HACSA SE

HACSA MEMORANDUM

TO:

HACSA Board of Commissioners

FROM:

Don Williams, Housing Director

AGENDA ITEM:

ORDER/In the Matter of Accepting a Bid and Awarding Contract #05-

C-0023 for the Laurelwood Re-Construction: Phase Seven.

AGENDA DATE:

May 11, 2005

I. MOTION:

IT IS MOVED THAT MALLARD CONSTRUCTION AND DEVELOPMENT, INC BE AWARDED A CONTRACT #05-C-0023 FOR LAURELWOOD RE-CONSTRUCTION: PHASE SEVEN AND THAT AN ORDER TO THIS EFFECT BE SIGNED; AND AN AGREEMENT BE EXECUTED IN ACCORDANCE WITH BID DOCUMENTS.

II. ISSUE

Board approval is required to award a contract for the Laurelwood Re-Construction: Phase Seven, located in Florence, Oregon .

III. DISCUSSION

A. Background:

The Agency is planning to accomplish comprehensive modernization of one duplex building (two apartment units) in Florence, Oregon. This project is the seventh phase of modernization of the thirty Agency-owned apartment units at Laurelwood Homes, Florence, Oregon. The exterior work includes demolition, new wood-framed walls,

new roof structure and covering, new windows, doors, vinyl siding, gutters and down spouts, drainage, concrete flat work, ADA-compliant ramps, entries, underground utilities, and site work. The interior work includes demolition, replacement of bath fixtures and vanities, new bath fans, new kitchen cabinets and countertops, new rough and finish plumbing, new rough and finish electrical work, and new appliances. Additional interior work includes new wall structure, interior doors, closet doors, floor coverings, gyp-board and plaster wall texture, paint, window coverings, new heating system, and firewall improvements. The duplex building (two units) is located at:

1) 1034/1038 Laurel Street, Florence

B. Analysis

A formal bid process with a bid package was issued by the Agency for the required work. Two bids were obtained, and the lowest bidder is responsive and responsible and they have reviewed their bid and confirmed their costs.

C. Alternatives/Options

In that the public bidding process was employed, the lowest bid has no irregularities and is responsive and responsible, the prices are considered competitive, and there are sufficient budget funds to cover the project, we recommend award of the contract to Mallard Construction and Development, Inc.

D. Recommendation

Approval of the proposed Motion.

E. <u>Timing</u>

Upon bid award, the contractor shall have ten days to provide the Agency with a signed contract. It is anticipated that all other necessary documents could be processed by May 27, 2005 and work would commence shortly thereafter.

IV. IMPLEMENTATION/FOLLOW-UP

Same as in Item III.E

V. ATTACHMENTS

Bid Recap Sheet.

IN THE BOARD OF COMMISSIONERS OF THE HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY, OREGON

ORDER NO.

)IN THE MATTER OF ACCEPTING A BID AND)AWARDING CONTRACT #05-C-0023 FOR)LAURELWOOD RE-CONSTRUCTION:)PHASE SEVEN

WHEREAS, at a duly publicized time and place on April 19, 2005, Brian Shafer of the Housing and Community Services Agency of Lane County, Oregon, opened bids on the following project: Contract #05-C-0023 for Laurelwood Re-Construction: Phase Seven.

WHEREAS, funds are available to finance the project, and the Executive Director having so recommended, NOW, THEREFORE, IT IS HEREBY

ORDERED, that Mallard Construction and Development, Inc. be awarded the contract for the Laurelwood Re-Construction: Phase Seven, and that the agreement be executed by the Executive Director in accordance with the bid documents. The contractor shall present a valid signed contract with performance security and shall satisfactorily complete all work within the specified contract time.

DATED this	day of	, 2005
	Chairperson HACSA Board of Co	mmissioners

IN THE MATTER OF ACCEPTING A BID AND AWARDING CONTRACT #05-C-0023 FOR LAURELWOOD RE-CONSTRUCTION: PHASE SEVEN.

Date 5 2 05 lens county





(541) 682-4090 • Fax (541) 682-3875 • TTY (541) 682-2565

BID RECAP SHEET

Contract #05-C-0023 LAURELWOOD RECONSTRUCTION: PHASE SEVEN

AWARDING A CONTRACT FOR LAURELWOOD RECONSTRUCTION: PHASE SEVEN, OWNED BY THE HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY.

CONTRACTOR	BID	<u>RANK</u>
Mallard Construction Sweet Home, Oregon	\$209,013.00	#1
Ron Kaufmann: Builder Reedsport, Oregon	\$217,000.00	#2

This a true and accurate account of the bid opening results for this project on April 19, 2005.

Brian Shafer, Contract Administrator

PARTNERS IN VASTEWATER LANAGEMENT

Metropolitan Wastewater Management Commission







partners in wastewater management

MWMC Commission April 25, 2005

Bill Inge Lane County Citizen MWMC President Mr. Bill VanVactor, County Administrator Lane County

125 E. 8th St.

Eugene, OR 97401

Walt Meyer
Eugene Citizen
MWMC Vice-President

Subject:

Metropolitan Wastewater Management Commission (MWMC)

FY 05-06 Regional Wastewater Program Budget and Capital

Improvements Program (CIP)

Faye Stewart Lane County Commissioner

George Poling Eugene City Councilor

Anne Ballew pringfield City Councilor

> Deborah Evans Eugene Citizen

Doug Keeler Springfield Citizen

Administration

Susan Smith
Environmental Services/
AWMC General Manager
City of Springfield
225 Fifth Street
3pringfield Oregon 97477
(541) 726-3694
FAX (541) 726-2309

Operations

Peter Ruffier
Director
City of Eugene
Wastewater Division
410 River Avenue
Eugene Oregon 97404
(541) 682-8600
FAX(541) 682-8601

Dear Bill:

On April 21, the MWMC held a public hearing on the FY 05-06 Regional Wastewater Program (RWP) Budget and Capital Improvements Program (CIP). At the meeting, the FY 05-06 RWP Budget and CIP were approved. The FY 05-06 RWP Budget funds operating and capital project requirements, and maintains targeted contributions to reserves.

Consistent with the Intergovernmental Agreement, the RWP Budget and CIP need to be ratified by the governing bodies of Eugene, Springfield and Lane County prior to final adoption by MWMC. Please forward the enclosed budget documents to the Board of Commissioners for their consideration on May 11, 2005.

If I can be of any additional assistance, please contact me at 726-3697. Thank you for your consideration and assistance in this matter.

Sincerely,

Susan L. Smith

MWMC General Manager

AGENDA DATE: May 11, 2005

To: Board of County Commissioners

Department: Commissioners Business

Presented By: Bill Van Vactor, County Administrator

Susie Smith, Springfield Environ. Services/MWMC General Manager

Peter Ruffier, Eugene Wastewater Division Director

Title: IN THE MATTER OF RATIFYING THE FY 05-06 REGIONAL

WASTEWATER PROGRAM BUDGET AND CAPITAL IMPROVEMENTS PROGRAM AS APPROVED BY THE METROPOLITAN WASTEWATER

MANAGEMENT COMMISSION (MWMC)

I. PROPOSED MOTION

MOVE APPROVAL OF THE ATTACHED BOARD ORDER RATIFYING THE FY 05-06 METROPOLITAN WASTEWATER MANAGEMENT COMMISSION (MWMC) REGIONAL WASTEWATER PROGRAM BUDGET AND CAPITAL IMPROVEMENTS PROGRAM AS PRESENTED.

II. ISSUE OR PROBLEM

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

III. DISCUSSION

A. <u>Background</u>

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

B. Analysis

The FY 05-06 RWP Budget and Capital Improvements Program (the budget document) was approved by the MWMC on April 21, 2005. The MWMC convened three budget work sessions and a public hearing prior to adopting the Budget and CIP. The FY 05-06 Budget funds all operations, administrative services, and capital projects planned for the RWP collection and treatment facilities. The CIP outlines and describes the capital projects planned for the next five years. In accordance with the IGA, MWMC contracts with the City of Eugene for operations and maintenance services, and with the City of Springfield for administrative services. The attached budget document provides regional program and budget summaries as well as detailed budgets for the services provided by Eugene and Springfield.

The budget document also provides information about how the RWP activities are driven by MWMC-established goals and how they are coordinated.

The FY 05-06 RWP Budget and CIP must be approved by MWMC and ratified by Lane County, Eugene, and Springfield, and then finally adopted by MWMC, prior to the beginning of the next fiscal year (July 1, 2005). The Eugene City Council is scheduled to ratify the Budget and CIP on May 9, 2005, and the Springfield City Council will ratify the Budget and CIP through its adoption of the City of Springfield Budget on June 20, 2005.

C. Alternatives

- 1. Ratify the MWMC FY 05-06 RWP Budget and CIP as adopted by MWMC.
- 2. Request that MWMC modify the FY 05-06 RWP Budget and CIP 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 document as recommended, no further action is necessary. However, as noted above, if the Board elects to pursue Alternative 2, the specific request needs to be forwarded to MWMC for consideration. A special MWMC meeting would then be convened to consider any modifications requested by the Board. Following MWMC reconsideration, the Budget would be referred once again to the Board, Eugene, and Springfield for reconsideration in June. The IGA provides for a mediation process if agreement on the Budget document cannot otherwise be achieved.

V. ATTACHMENTS

Attached is the FY 05-06 RWP Budget and CIP document, as approved by MWMC on April 21, 2005.

