 263 mgd, upgrading the secondary treatment capacity to 130 mgd, and expansion of outfall diffuser capacity. The total cost of these improvements was estimated by CH2M Hill in 1999 to be \$33 million based on conventional wet weather upgrades.

The predesign project originated from the WWFMP implementation package. Due to new regulatory permit requirements and other factors, the project has evolved into a "comprehensive study" that should also produce the "MWMC Facilities Plan Update" document for a planning period of at least 20 years.

Staff anticipates hiring a consultant firm in January/February 2003 and estimates the project will take approximately 14 months to complete. The FY 02-03 capital budget allocated \$900,000 for this project. Unused funds will be carried into the FY 03-04 project budget. After the predesign study is completed, a specific CIP will be established for a design-bid-build delivery method that will require follow-up consultant services.

### **Biosolids – Lagoon Dredge Movement System**

#### **FY 03-04 Capital Budget = \$150,000**

This project includes design and construction as required to improve or replace the dredge movement system for the facultative sludge lagoons. The original system is labor intensive and dangerous to operate. The system was evaluated by an engineering consultant in 1997, and the results included recommendations for immediate improvement and suggestions for future comprehensive system improvements. The short-term minor modifications to improve the functionality and safety of the system were not adequate, and comprehensive system improvements are needed.

### **Electronic Storage of MWMC Project Records**

#### **FY 03-04 Capital Budget = \$50,000**

This project is being recommended to preserve important MWMC records in a common electronic format, in order to assist staff with long-term records management.

MWMC has archival records from past projects in several different media (i.e., microfiche, paper, Mylar, and electronic formats). Through 1989, MWMC stored most of its administrative and construction records in a microfiche format, to maintain documentation as required for Federal grant eligibility. From 1990 to the present time, many important documents (i.e., construction project submittals, inspection reports, letters, etc.) exist only in paper hard-copy. Moving the paper files to electronic media would provide easier access and be more efficient over the long-term.

Staff is in the process of researching current electronic technology to determine which product would be a "good fit" to meet MWMC's long-term document storage and access requirements. The FY 03-04 budget amount of \$50,000 is a place holder until staff determines pricing of the appropriate technology that will meet our needs.

OTHER CAPITAL PROGRAMS

- Equipment Replacement

The FY 03-04 Capital Programs budget includes \$1,026,630 in Equipment Replacement purchases, which are identified in the table below.

| <b>Proposed Equipment Replacement Projects - FY 03-04</b> |                        |
|---|------------------------|
| <b>Project Description</b>                                | <b>Proposed Budget</b> |
| Raw Sewage Pump   | 100,000                |
| Primary Clarifier Drive Rebuild                           | 10,500                 |
| Secondary Clarifier Drive Rebuild                         | 10,500                 |
| Activated Sludge Pump                                     | 25,000                 |
| Magnetic Flow Transmitter                                 | 13,000                 |
| Scrubber Fan  | 15,500                 |
| Caustic Storage Tank                                      | 96,000                 |
| Chlorine Scrubber Reaction Tank                           | 99,500                 |
| Submersible Pump – Fillmore Pump Station                  | 18,000                 |
| Submersible Pump – Biosolids Facility                     | 25,000                 |
| Spectrophotometer Atomic Absorption Equipment             | 170,000                |
| Computer Replacement                                      | 48,430                 |
| Fleet Replacement   | 395,200                |
| <b>Total</b>  | <b>\$1,026,630</b>     |

- Major Rehabilitation

The FY 03-04 Capital Programs budget includes \$182,000 for Major Rehabilitation projects, which are identified in the table below.

| <b>Proposed Major Rehab Projects - FY 03-04</b> |                        |
|---|------------------------|
| <b>Project Description</b>                      | <b>Proposed Budget</b> |
| Screw Pump Coating                              | 60,000                 |
| Grit Chamber Concrete Coating                   | 85,000                 |
| Final Scrubber Room Roof Replacement            | 37,000                 |
| <b>Total</b>                                    | <b>\$182,000</b>       |



