

# Metropolitan Wastewater MANAGEMENT COMMISSION



partners in wastewater management

## MWMC MEETING AGENDA

Friday, November 14, 2025, 7:30 AM – 9:30 AM (PDT)

The MWMC Meeting will be held in-person at Springfield City Hall, 225 Fifth Street, Springfield, OR 97477 in the Library Meeting Room, remotely or via phone.

**To attend virtually, registration is required:** Webinar ID: **825 4747 7784**

Zoom Link: [https://us06web.zoom.us/webinar/register/WN\\_2KBagylBQoCCc56wk1DB9Q](https://us06web.zoom.us/webinar/register/WN_2KBagylBQoCCc56wk1DB9Q)

To join the Zoom meeting by phone dial: **877.853.5247**

- 7:30 – 7:35     **I. ROLL CALL:** Commissioner Farr, Commissioner Hazen, Commissioner Inge, Commissioner Keeler, Commissioner Lesley, Commissioner Stout, Commissioner Yeh
- 7:35 – 7:40     **II. CONSENT CALENDAR**  
a. MWMC 10/10/25 Minutes  
**Action Requested:** By motion, approve the Consent Calendar
- 7:40 – 7:45     **III. PUBLIC COMMENT:** Public comment can be submitted by email to [Minman@springfield-or.gov](mailto:Minman@springfield-or.gov) or by phone 541-726-3694 by 5 PM November 13, 2025 or made at the meeting. All public comments need to include your full name, address, if you are representing yourself or an organization (name of organization), and topic.
- 7:45 – 8:10     **IV. INTERGOVERNMENTAL AGREEMENT/OPERATIONAL & MAINTENANCE** .....Matt Stouder  
**Action Requested:** Approve by motion
- 8:10 – 8:40     **V. GOSHEN AND CRESWELL INTERCONNECTION UPDATE** .....Matt Stouder  
**Action Requested:** Informational and Discussion
- 8:40 – 9:00     **VI. RENEWABLE NATURAL GAS UPDATE** .....Steve Barnhardt and Mark Van Eeckhout  
**Action Requested:** Informational and Discussion
- 9:00 – 9:15     **VII. FINANCIAL PLAN UPDATE #2** .....Jeremy Cleversey  
**Action Requested:** Informational and Discussion
- 9:15 – 9:30     **VIII. BUSINESS FROM COMMISSION, GENERAL MANAGER, & WASTEWATER DIRECTOR**
- 9:30             **IX. ADJOURNMENT**

The meeting location is ADA Accessible. For hearing impaired, an interpreter can be provided with 48 hours' notice prior to meeting. To arrange services, call 541-726-3694.

**THE FULL PACKET IS POSTED ON THE WEBSITE**

[www.mwmcpartners.org](http://www.mwmcpartners.org)



# Metropolitan Wastewater MANAGEMENT COMMISSION



*partners in wastewater management*

## MWMC MEETING MINUTES

Friday, October 10, 2025 at 7:30 a.m.

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

Commissioner **Farr** opened the meeting at 7:30 a.m. Roll call was taken by Misty Inman.

### **ROLL CALL**

*Commissioner Present In-Person:* Pat Farr, Christopher Hazen, Bill Inge, Doug Keeler, and Alan Stout

*Commissioners Present Remotely:* Dawn Lesley and Jennifer Yeh

*Commissioner Absent:* None

*Staff Present In-Person:* Meg Allocco, Steve Barnhardt, Emily Bradley, Jeremy Cleversey, Amy Hartsfield, Misty Inman, Shawn Krueger, Troy McAllister, Todd Miller, Michelle Miranda, Bryan Robinson, Loralyn Spiro, Matt Stouder, Kevin Vanderwall, and Greg Watkins

*Staff Present Remotely:* Thomas Gray, Matt Green, Tanya Haeri-McCarroll, Yashara Lund, Brooke Mossefin, Jessica Mumme, Robert Murray, Nick Thrasher, and Dawn Williams

*Guests Present In-Person:* Erin Morris and Riley Walsh

*Guests Present Remotely:* Gary Kaping, Tim Mills, John Q. Murray, Katie Pollock, and Jeremy Tracer

*Legal Counsel Present In-Person:* Kristin Denmark (Thorp, Purdy Jewett, Urness & Wilkinson, PC)

### **CONSENT CALENDAR**

a. MWMC 09/12/25 Minutes

MOTION: IT WAS MOVED BY COMMISSIONER **KEELER** WITH A SECOND BY COMMISSIONER **HAZEN** TO APPROVE THE REVISED CONSENT CALENDAR. THE **MOTION PASSED** UNANIMOUSLY 6/0, ABSTAINED BY COMMISSIONER INGE.

Hazen	Y
Farr	Y
Inge	ABSTAINED
Keeler	Y
Lesley	Y
Stout	Y
Yeh	Y

**PUBLIC COMMENT**

There was no public comment.

**FY 2024-25 ANNUAL FINANCIAL SUMMARY, BUDGET RECONCILIATION**

Kevin Vanderwall, MWMC Accountant, presented the annual financial summary for the fiscal year (FY) 2024-25 Operating and Capital budget reconciliation. In the operating fund, revenues came in under budget by \$4.3 million (M) or about 10%. There were two key factors for the revenue shortfall. The first was a delay in a payment of \$2.4 M from the City of Eugene that was received one day late and could not be counted in FY 2024-25. The second was that the City of Eugene and the Eugene Electric and Water Board (EWEB) user fee remittance came in under budget. This should be resolved soon. Overall expenditures were under budget by \$580,000 while Eugene Operations was over budget by \$176,000. The overspend was primarily to pay for some of the Administration Building Project (P80104) expenses, which were moved subsequently to the capital expenditure, but were recorded too late to be in the FY 2024-25 budget. This has been corrected.

Capital Revenue was over by \$3.4 M, which was driven primarily by interest revenue. Capital project expenditures were under budget. At year's end, the reserve balance is substantially higher than budgeted as unspent capital budget rolls back into reserves before being reallocated to the next FY project budget. The final reserve balance has a net of a \$5.2 M increase across all reserves.

Commissioner **Keeler** said the reserves for the prior fiscal year are \$129 M. How does this reconcile with the attachment chart and that value?

Mr. Vanderwall said the chart shows the reserves as budgeted for 2026 and where the unspent expenditures from capital go back into the reserves. For FY 2026-27, the Capital Reserve is what is left after the capital budget has been modified.

Commissioner **Keeler** said this includes carryover for the prior year, the actuals.

Commissioner **Stout** said the System Development Charges (SDC) revenue is lower than expected or budgeted, and why is that?

Matt Stouder, MWMC Executive Officer, said over the last few years, the SDC revenue has been underestimated due to the difficult nature associated with projecting building activity.

Commissioner **Hazen** said he took away from his review of the budget that there are accounting requirements that dictate reporting differences against budget, and from a management accounting perspective, the MWMC is on target, except for paper-only transactions.

Mr. Stouder said that in the past, staff worked on projecting future budgets, including projects, actuals, and costs, and generally left about 10% of the budget remaining. There have been past comments from the Commission about reducing the percentage left in the budget at year-end, so staff worked to close the gap between budget and actuals. With significant inflation during COVID and an increase in the cost of goods and services, staff had to request a supplemental budget for the City of Eugene last year. This is why the expenses for Eugene were so close. During development of next year's budget, staff will try to budget as close to what is needed as possible. The supplemental budget process may be needed for additional money. In the last 10 to 15 years, this past year of budget to actuals has been the tightest at .8% over/under.

**FY 24-25 ANNUAL FINANCIAL SUMMARY**

Mr. Vanderwall presented an update on the 2019 MWMC Financial Plan and discussed the "F" policies for financial forecasting and budgeting. The plan lays out policy objectives, including:

1. User fee stability, uniformity, and adequacy

2. Fully fund capital improvements
3. Ensuring equity between newly connected and existing users
4. Ensure efficient and cost-effective financial administration
5. Comply with applicable laws and regulations

There are six "F" Policies of the MWMC Financial Plan:

- F1: Regarding public health, safety, and environment providing quality service, committing to providing services effectively and efficiently, and directing the establishment and maintenance of the key outcomes.
- F2: Maintaining annual budget, balancing expenditures and transferring user fees and revenues.
- F3: Monitoring revenues and expenditures and to maintain a balanced budget through a variety of measures.
- F4: Maintain capital planning and financing system to prepare a multi-year Capital Improvements Plan (CIP) to be adopted by the Commission and ratified by partner agencies.
- F5: Establish and maintain minimum cash reserves.
- F6: Directs all funds to be used for the exclusive benefit of the Regional Wastewater Plan.

Mr. Stouder said last month, staff kicked off the MWMC Financial Plan update discussion, including financing history and how the plan is used. Mr. Vanderwall will discuss the reserves and potential changes, and we are looking to receive the Commission's input and feedback. The only "F" policy that staff is proposing to change is the reserve policy (F5), but the Commission can discuss other "F" policies and propose any changes. Later this winter, staff will discuss the remaining MWMC Financial Plan policies, take feedback from the Commission, and present any staff recommendations at the final MWMC Financial Plan adoption in 2026.

Mr. Vanderwall said the Working Capital Reserve has \$700,000 for Eugene and \$200,000 for Springfield to cover the cash flow deficits between the Cities until reimbursement payments are received from the MWMC. He had the City of Eugene's Finance Department contact him about Eugene's amount. The last discussion about this was in 2007. He suggested increasing Eugene's coverage for the upcoming FY 2026-27 to \$1.4 M, but he will have an actual number closer to next year's budget. The Operating Reserve is intended to cover operating expenses in the event of an unanticipated revenue shortfall. It reflects approximately 2 months' worth of operating expenditure. This reserve is set at the time of the budget, and it is not readjusted based on a supplemental budget.

Mr. Stouder said the Operating Reserve will carry the MWMC in the event of no revenue is coming in. Mr. Vanderwall has researched other agencies, and two months appears to be the industry standard. Mr. Vanderwall said the agencies that had more than two months of reserves were for varying seasonal issues or issues with acquiring credit. The number of reserves is not an issue and two months is the standard.

The Capital Reserve covers unplanned capital expenditures and is not to fall under \$1 M. This is funded by contributions from user fees. Staff recommends increasing this amount to \$5 M to account for the increasing costs of inflation.