IN THE BOARD OF COUNTY COMMISSIONERS LANE COUNTY, OREGON

Order No.) REGION) AND CA) APPRO	MATTER OF RATIFYING THE FY 05-06 NAL WASTEWATER PROGRAM BUDGET APITAL IMPROVEMENTS PROGRAM AS EVED BY THE METROPOLITAN EWATER MANAGEMENT COMMISSION
Commission Regional Waste	water Progran s provided for	Metropolitan Wastewater Management in Budget and Capital Improvements Program in the Metropolitan Wastewater Management it first adopted in 1977; and
a required public hearing and on April 21, 2005, that the FY	following add 05-06 Regior	ewater Management Commission, after holding ditional discussions and deliberation, directed nal Wastewater Program Budget and Capital orwarded to the governing bodies for
reviewed the Metropolitan Wa	astewater Mar	e participating governing bodies, has now nagement Commission's proposed Regional mprovements Program for FY 2005-2006;
	mmission's Re	Y ORDERED that the Metropolitan regional Wastewater Program Budget and 5-2006 is hereby ratified.
Dated this day of N	<i>l</i> lay, 2005.	
		Chair, Lane County Board of Commissioners

WASTEWATER MANAGEMENT COMMISSION

IN THE MATTER OF RATIFYING THE FY 05-06 METROPOLITAN WASTEWATER PROGRAM BUDGET AND CAPITAL IMPROVEMENTS PROGRAM AS APPROVED BY THE METROPOLITAN

APPROVED AS TO FORM

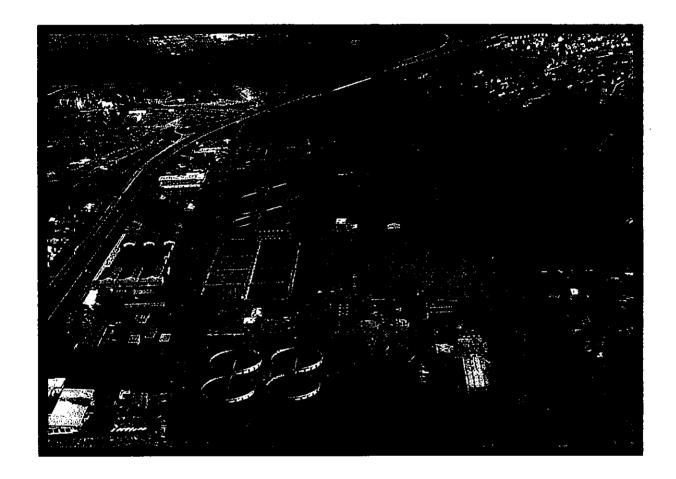
Metropolitan Wastewater Management Commission







partners in wastewater management



REGIONAL WASTEWATER PROGRAM BUDGET And CAPITAL IMPROVEMENTS PROGRAM FY 05-06

REGIONAL WASTEWATER PROGRAM BUDGET and CAPITAL IMPROVEMENTS PROGRAM FY 05-06

The Metropolitan Wastewater Management Commission adopted its Operating Budget and						
Capital Improvements Progra	m (CIP) for FY 05-06 o	on <u>2005</u> .	The Budget and CIP w	ere		
ratified by the Springfield Cir	y Council on,	<u>2005,</u> the Lane Co	unty Board of			
Commissioners on,	2005, and the Eugene	City Council,	<u>2005</u> . The			
Commission gave final ratific	cation to the budget and	CIP on	<u>2005</u> .			

COMMISSION MEMBERS:

Bill Inge, President (Lane County)
Walt Meyer, Vice-President (Eugene)

Anne Ballew, (Springfield)
Deborah Evans, (Eugene)
Doug Keeler, (Springfield)
George Poling, (Eugene)
Faye Stewart, (Lane County)

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

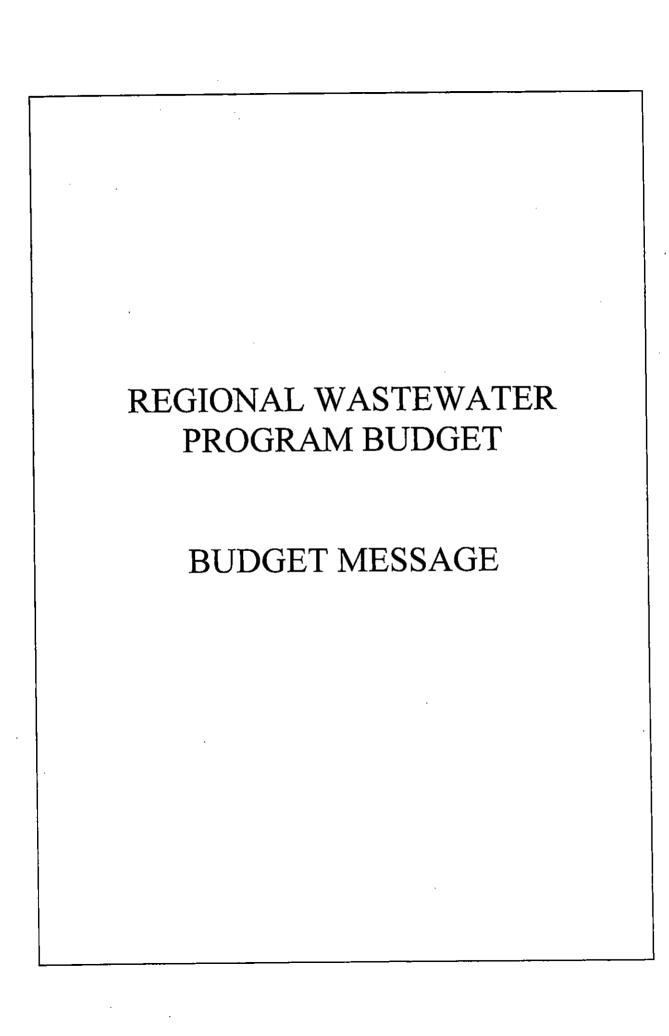
METROPOLITAN WASTEWATER MANAGEMENT COMMISSION

PROPOSED FY 04-05 BUDGET AND CAPITAL IMPROVEMENTS PROGRAM for the

REGIONAL WASTEWATER PROGRAM

TABLE OF CONTENTS

Budget Message	1
Regional Wastewater Program Overview	5
Exhibit 1: Interagency Coordination Structure	10
Regional Wastewater Program Budget and Program Summary	11
Exhibit 2: Regional Operating Budget Summary	11
Exhibit 3: Regional Capital Programs	20
Exhibit 4: Line Item Summary by Program Area	21
Exhibit 5: Budget Summary and Comparison	22
Regional Wastewater Program Staffing	25
Exhibit 6: Regional Wastewater Program Organizational Chart	25
Exhibit 7: Regional Wastewater Program Position Summary	26
Regional Wastewater Capital Programs Budget	28
Exhibit 8: Capital Programs – Proposed Capital Improvements Program Projects	34
Exhibit 9: Capital Programs 5-Year Plan	36
Regional Wastewater Program Reserves	38
Exhibit 10: Reserves - Line Item Budget	41
BUDGET APPENDICES	
Appendix A: Springfield Program and Budget Detail	42
Exhibit 11: Springfield Administration Program Budget Summary	43
Exhibit 12: Springfield Administration Line Item Summary	44
Appendix B: Eugene Program and Budget Detail	4:
Exhibit 13: Eugene O & M Program Budget Summary	48
Exhibit 14: Eugene Administration Line Item Summary	49
5-Year Capital Improvements Program	50
A TAME AND THE CONTRACT OF CO.	



BUDGET MESSAGE

METROPOLITAN WASTEWATER MANAGEMENT COMMISSION MEMBERS:

Introduction

Consistent with the Intergovernmental Agreement, I am presenting a proposed budget for FY 05-06 that funds operations, administration, and capital projects planned for the Regional Wastewater Program (RWP). The Metropolitan Wastewater Management Commission (MWMC) administration and Capital Improvements Program (CIP) 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 locally in compliance with the MWMC Model Ordinance, also are included in the RWP budget.

The CIP portion of the budget for FY 05-06 includes funding for several ongoing capital projects that implement the Commission's Biosolids Management Plan (1997), Wet Weather Flow Management Plan (2001), and Facilities Plan (2004). Projects carried over from FY 04-05 include: completion of phase one of Biocycle Farm; modifications to the lab expansion to improve acid neutralization capability; improvements to the digester mixing, primary clarification, secondary clarification, and south aeration basin facilities; and installation of construction management facilities. Unexpended funds for these projects, which were budgeted in FY 04-05, are being carried forward into FY 05-06 to support actual project schedules. New capital projects in the FY 05-06 CIP and budget include additional improvements to the Regional Wastewater Facilities, all of which implement the MWMC Facilities Plan, as adopted by the Commission and the Eugene, Springfield, and Lane County Governing Bodies in 2004. The FY 05-06 CIP projects are scheduled and budgeted in accordance with a phasing plan needed to maintain compliance with the MWMC effluent discharge permit and to provide capacity on an as-needed basis. The new FY 05-06 projects will primarily address the need for expanded peak wet weather flow management capability (i.e. influent pumping and design for two new secondary clarifiers), odor control, waste activated sludge thickening, continued implementation of biosolids production enhancements to reduce capacity constraints in the facultative sludge lagoons, as well as the adopted WWFMP strategies. Other Capital Programs, including Major Rehabilitation, Equipment Replacement, and Major Capital Outlay also are funded in the proposed FY 05-06 CIP and budget.

The proposed FY 05-06 RWP Operating Budget includes a 0.3 FTE increase in the City of Springfield staffing, which reflects the net effect of a minor reallocation of personnel resources between local and regional (MWMC) programs and recognizes minor organizational changes implemented in FY 04-05. City of Eugene staffing will increase by 2.14 FTE to account for reallocation of staff in regional versus local programs and the addition of one FTE to assist with the increased workload at the Biosolids Management Facility/Biocycle Farm. Except for staffing levels and non-discretionary personnel costs, RWP managers prepared budgets that absorb unavoidable cost increases where possible. Most of the proposed budget increases associated

with ongoing administration and operations are for non-discretionary costs such as fees, utilities and employee benefits, as well as one-time contractual expenses. The proposed FY 05-06 RWP Operating Budget maintains the Commission's Financial Plan and capital financing strategies, including funding all reserves at the Commission's and the MWMC Financial Advisor's stated targets.

The combined RWP FY 05-06 Operating Budget includes increases of 13% in Personnel Services, 6% in Materials and Services, and 47% in contributions to reserves over the originally adopted FY 04-05 budget. The FY 05-06 RWP Operating Budget also includes a new Debt Service budget of \$762,500. The significant increase in reserves and debt service requirements relate to meeting CIP financing requirements. The revenues required to fund the FY 05-06 Operating Budget will necessitate a 6% user rate increase which is consistent with the Commission's three year rate strategy. This new rate will result in an average residential billing of \$11.96 per month, based on a typical residential water consumption of 5,000 gallons, which is about a \$.68 increase.

Budget Highlights

- FY 05-06 staffing allocations to the RWP have increased modestly, in order to accommodate the expanded workload associated with the operation of the Biosolids Management Facility and Biocycle Farm, and to address shifting priorities and funding allocations. The total FTE for the RWP in FY 05-06 is budgeted at 86.85 as compared to 84.41 in FY 04-05. This includes a 0.3 FTE increase in Springfield FTE associated with distribution of staff time between regional and local programs, and a minor reorganization of RWP and Pretreatment Program functions. This also includes an increase of 2.14 FTE in Eugene staffing to support increased workload at the Biosolids Management Facility and to allocate staff time properly between regional and local programs.
- Including changes in staffing, RWP Personnel Services costs will increase by about 13% overall which reflects the combined effects of a projected 2.0-2.9% cost of living adjustment for Eugene, and a 2.6% cost of living adjustment for Springfield. The remainder of the increase is due primarily to higher rates for health insurance and PERS cost increases.
- The FY 05-06 Materials and Services budget will increase 6%, reflecting staff's efforts to maintain the overall RWP budget as flat as possible, while accommodating unavoidable increases in areas such as utilities and chemicals, and one-time contractual services expenses.