## EXHIBIT 8

REGIONAL WASTEWATER PROGRAM  
CAPITAL PROGRAMS - LINE ITEM BUDGET

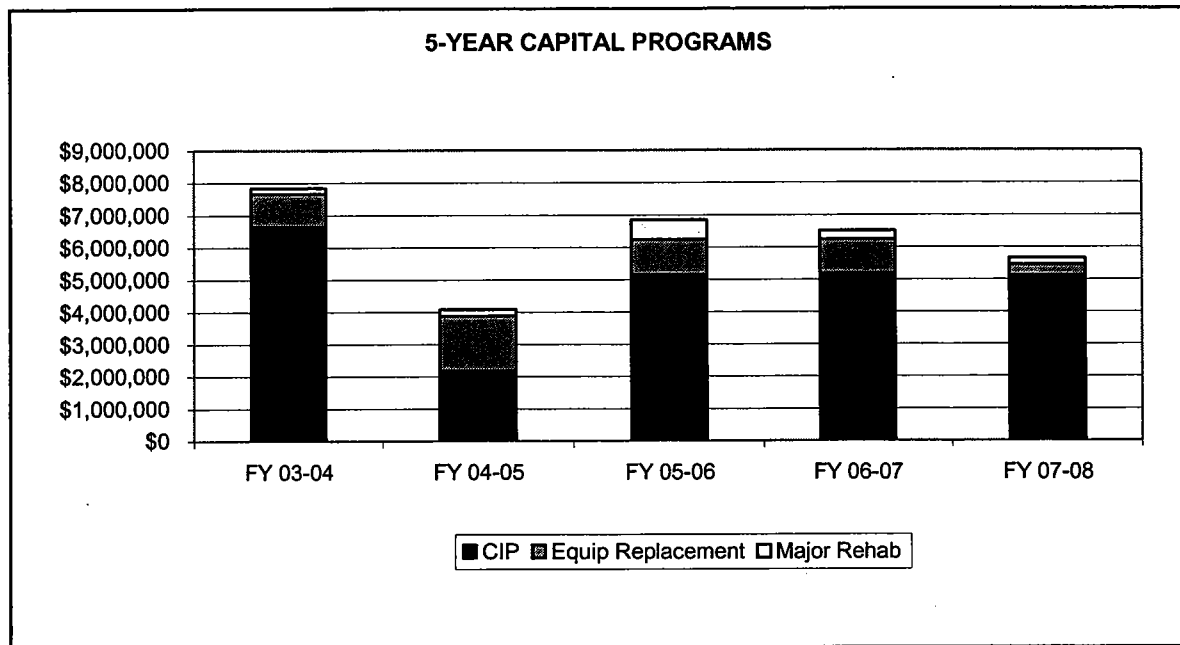
| CAPITAL IMPROVEMENT<br>PROJECTS (Springfield Admin) | ACTUAL            | ADOPTED             | AMENDED             | PROPOSED            |
|---|-------------------|---------------------|---------------------|---------------------|
|   | FY 01-02          | BUDGET<br>FY 02-03  | BUDGET<br>FY 02-03  | FY 03-04            |
| Biosolids Dewatering Facility                       | 16,452            | 0                   | 50,000              | 0                   |
| Biosolids - Poplar Plantation                       | 4,051             | 2,549,096           | 2,549,096           | 5,700,000           |
| Biosolids - Sludge Main Access Vaults               | 0                 | 100,000             | 100,000             | 0                   |
| Biosolids - Dredge Movement System                  | 0                 | 0                   | 0                   | 150,000             |
| Biosolids - Groundwater Remediation                 | 0                 | 100,000             | 100,000             | 0                   |
| Electronic Records & Storage                        | 0                 | 0                   | 0                   | 50,000              |
| Lab Modification                                    | 125,354           | 1,058,000           | 1,344,646           | 0                   |
| EBI/WBI Flow Monitoring                             | 204,113           | 190,000             | 190,000             | 135,000             |
| Plant Perform Improvements Pre-Design               | 0                 | 900,000             | 900,000             | 600,000             |
| Engine Generator - Digester Gas Filter              | 0                 | 300,000             | 300,000             | 0                   |
| <b>SUB-TOTAL</b>                                    | <b>\$ 349,970</b> | <b>\$ 5,197,096</b> | <b>\$ 5,533,742</b> | <b>\$ 6,635,000</b> |
| <b>OTHER CAPITAL PROGRAMS</b>                       |                   |                     |                     |                     |
| <b>(Eugene Operations)</b>                          |                   |                     |                     |                     |
| Equipment Replacement                               | 0                 | 0                   | 0                   | 0                   |
| Major Rehab   | 442,747           | 1,104,637           | 1,397,858           | 1,208,630           |
| Major Capital Outlay                                | 0                 | 0                   | 0                   | 0                   |
| <b>SUB-TOTAL</b>                                    | <b>\$ 442,747</b> | <b>\$ 1,104,637</b> | <b>\$ 1,397,858</b> | <b>\$ 1,208,630</b> |
| <b>TOTAL</b>  | <b>\$ 792,717</b> | <b>\$ 6,301,733</b> | <b>\$ 6,931,600</b> | <b>\$ 7,843,630</b> |

## EXHIBIT 9

## CAPITAL PROGRAMS

## 5 YEAR PLAN

|   | FY 03-04           | FY 04-05           | FY 05-06           | FY 06-07           | FY 07-08           | TOTAL               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| <b>Capital Improvement Projects (CIP)</b> |                    |                    |                    |                    |                    |                     |
| <b>(Springfield Administration)</b>       |                    |                    |                    |                    |                    |                     |
| Poplar Plantation                         | 5,700,000          | 0                  | 0                  | 0                  | 0                  | \$5,700,000         |
| Composting                                | 0                  | 600,000            | 0                  | 0                  | 0                  | \$600,000           |
| Dredge Movement System                    | 150,000            | 0                  | 0                  | 0                  | 0                  | 150,000             |
| Line Lagoons                              | 0                  | 100,000            | 1,000,000          | 0                  | 1,000,000          | 2,100,000           |
| Ops Building Evaluation & Improver        | 0                  | 50,000             | 200,000            | 850,000            | 0                  | 1,100,000           |
| Electronic Records & Storage              | 50,000             | 0                  | 0                  | 0                  | 0                  | 50,000              |
| River Avenue Improvements                 | 0                  | 228,230            | 0                  | 0                  | 0                  | 228,230             |
| EBI/WBI Flow Monitoring                   | 135,000            | 0                  | 0                  | 0                  | 0                  | 135,000             |
| Glenwood Pump Station Upgrade             | 0                  | 0                  | 0                  | 0                  | 250,000            | 250,000             |
| Pre-Design Study                          | 600,000            | 0                  | 0                  | 0                  | 0                  | 600,000             |
| Secondary Clarifier and Outfall Diff]     | 0                  | 1,200,000          | 0                  | 0                  | 0                  | 1,200,000           |
| Secondary Treatment Upgrade               | 0                  | 0                  | 2,480,000          | 3,280,000          | 0                  | 5,760,000           |
| Outfall Diffuser Expansion                | 0                  | 0                  | 970,000            | 1,050,000          | 0                  | 2,020,000           |
| Digester Mixing Improvements              | 0                  | 0                  | 500,000            | 0                  | 3,860,000          | 4,360,000           |
| <b>SUB-TOTAL</b>                          | <b>\$6,635,000</b> | <b>\$2,178,230</b> | <b>\$5,150,000</b> | <b>\$5,180,000</b> | <b>\$5,110,000</b> | <b>\$24,253,230</b> |
| <b>Other Capital Programs</b>             |                    |                    |                    |                    |                    |                     |
| <b>(Eugene Operations)</b>                |                    |                    |                    |                    |                    |                     |
| Equipment Replacement                     | \$1,026,630        | \$1,708,185        | \$1,092,022        | \$1,063,875        | \$343,926          | \$5,234,638         |
| Major Rehab                               | 182,000            | 200,000            | 602,000            | 269,220            | 194,764            | 1,447,984           |
| Major Capital Outlay                      | 0                  | 0                  | 0                  | 0                  | 0                  | 0                   |
| <b>SUB-TOTAL</b>                          | <b>\$1,208,630</b> | <b>\$1,908,185</b> | <b>\$1,694,022</b> | <b>\$1,333,095</b> | <b>\$538,690</b>   | <b>\$6,682,622</b>  |
| <b>TOTAL</b>                              | <b>\$7,843,630</b> | <b>\$4,086,415</b> | <b>\$6,844,022</b> | <b>\$6,513,095</b> | <b>\$5,648,690</b> | <b>\$30,935,852</b> |