Mr. Stouder said there is \$60 M to \$70 M in the Capital Reserve, and the money is appropriated and allocated to projects. The unappropriated money in the Capital Reserve cannot fall under \$1 M. About 5 years ago, there was an unplanned capital project for the medium voltage cables which cost approximately \$7 M to \$8 M. The money in Capital Reserves is the minimum that would fund an unplanned project.

Commissioner **Inge** said does this allow the Commission to draw against the reserves, if necessary, without needing to cancel the budget in Policy F5c? Should that say cancel the budget or a project?

Mr. Vanderwall said it is both, the budget and the project.

Commissioner **Inge** asked if the language can be expanded in Policy F5c to be clearer.

Mr. Stouder said yes, the language can be expanded.

Commissioner **Stout** said in the Capital Reserve, if there is an incident that is \$3 M, is that something that the Commission would vote on before doing that project, and could there be language around emergency Capital Reserves?

Mr. Stouder said Policy F5c can be revised, but it is already implied. In the update of the Operations & Maintenance Agreement (OM&A) as part of the intergovernmental agreement, anything over \$100,000 would need to come to the Commission for approval.

Kristin Denmark, MWMC Legal Counsel said what is budgeted is different and a separate item than approving a contract to move forward.

Mr. Vanderwall said the Equipment Replacement Reserve is funded by annual contributions from user fees and is intended to accumulate money to replace equipment currently in use. An annual analysis is performed to determine the reasonable contribution based on equipment listing, projected life, and replacement spending. Historically, the equipment reserves were substantial, and the Commission did not want the reserve to be so large. It was pared back and now the projections are based on the next 10 years of equipment spending. Now, the reserves adequately fit that amount.

Mr. Stouder said the Equipment Replacement Reserve was traditionally accumulating money to replace all current equipment in use. Every year, additional money was added, and the reserve grew to \$20 M. The Commission was uncomfortable with the reserve being so high. Realistically, staff can only accomplish so much equipment replacement in a year. If something were to rise to the level of a capital project, then it would be budgeted through the capital program. Staff proposes adjusting the language to state that the Equipment Replacement Reserve be healthy for the 10-year equipment replacement plan.

Commissioner **Keeler** said the Equipment Replacement Reserve was to consider all assets and to self-indemnify against any loss. Staff is looking to take the total value and divide it by 5 or 10 years.

Commissioner **Inge** said new language will be added to the Equipment Replacement Reserve.

Mr. Vanderwall said the Rate Stability Reserve is maintained to protect ratepayers from volatility in user fees and to enhance creditworthiness. It is intended to be drawn upon if needed to avoid a mid-year rate increase. As of today, this reserve has not been used. This reserve was created when Hynix closed and subsequently resulted in a 17% mid-year rate increase to make up for the loss of revenue.

Mr. Stouder said there was a 17% mid-year rate adjustment and a 12% year-end rate adjustment for a total of 29% rate adjustment.

Mr. Vanderwall said that in the last couple of years, the Commission has discussed the Rate Stability Reserve and whether it should be kept. There is no other big user like Hynix that would result in as big of a loss of revenue.

Commissioner **Hazen** said he was not on the Commission during that time, and what was the situation that resulted in the rate increase due to Hynix departing?

Michelle Miranda, the City of Eugene Wastewater Division Director, said that Hynix was a major industrial user when they were operating, typically discharging roughly 2 million gallons per day. Hynix was charged based on volume and strength.

Commissioner **Hazen** asked if infrastructure was built for Hynix and then became a stranded asset.

Mr. Stouder said there might have been local collection system infrastructure built, but the WPCF was based on the treatment of flow from communities. There is no longer a major user that represents as big a portion of the flow and loads. The WPCF still needs to operate with staff, but with less revenue. The big consumers are the University of Oregon and the hospitals, but at a much lower rate than Hynix. If they were to leave, it would not present as significant of a revenue challenge. Former Commissioner Peter Ruffier would bring up that in the Rate Stability Reserve, there is money that is not being used and could be used elsewhere. The question is to keep or modify the Rate Stability Reserve, and what to do with the money.

Commissioner **Farr** said he was on the Eugene City Council at the time Hynix came to Eugene and Hynix paid for the infrastructure.

Commissioner **Hazen** said in a way, the ratepayers could have benefited from the Hynix flow during the time of operation.

Commissioner **Farr** said it did not leave a void, but adjustments had to be made.

Commissioner **Lesley** said another way to think about Hynix closing is not as a stranded asset but as excess capacity. That was the capacity that was being used by Hynix. Money was not coming in, but the capacity came back into the WPCF for something else.

Mr. Stouder said the ratepayers may have benefited from it at the time, until adding those rate adjustments. He is looking for Commission feedback if the Rate Stability Reserve should be kept or not. Perhaps the Commission is interested in using the money to supplement the Insurance Reserve?

Commissioner **Yeh** said she thought the Rate Stability Reserve was used during COVID when user rates were not increased.

Mr. Stouder said it was discussed, but the reserve was not used. The Commission decided on a zero-rate increase in 2020 and the costs were absorbed in the budget. This is part of the reason for the compression over time between the budget and actuals.

Commissioner **Yeh** said it was significant not to have a rate increase and not use the reserve. She can see why staff no longer think this reserve is necessary.

Commissioner **Farr** said does there need to be more discussion or a recommendation.

Mr. Stouder said not at this time. Staff will come back to the Commission for the final MWMC Financial Plan for feedback and recommendations. It is a challenge because the Rate Stability Reserve is a one-time reserve to be used to help offset rate adjustments if needed. One percent is equal to about \$400,000. The money could be put into the Equipment Replacement or Insurance Reserve.

Commissioner **Farr** said the Rate Stability Reserve money of \$2 M could be transferred to the Capital Reserve if the minimum amount is to be \$5 M.

Mr. Stouder said the \$2 M from the Rate Stability Reserve could be transferred to the Capital Reserve.

Commissioner **Lesley** said the Rate Stability Reserve money that could be transferred to the Capital Reserve to raise the minimum of \$1 M to \$5 M is already at a higher level and would not go to the minimum.

Mr. Vanderwall said the money can be moved to the Capital Reserve.

Commissioner **Lesley** said it is a one-time fund, and she would welcome a facilitated process discussion involving stakeholders for regional planning around the circular water economy. It would be a good use of this reserve and go toward forward-looking exploration of resource recovery. She would like a deeper conversation about this in the future.

Commissioner **Keeler** said he is in favor of simplicity. Currently, there are nine reserves, and the Rate Stability Reserve has not been used; it might be time to sunset it. The funds could be placed in Capital Reserves for innovative resource recovery projects like Commissioner Lesley is recommending.

Commissioner **Stout** said he agrees with Commissioner Keeler. With the Rate Stability Reserve, his position is that investing in projects will save the taxpayers money.

Commissioner **Hazen** said he agrees with Commissioner Keeler's suggestion and that simplification is good. Some reserve categories are required by bond covenants or DEQ loans. The other categories could be explained within two broad categories of the Capital Reserve and the Operating Reserve.

Mr. Vanderwall said any amount that is over two months is an increase transferred to the Capital Reserve.

Commissioner **Inge** said that he is in favor of having strong reserves. The pay-as-we-go model has been used, saving on repairs and a significant amount of money over time. Which reserve that the money goes into is immaterial to him. He thinks that the money going into the Insurance Reserve is a good idea. A tremendous amount of money has been saved on insurance, and to a degree, the MWMC can be self-insured a bit more and save on insurance rates. If \$2 M makes a difference, then he thinks it is a good utilization of the funds. Staying ahead is important and good, and having strong reserves allow the MWMC to do that.

Mr. Stouder said that a recommendation would be to remove the Rate Stability Reserve and transfer the \$2 M to the Capital Reserve. Then have a future conversation about what to do with the money.

Mr. Vanderwall said if the money were to go into any of the other reserves, it would not happen until the next budget. The two SDC Reserves are reimbursement and improvement. These reserves accumulate revenue and accrue interest derived from the reimbursement fee or the improvement fee in accordance with ORS 223.311. These fees are charged with new development and can only be used in specific ways.

Mr. Stouder said SDCs are required by statute, and funds are restricted for projects.

Mr. Vanderwall said the Bond Reserve is sufficient for future debt service payments and is required by investors. This reserve was required by the original 2006 and 2008 bonds. The 2016 bond refinancing was no longer required. The State Revolving Fund (SRF) Loan Reserve is not mentioned in the MWMC Financial Plan, but there has to be \$50,000 in the reserve in order to have an SRF loan from the Department of Environmental Quality (DEQ). He suggested modifying the Bond Reserve to be the Bond and Loan Reserve, as far as the language is stated in the MWMC Financial Plan, and this would encompass possible future SRF loans.

Mr. Stouder said the \$50,000 amount is set based on the existing reserve, or if additional SRF reserves were taken in the future, would it be more?

Mr. Vanderwall said the amount set would be whatever is required. The Rate Stabilization Reserve, or the Bond Rate Stabilization Reserve, contains funds that may be used in the future if net revenues are insufficient to meet the bond covenant coverage requirement. This is maintained if there are outstanding bonds. The Insurance Reserve is currently set at \$1.5 M. In previous Commission discussions, the Insurance Reserve is intended to cover the deductible of any insured loss and payment for losses that are either uninsured or uninsurable.

Mr. Stouder said the Rate Stabilization Reserve also has a \$2 M requirement because of each bond. The debts will be paid off in 2027, and that money could be placed somewhere else. With the Facilities Plan and Capital Plan, there will be conversations about additional projects that are needed and will be expensive. Pay-as-you-go financing will continue; however, the capital fund and equipment replacement fund will be brought back to the Commission on a 10-year projection. In the future, if new debt is taken on, a bond reserve will be required.

Mr. Vanderwall said at the November MWMC meeting, staff will discuss the investment in liquid assets (I Policies), the capital and financing (C Policies), sewer user rates and SDCs (R Policies), and the asset management (A Policies).

Commissioner **Farr** said he appreciated the PowerPoint presentation being sent ahead of the meeting to review.