Budget Assumptions

The following assumptions and/or projections form the basis of the FY 05-06 RWP Operating Budget:

 The MWMC Key Outcomes and corresponding performance measures for FY 05-06, along with the MWMC Services Agreement, and the capital financing requirements of the MWMC Facilities Plan, form the basis for the RWP Work Plan and Operating Budget.

- Current National Pollutant Discharge Elimination System (NPDES) discharge permit requirements will be addressed operationally and in planning/development of CIP projects, and all permit conditions are intended to be met.
- New environmental challenges (e.g. Clean Water Act regulations) will be monitored and responded to.
- The Commission's first sale of revenue bonds, and use of other potential cost-beneficial financing tools, require a Debt Service line item, a Debt Service Reserve, and budgeted expenses associated with the bond sale.
- Proposed annual cost of living wage adjustments include a 2.9% increase in base salaries for Eugene union members, a 2% increase in base salaries for Eugene non-represented employees, and a 2.6% increase in base salaries for Springfield.
- Property and liability insurance costs are expected to increase at a slower rate for FY 05-06, and the budget has been reduced from prior years to recognize this slower-than-expected growth.
- Contractual Services costs will increase to fund ongoing Commission activities such as
 regional flow monitoring, increased public outreach and public documents associated with
 the MWMC Facilities Plan, technical assistance needed for NPDES permit compliance, and a
 review of MWMC's user rate cost centers.
- Litigation Expense is again budgeted to address legal suits and appeals filed by the Home Builders Association of Lane County.
- Working Capital remains budgeted at \$200,000 for Springfield and \$500,000 for Eugene.
- The Commission targets for funding the Operating Reserve, Capital Reserve and Equipment Replacement Reserve are met.
- CIP projects budgeted in FY 04-05 will be partially completed in that timeframe; however, approximately \$15,900,000 in carryovers to FY 05-06 are anticipated as a result of contractual commitments spanning both fiscal years.
- Projected FY 05-06 revenues are as follows: User fees \$16,150,000; Interest -\$606,900; and System Development Charges (SDC) \$1,774,800.
- The revenues and projects budgeted for FY 05-06 assume that the MWMC SDC methodology and the Facilities Plan will be upheld in the courts. However, a contingency reserve has been established within the Capital Reserve in the event the SDC methodology is remanded.

REGIONAL WASTEWATER PROGRAM RESOURCE AND EXPENDITURE SUMMARY

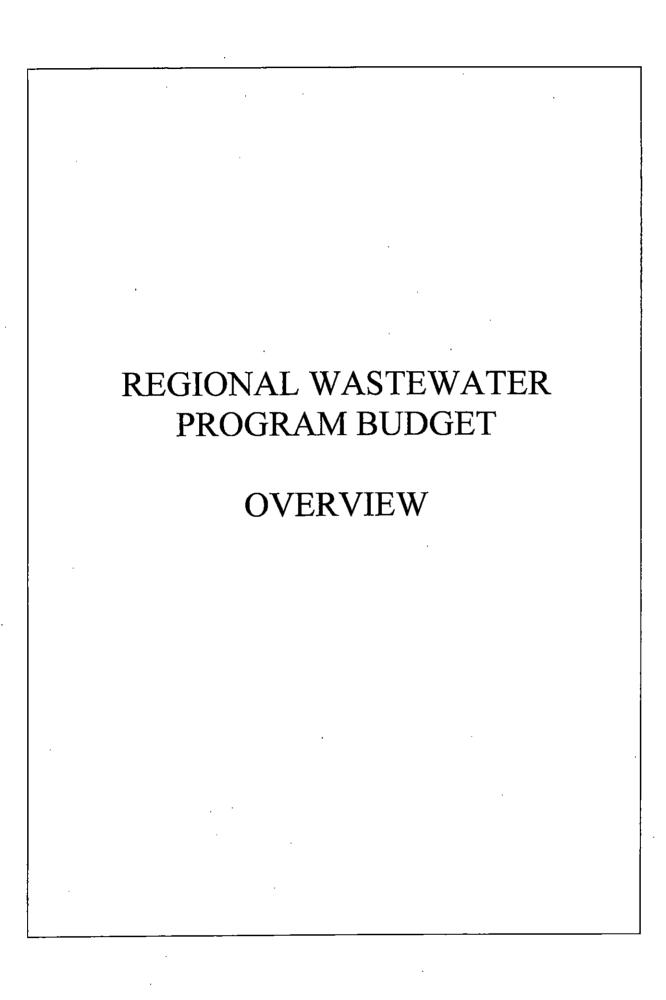
	BUDGET 2004-05	PROPOSED 2005-06	
RESOURCES			
User Fees	\$15,316,000	\$16,150,000	
Beginning Cash	23,518,554	\$23,333,924	
Internal Transfers	3,390,105	\$12,311,985	
System Development Charge	1,112,440	\$1,774,800	
Capital Repayment	0	0	
Interest	609,909	\$606,900	
Revenue Bond Proceeds	6,500,000	\$31,500,000	
Miscellaneous	456,494	\$46,809	
1411300114110040	\$50,903,502	\$85,724,418	'
EXPENDITURES			
Reserves	\$15,447,149	\$22,828,732	
Operations	8,890,345	\$9,728,373	
Internal Transfers	3,390,105	\$12,311,985	*
CIP	20,449,541	\$36,394,133	**
Bond Sale Expense	0	\$762,500	
Debt Service	0	\$762,500	
Administration	2,726,362	\$2,936,195	
Administration	\$50,903,502	\$85,724,418	•

- Includes three equipment replacement contributions totaling \$346,056, a Capital Reserve contribution of \$3,137,500, transfer of \$3,150,000 of revenue bond proceeds to fund the Revenue Bond Reserve, and transfer of \$5,678,429 in beginning cash from the Combined SDC Fund, which will no longer exist, to the newly created Reimbursement and Improvement SDC Funds.
- ** In governmental budgeting, projects are fully budgeted in the fiscal year in which the contract is awarded. At the end of each fiscal year, unspent funds are carried forward until the project is completed. This provides budget appropriations necessary for MWMC to commit to contracts that span more than one fiscal year.

Metropolitan Wastewater Management Commission

Dan E. Brown

Executive Officer



REGIONAL WASTEWATER PROGRAM OVERVIEW

The Metropolitan Wastewater Management Commission

The MWMC was formed by Eugene, Springfield, and Lane County through an intergovernmental agreement (IGA) in 1977 to provide wastewater collection and treatment services for the Eugene-Springfield metropolitan area. The seven-member Commission is composed of members appointed by the City Councils of Eugene (3 representatives), Springfield (2 representatives), and the Lane County Board of Commissioners (2 representatives). Since its inception, the Commission, in accordance with the IGA, has been responsible for oversight of the RWP including: construction, maintenance, and operation of the regional sewerage facilities; adoption of financing plans; adoption of budgets, user fees and connection fees; adoption of minimum standards for industrial pretreatment and local sewage collection systems; and recommendations for the expansion of regional facilities to meet future community growth. Staffing and services have been provided in various ways over the 28 years of MWMC's existence. Since 1983, the Commission has contracted with the Cities of Springfield and Eugene for all staffing and services necessary to maintain and support the RWP. Lane County's partnership has involved participation on the Commission and support to the Lane County Metropolitan Wastewater Service District (CSD), which managed the proceeds and repayment of general obligation bonds issued to construct RWP facilities.

Regional Wastewater Program Purpose and Key Outcomes

The purpose of the RWP is to protect public health and safety and the environment by providing high quality wastewater management services to the Eugene-Springfield metropolitan area. The MWMC and the regional partners are committed to providing these services in a manner that is effective, efficient, and meets customer service expectations. Since the mid-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 05-06 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 05-06 RWP Operating Budget, Capital Improvements Program and associated work plans.

Outcome 1: Achieve and maintain high environmental standards.

Indicators:			Performance:	
		FY 03-04 Actual	FY 04-05 Actual	FY 05-06 Target
•	Number of overflows	1	0	0
•	Number of NPDES permit effluent limit violations	0	0	0
•	Biosolids quality—all regulated contaminants	<50% EPA	<50% EPA	<50% EPA
•	Amount of reclaimed wastewater beneficially reused (million gallons)	965	900	1,500

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

Indicators:			Performance:	
		FY 03-04 Actual	FY 04-05 Actual	FY 05-06 Target
•	Annual Budget and Rates meet MWMC Financial Plan Policies	Policies Met	Policies Met	Policies Met
•	Annual audited financial statements	Clean Audit	Clean Audit	Clean Audit

Outcome 3: Achieve and maintain a successful intergovernmental partnership.

Indicators:	Performance:		
	FY 03-04	FY 04-05	FY 05-06
	Actual	Actual	Target
 Model Pretreatment Ordinance— developed and adopted regionally (MWMC); implemented by two cities 	Successful update	Evaluated, no update needed	Update Scheduled
 Wet Weather Flow Management Plandeveloped and adopted regionally (MWMC); implemented by two cities 	Scheduled Implementation Completed	Scheduled Implementation Completed	Update Scheduled
 Conflicts referred to governing bodies for resolution 	0	0	0

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

Indicators:				
		FY 03-04 Actual	FY 04-05 Actual	FY 05-06 Target
•	Percent of scheduled preventative maintenance completed	90%	85%	85%
•	Percent of planned maintenance work complete	. 94%	90%	90%
•	Maintain infrastructure in good to excellent condition (rating scale 0 to 5, with 5 being excellent)	Assessment completed, ratings from 4.0 to 5.0 documented	Conduct scheduled maintenance. Assessment in FY 07-08	Conduct scheduled maintenance. Assessment in FY 07-08

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 03-04 Actual	FY 04-05 Actual	FY 05-06 Target
MWMC Annual Report	Deferred to FY 04-05	Produced	Produced
 Updated MWMC Informational Brochures 		Complete Portfolio	Review
 Public Information Program for WPCF expansion/upgrades 	N/A	Materials Developed	Implement Program

Roles and Responsibilities

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

City of Eugene

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

Springfield staff); and regional laboratory services for wastewater and water quality analyses. These services are provided under contract with MWMC through the regional funding of 72.50 FTE.