REGIONAL WASTEWATER  
PROGRAM

RESERVES



## REGIONAL WASTEWATER PROGRAM RESERVES

The Regional Wastewater Program maintains reserve funds for dedicated purposes. Generally, reserves provide a buffer against substantial fluctuations in revenues and expenditures, resulting in the ability to maintain stable rates while fully funding operating and capital needs. The Commission has established a financial policy to maintain operating reserves at approximately 10% of the operating budget. Capital reserves provide for legal accounting of various funding sources and the ability to cover major one-time expenditures and maintain stable rates. The FY 03-04 budget includes both contributions to and expenditures from the dedicated Capital and Equipment Replacement Reserve. Further detail on the proposed FY 03-04 reserves is provided below.

### WORKING CAPITAL RESERVE

The Working Capital Reserve provides funds for Springfield Administration and Eugene Operations costs paid prior to the receipt of user fees from Springfield Utility Board and Eugene Water and Electric Board. These reserves act as revolving accounts which are drawn down and replenished on a monthly basis. Eugene's Working Capital Reserve is \$500,000, and Springfield's Working Capital Reserve is \$200,000.

### CAPITAL RESERVES

The Capital Reserves accumulate funds to cover CIP and Major Rehabilitation Program costs so that rate impacts can be minimized. These capital programs are tracked separately because the CIP is administered by Springfield and the Major Rehabilitation Program is administered by Eugene. The FY 03-04 proposed budget includes a contribution from the Operating Reserve of \$750,000 to maintain this reserve and to cover costs related to the five-year CIP and Major Rehabilitation Programs. Interest earnings estimated at \$200,830 will be credited to this account and the ending balance on June 30, 2004 is proposed at \$5,804,440. Additional budget detail on the CIP and Major Rehabilitation Program reserves is provided below.

|                                 | Adopted<br>Budget<br>FY 02-03 | Amended<br>Budget<br>FY 02-03 | Proposed<br>Budget<br>FY 03-04 |
|---------------------------------|-------------------------------|-------------------------------|--------------------------------|
| <b>CIP RESERVE</b>              |                               |                               |                                |
| Beginning Balance               | \$7,390,773                   | \$8,621,180                   | \$9,403,610                    |
| Transfer From Operating Reserve | 1,869,671                     | 1,869,671                     | 750,000                        |
| Transfer From CSD               | 0                             | 0                             | 142,000                        |
| Interest                        | 134,746                       | 134,746                       | 200,830                        |
| Funding For Major Rehab         | (495,338)                     | (642,195)                     | (182,000)                      |
| Funding For CIP                 | (3,409,096)                   | (3,597,096)                   | (4,510,000)                    |
| Ending Balance                  | <b>\$5,490,756</b>            | <b>\$6,386,306</b>            | <b>\$5,804,440</b>             |

EQUIPMENT REPLACEMENT RESERVE

The Equipment Replacement Reserve incorporates 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 at the Water Pollution Control Facility. Contributions to the Equipment Replacement Reserve in the proposed FY 03-04 budget total \$481,098 . Proposed expenditures from the Equipment Replacement Reserve in FY 03-04 total \$1,026,630 . Additional budget detail is provided below.

|                                      | Adopted<br>Budget<br>FY 02-03 | Amended<br>Budget<br>FY 02-03 | Proposed<br>Budget<br>FY 03-04 |
|--------------------------------------|-------------------------------|-------------------------------|--------------------------------|
| <b>EQUIPMENT REPLACEMENT RESERVE</b> |                               |                               |                                |
| Beginning Balance                    | \$8,948,590                   | \$9,015,480                   | \$8,876,727                    |
| Annual Equipment Contribution        | 310,290                       | 310,290                       | 325,805                        |
| Annual Vehicle Contribution          | 133,620                       | 133,620                       | 136,693                        |
| Annual Computer Contribution         | 30,000                        | 30,000                        | 18,600                         |
| Interest                             | 226,513                       | 226,513                       | 158,302                        |
| Equipment Purchases                  | (609,299)                     | (755,663)                     | (1,026,630)                    |
| Ending Balance                       | <b>\$9,039,714</b>            | <b>\$8,960,240</b>            | <b>\$8,489,497</b>             |