**FACILITIES PLAN UPDATE**

Bryan Robinson, Environmental Management Analyst, presented the Process Facilities Plan (PFP) update. Staff had planned to be further ahead in this process, but this is a complicated project with over 90% completed. Recently, a contract amendment was executed with Jacobs Engineering, the technical consultants for the PFP, and a facilitation contract with Lane Council of Governments (LCOG) was extended through March 2026. Staff needed more time to develop the final deliverable, and verify alignment with PFP scope and facility plan study results. Not all PFP recommendations will be implemented, as was the case with the last plan in 2004. This new plan is a very study-heavy, future focused, and analytic-driven. The plan is forward-looking and in line with the Integrated Wastewater Utility Plan (IWUP). The PFP project recommendations will need critical decision-making assistance, and is one the reasons why staff is looking forward to the future IWUP and Opportunities Plan. A lot of technical work has been completed, and over 800 pages of documents and multiple computer models have been reviewed. In the past, the facilities plan focused on capital projects and the need to increase wastewater treatment. This plan is a true assessment of the WPCF assets and infrastructure. It is not just a list of deficiencies; it is an analysis of fixed facilities, in-ground systems, and the WPCF’s ability, efficiency, and effectiveness to treat forecasted community growth, both residential and commercial. It is a wide lens look for future regulations, potential permit language, and limits, and includes wastewater technology advancements and resource recovery opportunities. It is also a study of how the wastewater treatment process works, and how it can be sustained and improved to meet projected demands and requirements.

The top three projects (Repair Clarifier & Final Treatment, Biosolids Improvement Study, and the WPCF Boiler Upgrade) are receiving funding. The capital project list shown does not include existing projects, only new recommended projects. Some projects have been prioritized for funding, but the project recommendations have not changed in substance since previously shared with the Commission. The WPCF field investigations and dive team condition assessments, the in-field work of existing assets and treatment facilities were a major part of this project.

2025	Capital Project Name (MWMC Project Number)
1	Repair Clarifiers & Final Treatment (P80118)*
2	Biosolids Improvements Study (P80122)*
3	WPCF Boiler Upgrades (P80121)*
4	WPCF Pole Barn Design and Construction
5	Thickening Improvements Study and Process Improvement Implementation
6	Mobile Waste Hauler / Septage Receiving Station, Phase 1 - Evaluation and Study
7	BMF Equipment Storage Expansion
8	East Bank Interceptor, Phase 1 - Condition Assessment and Investigation
9	Pre-treatment Screw Pump MCC Relocation
10	Asphalt Repair (WPCF, BMF, and MWMC Owned Pump Stations)
11	Emergency Generators and Plug Installation
12	Cell Tower Condition Assessment
13	East Bank Interceptor, Phase 2 - Repair and Rehabilitation
14	FOG Receiving Station, Phase 1 - Evaluation and Study
15	Mobile Waste Hauler/Septage Receiving Station, Phase 2 - Design and Construction
16	Aeration Basins, Secondary Clarifiers, Outfall Control Structure Repairs
17	Hypochlorite Study
18	Force Main Condition Assessment and Evaluation
19	W2 Pump Station (BMF Additional Pump)
20	Secondary Effluent Conduit and Tee Channel Dive Inspection, Evaluation, and Repair
21	Pre-treatment Facilities and Pre-aeration Chamber Repair and Pipe Upgrade
22	FOG Receiving Station, Phase 2 - Design and Construction
23	Control System Improvement, Phase 1 - Study and Evaluation
24	Control System Improvement, Phase 2 - Design and Construction
25	Consultant On-Call Engineering Support (Facilities Plan and NPDES Updates)

\*Projects identified during Comprehensive Facility Plan Update project and prioritized for completion.

The highlighted projects are recommended to be repaired or replaced as physical assets, but service improvements are not highlighted. The twelve projects equal to \$113 M of forecasted implementation cost. This is roughly half of

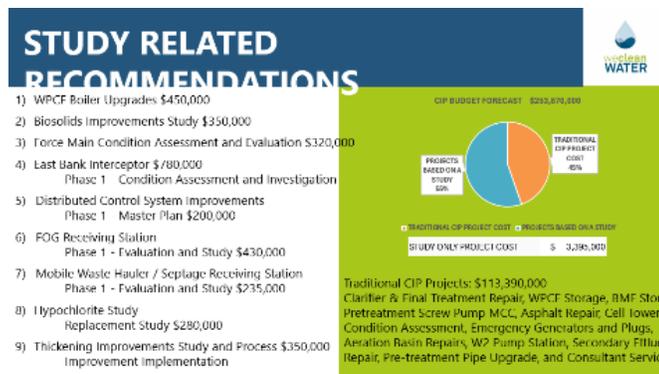
the cost of the 25 projects recommended. There are big decisions that will need to be made in the future, and the Opportunities Plan and the IWUP will help to make those decisions.

Commissioner **Keeler** said there is so much around investigation and assessment, is the work front-loaded or prioritized earlier in the schedule that informs the other decisions that follow?

Mr. Robinson said yes, some of the work was prioritized because there was an imminent risk of failure, the repair work or study work where critical information is still needed.

Commission **Hazen** asked if there could be background provided on the inputs. What data is being used to forecast expenditures, and how much is coming from sensors or data collection in the field versus established projected lives of equipment?

Mr. Robinson said there are three pillars of information that are revisited multiple times in the initial scoping and during analysis, and again at time of implementation: WPCF performance studies, the analytical studies of equipment and the manufacturer recommendations, and the study of regulations and what is to be expected. The Biosolids Improvement Study and the WPCF Boiler Upgrades are receiving funding under Supplemental Budget #1. The Sludge Thickening Pump Improvements and the Co-thickening Improvements are important because they will avoid needing a fifth digester, and both projects are dependent on the results of the Thickening Improvement Study. Staff expects to submit a funding request for this project soon. If all options are exercised with the Biosolids Improvement Study, the project could cost \$90 M. With this study and other studies, the price tag is not necessarily what is shown, only what is acted on, and the final project cost will be determined based on the results of the study. The consultant team analyzes the situation, develops concepts providing possible solutions, and writes into the PFP recommendations for additional specialized analysis leading to developing an actionable construction design to move forward. The five projects (Biosolids Improvements Study, Thickening Improvement Study, WPCF Boiler Upgrades, FOG Receiving Station-Phase 1, and the Mobile Waste Hauler Improvement -Phase 1) are all solid process improvement projects as part of the CIP, but are also capital project studies where more information is needed- information that was out of scope for the PFP. The cost of the studies only is \$3.4 M, and all other costs depend on the study results.



Commissioner **Hazen** said these are all projects budgeted for procuring outside consulting services.

Mr. Robinson said all the projects will have to go through the procurement process, and some will have multiple contracting processes. Currently, the wastewater treatment needs are for about 280,000 people in the MWMC service area, and by the end of the plans lifecycle, our area is expected to have 313,000 people. The WPCF capacity is expected to be sufficient with a capacity threshold roughly capable into 2060. All projects are evaluated for existing conditions, regulatory drivers, and flow and load projections during the analysis. Then each project comes online for implementation, and the data is revisited and augmented.

Mr. Stouder said staff worked with Eugene and Springfield planning and engineering to get 20-year projections for land use and how much population growth to expect.

Commissioner **Lesley** said on the peak hour wastewater flow chart is what the five-year storm was based on. Some of the projections for a five-year storm or a 100-year storm are changing with climate change.

Mr. Robinson said the five-year storm assessment was chosen because it is an impactful storm that is occurring more frequently, and the intervals between the storms and the accumulation of volumes were found to be important.

Riely Walsh, Jacobs Engineering Consultant, said it is not a conveyance model but uses a peaking factor based on the 20-year population growth and projections from a Portland State University (PSU) study. Then, using that information with Eugene and the Springfield planning, estimates are verified. There is a multiplier based on existing data to estimate the five-year storm using a peaking factor.

Commissioner **Inge** said the 20-year population growth is only 1%.

Mr. Robinson said the population growth was verified by the Portland State University Research Center. The PFP from 2004 overestimated the growth projections and he believes the analysis is accurate. The MWMC service area is not expecting a huge population increase.

Mr. Stouder said in the previous PFP, population growth was built into the plan with a five-year minor look and a 10-year major look to see if the projections are holding.

Commissioner **Farr** said based on the school population census, population growth has significantly dropped.

Mr. Robinson said it is too early to know the SDC and potential rate impacts. When developing the PFP, it is required to model for rates and potential impacts. All the projects are reviewed for capacity increases. For facilities, processes, and permit compliance it is based on the risk of failure. Under the MWMC Strategic Pillars, each project can fit into the *Protect the Environment* category, but most projects can fit into other categories as well. The PFP, and the IWUP look at each project from this perspective and it will help solidify the decision-making process. The maintenance and repair recommendations have greatly decreased due to being proactive. Staff follow-up actions, including record keeping, tracking, and monitoring, that are not budget-related are included in the PFP outside of CIP recommendations. All the projects, including existing projects and the 25 projects on the PFP CIP total over \$350 M. There are no guarantees of what will get built, but staff know that the Biosolids Study and the Boiler Upgrade will produce actionable projects.

Mr. Stouder said there will be new permit requirements, new issues, and unplanned events that may come up. Mr. Robinson mentioned \$350 M is the cost for all projects. It is unlikely that every recommendation will move forward.

Commissioner **Keeler** said in the 2004 PFP, the total value was \$194 M. Twenty years later, this does not seem out of line.

Commissioner **Hazen** said, after discussing reserves, do any of these projects have ominous impacts on the ratepayers or on future rates, and has this been accounted for in financing during the planning process?

Mr. Stouder said that this includes existing capital projects and \$250 M of potential new projects over the next 20 years. Some of the projects will be front-loaded, and part of the analysis is looking at impacts of the rates, what are projected revenues, and possible diversification like the Renewable Natural Gas (RNG) system or other systems to create additional revenue. There will conversation on projections about SDC eligibility and the SDC methodology update with the finance staff. Unless directed by the Commission, he projects rates adjustments will continue with

small incremental adjustments over time. However, it depends on the data, and it might make sense to apply for loans or to sell bonds. That will be for a future discussion.

James McClendon, City of Eugene Wastewater Finance and Administrative Manager, said there are a number of projects listed that are projected to lower operating costs, electricity, chemicals, and gas use.