City of Springfield

The City of Springfield supports the RWP through representation on MWMC, provision of MWMC administration services, and active coordination of and participation on interagency project teams and committees. Two MWMC members represent Springfield--one citizen and one City Councilor. Pursuant to the IGA, the Springfield Public Works Director and the Environmental Services Manager serve as the MWMC Executive Officer and General Manager, respectively. The Environmental Services Division and Finance Department staff provide ongoing staff support to the Commission and administration of the RWP in the following areas: legal and risk management services; financial management and accounting; coordination and management of public policy; regulatory and permit compliance issues; coordination between the Commission and the governing bodies; long-range capital project planning, design, and construction management; coordination of public information, education, and citizen involvement programs; and coordination and development of regional budgets, rate proposals, and revenue projections. Springfield staff also provide local implementation of the Industrial Pretreatment Program, as well as billing coordination and customer service. These services are provided under contract with MWMC through the regional funding of 12.8 FTE of Public Works Department staff and 1.2 FTE of Finance Department staff, as reflected in the proposed FY 05-06 budget.

Lane County

Lane County supports the RWP through representation on MWMC, 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 General Obligation (GO) bond proceeds and governance of the District. The District was formed, under agreement with MWMC and the partner agencies, to enable long-term financing of regional facilities through issuance of GO bonds. The CSD adopts an annual budget for CSD funds, which is separate from the MWMC budget. The GO bond debt, which was retired in August, 2002, was repaid by CSD through an annual property tax assessment for Eugene and Springfield properties. Sewer users in the unincorporated areas such, as the River Road/Santa Clara area, contributed to bond repayment through an "in-lieu-of-tax charge" (ILOTC). Because the bond debt has been fully repaid, property tax assessments and ILOTC payments are no longer be assessed.

Interagency Coordination

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

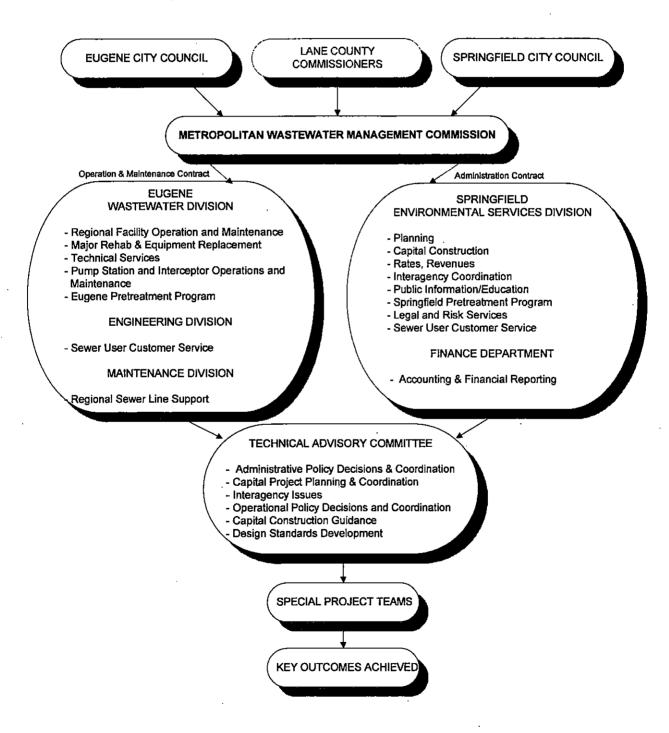
Exhibit 1 on the following page reflects the interagency coordination structure supporting the RWP. The TAC supports ongoing MWMC policy and coordination issues, and is coordinated by Springfield. Special project teams are typically formed to manage large projects such as design and construction of new 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 **BUDGET AND PROGRAM** SUMMARY

REGIONAL WASTEWATER PROGRAM FY 05-06 BUDGET

MWMC's RWP Operating Budget provides the Commission and governing bodies with an integrated view of the RWP elements. Exhibit 2 provides a summary of the overall Operating Budget. Separate Springfield and Eugene agency budgets and staffing also are presented within this budget document. Major program areas supported by Springfield and Eugene are described in the pages that follow and are summarized in Exhibit 4 on page 21. Finally, Exhibit 5 on page 22 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 04-05" column in all budget tables represents the updated RWP budget as of October 28, 2004, which reconciled actual beginning balances at July 1, 2004, and approved budget transfers.

EXHIBIT 2
REGIONAL OPERATING BUDGET SUMMARY

	WINDSHAMED :	AMENDED	ं हिस्तिवाहावाहात्वाहा		
	TO COURT !	BUDGET	BUDGD	CHANGE (1)	
	BESTY 9440% 9	FY 04-05	FF (65,06)	INCR/(DE	CR)
FTE	第24章	84.41	S0.35	2.44	_
Personnel Services (2)	36.450.VZ0	\$6,456,723	372.305.755g	\$879,030	14%
Materials & Services (2)	4.946.289	5,205,471	1,519 5,012,41151	286,131	6%
Capital Outlay (2,3)	218.700	256,663	96.460	(117,300)	-55%
Equip Replacement Contr (4)	3,510,1,035	390,105	\$ 18 1. 346 05 GF	(44,049)	-11%
Capital Reserve Contr (5)	3 (1010 (1010)	3,000,000	70 1617, 5000	137,500	5%
Working Capital Reserve (6)	i initia	700,000	7000000	0	0%
Rate Stability Reserve (7)	11,20/4(28)	1,289,168	652 88	(441,804)	-34%
Operating Reserve (8)	1,137,210	296,853	1,200,800	63,609	5%
Revenue Bond Reserve (9)		. 0	3 (30)	3,150,000	NA
Debt Service (10)	创造型制度	0	3-20 102,000	762,500	NA
Budget Summary	\$9(5)(\$3)7(0) ₁	\$17,594,983	89 <i>0</i> ; CB (1,527)	\$4,675,617	26%

Notes:

- 1. The Change column and Percent Change column compare the proposed FY 05-06 budget with the originally Adopted FY 04-05 Budget column.
- 2. Personnel Services, Materials and Services, and Capital Outlay budget amounts represent combined Springfield and Eugene Operating Budgets that support the RWP.
- 3. Capital Outlay does not include CIP, Equipment Replacement, Major Capital Outlay, or Major Rehabilitation, which are capital programs.
- 4. The Equipment Replacement Contribution is a budgeted transfer of operating revenues to "sinking funds" (reserves) for scheduled future replacement of major equipment, vehicles, and computers.
- 5. The Capital Reserve Contribution is a budgeted transfer of operating revenues to "sinking funds" (reserves). Capital is passed through the Springfield Administration Budget.

- 6. The Working Capital Reserve acts as a revolving account which is drawn down and replenished on a monthly basis to fund Eugene's and Springfield's cash flow needs.
- 7. The Rate Stability Reserve is used to accumulate revenues available at year-end after the budgeted Operating Reserve target is met. It is budgeted based on projected revenues and expenditures and is intended to lessen the size of needed rate increases over time.
- 8. The Operating Reserve is used to account for the accumulated operating revenues net of operations expenditures. The Commission has adopted a policy of maintaining a minimum Operating Reserve balance approximately equal to 10% of the adopted Operating Budget. This targeted level of funding provides for contingency funds in the event unanticipated expenses or revenue shortfalls occur during the budget year.
- The Revenue Bond Reserve was established in FY 05-06 to recognize and record reserves required by revenue hond covenants.
- 10. The Debt Service line item is the sum of interest and principal payments on the Revenue Bonds.

PROGRAMS AND SIGNIFICANT SERVICE/EXPENDITURE CHANGES

PROGRAM: RWP ADMINISTRATION CITY OF SPRINGFIELD

In FY 05-06, the City of Springfield will support the following major regional initiatives in addition to ongoing Commission administration and industrial pretreatment activities:

- WWFMP implementation: continue flow monitoring, data tracking, and regional coordination; and begin WWFMP update process.
- Prepare and conduct revenue bond sale; and establish financial systems to manage bond proceeds and accounting requirements.
- Complete phase two of Biocycle Farm construction and planting.
- Develop a voluntary Pollution Management Practices Program within the Industrial Pretreatment Program for local dentists, to address the mercury TMDL on the Willamette River.
- Undertake design and construction management of Facilities Plan CIP projects scheduled for FY 05-06, implementing consultant recommendations for efficiency and effectiveness improvements as appropriate to meet adopted budgets and schedules.
- Continue enhanced public information and outreach activities focused on the MWMC Facilities Plan.
- Continue to support implementation of the MWMC Temperature Management Plan by evaluating reclaimed water reuse opportunities.
- Review and update the sewer user rate structure to ensure accuracy in assessing costs of service.
- Review and update the local industrial discharge limits, to address compliance with MWMC's NPDES permit.
- Complete data archiving for MWMC documents and drawings.
- Protect RWP interests through participation in Association of Clean Water Agencies activities.
- Continue participation in the Pollution Prevention Coalition of Lane County.

SIGNIFICANT CHANGES FOR FY 05-06

The proposed budget for Springfield Personnel Services, Materials and Services, and Capital Outlay for FY 05-06 totals \$2,936,195.

Personnel Services

Personnel Services totaling \$1,149,816 represent an FY 05-06 increase of \$101,172 or 10%. The major changes are in the following budget categories:

Staffing

No significant changes in approved staffing levels are proposed.

Regular Wages - Budget Request \$799,181 [Increase of \$66,511 or 9%]

• Salaries for FY 05-06 increase by 2.6% per contract agreement between the City of Springfield and the local union (OPEU). Merit increases for some employees are also budgeted. These increases are partially offset by a small internal reallocation of personnel between the Regional Wastewater Fund and other City of Springfield funds and by a reduction of end-of-service funds budgeted in FY 04-05 for retiring personnel.

Employee Benefits - Budget Request \$341,571 [Increase of \$52,839 or 18%]

• PERS rates have increased from 12.7% of covered salary costs to 13.56% of covered salary costs; a 7% year-over-year increase.

Materials and Services

The proposed Materials and Services budget represents a total FY 05-06 increase of \$146,411 or 9%. The major changes are in the following budget categories:

Billing and Collection Expenses - Budget Request \$395,000 [Decrease \$30,000 or 7%]

 These expenses are projected to decrease due to the discontinuation of the Eugene Water and Electric Board (EWEB) billing system surcharge. Collection costs charged by the Springfield Utility Board (SUB) are projected to remain at the FY 04-05 rate for FY 05-06.