SYSTEM DEVELOPMENT CHARGE (SDC) RESERVE

SDC's (formerly described as "equalization charges") are required as part of the MWMC Intergovernmental Agreement. They are connection fees charged to new users to recover costs associated with construction of plant capacity, and are limited to funding Capital Programs. The purpose of the SDC Reserve is to collect and account for SDC revenues separately from other revenue sources, in accordance with statutory requirements. Since 1997, the Commission has maintained an SDC structure that is a combination of "Reimbursement" and "Improvement" fee components. Estimated SDC revenues for FY 03-04 total \$850,000 . Capital costs to be paid with SDC's were budgeted at \$1,936,646 for FY 02-03, and are proposed at \$2,125,000 for FY 03-04. The projected total SDC Reserve balance on June 30, 2004 is \$4,077,070 . Additional budget detail is provided below.

|                            | Adopted<br>Budget<br>FY 02-03 | Amended<br>Budget<br>FY 02-03 | Proposed<br>Budget<br>FY 03-04 |
|----------------------------|-------------------------------|-------------------------------|--------------------------------|
| <b>SDC RESERVE</b>         |                               |                               |                                |
| <b>IMPROVEMENT SDC's</b>   |                               |                               |                                |
| Beginning Balance          | \$323,862                     | \$343,563                     | \$363,264                      |
| SDC's Collected            | 51,138                        | 51,138                        | 80,495                         |
| Interest                   | 5,563                         | 5,563                         | 7,383                          |
| Funding For Capital        | (37,000)                      | (37,000)                      | 0                              |
| Ending Balance             | <b>\$343,563</b>              | <b>\$363,264</b>              | <b>\$451,142</b>               |
| <b>REIMBURSEMENT SDC's</b> |                               |                               |                                |
| Beginning Balance          | \$4,927,998                   | \$5,290,199                   | \$4,934,401                    |
| SDC's Collected            | 488,862                       | 488,862                       | 769,505                        |
| Interest                   | 53,180                        | 53,180                        | 47,022                         |
| Transfer To CSD            | 0                             | 0                             | 0                              |
| Funding For Capital        | (1,751,000)                   | (1,899,646)                   | (2,125,000)                    |
| Ending Balance             | <b>\$3,719,040</b>            | <b>\$3,932,595</b>            | <b>\$3,625,928</b>             |

## OPERATING RESERVE

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.

For FY 03-04, the proposed Operating Reserve budget includes components for operations, maintenance, administration and equipment replacement reserve contributions, as well as an amount dedicated to continue funding the Capital and Equipment Replacement Reserves. The amount of the Operating Reserve on June 30, 2004 is proposed at \$1,014,320 which approximates the 10% operating reserve target. Additional budget detail for the Operating Reserve is provided below.

|                          | Adopted<br>Budget<br>FY 02-03 | Amended<br>Budget<br>FY 02-03 | Proposed<br>Budget<br>FY 03-04 |
|--------------------------|-------------------------------|-------------------------------|--------------------------------|
| <b>OPERATING RESERVE</b> |                               |                               |                                |
| Beginning Balance        | \$1,427,327                   | \$1,221,746                   | \$451,870                      |
| User Revenue             | 11,200,000                    | 11,200,000                    | 11,265,000                     |
| Septage Revenue          | 0                             | 0                             | 377,000                        |
| Other Revenue            | 282,960                       | 282,960                       | 277,765                        |
| Interest                 | 43,400                        | 43,400                        | 23,600                         |
| Expenditures             | (9,618,674)                   | (9,994,701)                   | (10,149,817)                   |
| Transfer to Reserves     | (2,343,581)                   | (2,343,581)                   | (1,231,098)                    |
| Ending Balance           | <b>\$991,432</b>              | <b>\$409,824</b>              | <b>\$1,014,320</b>             |

## EXHIBIT 10

REGIONAL WASTEWATER PROGRAM  
RESERVES - LINE ITEM BUDGET

| RESERVES                     | Adopted<br>Budget<br>FY 02-03 | Amended<br>Budget<br>FY 02-03 | Proposed<br>Budget<br>FY 03-04 |
|------------------------------|-------------------------------|-------------------------------|--------------------------------|
| <b>WORKING CAPITAL</b>       |                               |                               |                                |
| Eugene                       | \$500,000                     | \$500,000                     | \$500,000                      |
| Springfield                  | 200,000                       | 200,000                       | 200,000                        |
| <b>CAPITAL RESERVES</b>      |                               |                               |                                |
| Capital Improvement Projects | 0                             | 0                             | 0                              |
| Equipment Replacement        | 14,530,470                    | 15,346,546                    | 14,293,937                     |
| SDC RESERVE                  | 4,062,603                     | 4,062,603                     | 4,062,603                      |
| OPERATING RESERVE            | 991,432                       | 991,432                       | 991,432                        |
| RATE STABILITY RESERVE       | 0                             | 0                             | 0                              |
| <b>TOTAL RESERVES</b>        | <b>\$20,284,505</b>           | <b>\$21,100,581</b>           | <b>\$20,047,972</b>            |





# APPENDICES



REGIONAL WASTEWATER  
PROGRAM

APPENDIX A

SPRINGFIELD  
PROGRAM DETAIL



**CITY OF SPRINGFIELD  
REGIONAL WASTEWATER PROGRAM RESPONSIBILITIES**

The City of Springfield manages administrative services for the Regional Wastewater Program under a contract with the Metropolitan Wastewater Management Commission (MWMC). The programs maintained by Springfield to support the Regional Wastewater Program 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 03-04 is provided in Exhibit 3 on page 17.

**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 SOURCE CONTROL (ISC) (Pretreatment)**

The ISC 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 wastewaters 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 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 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 2003, there were 15 significant industrial users under permit in Springfield. Pretreatment program staff also coordinate pollution prevention activities in cooperation with the Pollution Prevention Coalition of Lane County.