Mr. Vanderwall said between \$13 M to \$16 M a year is transferred from the operating fund to the capital fund. That is about \$160 M over 10 years and does not include additional amounts that could flow to capital when the bond is paid off this year, which is another \$3.6 M. Potentially, there is close to \$200 M for a 10-year plan.

Commissioner **Hazen** said there seems to be a lot of flexibility in how the financial needs of this plan are addressed.

Mr. Stouder said that the financial plan aims to ensure equity between existing users and newly connected users. It makes sense to continue pay-as-you-go, but consideration should be given for future users to pay for certain things.

Commissioner **Hazen** said he would be interested in hearing more of how staff decides what is outsourced to a consultant versus what can be done in-house or with independent contractors. Consultants play an important role, but their findings are presented in alignment and have a consistent approach for high, medium, and low-cost options for projects. For consultants to have consistency across the studies on how it is delivered to staff, and then staff presenting to the Commission.

Mr. Robinson said that when staff start to vet these projects for implementation through the IWUP then there can be a discussion and information provided to the Commission.

Commissioner **Hazen** said that this is a great presentation that is very complicated.

Mr. Robinson said there will be a full draft completed in November, a completed deliverable in January and the final document by April.

Commissioner **Keeler** said how does participating in the survey connect with your presentation.

Mr. Miller said originally staff were thinking that the PFP would be Volume 2 and then do the integrated planning first. As the process evolved, staff focused and aligned on the effective utility management levels of service. The PFP lines up well with Level 1 whereas the Integrated Plan aligns more with Level 2 (Aspirations) and then leading to level 3 (Anchor institution in the community). There is a lot of planning work with options and alternatives that will emerge and evolve with consistent and broad input from the Commission. Considering all the community drivers will help the MWMC make the best possible decision for our ratepayers. That is where the Integrated Plan will come in and help guide the Commission.

Mr. Stouder said that Mr. Robinson now has a new title. During a competitive recruitment, he was promoted to fill the vacancy created by Mr. Miller when he promoted to Deputy Director. Mr. Robinson is now our Environmental Services Supervisor for the Planning and Policy team.

### **BUSINESS FROM THE COMMISSION**

Commissioner **Keeler** thanked staff for sending the PowerPoint presentation before the meeting when possible.

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

Mr. Stouder said that Lou Allocco, former Environmental Service Supervisor, retired and to help fill the void, he temporarily filled the position for up to a year with a previous staff member, Valerie Warner, who is willing to come back to help get through this next year's budget process.

This week staff held the Clean Water University program for Eugene and Springfield area 5<sup>th</sup> graders at the WPCF. It was a successful year with over 400 students. Commissioner Hazen volunteered and KVAL News came out to interview Thomas Gray, Communications Coordinator. A big thank you to the Communication team, all staff and volunteers.

He continues to meet with the regional solutions team for Goshen and Creswell. Staff had Jacob Engineering performed an analysis identifying a capacity issue at the Glenwood Pump Station. There will be some challenges with the Glenwood Pump Station in conveying all the flows from Goshen to Creswell if they connect, but he does not think that those challenges are insurmountable. The pump station needs an additional pump added. Staff are going to seek a better understanding of the capacity issue through our existing contract with Carollo Engineers and meet with Lane County and Creswell to talk through that. Staff will need the cost for their buy into the system, or any upgrades, so there will be no impact to Eugene or Springfield ratepayers. In the future, he will bring this topic to the Commission, providing updates. He does not have an update on when the regional solution team and the county will come before the City Councils.

Commissioner **Farr** said it was a great meeting with Goshen and the regional solutions team. The project is moving along.

Mr. Stouder said that the Glenwood Pump Station was designed originally to have a higher capacity. Staff are working on a project to add a third pump for redundancy for the DEQ requirements, but the pump station has not been pumping on the performance curve and there are probably some design modifications to the infrastructure that could be made to help meet pump performance. Through Commissioner Farr, he was connected with Junction City Public Works Director, Gary Kaping, to discuss Junction City potentially connecting with the MWMC. They are under a similar compliance order from the DEQ that Creswell is under. They discharge to Flat Creek, which is very small, and makes it quite challenging to meet new permitting requirements. They are needing to upgrade their existing facility by 2032, resulting in approximate costs of \$75 M to \$80M.

Commissioner **Inge** said that Creswell/Goshen is not presently included in the work that the MWMC is doing on the Glenwood pump station.

Mr. Stouder said no, but it could be retrofitted. Jacobs Engineering has identified Goshen and Creswell's work, data, and they know our system. Holistically looking at the WPCF system, there appears to be excess capacity in the 20-year planning horizon. He wants to go back to Eugene and Springfield policymakers and say with certainty whether there are capacity issues and how they would be addressed. If there is excess capacity that goes unused in the planning period, then that is an opportunity to be used and to gain revenue. However, if there is a capacity issue, then we need to know what the costs will be, and how to handle it so that existing ratepayers do not pay for someone outside of the system.

In September, staff, along with the Freshwater Trust, local watershed councils, and state park personnel attended a tour of two of the MWMC-sponsored Riparian Shade Projects at the Row River Nature Park in Cottage Grove and the Jasper State Park. It was a beautiful day to see the multiple benefits of planting shade trees on the riverbanks.

Lastly, the legislatively directed biosolids per- and polyfluoroalkyl substances (PFAS) study is moving forward in coordination with OSU, the Oregon Association of Clean Water Agencies (ACWA), and the DEQ. The MWMC is one of the four geographic areas in Oregon. The City of Eugene's Operations Team has been very responsive and helpful as the study teams do test pits and soil samples. Later this month, there will be lab analysis completed, and information provided.

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

Ms. Miranda said the MWMC won an award from the Water Environment Federation (WEF), the Utility of the Future Award. Mr. McClendon accepted the award at this year's WEFTEC Conference in Chicago.

Mr. Stouder said the Utility of the Future award is not easy to get. It is good for three years, and then recertification is needed with new projects.

Ms. Miranda said she sent an email earlier this week about an effluent limit violation for Biochemical Oxygen Demand (CBOD) that occurred in September. There were two days of a higher-than-normal CBOD that came to the WPCF and resulted in a weekly average violation. The permit limit is 15mg/L, and the weekly average was greater than 16mg/L because one day's test result was greater than 28mg/L. Staff investigated the occurrence and learned that it likely came from outside of the WPCF. Staff are continuing to finalize their investigation and analyzing data trends using a predictive software program we have called Biowin. Staff did not see anything that would indicate plant performance issues but are re-analyzing data to verify. Staff has implemented some strategies to prevent this from reoccurring, including collection system monitoring and changes in the laboratory test to be able to detect a broader range of concentrations.

Commissioner **Hazen** said is there any information to suggest an industrial road dump down a stormwater drain.

Ms. Miranda said industrial sites are well monitored. It is hard to trace back to something that comes into the plant, but from time-to-time staff see things during monitoring. There are pH meters on the influent and other indicators that staff look at, but generally these events do not result in an effluent limit violation. Staff have implemented monitoring strategies in the collection system. Two sites are connected to the monitoring system and our staff receive information about what is potentially coming through the Mission program.

Commissioner **Hazen** said that if it were a rogue kind of actor, there would be public communication that might seem appropriate.

Ms. Miranda said that she is working with Eugene's Pretreatment Program to identify and provide outreach.

Commissioner **Lesley** said how much of the effluent was exceeded.

Ms. Miranda said the permit limit is 15mg/L, and the result was greater-than 16mg/L. Staff had the greater-than value because on one of the monitoring days, the dilution was not readable. The CBOD is a test with an incubation period of five-days before results are available. Since this incident, the lab has implemented additional dilutions to the effluent to avoid getting a greater-than result.

Commissioner **Keeler** said with a five-day delay it is hard to find a good surrogate to predict what will be later and to readjust the plan to deal with that. It sounds like you have a plan.

Ms. Miranda said staff are looking at solutions for more influent monitoring, but those are expensive and do not always work. All options are on the table with staff reviewing.

Commissioner **Inge** said does staff know what kind of substance might have caused this.

Ms. Miranda said biochemical oxygen demand is a measure of the oxygen demand associated with breakdown of organic matter.

Steve Barnhardt, City of Eugene Wastewater Division Operations Manager, said staff do not really know what came in and there are a lot of potential ideas of what it could have been.

Commissioner **Inge** said what kind of chemical could it have been.

Ms. Miranda said that the "biochemical" specifically points to the role of living organisms consuming oxygen.

Commissioner **Keeler** said it could be like food or sugar from a brewery.

Mr. Stouder said one speculation was wine.

Ms. Miranda said it is grape crushing season, and that will be part of the outreach efforts to work with fermenters.

Commissioner **Inge** said could it be naturally occurring.

Mr. Barnhardt said it is a five-day test with no indicators on those days that something was wrong at the facility, and there was no reason to hold a sample.

Commissioner **Inge** said what if staff did see something, then what would be done.

Ms. Miranda said it could be diverted into a basin or held in another area, then staff figure out how to treat it or meter it into the process. That is a way staff have typically handled similar incidents in the past.

Last month, Ms. Miranda reported briefly on the RNG program, and there will be a more detailed discussion at the November meeting. As was shared last month with the Commission, the RNG off-taker, Anew, and their Quality Assurance Verifier (QAV), Eco Engineers, did not have a pathway approved by the Environmental Protection Agency (EPA) to sell Renewable Identification Numbers (RINs). Since that report, they have now been approved. Our RINs have not been sold yet, but she is hoping to have more information at the next Commission meeting.

Commissioner **Hazen** asked Mr. Stouder to discuss the conversation they had about wipes.

Mr. Stouder said Commissioner Hazen brought him a package of Cottonelle wipes that said the wipes meet flushable guidelines set by the wastewater treatment community. Legislation was passed for flushable wipes nationally, and in Oregon, there is a flushable wipe ban. However, it is up to agencies like MWMC to potentially pursue action. Companies are not to put flushable on their packaging, but not all companies have removed the language.

Commissioner **Keeler** would that be something for Oregon ACWA?

Mr. Stouder said it could be raised at that level. CWU highlights not flushing wipes down the toilet. It is clear that the kids did the curriculum and know this information.

Commissioner **Farr** adjourned the meeting at 9:15 am.