Contractual Services – Budget Request \$292,500 [Increase of \$104,061 or 55% over original FY 04-05 budget]

The FY 05-06 Contractual Services budget contains budgeted funds for consultant support to several MWMC administration projects. Anticipated new contractual services needs include:

- Review of the Regional Sewer Users Rates (\$50,000).
- Graphics support for public information and outreach documents (\$7,500).
- Review of the Pretreatment Program's "Local Limits" (\$25,000).
- Technical assistance on Facilities Plan public information and outreach (\$15,000).
- Development of a Reuse Plan, as required by our NPDES permit and Temperature Management Plan (\$35,000).
- Additional funding to support increased costs of ongoing Flow Monitoring and Equipment Maintenance (\$60,000).

Litigation Expense - Budget Request \$100,000

• The amended FY 04-05 budget included a new line item for Litigation Expenses, and was budgeted at \$250,000. The budget requirement for Litigation Expense is projected at \$100,000 for FY 05-06.

Property and Liability Insurance - Budget Request \$275,000 [Decrease of \$55,000 or 17%]

• The sharp increases in Property and Liability Insurance costs that occurred in 2002 and 2003 have leveled off and 2004 rates were less than anticipated. Therefore, the budget for this line item is decreased to reflect normalization of the market.

Computer Software - Budget Request \$7,207 [Decrease of \$14,278 or 66%]

• The Mouse modeling software license was renegotiated in FY 04-05 for a three-year period, so total software costs decrease in FY 05-06.

Internal Insurance Charges - Budget Request \$22,150 [Increase of \$17,666 or 394%]

• The increase in this line item is a combination of expected rate inflation and a correction of the calculation formula that has undercharged this fund for a number of years.

Internal Facility Rent - Budget Request \$42,592 [Increase of \$31,057 or 269%]

 These costs have increased as the City of Springfield has transitioned to charging market based rents to all enterprise funds, and because the expansion of RWP staffing in FY 04-05 increased office space requirements.

Capital Outlay - Budget Request - \$0 [Decrease of \$37,750]

• There are no Capital Outlay purchases requested for FY 05-06.

Debt Service - Budget Request - \$762,500

• With the issuance of the first revenue bonds, MWMC is now budgeting for debt service payments. This initial payment will be for half a year, and will include interest only. Two interest payments and the first principal payment will be budgeted in FY 06-07.

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

In FY 05-06, Eugene staff will support the following major regional initiatives in addition to ongoing operational activities.

- Continue efforts to optimize service effectiveness and efficiency, further develop performance measurement and tracking systems (especially related to the achievement of objectives and targets under the Division's EMS).
- Conduct an evaluation and prepare recommendations on optimization of power utilization (considering the long-term cost/benefits options for co-generation).
- Manage the Operations and Maintenance (O&M) aspects of the Biocycle Farm, continuing the development of the biosolids irrigation practices and poplar tree management.
- Manage the O&M responsibilities of the NPDES permits for the wastewater discharge and treatment plant stormwater programs and the LRAPA air emissions permit for the regional wastewater treatment plant.
- Work cooperatively on the CIP elements and effectively integrate capital project work with ongoing O&M activities, with emphasis on establishing an effective CIP management and coordination program with Springfield.
- Conduct an assessment of resource needs (staffing and M&S) associated with the CIP projects scheduled in the Facilities Plan.
- Evaluate impacts of regulatory actions (such as the federal Blending Policy, Willamette River TMDLs, newly adopted state water quality standards) upon operational responsibilities.
- Complete scheduled major rehabilitation and equipment replacement projects.
- Continue ongoing security assessments, and respond accordingly.
- Develop use of the computerized maintenance management system, including further staff training and implementation of audit recommendations.

SIGNIFICANT CHANGES FOR FY 05-06

The proposed budget for Operations and Maintenance (personnel, materials and services, and capital outlay) for FY 05-06 totals \$9,728,373. The budget categories show a total 9% increase from the FY 04-05 budget. Significant changes proposed for the FY 05-06 Operations and Maintenance budget of the RWP include:

Personnel Services

Personnel Services totaling \$6,185,937 represent an FY 05-06 increase of \$777,858 or 14%. The major changes are in the following budget categories:

Staffing

A budget increase of 2.14 FTE is projected for FY 05-06.

- New Biosolids Technician II (1.0 FTE) Technician is responsible for daily scheduling and implementation of irrigation, assigned site operations, preventative and minor corrective maintenance, recordkeeping, reporting, equipment operations to meet minimum designed irrigation rates for Biocycle Farm operations.
- Fund Reallocations (1.14 FTE) During the preparation of the annual budget proposal, the distribution of FTE hours for regional and non-regional activities from the previous year is reviewed and adjustments are made to the next year's allocation to account for any differences between the projected and the actual labor distributions.

Regular Wages - \$3,624,016 [Increase of \$244,058 or 7%]

Salaries are based upon negotiated management/labor contracts between the City of Eugene
and the local union (AFSCME). The Cost of Living (COLA) is projected at 2.9% for union
employees and 2% for non-represented. The increase also includes annual merit raises as
applicable, the FTE adjustments described above, and one new FTE, Biosolids Technician
II.

Employee Benefits - \$1,571,849 [Increase of \$375,965 or 31%]

• The increase in employee benefits is driven by an increase in payroll costs for PERS contributions. In FY 05-06 the PERS rate will increase from 26.5% to 36.5% of covered payroll. When combined with changes in staffing, this rate increase reads 31% increase in the overall PERS cost.

Health Insurance - \$770,520 [Increase \$111,277 or 17%]

 Annual health insurance costs are projected to increase from \$9,456 to \$10,740 per employee.

Materials and Services

The proposed Materials and Services budget totaling \$3,446,036 represents a total FY 05-06 increase of \$139,703, which is 4%. The major changes are in the following budget categories:

Maintenance of Equipment & Facilities -\$248,434 [Decrease of \$102,717 or 29%]

• The decrease includes: \$50,000 for removal of material from the onsite biosolids lagoon not budgeted for FY 05-06; a one-time expense of \$25,000 for relocation and security enhancements of the front gate to the regional wastewater treatment plant (planned

improvements did not occur on River Avenue on the expected schedule, and project is on hold until improvements are made to River Avenue); and \$20,000 for upgrade of the regional plant's irrigation system to improve efficiency and reduce the use of potable water, which was a one time expense in FY 04-05.

Contractual Services - \$219,448 [Increase of \$25,883 or 13%]

• The increase includes \$25,000 for the one-time expenditure for the removal of the Waukesha engine-generator. (Anticipated to be offset by \$20,000 - 25,000 revenue from resale of the engine).

Materials & Program Expense - \$586,013 [Increase of \$107,211 or 22%]

• The increase includes \$33,490 in increased cost of chlorine and sulfur dioxide; \$30,000 in specialized training; \$25,992 in samplers; \$21,965 for media for biofilters; \$25,000 for a catalytic converter.

Parts & Components -\$264,010 [Increase of \$32,160 or 14%]

• Increase in cost for maintaining equipment at the regional facilities.

Risk Insurance - Employee Liability -\$55,582 [Decrease of \$55,846 or 50%]

These rates are based upon the City's actual experience over the last five years. The rates
represent the Wastewater Division's proportional share of the City's self-insured risk pool
costs.

Indirects – Budget Request \$757,850 [Decrease of \$11,255 or 1%]

• Indirects are charged based upon actual personnel and materials and services expenses. The rate used to calculate the FY 05-06 budget is 8.54%, a decrease from the FY 04-05 indirect rate of 9.68%.

Capital Outlay

Capital Outlay - Other - \$96,400

•	Jenbacher Upgrade	\$74,000
•	Pump Station Telemetry	\$11,000
•	Motorized Vehicles	\$11,400

CAPITAL PROGRAMS

The RWP budget encompasses several Capital Programs, including the CIP, the Major Rehabilitation Program, the Major Capital Outlay 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 separate from the Operating Budget.

The proposed FY 05-06 CIP is funded by a combination of SDCs, contributions from the Operating Budget, and Capital Reserves. Consistent with MWMC's adopted Financial Plan, a revenue bond issuance is planned in FY 05-06 to augment CIP funding. The proposed FY 05-06 CIP budget is summarized in Exhibit 3 on the next page, and described on pages 28-37

Other capital programs, consisting of the Major Rehabilitation Program, Major Capital Outlay 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 05-06 budget for these capital programs is summarized in Exhibit 3 on the next page, and itemized on page 35.

EXHIBIT 3

REGIONAL CAPITAL PROGRAMS

DESCRIPTION	FY 05-06 PROPOSED BUDGET				
Capital Improvement Projects (Springfield Administration)					
Biosolids - Poplar Plantation	1,171,000				
Biosolids - Popiar Plantation II	319,000				
Biocycle Farm Hose Reels	420,000				
Biosolids - Line Lagoons I	1,858,000				
Lab Modification	150,000				
River Avenue Improvements	351,000				
WWFMP Update	266,000				
Support Private Lateral Program	266,000				
Wilakenzie Pump Station Expansion	6,377,000				
Inffluent Pumping Improvements	1,807,000				
Primary Clarifier Enhanc.	1,220,000				
Digester Mixing Improvements Design	50,000				
Digester Mixing Improvements	1,967,000				
Waste Activated Sludge Thickening	2,657,000				
Odorous Air Treatment I	2,445,000				
South Aeration Basin Improvements Design	590,000				
South Aeration Basin Improvements	6,913,000				
Secondary Clarifier Enhancements Design	420,000				
Secondary Clarifier Enhancements	5,321,000				
9th & 10th Secondary Clarifiers	1,004,000				
Const Mgt Facilities	50,000				
Total (Not Included in Operating Budget)	\$35,622,000				
Other Capital Programs (Eugene Operations)					
Equipment Replacement	580,133				
Major Rehabilitation	192,000				
Major Capital Outlay	0				
Total (Not Included in Operating Budget)	\$772,133				

Note: The FY 05-06 Proposed Budget column includes new projects for FY 05-06 totaling \$19,722,000 and projects begun but not completed in prior years totaling \$15,900,000. An itemized list of new and carryover projects can be found in Exhibit 8, on page 34.