**ACCOUNTING & FINANCIAL REPORTING**

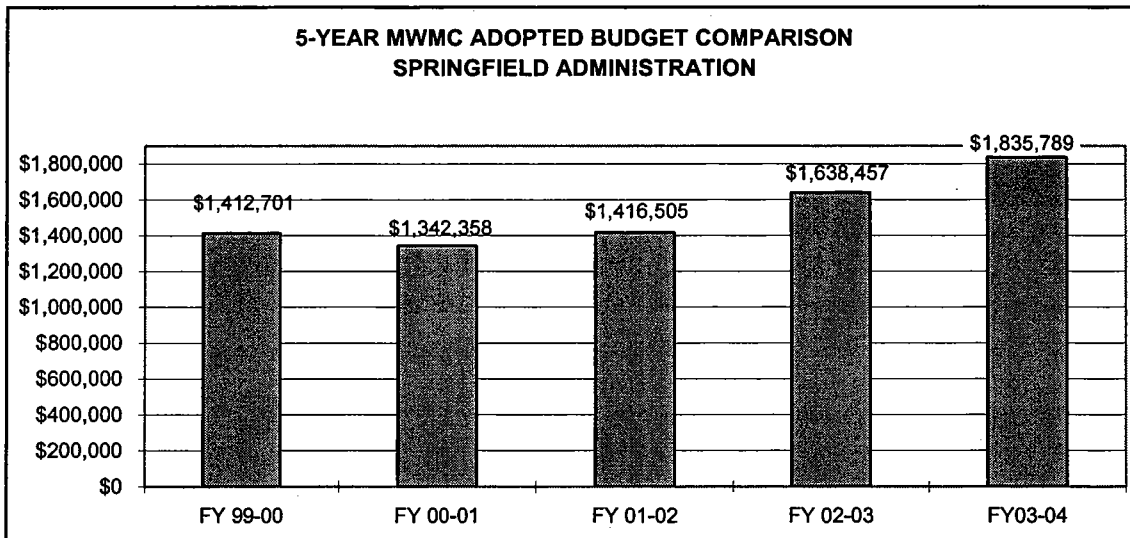
Accounting and financial reporting services for the RWP are provided by the Accounting section in the Springfield Finance Department, in coordination with ESD. Springfield Accounting staff maintain grant and contract accounting systems, as well as compliance with all local, State and

Federal accounting and reporting requirements for MWMC finances. This section also assists ESD with preparation of the MWMC budget, sewer user rates, and financial policies and procedures.

**EXHIBIT 11**

**SPRINGFIELD ADMINISTRATION PROGRAM  
PROPOSED FY 03-04  
BUDGET SUMMARY**

|                       | ACTUAL<br>FY 01-02 | ADOPTED<br>BUDGET<br>FY 02-03 | AMENDED<br>BUDGET<br>FY 02-03 | PROPOSED<br>BUDGET<br>FY 03-04 | CHANGE *         |            |
|-----------------------|--------------------|-------------------------------|-------------------------------|--------------------------------|------------------|------------|
|                       |                    |                               |                               |                                | INCR/(DECR)      |            |
| Personnel Services    | \$473,919          | \$593,000                     | \$593,000                     | \$629,236                      | \$36,236         | 6%         |
| Materials & Services  | 957,334            | 1,031,067                     | 1,179,847                     | 1,206,553                      | 175,486          | 17%        |
| Capital Outlay        | 2,722              | 14,390                        | 14,390                        | 0                              | (14,390)         | NA         |
| <b>Budget Summary</b> | <b>\$1,433,975</b> | <b>\$1,638,457</b>            | <b>\$1,787,237</b>            | <b>\$1,835,789</b>             | <b>\$197,332</b> | <b>12%</b> |



Notes: \* Change column and percent change column compare proposed FY 03-04 budget to originally adopted FY 02-03 budget.