# Metropolitan Wastewater MANAGEMENT COMMISSION



partners in wastewater management

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## MEMORANDUM

**DATE:** November 6, 2025

**TO:** MWMC Board

**FROM:** Matt Stouder, MWMC Executive Director  
Kristin Denmark, MWMC Legal Counsel

**SUBJECT:** Updates to the MWMC Intergovernmental Agreements

**ACTION REQUESTED:** Adoption and authorization of the revised Intergovernmental Agreements

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### ISSUE

Two foundational agreements regarding the MWMC are in need of updates to reflect current practices and to simplify some processes. The first of these agreements is the *Restated and Amended Agreement for the Metropolitan Wastewater Management Commission*, effective July 5, 2005 (the "IGA"), which established the MWMC as an intergovernmental entity. The second of these agreements is the *Operation, Maintenance, and Administrative Services Intergovernmental Agreement*, effective April 19, 2001 (the "OM&A IGA" herein referred to as simply the "OM&A"), which allocated responsibility for the MWMC's functions between the MWMC and the Cities in a more detailed manner. The Cities and County are parties to the IGA. The Cities and the MWMC are parties to the OM&A.

### BACKGROUND

The Cities of Springfield and Eugene, together with Lane County, have successfully managed the MWMC partnership for over four decades. The IGA was most recently amended in 2018. The 2018 amendment only addressed a very discrete issue, so the IGA, as a whole, has not been updated for twenty years. The OM&A has not been amended since the 2001 effective date.

A team of MWMC legal counsel and regional wastewater program staff have been working closely with the City attorneys from each city over several months to update the IGA and OM&A. We have also conferred with the County regarding changes to the IGA. A summary of changes to each document is set forth below.

### DISCUSSION

The following is a high-level summary of changes to the IGA:

1. Housekeeping edits such as updating the Recitals, removing historical references that are no

longer needed or no longer make sense, updating definitions, and ensuring defined terms are used consistently throughout the IGA and OM&A.

2. MWMC's specific functions, in Section 4, are the same except:
  - a. Section 4(c) is modified slightly so that user rates and SDCs consider the factors in subsections (i) and (ii) but are no longer required to show how much of the user fee or SDC is to account for the separate factors in subsections (i) and (ii). This change reflects a long-term current practice of the MWMC.
  - b. Section 4(d) is modified so the Cities no longer need to co-adopt the MWMC's Facilities Plan, but the MWMC will work in coordination with the Cities to comply with Oregon Statewide Planning Goal 11 requirements.
  - c. Section 4(e)(viii) was added to allow the MWMC Board to consider additional objectives.
  - d. Section 4(o) was added so that the MWMC Board would make a recommendation to the Governing Bodies if an expansion to the MWMC service area is under consideration.
3. In Section 5, the MWMC's governing body is changed to the "MWMC Board of Commissioners" or the "MWMC Board." The MWMC Board was previously called the "Commission," which was somewhat duplicative for the Metropolitan Wastewater Management Commission as an entity, and therefore potentially confusing in meaning.
4. Also in Section 5, the quorum requirement for the MWMC Board is now a simple majority: 4 out of 7 members. The IGA previously required a supermajority be present for a quorum (5 of 7). The jurisdictional requirement (one member appointed by each Governing Body) was not changed.
5. In Sections 8 and 9, language is clarified to reflect that the Cities perform some functions, or have some obligations, that the County does not.
6. In Section 12, language is clarified regarding for what purposes the MWMC would conduct a hearing.
7. In Section 17, which recognizes that the Cities are co-permittees with the MWMC on the NPDES Permit with the DEQ, language is added regarding those obligations into the termination section.
8. In Section 18, language is updated related to dispute resolution.
9. Exhibit B has been updated in consultation with Regional Wastewater Program staff to reflect that the identified Regional Facilities as described is currently accurate.

The following is a high-level summary of changes to the OM&A:

1. Housekeeping edits such as updating the Recitals, removing historical references that are no longer needed or no longer make sense, updating definitions, and ensuring defined terms are used consistently throughout the IGA and OM&A.

2. In Sections 2 and 3, language is modified to be consistent in application to both Eugene and Springfield.
3. In Section 4, two former sections of the original OM&A are combined into this one section for easier readability.
4. In Section 5, two former sections of the original OM&A are combined into this one section for easier readability. Additionally, language is updated to: (a) make indemnification obligations subject to the tort claims limit; (b) require all parties to indemnify each other (previously, the Cities did not indemnify each other, only the MWMC); and (c) agree the parties would waive claims against each other, except for claims for willful misconduct.
5. In Section 6, language is modified to be consistently applied to both Eugene and Springfield and to clarify that the Cities shall charge the MWMC the lesser of two rates: (a) a methodology approved by the Federal government for similar work or projects; or (b) the indirect rates the City charges to its internal departments.
6. The dates in Section 7(a) are adjusted to reflect long-time current practice. Additionally, language in Section 7(b) is clarified for readability and Section 7(c) is updated to reflect long-time current practice.
7. The termination language in Section 8 is changed to tie the termination date of the OM&A to the termination date of the IGA.
8. The dispute resolution language in Section 10 is updated to align with the IGA's updated Section 18.
9. Exhibit B: *Administrative Support Services provided by Springfield* is updated as follows:
  - a. Section A(1) is clarified to reflect that Springfield is responsible not only for new facilities construction, but also for significant expansion or major rehabilitation of Regional Facilities or Equipment. This clarification is especially relevant in light of the upcoming work under the Facilities Plan update.
  - b. In Section A(2), the language regarding the MWMC Executive Director's delegated authority is changed to update the previously very low dollar threshold and different levels of authority for different contract types. Following adoption of the OM&A, the MWMC Board will need to delegate contracting authority by resolution to the Executive Director. Legal counsel expects it will recommend the MWMC Board delegate contracting authority of \$150,000 to the MWMC Executive Director, as this is consistent with, or an even lower limit than, many other comparable entities in the Eugene-Springfield area. The MWMC Board may delegate authority to the MWMC Executive Director up to the limits of an intermediate procurement, as set forth in ORS 279B.070, which in 2025 is \$250,000.
  - c. Section B(4) is clarified that disposal of all assets must be in accordance with the MWMC procurement rules.

- d. Sections B(5) and B(9) language is updated for clarification and to reflect long-term current practice.
- e. Language regarding public records request is added in Section B(10).

10. Exhibit C: *Operation and Maintenance Functions provided by Eugene* is updated as follows:

- a. Sections A(1) and (8) are updated to reflect that Eugene is not responsible for significant expansion or major rehabilitation of Regional Facilities or Equipment. In Section 8, language is clarified to state when Eugene (rather than the MWMC) is the party to a contract and, in that case, that Eugene's procurement rules apply. Also added is a requirement for a monthly delegated authority report to be provided by Eugene to the MWMC Executive Director for certain large dollar contracts. This section is further clarified to reflect that disposal of all assets must be in accordance with the MWMC procurement rules.
- b. Language regarding public records request is added in Section A(6).

In terms of process, the IGA needs to be adopted by the Cities and County and is currently scheduled for consideration by the Governing Bodies in December and January. When the City Councils consider the IGA for adoption, they will also consider adoption of the OM&A. Partner legal counsels and staff have confirmed that their respective staffs will recommend to their respective Governing Body that they adopt the IGA, and, for the Cities, the OM&A, both as presented.

### **ACTION REQUESTED**

We request the MWMC Board, by motion:

1. Recommend the Governing Bodies adopt the *Second Restated and Amended Intergovernmental Agreement for the Metropolitan Wastewater Management Commission*, substantially on the terms as set forth in the attached document; and
2. Authorize the MWMC Executive Director to enter into the *First Restated and Amended Intergovernmental Agreement for the Provision of Operation, Maintenance and Administrative Services to the Metropolitan Wastewater Management Commission*, substantially on the terms as set forth in the attached document.

### **ATTACHMENTS**

- 1). Second Restated and Amended Intergovernmental Agreement for the Metropolitan Wastewater Management Commission
- 2). First Restated and Amended Intergovernmental Agreement for the Provision of Operation, Maintenance and Administrative Services to the Metropolitan Wastewater Management Commission

**SECOND RESTATED AND AMENDED INTERGOVERNMENTAL AGREEMENT**  
**Metropolitan Wastewater Management Commission**

THIS SECOND RESTATED AND AMENDED INTERGOVERNMENTAL AGREEMENT (the “Agreement”) is made as of this \_\_\_ day of \_\_\_\_\_, 2026 (the “Effective Date”), by and between the City of Springfield, an Oregon municipal corporation (“Springfield”), the City of Eugene, an Oregon municipal corporation (“Eugene”), and Lane County, a political subdivision of the State of Oregon (“County”). Springfield, Eugene, and the County are collectively referred to herein as the “Parties” and individually a “Party.”

**RECITALS**

- A.** Each of the Cities has adopted, with County co-adoption, an urban growth boundary within which urban services may be provided. Each urban growth boundary includes the land that has been incorporated into that City (urban lands) and certain unincorporated areas surrounding the City which lie entirely within the County (urbanizable land).
- B.** The combined area within the Cities’ urban growth boundaries, as they are now or hereafter established, is a metropolitan area because of its urban or urbanizable character and the close interrelationship between the two Cities and all parts of the area.
- C.** The urban character of the area makes high quality wastewater treatment necessary.
- D.** In order to plan for wastewater collection and treatment on a unified basis within their urban and urbanizable areas, the Parties entered into an agreement January 8, 1974, establishing the Metropolitan Sewer Advisory Commission.
- E.** The Parties then entered into an Intergovernmental Agreement to establish the Metropolitan Wastewater Management Commission (“MWMC”) as the replacement for the Metropolitan Sewer Advisory Commission effective February 9, 1977 (the “Original Agreement”), which was amended effective January 4, 1978, February 16, 1982, July 19, 1991, and April 3, 1998.
- F.** The Original Agreement, as amended, was then restated and amended effective July 5, 2005 (the “First Restated Agreement”) and, at that time, the Parties took action to create the MWMC as an “intergovernmental entity” pursuant to ORS 190.010, 190.080 and 190.085. The First Restated Agreement was amended effective March 19, 2018.
- G.** The Cities have the authority under their charters to provide for all aspects of wastewater collection and treatment and are concerned that it be provided adequately in their environs to prevent health hazards.
- H.** The County, under its charter, has extensive duties under state laws regarding public sanitation, and is concerned about hazards to public health that arise from inadequate wastewater collection and treatment in the area.
- I.** Under their charters and the Oregon Revised Statutes, the Cities and County may cooperate in providing wastewater collection and treatment and may enter into contracts to carry on that function jointly or by transferring the function to one of the governmental units.
- J.** The Cities and the County are determined to provide wastewater collection and treatment on a unified basis within the cities’ urban growth boundaries.