EXHIBIT 4

REGIONAL WASTEWATER PROGRAM OPERATING BUDGET
LINE ITEM SUMMARY BY PROGRAM AREA

	D114D 11D1	WIND THE PROPERTY OF	1 1 KOOIGHA 7			
	ក្ ត	ADOPTED	AMENDED	PROPOSED		
	ACTUAL 7	BUDGET	BUDGET	BUDGET	CHANGE	
<u>SPRINGFIELD</u>	FY 03-04	FY 04-05	FY 04-05	FY 05-06	INCR/(DEC	<u>R)</u>
MWMC ADMINISTRATI		第二次是基础				
Personnel Services	\$442,557	\$805,978	\$805,978	\$852,684	\$46,706	6%
Materials & Services	1,077,095	1,479,469	1,734,989	1,681,791	202,322	14%
Capital Outlay	0 8	28237d50	37,750		(37,750)	NA
TOTAL	\$1,519,652	52,323,197	\$2,578,717	\$2,534,475	\$211,278	9%
INDUSTRIAL PRETREA	TMENT					
Personnel Services	\$142,663	\$153,122	\$153,122	\$204.528	\$51,406	34%
Materials & Services	61,852	10.517	77,517	12288	(5,229)	-7%
Capital Outlay	0	0	0	30	`´ o´	NA
TOTAL	\$204,515	\$230,639	\$230,639	\$276,816	\$46,177	20%
ACCOUNTING	4201,020				,	
Personnel Services	\$43,291	\$89,544	\$89,544	\$92,604	\$3,060	3%
Materials & Services	1,961	82,982	82,982	32,300	(50,682)	-61%
Capital Outlay	0 5	4-52-33-60	0	0.00) O	NA
TOTAL	\$45,252	\$172,526	\$172,526	\$124,904	(\$47,622)	-28%
TOTAL SPRINGFIELD	, 				(,,	
Personnel Services	\$628,511	\$1,048,644	\$1,048,644	\$1,149,816	\$101,172	10%
Materials & Services	1,140,907	1 639,968	1,895,488	125 P.	146,411	9%
Capital Outlay	0	37,760	37,750	GUELE AND CHOOSE STORY	(37,750)	NA
TOTA		\$2,726,362	\$2,981,882		\$209,833	8%
	L \$1,702,410 1		32,701,002		9207,033	070
EUGENE	MORE					
ADMINISTRATIVE SER		\$1,011,807	\$1,011,807	\$1 177 982	166,175	16%
Personnel Services	\$748,475 460,327	408,090	411,740	District material action of the collection	25,236	6%
Materials & Services	400,327	38,000	38,000		(38,000)	NA.
Capital Outlay TOTA		\$1,457,897	\$1,461,547	115 115 115 115 115 115 115 115 115 115	\$153,411	11%
BIOSOLIDS MANAGEM			31,401,547		411 5,411	1170
Personnel Services	\$754,772	\$749,474	\$743,474	\$992,671	\$249,197	34%
Materials & Services	556,457	570,580	570,597	The contract of the contract o	50,784	9%
Capital Outlay	62,685	43,000	43,000	これない たいかん ひんこうかん こうかんしん	(31,600)	-73%
TOTA		\$1,357,054	\$1,357,071		\$268,381	20%
INDUSTRIAL SOURCE					0-00,000	
Personnel Services	\$392,496	\$401;306	\$401,306	\$415,446	\$14,140	4%
Materials & Services	80,558	110.004			(18,801)	-17%
Capital Outlay	0	12 40 32 20	0	Control of the Contro	O O	NA
TOTA	L \$473,054	\$511,310	\$511,310	\$506,649	(\$4,661)	-1%
TREATMENT PLANT	•	ne white his	Í			
Personnel Services	\$2,947,296	\$3,006,249	\$3,006,249	\$3,320,759	\$314,510	10%
Materials & Services	1,810,203	1,816,838	1,816,838		90,586	5%
Capital Outlay	29,888	86,950			(12,950)	-15%
TOTA		\$4,910,037			\$392,146	8%
REGIONAL PUMP STAT	TIONS					
Personnel Services	\$110,133	\$117,121	\$117,121	\$122,188	\$5,067	4%
Materials & Services	238,521	334,741	334,741	329,779	(4,962)	-1%
Capital Outlay	0	8,000	8,000	11,000	3,000	38%
TOTA	L \$348,654	\$459,862	\$459,862	\$462,967	\$3,105	1%
SEASONAL INDUSTRIA	L WASTE FACII	ITY				
Personnel Services	\$130,017	\$128,122	\$128,122		\$28,769	22%
Materials & Services	43,679	66,063	66,063	62,940	(3,123)	-5%
Capital Outlay	0	.0	()	0	NA
TOTA	L \$173,696	\$194,185	\$194,185	\$219,831	\$25,646	13%
TOTAL EUGENE						
Personnel Services	\$5,083,191	\$5,408,079	\$5,408,079	\$6,185,937	\$777,858	14%
Materials & Services	3,189,744	3,306,316			139,720	4%
Capital Outlay	92,573	175,950			(79,550)	-45%
TOTA	L \$8,365,508	\$8,890,345	\$8,936,975	5 \$9,728,373	\$838,028	9%
TOTAL OPERATIONS		S11,616,707	•	\$12,664,568		
Jane of Biolitons		ve > imala salahasi kagi gir		१८४) के पास श ास्त्रभा रण िय		

EXHIBIT 5
REGIONAL WASTEWATER PROGRAM
BUDGET SUMMARY AND COMPARISON

202021	5011	ADOPTED	AMENDED	10011	PROPOSED	
		BUDGET	BUDGET	į	Called Committee and Committee	CHANGE *
OPERATING BUDGET	FTE	EY 04:05	FY 04-05	FTE	FY-05-06	
Administration		\$2,726,362	\$2,981,882		\$2,936,195	
Operations		8 890 345	8,936,958		9,728,373	838,028
Capital Contribution	, 0.50	3,000,000	3,000,000	72.50	3,137,500	137,500
Equip Repl - Contribution		390,105	390,105	ļ	346,056	(44,049)
Operating & Revenue Bond Reserves		3,151,898	2,286,021		5,923,703	2,771,805
Debt Service			2,200,021		762:500	2,771,005 NA
Total Operating Budget	84 41	\$18,158,710	\$17 594 966	86.85		
Funding:	• 11 12		ψ17,527 1,200			Ψ1,015,017
Beginning Balance		\$2,317,216	\$1,753,472		\$3,422,618	\$1,105,402
User Fees		15,316,000	15,316,000	į	16,150,000	834,000
Other		525,494	525,494	į	3,261,709	
Total Operating Budget Funding		\$18,158,710			\$22,834,327	
CAPITAL PROGRAM BUDGET			, ,			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
SPRINGFIELD		N = 1400 44				
Biosolids - Poplar Plantation		2,100,000	3,850,000	į	1,171,000	(929,000)
Biosolids - Poplar Plantation II		10	0	İ	319,000	NA
Biocycle Farm Hose Reels			0	ļ	420,000	NA
Biosolids - Line Lagoons I		0.	0	į	1.858,000	NA
Electronic Records & Storage		F1 5 5 9 0	2,367		0-18-0	NA
Lab Modification		45,000	182,616	;	\$150,000	105,000
River Avenue Improvements		0	. 0		351,000	NA
WWFMP Update		0	0		266,000	NA
Support Private Lateral Program		0.0	0		266,000	NA
Wilakenzie Pump Station Expansion		0.	0		6,377,000	NA
2004 Facilities Plan		200,000	353,198		0	
Inffluent Pumping Improvements		多。近天0、	0		1,807,000	NA
Primary Clarifier Enhancements		4,810;000	4,810,000		1,220,000	(3,590,000)
Digester Mixing Improvements Design	l	0	0		50,000	NA
Digester Mixing Improvements			0		1,967,000	NA
Waste Activated Sludge Thickening		学生生的0。	0		2,657,000	NA
Odorous Air Treatment I		. 0	0		2,445,000	NA
South Aeration Basin Improve Design		0	0		590,000	NA
South Aeration Basin Improvements		. 0	0		6,913,000	, NA
Secondary Clarifier Enhance Design		0	0		420,000	NA
Secondary Clarifier Enhancements		2:0	0		5,321,000	NA
9th & 10th Secondary Clarifier		0	0		1,004,000	NA
Construction Management Facilities EUGENE		0			-50,000	NA
Equipment Replacement Purchases		2,004,541	2,221,727		580,133	(1,424,408)
Major Rehab		350,000	447,000		192,000	(158,000)
Major Capital Outlay		250,000	250,000		Sec 0	NA
Total Capital Projects Funding:		\$9,759,541	\$12,116,908		\$36,394,133	\$26,634,592
Reimbursement SDC Reserve		944,996	1,562,188		3,325,000	\$2,380,004
Improvementment SDC Reserve		4	1,502,100		650,000	*
Equipment Replacement		2,004,541			1.5	(1,424,408)
Capital Reserve		the section of the section of	11,835,356		the second of th	21,528,998
Total Capital Projects Funding			\$15,619,279			\$23,134,590
Total Capital Flojects Fulluling		ψ.1.3,2.35,343	φ1J,U17,Δ/7		122 CCT 1423	φευ,1υ4,υ90

Notes: * The Change (Inc/Decr) column compares the proposed FY 05-06 budget to the originally adopted FY 04-05 budget column.

OPERATING BUDGET AND RATE HISTORY

The graphs on 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 (on the following page) and the Five-Year Capital Programs comparison graph on page 37.

Between FY 96-97 and FY 00-01, the Commission was able to maintain the same rate of \$8.78 (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 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 regional component of wastewater residential bills went down to about \$8.13 per month. This trend resulted in a steady decline of revenues on a per household basis.

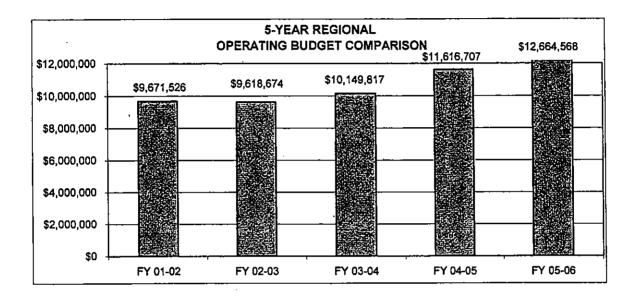
For FY 01-02, MWMC adopted a rate increase of 5%. The increase was intended to provide sufficient funding for several years. However, the fiscal year saw the beginning of an economic downturn, unexpected increases in power costs, billing and collection costs, and employee benefit costs. At the same time, 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 two-year period was about \$8.53 per month.

For the FY 03-04 budget, the Commission adopted a rate increase of 6.5%. The combination of increased operating costs and decreased revenues would have required a much higher increase, but the Commission chose to moderate the rate impact through a one-time reduction in the contribution to the Capital Reserve and a commitment to raise rates in the following year by at least the same percentage to restore adequate funding for capital programs. At 5,000 gallons typical usage, the average residential bill during FY 03-04 was \$9.09 per month.