**EXHIBIT 12**  
**SPRINGFIELD ADMINISTRATION**  
**LINE ITEM BUDGET SUMMARY**

|  | ADOPTED            |                    |                    | AMENDED            | PROPOSED           | CHANGE           |            |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|------------|
|  | ACTUAL<br>FY 01-02 | BUDGET<br>FY 02-03 | BUDGET<br>FY 02-03 | BUDGET<br>FY 02-03 | BUDGET<br>FY 03-04 | INCR/(DECR)      |            |
| <b><u>PERSONNEL SERVICES</u></b>       |                    |                    |                    |                    |                    |                  |            |
| Regular Wages                          | \$370,297          | \$443,074          | \$443,074          | \$443,074          | \$454,428          | \$11,354         | 3%         |
| Overtime                               | 0                  | 8,500              | 8,500              | 8,500              | 5,500              | (3,000)          | -35%       |
| Pers Services Adjustments              | 0                  | 0                  | 0                  | 0                  | 9,695              | 9,695            | NA         |
| Comp Time Payoff                       | 0                  | 0                  | 0                  | 0                  | 12,837             | 12,837           | NA         |
| Employee Benefits                      | 103,623            | 141,426            | 141,426            | 141,426            | 146,776            | 5,350            | 4%         |
| <b>Total Personnel Services</b>        | <b>\$473,919</b>   | <b>\$593,000</b>   | <b>\$593,000</b>   | <b>\$593,000</b>   | <b>\$629,236</b>   | <b>\$36,236</b>  | <b>6%</b>  |
| FTE                                    | 7.30               | 8.40               | 8.40               | 8.40               | 8.40               | -                | 0%         |
| <b><u>MATERIALS &amp; SERVICES</u></b> |                    |                    |                    |                    |                    |                  |            |
| Billing & Coll Exp                     | 374,545            | 279,300            | 393,300            | 393,300            | 414,000            | 134,700          | 48%        |
| Contractual Services                   | 19,252             | 70,139             | 86,169             | 86,169             | 68,139             | (2,000)          | -3%        |
| Environmental Ed                       | 2,235              | 10,000             | 10,000             | 10,000             | 5,000              | (5,000)          | -50%       |
| Attorney Fees                          | 31,731             | 40,000             | 40,000             | 40,000             | 42,000             | 2,000            | 5%         |
| Com Emerg Notification System          | 0                  | 0                  | 0                  | 0                  | 2,800              | 2,800            | NA         |
| PP&L Insurance                         | 188,146            | 230,000            | 230,000            | 230,000            | 225,000            | (5,000)          | -2%        |
| Telephone                              | 1,200              | 1,316              | 1,316              | 1,316              | 732                | (584)            | -44%       |
| Ris/Airs/Geo Charges                   | 2,584              | 2,761              | 2,761              | 2,761              | 6,674              | 3,913            | 142%       |
| Advertising                            | 0                  | 0                  | 0                  | 0                  | 4,500              | 4,500            | NA         |
| Duplicating Supplies                   | 1,675              | 2,000              | 2,000              | 2,000              | 2,415              | 415              | 21%        |
| Printing                               | 0                  | 0                  | 0                  | 0                  | 7,500              | 7,500            | NA         |
| Travel & Meeting Expenses              | 5,514              | 15,800             | 15,800             | 15,800             | 16,150             | 350              | 2%         |
| Property Taxes                         | 0                  | 0                  | 0                  | 0                  | 9,000              | 9,000            | NA         |
| WPCF/NPDES Permits                     | 0                  | 76,000             | 94,750             | 94,750             | 90,000             | 14,000           | 18%        |
| Safety Clothing/Eq                     | 0                  | 0                  | 0                  | 0                  | 200                | 200              | NA         |
| Pretreatment Supplies                  | 2,206              | 3,500              | 3,500              | 3,500              | 3,500              | 0                | 0%         |
| Gasoline & Oil                         | 548                | 600                | 600                | 600                | 462                | (138)            | -23%       |
| Utilities                              | 1,897              | 2,106              | 2,106              | 2,106              | 4,969              | 2,863            | 136%       |
| Memberships, Books, Subscrips          | 9,184              | 11,520             | 11,520             | 11,520             | 13,150             | 1,630            | 14%        |
| Postage & Shipping Charges             | 1,610              | 3,500              | 3,500              | 3,500              | 3,500              | 0                | 0%         |
| Office Supplies                        | 7,965              | 7,500              | 7,500              | 7,500              | 7,500              | 0                | 0%         |
| Computer Software                      | 0                  | 900                | 900                | 900                | 920                | 20               | 2%         |
| Program Expense                        | 94,958             | 47,800             | 47,800             | 47,800             | 35,550             | (12,250)         | -26%       |
| Elections Expense                      | 8,866              | 0                  | 0                  | 0                  | 0                  | 0                | NA         |
| Internal System Mtce                   | 0                  | 8,000              | 8,000              | 8,000              | 8,000              | 0                | 0%         |
| Equipment Maintenance                  | 3,584              | 4,000              | 4,000              | 4,000              | 2,109              | (1,891)          | -47%       |
| Property Maintenance                   | 0                  | 0                  | 0                  | 0                  | 500                | 500              | NA         |
| Employee Development                   | 2,893              | 9,130              | 9,130              | 9,130              | 9,125              | (5)              | 0%         |
| Internal Insurance Chgs                | 732                | 2,146              | 2,146              | 2,146              | 2,353              | 207              | 10%        |
| Internal Veh Mt Chgs                   | 951                | 1,096              | 1,096              | 1,096              | 977                | (119)            | -11%       |
| Phone Equip Chgs                       | 627                | 627                | 627                | 627                | 405                | (222)            | -35%       |
| Internal Fac Rent                      | 5,950              | 5,950              | 5,950              | 5,950              | 10,411             | 4,461            | 75%        |
| Computer Equip Chgs                    | 3,875              | 7,861              | 7,861              | 7,861              | 6,718              | (1,143)          | -15%       |
| Data Proc Chgs                         | 15,596             | 19,655             | 19,655             | 19,655             | 26,423             | 6,768            | 34%        |
| Bldg Maint Chgs                        | 7,493              | 7,744              | 7,744              | 7,744              | 13,738             | 5,994            | 77%        |
| Internal Phone Chgs                    | 618                | 618                | 618                | 618                | 0                  | (618)            | NA         |
| Internal Veh & Equip Rent              | 3,670              | 4,125              | 4,125              | 4,125              | 3,772              | (353)            | -9%        |
| Internal Employee Benefit              | 3,239              | 4,348              | 4,348              | 4,348              | 5,620              | 1,272            | 29%        |
| License & Fee Refunds                  | 24,232             | 0                  | 0                  | 0                  | 0                  | 0                | NA         |
| Indirect Costs                         | 129,758            | 151,025            | 151,025            | 151,025            | 152,741            | 1,716            | 1%         |
| <b>Total Materials &amp; Services</b>  | <b>\$957,334</b>   | <b>\$1,031,067</b> | <b>\$1,179,847</b> | <b>\$1,179,847</b> | <b>\$1,206,553</b> | <b>\$175,486</b> | <b>17%</b> |
| <b><u>CAPITAL OUTLAY</u></b>           |                    |                    |                    |                    |                    |                  |            |
| Total Capital Outlay                   | 2,722              | 14,390             | 14,390             | 14,390             | 0                  | (\$14,390)       | NA         |
| <b>TOTAL ADMIN</b>                     | <b>\$1,433,975</b> | <b>\$1,638,457</b> | <b>\$1,787,237</b> | <b>\$1,787,237</b> | <b>\$1,835,789</b> | <b>\$197,332</b> | <b>12%</b> |





REGIONAL WASTEWATER  
PROGRAM

APPENDIX B

EUGENE  
PROGRAM DETAIL



**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 with the MWMC.

These regional facilities include the Eugene/Springfield Regional Water Pollution Control Facility, the 154-acre Biosolids Management Facility, the 286-acre Seasonal Industrial Waste Facility, the 400-acre Awbrey Lane Poplar 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. Additionally, the City of Eugene Engineering Division provides sewer user customer service.