- K.** Each City provides for the local collection of wastewater through that City's local wastewater conveyance system. These local collection facilities connect to a regional system of wastewater collection facilities owned by the MWMC. Together, these local and regional collection facilities (which do not include private laterals which convey wastewater from individual residential or commercial/industrial connections) convey wastewater to a regional treatment facilities system owned by the MWMC.
- L.** The Parties adopt this Agreement in compliance with ORS 190.010 to reaffirm the creation and continuance of the MWMC, an intergovernmental entity with the powers described in ORS 190.080. This Agreement amends and restates in its entirety the First Restated Agreement, as amended.

## **AGREEMENT**

NOW, THEREFORE, the Recitals above being expressly incorporated herein, the Parties hereby agree as follows:

- 1. Defined Terms.** Some terms are defined in the text of this Agreement and some are defined in Exhibit A. Exhibit A provides an index of terms defined in this Agreement. Defined terms may be used in the singular or the plural, and defined terms that are in one part of speech, such as a noun, may be used in another part of speech, such as a verb.
- 2. Commission.** The Parties acknowledge that the Metropolitan Wastewater Management Commission was created and established by the Parties as an intergovernmental entity as set forth in Recitals E and F in accordance with the requirements in ORS Chapter 190.
- 3. General Function.** The MWMC shall construct, operate and maintain the Regional Facilities. The MWMC shall finance these facilities in accordance with the MWMC's Financial Plan. The MWMC shall have all the powers allowed to an intergovernmental entity under ORS Chapter 190, as it may be amended from time to time, and any other statute that grants powers to such intergovernmental entities for purposes of carrying out the specific functions set forth in Section 4 of this Agreement.
- 4. Specific Functions.** The MWMC shall perform the following specific functions:
  - (a) Construct, maintain, operate, repair and improve the Regional Facilities pursuant to the MWMC's Facilities Plan or as directed by the MWMC Board, as defined in Section 5.
  - (b) Implement the Financial Plan and annual budget for the Regional Facilities.
  - (c) Recommend to the Parties a schedule of regional wastewater user fees and regional system development charges ("SDCs") to support the MWMC's specific functions. The MWMC's recommendation shall be based on its consideration of:
    - (i) The rates and amounts that the MWMC reasonably determines are necessary to meet Bond covenants, and to achieve and maintain an unenhanced credit rating of A for the MWMC's Bonds from at least one nationally recognized rating agency; and

- (ii) Such additional rates and amounts that the MWMC determines are appropriate to adequately fund the actions necessary to perform the MWMC's functions under this Agreement.
- (d) Maintain a comprehensive Facilities Plan to meet the applicable requirements of the NPDES Permit and the State's SDC laws; cooperate and coordinate with the Parties to provide information and analysis needed to comply with statewide planning goal 11 for public facilities and services planning.
- (e) Maintain a Financial Plan to provide guidance for the generation of revenue sufficient for the MWMC to fulfill its functions under the Agreement. Any update of the Financial Plan shall be designed to promote the following objectives:
  - (i) Establishing revenue adequacy to provide for long-term health and stability of the Regional Facilities through a program of monthly wastewater user fees and SDCs that are imposed uniformly throughout the Service Area to achieve full cost recovery;
  - (ii) Fully funding the needs for equipment replacement and major rehabilitation to address the long-term preservation of the Regional Facilities capital assets;
  - (iii) Fully funding a program of capital improvements to address capacity, regulatory and efficiency/effectiveness needs;
  - (iv) Ensuring equity between newly connected and previously connected users for their total contributions toward the Regional Facilities;
  - (v) Ensuring equity between various classes of users based on the volume, strength and flow rate characteristics of their discharges together with any other relevant factors identified by the MWMC;
  - (vi) Ensuring efficient and cost-effective financial administration of the Regional Facilities;
  - (vii) Complying with applicable laws and regulations including those governing the establishment of user fees and the establishment of SDCs, pursuant to ORS 223.297, *et seq.*; and
  - (viii) Those other objectives as determined by the MWMC Board, as defined in Section 5.
- (f) Establish billing and collection systems, if necessary, in locations where such systems are not already established.
- (g) Contract with the Parties as appropriate for the operation and maintenance of the Regional Facilities, administrative services for the MWMC, and for other services as necessary.

- (h) Contract for any goods or services needed for the operation and maintenance of the Regional Facilities as authorized under the Oregon Public Contracting Code, and establish or adopt any necessary rules, policies, or procedures for such procurement.
- (i) Provide service only as specified in Section 9(e), below, and accept septage and other forms of hauled waste appropriate for treatment in the Regional Facilities from areas beyond the Service Area boundaries only as consistent with Oregon's land use goals and regulations.
- (j) Comply with state and federal standards.
- (k) Adopt minimum uniform standards for pretreatment requirements for industrial and other wastes as necessary.
- (l) Adopt minimum standards for construction and maintenance of the Local Facilities.
- (m) Take any action necessary or convenient to perform the above functions or other duties as specified elsewhere in this Agreement. No powers or duties related to local annexation or growth policies are granted to the MWMC.
- (n) Issue Bonds as provided in ORS 190.080 or as otherwise allowed under state law, and enter into covenants regarding the operation of the Regional Facilities and the imposition of regional wastewater user fees and SDCs that are intended to secure favorable interest rates and other terms for Bonds.
- (o) Make recommendations to the Parties concerning any contemplated expansion of the Service Area, including advising the Parties of potential impacts such an expansion would have on the MWMC and the operation of the Regional Facilities.

5. **Membership.** The governing body of the MWMC shall be the MWMC Board of Commissioners (the "MWMC Board") and shall consist of seven (7) voting members:

- (a) Each Party's Governing Body shall appoint to the MWMC Board one (1) elected official of that Governing Body.
- (b) The City Council of Eugene shall appoint two (2) additional members to the MWMC Board. The City Council of Springfield and the Board of Lane County Commissioners shall each appoint one additional member to the MWMC Board.
- (c) Members of the MWMC Board shall serve for the term set by the MWMC Board in its bylaws and at the pleasure of the Governing Body appointing that member.
- (d) A quorum of the MWMC Board shall be four (4) members providing at least one member appointed by each of the Parties is present. Decisions of the MWMC Board shall require a majority vote of the entire membership (a quorum) unless otherwise provided in this Agreement or by law.

6. **Bylaws.** The MWMC Board shall adopt a set of bylaws governing its conduct. The bylaws shall:
- (a) Establish the times and places of regular meetings.
  - (b) Establish a central office for the MWMC which shall have a mailing address, a means for receiving telephone calls, and a complete set of records of the MWMC, be the main place where information about the MWMC can be obtained, and be under the charge of a designated agent of the MWMC.
  - (c) Prescribe officers of the MWMC Board, including president and other officers to be elected by the Board from among its members. The president shall see that meetings of the MWMC Board are conducted in accordance with its bylaws.
7. **Meetings.** The MWMC Board shall meet regularly at times and places designated in the bylaws. The MWMC Board may hold special and emergency meetings consistent with the Oregon Public Meetings Law.
8. **Functions of the Cities and County.** The Parties shall continue to perform the following functions:
- (a) The Cities shall provide billing and collection of regional wastewater user fees and SDCs. User fees will be billed and collected monthly. Regional SDCs will be billed and collected by Eugene and Springfield in accordance with state law.
  - (b) The Cities shall provide wastewater collection for the Local Facilities.
  - (c) The Cities shall provide customer contact.
  - (d) The Parties shall establish local annexation and growth policies.
9. **Obligations of the Cities and County.** The Parties shall assume the following obligations:
- (a) Each month, the Cities shall remit to the MWMC all revenues that are collected on behalf of the MWMC. Efforts to collect delinquent accounts will be consistent with the policies and practices for the collection of delinquent accounts for other utility fees or charges due to the Eugene Water and Electric Board for such revenues collected by Eugene and the Springfield Utility Board for such revenues collected by Springfield. If Lane County collects revenue on behalf of the MWMC, Lane County will use delinquent account collection policies and practices that are similar to those used by Eugene Water and Electric Board and the Springfield Utility Board.
  - (b) The Cities shall adopt, as a minimum, the MWMC's standards for construction and maintenance of Local Facilities and for pretreatment requirements for industrial and other wastes.
  - (c) The Cities shall adopt regional wastewater user fees and regional wastewater SDCs at the rates and in the amounts recommended by the MWMC pursuant to Section 4(c). Any

objection to the rates or amounts of such user fees or SDCs recommended by the MWMC shall be resolved pursuant to Section 18 of this Agreement.

- (d) The Cities shall provide the MWMC with regular periodic reports of revenues and expenses related to the Regional Facilities.
- (e) The Parties shall establish the Service Area boundaries and provide for adjustment thereto as necessary to ensure that service is provided to areas within the City Limits of Eugene and Springfield (City Limits); to users currently being served or to whom contractual service commitments have been made who are outside the City Limits; and to any other areas outside the City Limits to which service may be extended in conformity with each City's acknowledged comprehensive plan and with the Growth Management provisions in Chapter II of the Metro Plan and the Public Facilities and Services Element provisions in Chapter III of the Metro Plan, as amended.
- (f) The Parties shall make commitments necessary to assist the MWMC in obtaining favorable interest rates and other terms for Bonds approved by the Parties' Governing Bodies under ORS 190.080(1).

**10. MWMC's Liabilities.** The Parties shall be obligated to impose, collect, and remit to the MWMC regional wastewater user fees and regional SDCs and to comply with the obligations specifically imposed on the Parties and Governing Bodies by this Agreement. Except as provided in the preceding sentence, the Parties shall not be liable for the debts, liabilities or obligations of the MWMC.