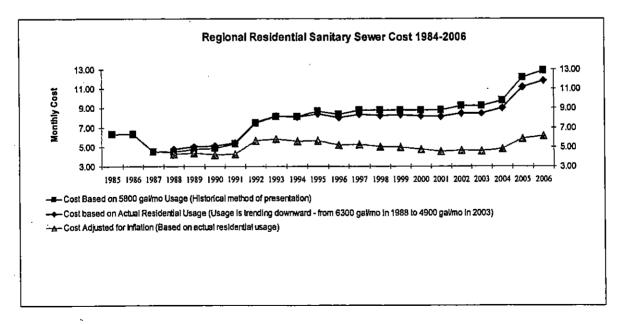
Long-range capital financing needs dominated MWMC rate considerations in FY 04-05. The 2004 MWMC Facilities Plan, completed in FY 03-04, identified performance improvements and capacity increases necessary to meet the needs of present and future users through the year 2025. The cost of these improvements is estimated at \$144,000,000 (in 2004 dollars). MWMC considered a number of user rate scenarios in which rates would have increased from 12% to 38%. Ultimately, the Commission chose a scenario which increased rates 24% initially and 6% for several years after. At 5,000 gallons typical usage, the average residential bill during FY 04-05 is \$11.28.

The rate scenario chosen by MWMC in FY 04-05 included a 24% initial increase followed by several years with 6% increases. This scenario is projected to adequately fund capital programs assuming implementation of the Commission's debt-financing strategy, along with modest increases in Operations to staff and maintain new facilities. At 5,000 gallons typical usage, the

6% increase for FY 05-06 will result in an average residential bill of \$11.96. If, for some reason, the Commission is unable to issue revenue bonds in FY 05-06, the rate increase needed to cover Operations and Capital Programs would be 65%, equating to about \$19.73 on the average residential bill.

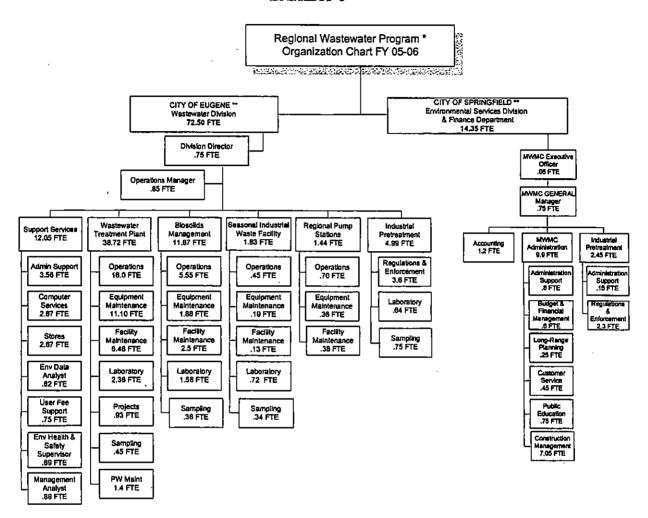


The figure below compares the regional component of average monthly residential sewer cost on several different basis; average usage, actual usage, actual cost, and cost adjusted for inflation.



REGIONAL WASTEWATER PROGRAM BUDGET **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 FY 03-04	BUDGET FY 04-05	PROPOSED FY 05-06	CHANGE
SPRINGFIELD ENVIRONMENTAL SERVICES	& FINANCE			
Public Works Director	0.05	0.05	0.05	0.00
	0.75	0.75	0.75	0.00
ESD/MWMC Manager	0.00	0.00	0.90	0.90
ESD/MWMC Asst. Manager				
Enviro Services Supervisor/Sewer & Drainage	0.70	0.70	0.50	-0.20
Enviro Services Supervisor/Pretreat & Pollution Pre	0.00	0.00	0.95	0.95
Supervising Civil Engineer	0.85	0.85	1.00	0.15
Civil Engineer	1.00	3.00	2.00	-1.00
Engineering Assistant	1.30	2.30	2.35	0.05
Public Information & Education Specialist	0.65	0.65	0.65	0.00
Senior Management Analyst	0.35	0.35	0.00	-0.35
Secretary	0.80	0.80	0.80	0.00
Clerk II	0.00	1.00		-0.20
	0.35	. 1.00	1.00	0.00
Accountant	0.33	0.20		0.00
Accounting Manager	•			
Senior Environmental Technician	0.90	0.90		0.00
Construction Inspector II	0.00	1.00		0.00
Environmental Services Technician I	0.50	0.50	0.50	0.00
TOTAL SPRINGFIELD	8.40	14.05	14.35	0.30

Note: Springfield's Industrial Pretreatment Program staffing of 1.7 FTE is incorporated into the position summary because the Industrial Pretreatment Programs are funded through the RWP.

EXHIBIT 7 (Continued)

REGIONAL WASTEWATER PROGRAM POSITION SUMMARY

CLASSIFICATION	BUDGET FY 03-04	BUDGET FY 04-05	PROPOSED FY 05-06	CHANGE
EUGENE WASTEWATER DIVISION & OTHER PW				
Division Director	0.75	0.65	0.75	0.10
Technical Services Manager	0.60	0.00	0.00	0.00
Operations Manager	0.83	0.84	0.85	0.01
Business Manager	0.88	0.91	0.89	-0.02
Pretreatment/Laboratory Supervisor	1.33	0.83	0.82	-0.01
Operations Supervisor	1.00	1.00	1.00	0.00
Residuals Supervisor	1.00	1.00	1.00	0.00
Pump Station Supervisor	0.25	0.25	0.25	0.00
Maintenance Supervisor	0.90	0.97	0.96	-0.01
Facilities Supervisor	0.94	0.93	0.95	0.02
Stores Supervisor/Buyer	0.91	0.91	0.89	-0.02
Environ. Data Analyst/Sampling Supervisor	0.60	0.40	0.67	0.27
Health and Safety Supervisor	0.00	0.91	0.89	-0.02
Technical Services Analyst	0.00	0.66	0.89	0.23
Project Specialist	0.93	0.93	0.93	0.00
PW Maintenance Supervisor	0.00	0.05	0.05	0.00
Applications System Analyst	1.72	1.82	1.78	-0.04
Applications Support Technician	0.86	0.91	0.89	-0.02
Maintenance Technician	0.90	0.85	0.35	-0.50
Communications & Control Specialist	0.90	0.90	0.00	-0.90
Wastewater Technician (Operator)	15.00	15.00	15.00	0.00
Wastewater Technician (Residuals)	3.00	3.00	4.00	1.00
Wastewater Technician (Pretreatment)	4.43	3.22	3.22	0.00
Wastewater Technician (Laboratory)	5.05	4.95	4.84	-0.11
Wastewater Technician (Sampling)	0.00	1.22	1.87	0.65
Wastewater Technician (Mechanical)	6.90	7.22	7.22	0.00
Wastewater Instrument/Electrician	2.92	2.90	3.83	0.93
Electrician	1.48	1.96		0.01
Maint Worker	8.49	9.38		0.16
Billing Specialist	0.25	0.25		0.50
Program Specialist	0.86	0.90	0.89	-0.01
Admin Aide	1.64	1.82	1.78	-0.04
Stores Clerk	1.82	1.82	1.78	-0.04
Custodial Worker	1.00	1.00	1.00	0.00
TOTAL EUGENE	68.14	70.36	72.50	2.14
GRAND TOTAL (BOTH CITIES)	76.54	84.41	86.85	2.44

REGIONAL WASTEWATER PROGRAM BUDGET CAPITAL PROGRAM

REGIONAL WASTEWATER PROGRAM CAPITAL PROGRAMS

The FY 05-06 CIP budget is included in the administration portion of the RWP budget. The five-year CIP begins on page 50. For the past several years, CIP projects have come primarily from the 1997 Master Plan, the 1997 Biosolids Management Plan, and the 2001 WWFMP. In Early 2004, MWMC approved the 2004 Facilities Plan which addresses anticipated increased regulatory requirements and wet weather flow and user capacity needs through 2025.

The FY 05-06 CIP budget is composed of projects carried over from previous years and projects identified in the 2004 Facilities Plan. CIP project summaries are provided below and on the following pages. The FY 05-06 CIP is funded using a combination of Capital Reserves and SDCs.

Other capital programs, including the Equipment Replacement Program, Major Capital Outlay Program, and Major Rehabilitation Program are included in the operations portion of the RWP budget. The basis for planning in these capital programs involves an annual evaluation by operations staff of major assets, where they are in their projected life cycles, performance/maintenance records, etc. FY 05-06 funding for these programs will come from the Equipment Replacement Reserve and Capital Reserve. Itemized lists of, and budgets for, Equipment Replacement purchases and Major Infrastructure Rehabilitation projects are included on page 35.

CAPITAL IMPROVEMENT PROJECTS

Carryover Projects:

These projects represent a continuation of previously budgeted activities.

Biocycle Farm Land Application and BMF Reclaimed Water Supply FY 05-06 Capital Budget = \$1,171,000

Expected cash flow: * FY 05-06 \$1,171,000.

The first 190-acre phase of Biocycle Farm was completed in the spring of 2004. Construction work on the reclaimed water pipeline and related pump station are complete except for investigation and corrective work to the new pump station. Remaining work, including corrective work, is expected to be complete in FY 05-06.

Lab Modification FY 05-06 Capital Budget = \$150,000

Expected cash flow: * FY 05-06 \$150,000.

The Lab Modification project was essentially completed in 2004. The acid neutralization system is being evaluated and is anticipated to need refinements using existing carry-over project funding from within the FY 04-05 budget. The funds carried forward to FY 05-06 are intended to complete retrofits necessary for final resolution of any remaining operational difficulties with the new lab facilities.

Digester Mixing Improvements FY 05-06 Capital Budget = Design \$50,000, Construct \$1,967,000

Expected cash flow: FY 05-06 \$2,017,000.

The 2004 Facilities Plan identifies the need to provide additional solids stabilization volume. This project includes design and construction of digester mixing improvements that will increase the active volume of the existing three digesters, thus allowing for additional solids stabilization volume. This will be accomplished by replacing the existing gas mixing system with a pump mixing system. This project will also defer the need to construct an additional digester.

Design work and the beginning of construction is planned for 2005. The remaining construction work is planned for 2006 and 2007.