**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. 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 integrated wastewater treatment processes to ensure effluent quality requirements are met in an effective manner. In addition, the Operations section provides 24 hour/day alarm monitoring of all plant processes, regional and local pump stations, and the Biosolids and Seasonal Industrial Waste Facilities.

**REGIONAL WASTEWATER TREATMENT  
FACILITY MAINTENANCE**

Preservation of the multi-million dollar investment in the equipment and infrastructure of the WPCF is the responsibility of the Maintenance section of the Wastewater Division. 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 biological solids (biosolids) produced as a result of the activated sludge treatment of wastewater is managed by the Residuals Management section of the Wastewater Division. This section operates the Biosolids Management Facility (BMF) located at Awbrey Lane in Eugene. Approximately 4,750 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 air-dried to reduce the water content and facilitate transport. The dried material is ultimately recycled to agricultural land as a beneficial fertilizer and soil conditioner.

### INDUSTRIAL SOURCE CONTROL (Pretreatment)

The pretreatment program is a regional activity implemented jointly by the cities of Eugene and Springfield. The Industrial Source Control (ISC) section of the Wastewater Division is charged with administering the pretreatment program for the regulation and oversight of wastewaters discharged to the sanitary collection system by fixed-site industries in Eugene and by mobile waste haulers in the Eugene and Springfield areas. ISC 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 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 ISC 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 January 2003, there were 22 significant industrial users under permit in Eugene.

The ISC unit also has responsibilities related to environmental spill response activities and ambient and stormwater quality monitoring.

### REGIONAL ENVIRONMENTAL ANALYTICAL SERVICES

The Environmental Analytical Services Laboratory provides necessary analytical services 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, cannery wastewater, 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.

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.

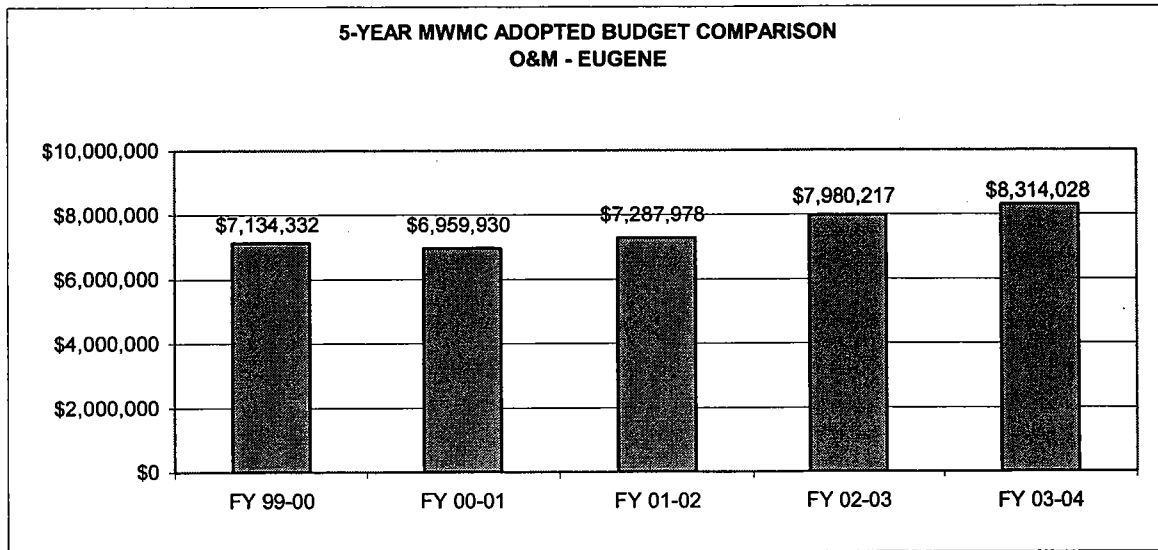
PROJECT MANAGEMENT

Management of wastewater system improvements and ongoing developments is carried out by the Project Management staff. Activities include problem-solving and action recommendations, project management, technical research, 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 develop Request for Proposals and Request for Quotes, coordinate special project activities between work sections, and coordinate the procurement of building permits, as necessary, in support of project activities.

**EXHIBIT 13**

**O & M - CITY OF EUGENE PROGRAM  
PROPOSED FY 03-04  
BUDGET SUMMARY**

|                       | ACTUAL<br>FY 01-02 | ADOPTED<br>BUDGET<br>FY 02-03 | AMENDED<br>BUDGET<br>FY 02-03 | PROPOSED *<br>BUDGET<br>FY 03-04 | CHANGE **<br>INCR/(DECR) |           |
|-----------------------|--------------------|-------------------------------|-------------------------------|----------------------------------|--------------------------|-----------|
| Personnel Services    | \$4,516,663        | \$4,738,999                   | \$4,738,999                   | \$5,123,990                      | \$384,991                | 8% **     |
| Materials & Services  | 3,050,557          | 3,138,255                     | 3,268,892                     | 3,166,038                        | 27,783                   | 1%        |
| Capital Outlay        | 11,603             | 102,963                       | 199,573                       | 24,000                           | (78,963)                 | -77%      |
| <b>Budget Summary</b> | <b>\$7,578,823</b> | <b>\$7,980,217</b>            | <b>\$8,207,464</b>            | <b>\$8,314,028</b>               | <b>\$333,811</b>         | <b>4%</b> |



Notes:

- \* Includes SIW transition costs
- \*\* Change column and percent change column, compare proposed FY 02-03 budget to originally adopted FY 01-02 budget