**11. Grants and Bonds.** The MWMC shall apply for grants and issue Bonds, as needed, to achieve the objectives of this Agreement and to carry out an adequate program of wastewater collection and treatment within the Service Area.

**12. Hearings.** The MWMC may conduct hearings on complaints from: (a) any Rate Payer who is aggrieved by the actions or decisions of the MWMC; or (b) any User, pursuant to the provisions of a City's Pretreatment Code. The MWMC Board may adopt procedures regarding such hearings.

**13. Annual Budget and Capital Improvement Program.** The MWMC shall prepare an annual, and any necessary supplemental, budget and CIP. The MWMC may make expenditures or incur obligations only within limits set by the budget and CIP. Except for the expenditures the MWMC reasonably determines are necessary to meet Bond covenants and achieve and maintain an unenhanced credit rating of A for the MWMC's Bonds from at least one nationally recognized rating agency, the MWMC shall not make any expenditures until the MWMC's budget and CIP have been ratified by the Parties' Governing Bodies. The MWMC shall deliver its recommended budget and CIP, together with its estimate of the rates and amounts that are necessary to fund the recommended budget and CIP, to the Parties by May 1 of each year. If one of the Governing Bodies objects to the recommended budget, CIP or rates necessary to fund them, the objecting Party shall make every reasonable attempt to use the reconsideration and mediation process set forth in Section 18 in sufficient time to ensure that the MWMC has an approved budget by June 30.

**14. Recommendations.** Upon recommendation of the MWMC Board, the Parties shall:

- (a) Establish wastewater collection policies.
- (b) Provide the personnel and services necessary for the operation and maintenance of the Regional Facilities at the expense of the MWMC.
- (c) Adopt a system of regional wastewater user fees and regional SDCs as required by Section 9(c) of this Agreement
- (d) Ratify the MWMC budget and CIP pursuant to the provisions of Section 13.
- (e) Assess and collect the regional wastewater user fees and SDCs.
- (f) Apportion funds that the Parties receive for wastewater between the Party and the MWMC in direct proportion to the total fees and charges that are imposed by the Party for wastewater on behalf of the MWMC and the Party.

**15. Term.** This Agreement shall continue until modified by the unanimous consent of the Governing Bodies.

**16. Amendments and Modifications.** Any modifications to this Agreement must be made in writing and executed by all Parties.

**17. Termination.** Except as otherwise set forth herein, a Party, through its Governing Body, may terminate its participation in this Agreement by providing one year's advance notice of termination to the other Governing Bodies. Notwithstanding the foregoing, a Party: (a) that is obligated to collect revenue on behalf of the MWMC may not terminate its participation in this Agreement unless all Bonds have been paid or defeased; and/or (b) that has obligations under the NPDES Permit may not terminate its participation in this Agreement unless MWMC, the terminating Party and DEQ have agreed upon how such obligations will be met upon termination of such Party's participation in this Agreement.

If, upon a Party's termination of its participation in this Agreement, the Parties are unable to agree on the division of assets and liabilities between the Parties, the Parties agree to submit the dispute to the Dispute Resolution process outlined in Section 18.

**18. Dispute Resolution.**

- (a) If one or more of the Parties' Governing Bodies has a material dispute relating to this Agreement, the Governing Body objecting to the action shall:
  - (i) For disputes involving an action by MWMC, request that the MWMC Board reconsider such action by delivering a written request therefor to the MWMC Board. The MWMC Board may put such action on its agenda for reconsideration at any MWMC Board meeting within 45 days after receipt of the request for reconsideration. Except as provided in Section 18(c) below, if a Governing Body

objects to the MWMC Board’s action after reconsideration by the MWMC Board, the Governing Body may refer the matter to the two City Managers and the County Administrator to be settled by mutual agreement.

(ii) For disputes involving an action by one of the other Governing Bodies, refer the matter to the two City Managers, and County Administrator as applicable, to recommend a resolution to the respective Governing Bodies.

(b) In the event the disputing Parties are unable to resolve such dispute, the disputing Parties shall attempt in good faith to resolve the dispute through confidential non-binding mediation. The disputing Parties shall select a mutually agreeable mediator, if possible with expertise on the disputed issue(s) or, if the disputing parties cannot agree upon a mediator, they shall jointly request the Presiding Judge of Lane County Circuit Court to appoint a mediator with expertise on the disputed issue(s). The disputing parties shall agree upon mediation procedures, or if the parties cannot agree to such procedures, the disputing parties agree to be subject to mediation procedures imposed by the mediator. Each disputing Party shall bear its own costs and expenses for the mediation and shall equally share the costs and expenses assessed by the mediator for administrating the mediation.

(c) Notwithstanding the foregoing, if the dispute regards the MWMC’s determination of rates and amounts pursuant to Section 4(c), the recourse of an objecting Party is limited to submitting the matter to the MWMC Board for reconsideration within thirty (30) days after the MWMC Board’s decision is made. The MWMC Board’s decision on reconsideration of those rates and amounts shall be final.

**IN WITNESS WHEREOF**, the undersigned, by authority of their respective Governing Bodies, have executed this Agreement.

**CITY OF SPRINGFIELD**, a municipal corporation of the State of Oregon

**CITY OF EUGENE**, a municipal corporation of the State of Oregon

By: \_\_\_\_\_  
Springfield City Manager

By: \_\_\_\_\_  
Eugene City Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**LANE COUNTY**, a political subdivision of the State of Oregon

By: \_\_\_\_\_  
Lane County Administrator

Date: \_\_\_\_\_

## Exhibit A

### Defined Terms

1. **“Agreement”** has the meaning set forth in the introductory paragraph of this Agreement.
2. **“BFF”** has the meaning set forth in Section 2(e) to Exhibit B.
3. **“BMF”** has the meaning set forth in Section 2(c) to Exhibit B.
4. **“BRS”** has the meaning set forth in Section 2(d) to Exhibit B.
5. **“Bonds”** means bonds, notes, loans and other borrowings of the MWMC that assist the MWMC in carrying out the Facilities Plan.
6. **“CIP”** means the list of capital improvement projects that is included in the MWMC’s annual budget and annually approved by the Governing Bodies.
7. **“Cities”** means Eugene and Springfield.
8. **“City Limits”** means within the city limits of Eugene or Springfield.
9. **“City Manager”** means for the Cities of Springfield and Eugene, their respective City Managers.
10. **“County”** means Lane County.
11. **“County Administrator”** means the Lane County Administrator.
12. **“DEQ”** means the State of Oregon Department of Environmental Quality.
13. **“Effective Date”** has the meaning set forth in the introductory paragraph of this Agreement.
14. **“Eugene”** has the meaning set forth in the introductory paragraph of this Agreement.
15. **“Facilities Plan”** means the MWMC’s 2004 Facilities Plan, with the 2014 Partial Facilities Plan Update, both as periodically updated, amended, or superseded, pursuant to Section 4(d) of this Agreement.
16. **“Financial Plan”** means the MWMC’s 2019 Financial Plan, as periodically updated, amended, or superseded, pursuant to Section 4(e) of this Agreement.
17. **“First Restated Agreement”** has the meaning set forth in Recital F.
18. **“Governing Bodies”** means for the Cities of Springfield and Eugene, their respective City Councils, and for Lane County, the Lane County Board of County Commissioners.
19. **“Local Facilities”** means The City-owned wastewater collection and conveyance facilities within the Urban Growth Boundary that are not Regional Facilities.

20. **“Metro Plan”** means the Eugene-Springfield Metropolitan Area General Plan, with text updated through June 30, 2019 and as amended from time to time.
21. **“MWMC”** has the meaning set forth in Recitals E and F.
22. **“MWMC Board”** has the meaning set forth in Section 5.
23. **“NPDES Permit”** means, as of the Effective Date, the National Pollutant Discharge Elimination System Permit no. 102486 issued by DEQ to the MWMC, Eugene, and Springfield effective November 1, 2022 as may be extended or replaced and superseded by a newly issued permit from DEQ.
24. **“Original Agreement”** has the meaning set forth in Recital E.
25. **“Party”** has the meaning set forth in the introductory paragraph of this Agreement.
26. **“Parties”** has the meaning set forth in the introductory paragraph of this Agreement.
27. **“Pretreatment Code”** means, for the City of Eugene, Eugene Code Sections 6.550 through 6.586; and for the City of Springfield, SMC 4.001 through 4.086, both as may be amended, replaced, or superseded.
28. **“Rate Payer”** means any person or entity responsible for the payment of any charge or fee imposed on behalf of the MWMC.
29. **“Regional Facilities”** means that part of the wastewater collection, conveyance and treatment system, as defined in Exhibit B, of this Agreement, as it may be subsequently modified pursuant to the provisions of Section 3 to Exhibit B.
30. **“SDCs”** has the meaning set forth in Section 4(c).
31. **“Service Area”** has the meaning set forth in Section 9(e) and as of the Effective Date of this Agreement, means the area within the City Limits, the Eugene Airport, the Beneficial Reuse Site, the Biosolids Management Facility, and agricultural sites used for land application of biosolids.
32. **“Springfield”** has the meaning set forth in the introductory paragraph of this Agreement.
33. **“Urban Growth Boundary”** means the Eugene or Springfield Urban Growth Boundary, as adopted by the City and acknowledged by the Land Conservation and Development Commission.
34. **“User”** has the meaning set forth in a City’s Pretreatment Code.
35. **“WPCF”** has the meaning set forth in Section 2(a) to Exhibit B.

## Exhibit B

### Regional Facilities

1. **Background.** This Exhibit B defines the Regional Facilities necessary to provide for the shared wastewater collection, transport, treatment and disposal needs of the Eugene-Springfield metropolitan area.

Service shall be provided only within the Urban Growth Boundaries consistent with each City's requirements for connection. Facilities shall be designed and constructed to that end, but may be constructed either inside or outside an Urban Growth Boundary.

The Regional Facilities have been integrated with the Local Facilities. The combination of Regional and Local Facilities, including associated real property, comprises the entire wastewater system for the Eugene-Springfield metropolitan area.