Primary Clarifier Enhancements FY 05-06 Capital Budget = \$1,220,000

Expected cash flow: * FY 05-06 \$1,220,000

The preferred alternative for treating peak flows in the 2004 MWMC Facilities Plan is called Parallel Primary/Secondary Treatment. In this alternative, peak flows up to 160 million gallons per day (mgd) will receive primary treatment in the primary clarifiers and be diverted around the aeration basins and secondary clarifiers. Flows greater than 140 to 160 mgd will be treated in the aeration basins and secondary clarifiers. The two flows will be blended back together and receive chlorine disinfection before being discharged. The Primary Clarifier Enhancements project includes design and construction of baffling in the primary clarifiers and removal of hydraulic restrictions. Enhancing the existing clarifiers will increase primary treatment capacity, increase capacity to treat base and peak flows, and improve effluent quality and reliability so that a blended primary and secondary effluent can meet the current NPDES total suspended solids limits. Staff will be coordinating system improvements that relate to needed equipment replacement components and funding.

Design upgrades on four clarifiers are planned for 2005. Construction work on the primary clarifiers is planned for 2005 to 2007.

Secondary Clarifier Enhancements FY 05-06 Capital Budget = Design \$420,000, Construct \$5,321,000

Expected cash flow: * FY 05-06 \$1,845,000; FY 06-07 \$2,500,000; FY 06-07 \$1,396,000

This project is part of the overall 2004 MWMC Facilities Plan strategy to increase the peak flow treatment capacity. The project includes design and construction of baffling, inlet energy dissipation, changing out of the flocculation well, construction of an outboard launder, and retrofitting of the suction header for the existing eight clarifiers. It also includes secondary gates. Enhancing the existing clarifiers will increase the secondary treatment capacity, alleviate current operational problems, and increase secondary treatment capacity for base and peak flows. Effluent quality and performance reliability will also be improved. Staff will be coordinating system improvements that relate to needed equipment replacement components and funding.

Design work for secondary clarifiers is planned in 2005. Construction upgrades to the secondary clarifiers will be done in a phased multi-year approach during the dry season from 2006 to 2007 with performance testing.

South Aeration Basin Improvements FY 05-06 Capital Budget = Design \$590,000, Construct \$6,913,000

Expected cash flow: * FY 05-06 \$7,503,000.

The MWMC NPDES wastewater discharge permit, issued by the DEQ in 2002, placed a limit on the allowable dry weather (May 1st through October 31st) discharge of ammonia for the first time. In order to meet this limit, the 2004 MWMC Facilities Plan identifies these projects to increase the dry weather aeration basin treatment capacity to 65 mgd with respect to ammonia (i.e., with nitrification) and increase the sustained (i.e., on a weekly basis) wet weather treatment capacity to 130 mgd. This project includes design and construction to add step feed processing, anoxic selectors, fine bubble diffusers, and removes hydraulic restrictions in both south and north basins (effluent gates). It also includes future primary effluent flow control gates for both north and south basins. Staff will be coordinating system improvements that relate to needed equipment replacement components and funding.

Design work is planned for 2005. The construction is planned for 2005 to 2006.

Construction Management Facilities FY 05-06 Capital Budget = \$50,000

Expected cash flow: * FY 05-06 \$50,000.

This project is necessary to provide on-site office facilities for project/construction management staff at the WPCF overseeing the construction work. A project and staffing plan is being developed in 2005 to determine the type, size and location of these necessary facilities.

New Projects:

The following projects address needs/projects identified in the WWFMP (2001) and the 2004 MWMC Facilities Plan.

Influent Pumping – (Screw Pump Station Expansion or Alternative Solution) FY 05-06 Capital Budget = \$1,807,000

Expected cash flow: * FY 05-06 \$452,000; FY 06-07 \$903,000; FY 07-08 \$452,000.

Three or more influent pumping alternatives/solutions will need to be evaluated by a consulting firm during the MWMC pre-design phase of this project. The 2004 MWMC Facilities Plan anticipates upgrades to the screw pump station by adding a fifth pump to increase the capacity from 84 to 99 mgd. The total influent pumping capacity of all directly connected pump stations is estimated at 277 mgd for peak wet weather flow. DEQ pumping redundancy requirements will need to be reviewed by the design consultant/team and MWMC as the project develops. This

project needs to be coordinated with other pump station improvements that have a direct connection to the WPCF (example - Willakenzie Pump Station Expansion).

Design work is proposed for 2005-06 and construction is scheduled for 2006 to 2008.

Willakenzie Pump Station Expansion (related to Influent Pumping Solution) FY 05-06 Capital Budget = \$6,377,000

Expected cash flow: * FY 05-06 \$2,000,000; FY 06-07 \$2,377,000; FY 07-08 \$2,000,000.

The Willakenzie pump station project must be coordinated with the influent pumping project and should be under the same consultant contract. DEQ pumping redundancy requirements will need to be reviewed by the design consultant/team and MWMC as the project develops. The 2004 MWMC Facilities Plan recommends adding Willakenzie pump improvements to increase the capacity from 80 to 135 mgd.

Design work is proposed for 2005-06 and construction is scheduled for 2006 to 2008.

Additional Odorous Air Treatment FY 05-06 Capital Budget = \$2,445,000

Expected cash flow: * FY 05-06 \$611,000; FY 06-07 \$1,834,000.

Odor control systems (biofilters, biotowers, etc.) will need to be increased to maintain MWMC neighborhood compatibility and help address odor complaints. Some targeted odor sources will include the primary clarifiers, gravity thickeners, and pretreatment expansion. The design work will need to be coordinated with projects identified in the conceptual design and related technical memos.

Design work is proposed for 2006 and construction is phased from 2007 to 2012 as new treatment processes are upgraded or expanded.

9th & 10th Secondary Clarifiers Design FY 05-06 Capital Budget = \$1,004,000

Expected cash flow: * FY 05-06 \$1,004,000.

The 2004 MWMC Facilities Plan includes construction two new secondary clarifiers (9th and 10th) to provide additional secondary treatment and peak flow management, which is consistent with the WWFMP (2001). The wet weather secondary capacity will increase from approximately 100 to 160 mgd. In order to complete this project, additional funds of approximately \$5.9 million will be requested in a future budget. This project will need to coordinate with the secondary clarifier enhancement project to maintain similar equipment/components.

Design work is proposed for 2005 and construction is planned for 2006 to 2008.

Waste Activated Sludge Thickening (Gravity Belt Thickener Building/Equipment Expansion)

FY 05-06 Capital Budget = \$2,657,000

Expected cash flow: * FY 05-06 \$664,000; FY 06-07 \$1,993,000.

The 2004 MWMC Facilities Plan includes a third gravity belt thickener, which requires expanding the existing building. This provides additional capacity for waste activated sludge thickening and should help delay construction of an additional digester.

Design work is proposed for 2005 and construction is planned for 2006 to 2007.

Biocycle Farm Phase 2 Improvements FY 05-06 Capital Budget = \$319,000

Expected cash flow: * FY 05-06 \$319,000.

Phase 2 of Biocycle Farm involves soil preparation and planting of an additional 130 acres to increase biosolids removal biosolids from the existing lagoons. Consistent with the MWMC Biosolids Management Plan, this Biocycle Farm expansion provides MWMC with more flexibility and control of the overall biosolids management program. It also will enable MWMC to meet the revised DEQ-approved time line for draining and relining the facultative sludge lagoons.

The soil preparation and planting work is planned for 2005 and 2006.

Biocycle Farm Hose Reels FY 05-06 Capital Budget = \$420,000

Expected cash flow: * FY 05-06 \$420,000.

Additional hose reels need to be purchased to increase liquid biosolids application to the MWMC Biocycle Farm. Anticipated pumping capacity reductions resulting from pump station modifications require the addition of six new hose reels rather than the four originally proposed. Federal grant funding, which is pending final approval, is anticipated to offset a significant portion of the hose reel costs.

The hose reel equipment purchase is planned for 2005 to 2006.

Biosolids Management Facility (BMF) – Lagoon Lining Phase 1 & Dredge Movement System Improvements

FY 05-06 Capital Budget = \$1,858,000

Expected cash flow: * FY 05-06 \$619,000; FY 06-07 \$1,239,000.

On-site field testing indicates that the BMF has lagoons that may be leaking. The lagoons have served their 20-year design life, and gradual deterioration is to be expected. MWMC has committed to DEQ to reline the four lagoons, which will require removal of the existing biosolids material. This project will include upgrades to the existing dredge movement system for safety and operational efficiency.

Design work is anticipated for 2005-06 and construction is planned as a phased approach from 2006 to 2012 to upgrade four existing lagoons.

Wet Weather Flow Management Plan (WWFMP) Update FY 05-06 Capital Budget = \$266,000

Expected cash flow: * FY 05-06 \$266,000.

The WWFMP was approved by MWMC, Eugene and Springfield in February/March 2001 that established a road map for both local and regional wastewater improvements to manage wet weather flows relating to infiltration/inflow issues. Updates to the WWFMP are needed to monitor the performance of the Eugene/Springfield collection system improvements and confirm the effectiveness of the Plan (i.e. – collection system rehabilitation, conveyance/pumping improvements and wastewater treatment plant upgrades). Data from recent large rain events will be used to update the collection system hydraulic model and evaluate system performance.

The WWFMP update scheduled for FY 05-06 is a requirement of the adopted Plan.

Support Development of Private Lateral Program FY 05-06 Capital Budget = \$266,000

Expected cash flow: * FY 05-06 \$266,000.

The WWFMP recommends the implementation of a voluntary private lateral replacement program and acknowledges the need for incentives to motivate property owners. This project funding is anticipated for further development of corrective work and programs related to private lateral defects that may ultimately be developed into a mandatory program. This project may lead to additional local or regional funding based on any new adopted program(s) by the governing agencies. Project coordination is needed to confirm the collection system performance (private and public components) during the WWFMP update project.

Consultant services and/or MWMC program development funding is planned for in 2005 to 2007.

River Avenue Street Improvements FY 05-06 Capital Budget = \$351,000

Expected cash flow: * FY 05-06 \$351,000.

The City of Eugene has proposed River Avenue street improvements along the WPCF frontage. This project has received some resistance from property owners along the proposed street improvements and it is unclear about the project implementation schedule, or if the project will be eliminated. This MWMC budgeted amount is a place holder that will be reviewed each budget cycle.

* Cash Flow - In governmental budgeting, projects are fully budgeted in the fiscal year in which the contract is awarded. At the end of each fiscal year, unspent funds are carried forward until the project is completed. This provides budget appropriations necessary for MWMC to commit to contracts that span more than one fiscal year.