## EXHIBIT 14

O&M - CITY OF EUGENE  
LINE ITEM BUDGET SUMMARY

|  | ACTUAL<br>FY 01-02 | ADOPTED<br>BUDGET<br>FY 02-03 | AMENDED<br>BUDGET<br>FY 02-03 | PROPOSED *<br>FY 03-04 | CHANGE<br>INCR/(DECR) |             |
|--|--------------------|-------------------------------|-------------------------------|------------------------|-----------------------|-------------|
| <b><u>PERSONNEL SERVICES</u></b>       |                    |                               |                               |                        |                       |             |
| Regular Wages                          | \$3,076,532        | \$3,185,046                   | \$3,185,046                   | \$3,268,886            | \$83,840              | 3%          |
| Extra Help                             | \$53,777           | \$46,360                      | \$46,360                      | \$46,360               | 0                     | 0%          |
| Overtime                               | \$39,515           | \$40,557                      | \$40,557                      | \$40,557               | 0                     | 0%          |
| Employee Benefits                      | \$859,731          | \$910,396                     | \$910,396                     | \$1,150,749            | 240,353               | 26%         |
| Health Insurance                       | \$438,571          | \$508,162                     | \$508,162                     | \$561,902              | 53,740                | 11%         |
| Workers' Comp/Unemploy Ins             | \$48,538           | \$48,478                      | \$48,478                      | \$55,536               | 7,058                 | 15%         |
| <b>TOTAL PERSONNEL SERVICES</b>        | <b>4,516,663</b>   | <b>4,738,999</b>              | <b>4,738,999</b>              | <b>5,123,990</b>       | <b>384,991</b>        | <b>8%</b>   |
| FTE                                    | 64.33              | 68.14                         | 68.14                         | 68.14                  | 0.00                  | 0%          |
| <b><u>MATERIALS &amp; SERVICES</u></b> |                    |                               |                               |                        |                       |             |
| Utilities                              | \$491,711          | \$609,485                     | \$609,485                     | \$613,623              | 4,138                 | 1%          |
| Fleet Operating Charges                | \$149,177          | \$161,142                     | \$161,142                     | \$190,426              | 29,284                | 18%         |
| Maintenance-Equip & Facilities         | \$576,707          | \$415,335                     | \$509,197                     | \$233,537              | (181,798)             | -44%        |
| Contractual Services                   | \$165,528          | \$214,787                     | \$223,222                     | \$233,762              | 18,975                | 9%          |
| Materials & Program Expense            | \$439,212          | \$431,023                     | \$440,007                     | \$433,085              | 2,062                 | 0%          |
| Chemicals                              | \$158,477          | \$176,412                     | \$176,412                     | \$184,118              | 7,706                 | 4%          |
| Parts & Components                     | \$236,083          | \$206,375                     | \$225,731                     | \$209,950              | 3,575                 | 2%          |
| Risk Insurance - Employee Liability    | \$42,785           | \$56,675                      | \$56,675                      | \$122,697              | 66,022                | 116%        |
| Laboratory Equipment & Supplies        | \$50,416           | \$57,294                      | \$57,294                      | \$53,384               | (3,910)               | -7%         |
| Computer Equip, Supplies, Maint        | \$70,017           | \$80,617                      | \$80,617                      | \$79,352               | (1,265)               | -2%         |
| Indirects                              | \$670,443          | \$729,110                     | \$729,110                     | \$812,104              | 82,994                | 11%         |
| <b>TOTAL MATERIALS &amp; SERVICES</b>  | <b>3,050,557</b>   | <b>3,138,255</b>              | <b>3,268,892</b>              | <b>3,166,038</b>       | <b>27,783</b>         | <b>1%</b>   |
| <b><u>CAPITAL OUTLAY</u></b>           |                    |                               |                               |                        |                       |             |
| Motorized Vehicles                     | \$0                | \$32,000                      | \$32,000                      | \$0                    | (32,000)              | NA          |
| Office Machines & Furniture            | 0                  | 0                             | 0                             | 0                      | 0                     | NA          |
| Computer & Electronic Equipment        | 0                  | 0                             | 0                             | 0                      | 0                     | NA          |
| Laboratory & Test Equipment            | 0                  | 0                             | 0                             | 0                      | 0                     | NA          |
| Capital Outlay-Other                   | 11,603             | 70,963                        | 167,573                       | 24,000                 | (46,963)              | -66%        |
| <b>TOTAL CAPITAL OUTLAY</b>            | <b>11,603</b>      | <b>102,963</b>                | <b>199,573</b>                | <b>24,000</b>          | <b>(78,963)</b>       | <b>-77%</b> |
| <b>LINE ITEM SUMMARY: EUGENE</b>       | <b>7,578,823</b>   | <b>7,980,217</b>              | <b>8,207,464</b>              | <b>8,314,028</b>       | <b>333,811</b>        | <b>4%</b>   |
| <b>EQUIPMENT REPLACEMENT</b>           | <b>\$ 299,122</b>  | <b>\$ 609,299</b>             | <b>\$ 755,663</b>             | <b>\$ 1,026,630</b>    | <b>\$ 417,331</b>     | <b>55%</b>  |
| <b>MAJOR REHAB</b>                     | <b>\$ 732,366</b>  | <b>\$ 495,338</b>             | <b>\$ 642,195</b>             | <b>\$ 182,000</b>      | <b>\$ (313,338)</b>   | <b>-49%</b> |
| <b>MAJOR CAPITAL OUTLAY</b>            | <b>\$ 421,000</b>  | <b>\$ -</b>                   | <b>\$ -</b>                   | <b>\$ -</b>            | <b>\$ -</b>           | <b>NA</b>   |

## Notes:

\* Includes SIW transition costs.