2. **Regional Facilities.** The Regional Facilities include the following:
- (a) The Eugene-Springfield Regional Water Pollution Control Facilities ("WPCF") that are located at 410 River Avenue, Eugene, Oregon.
  - (b) The former Springfield Plant Site located immediately southwest of the intersection of Walnut and Aspen Streets, Springfield, Oregon.
  - (c) The Eugene-Springfield Regional Biosolids Management Facilities ("BMF") that are located at 29689 Awbrey Lane, Eugene, Oregon and adjacent real property located at 90987 Brown Lane, Eugene, Oregon.
  - (d) The Beneficial Reuse Site ("BRS") that is located at 91199 Prairie Road, Junction City, Oregon.
  - (e) The Biocycle Farm Facilities ("BFF") that are located at 29689 Awbrey Lane adjacent to the BMF.
  - (f) All wastewater pipes, regardless of size or type which, as of the Effective Date, are required to transport wastewater to the WPCF, BMF, BFF or BRS from the points at which wastewater flows are combined from areas served by Eugene and Springfield together with:
    - (i) The entire "East Bank Interceptor."
    - (ii) The Glenwood River Crossing and the portions of the Glenwood collection system that convey combined wastewater flows from Eugene and Springfield service areas.
  - (g) Major pump stations, pressure mains and other facilities associated with the Regional Facilities described in Sections 2(a)-(f), above, including but not limited to:

- (i) The Willakenzie Pump Station and associated force main and Owosso bridge river crossings – located at 3050 Goodpasture Lakes Loop, Eugene.
  - (ii) The former Springfield Plant– located at Aspen and Walnut Streets, Springfield.
  - (iii) The Glenwood Pump Station – located at 3580 Franklin Boulevard, Eugene.
  - (iv) The Irvington Pump Station – located at 1248 Irvington Drive, Eugene.
  - (v) The pressure main from the WPCF to the BMF including the recycled water (W2) piping from WPCF to the BMF.
  - (vi) The pressure main from the BMF to the Irvington Pump Station.
  - (vii) The pressure main from its current point of origin approximately 250 feet north of Eighth Avenue on Mill Street in Eugene to the BRS.
  - (viii) The pressure main from the WPCF to the BMF and BFF.
- (h) All other facilities that are not Local Collection Facilities and which, before or after the Effective Date of this Agreement, have been or are acquired or constructed and maintained by the MWMC for purposes of conveying, treating, reusing or disposing of wastewater or wastewater treatment byproducts for wastewater users within the Service Area.

**3. No Change Without Redesignation.** Regional Facilities shall remain Regional Facilities notwithstanding any change in their function or purpose unless and until the MWMC, in coordination with the affected Party, redesignates them, in whole or in part, as Local Facilities. The need therefore shall be reviewed by the MWMC annually in conjunction with the preparation of the MWMC budget.

**FIRST RESTATED AND AMENDED INTERGOVERNMENTAL AGREEMENT  
FOR THE PROVISION OF OPERATION, MAINTENANCE AND ADMINISTRATIVE  
SERVICES TO THE METROPOLITAN WASTEWATER MANAGEMENT COMMISSION**

THIS FIRST RESTATED AND AMENDED OPERATION, MAINTENANCE AND ADMINISTRATIVE SERVICES AGREEMENT (the “OM&A IGA” or this “Agreement”) is made as of this \_\_\_ day of \_\_\_\_\_, 2026 (the “Effective Date”), by and between the Metropolitan Wastewater Management Commission, an Oregon intergovernmental entity (“MWMC”), the City of Springfield, an Oregon municipal corporation (“Springfield”), and the City of Eugene, an Oregon municipal corporation (“Eugene”). Springfield and Eugene are collectively referred to herein as the “Cities” and individually as a “City.” The MWMC and the Cities are collectively referred to herein as the “Parties” and individually as a “Party.”

**Recitals**

- A. The MWMC is an intergovernmental entity established by an intergovernmental agreement to which Springfield, Eugene and Lane County are parties. As of the Effective Date of this OM&A IGA, the terms of that intergovernmental agreement are set out in the Second Restated and Amended Intergovernmental Agreement for the Metropolitan Wastewater Management Commission, effective \_\_\_\_\_, 2026 (the “MWMC IGA”), which sets forth the functions and obligations of the Cities jointly and of the MWMC.
- B. In the 1980s, each City entered into a separate agreement with the MWMC with respect to the individual City’s provision of certain operation, maintenance and administrative services in connection with the Regional Facilities. The Parties consolidated, amended and restated those separate agreements in their entirety in the Operation, Maintenance and Administrative Services Agreement that took effect on April 19, 2001 (the “Original OM&A IGA”). This OM&A IGA amends and restates in its entirety the Original OM&A IGA.

**AGREEMENT**

NOW, THEREFORE, the Recitals above being expressly incorporated herein, the Parties hereby agree as follows:

- 1. **Defined Terms.** Some terms are defined in the text of this Agreement and some are defined in Exhibit A, attached hereto and incorporated herein. Exhibit A provides an index of terms defined in this Agreement. Defined terms may be used in the singular or the plural, and defined terms that are in one part of speech, such as a noun, may be used in another part of speech, such as a verb.
- 2. **Scope of Services Provided by Springfield.** Springfield shall:
  - a. **Administrative Services.** Provide to the MWMC the “Administrative Services” described in Exhibit B, attached hereto and incorporated herein.
  - b. **Monthly Budget Reports.** Submit monthly budget reports to the MWMC by the fifteenth (15<sup>th</sup>) of each month following the month that is the subject of the report, and provide additional budget information if requested, in a format that is within the informational capabilities of Springfield and that is acceptable to the MWMC.

- c. Inspection, Copies, and Audits. Permit the MWMC or its agent, at all reasonable times, to inspect, copy and audit all the administrative and financial records and other information maintained by Springfield with respect to its obligations under this Agreement. Springfield shall maintain separate and complete records of its costs and activities related to Springfield's performance of its obligations under Section 2(a) of this Agreement.

**3. Scope of Services Provided by Eugene.** Eugene shall:

- a. Operational and Maintenance Functions. Perform the "Operational and Maintenance Functions" described in Exhibit C, attached hereto and incorporated herein.
- b. Monthly Budget Reports. Submit monthly budget reports to the MWMC by the fifteenth (15<sup>th</sup>) of each month following the month that is the subject of the report, and provide additional budget information if requested, in a format that is within the informational capabilities of Eugene and that is acceptable to the MWMC.
- c. Inspection, Copies, Audits. Permit the MWMC or its agent, at all reasonable times, to inspect the Regional Facilities and to inspect, copy and audit all the operational and financial records and other information maintained by Eugene with respect to its obligations under this Agreement. Eugene shall maintain separate and complete records of its costs and activities related to Eugene's performance of its obligations under Section 3(a) of this Agreement.

**4. Best Efforts in Providing Services to MWMC.** Each City shall use its best efforts to carry out the respective responsibilities of the City pursuant to Sections 2 and 3, above, at the lowest reasonable cost. In performing their respective functions, each City shall only make expenditures that are within the limits of the budget approved pursuant to Section 7. However, recognizing that the budget approved pursuant to Section 7 may not accurately or completely forecast and reflect all expenditures that may be necessary or appropriate for either City to perform its functions in accordance with this Agreement during the fiscal year, the MWMC and each City agree to advise the other promptly when the MWMC or either City foresees that an over-expenditure of the total approved appropriation of any budget category is necessary or appropriate for either City to perform its functions as described herein so that the MWMC may consider the appropriate budgetary action. If resolution of any disagreement pertaining to costs over budget cannot be informally agreed upon within thirty (30) days of notice thereof, the controversy shall be resolved as provided in Section 10 of this Agreement. Except as may otherwise be provided in this Agreement, the MWMC grants to each City the authority to act as the MWMC's administrative agent where necessary and appropriate to carry out the respective responsibilities of each City pursuant to Sections 2 and 3, above.

**5. Indemnification.** To the extent limited by the tort claims limits in Oregon law (ORS 30.260 through 30.300 and the Oregon Constitution, Article XI, Section 7), the Parties agree to indemnify each other as to third party claims (including the Parties' employees, agents, or contractors) against any and all liabilities, causes of action, suits, claims, damages, or costs or fees (including attorney fees) arising from the performance or failure of performance by each Party of their respective obligations under this Agreement (collectively, "Claims"). The Parties also hereby waive all such Claims against each other. However, this waiver shall not apply to any willful misconduct by the Parties or their respective employees, agents, or contractors. The obligations assumed hereunder shall survive the termination or expiration of this Agreement.

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## **6. MWMC Payment for Services.**

- a. Springfield. The MWMC shall reimburse Springfield for direct and indirect expenses incurred in the performance of its obligations under Section 2, in accordance with the budget adopted each year by the MWMC. Indirect expenses charged to the MWMC shall be calculated based on the lesser of: (i) a methodology approved by the Federal government for similar work or projects; or (ii) the indirect rates Springfield charges to its internal departments.
- b. Eugene. The MWMC shall reimburse Eugene monthly, within thirty (30) days of being billed by Eugene, for direct and indirect expenses incurred in the performance of its obligations under Section 3 during the preceding month. Indirect expenses charged to the MWMC shall be calculated based on the lesser of: (i) a methodology approved by the Federal government for similar work or projects; or (ii) the indirect rates Eugene charges to its internal departments.
- c. Right to Appeal. The MWMC shall have the right to appeal or seek clarification of any billing or request for reimbursement within ten (10) days of its receipt and no payment shall be due until thirty (30) days after resolution of such appeal or request for clarification.

## **7. Budgets and Annual Accounting.**

- a. Annual Operating Budget; Process for Approval or Rejection. Eugene shall submit a proposed annual operating budget to the MWMC's Executive Director by February 1<sup>st</sup> of each year for the succeeding fiscal year beginning July 1<sup>st</sup>. The proposed budget shall be in a format prescribed by the MWMC, and shall project the cost for performing the functions described in Section 3(a), above, including the cost of supervision and of indirect expenses (e.g. overhead rates) in accordance with Section 6. Budget information shall be consistent with Eugene's budget format as long as it provides a delineation of annual costs to achieve program objectives suitable to the MWMC.

The MWMC Executive Director shall approve or reject the proposed annual operating budget submitted by Eugene by March 1<sup>st</sup>. If the MWMC Executive Director rejects the proposed operating budget, the MWMC and Eugene shall attempt to arrive at an agreed-upon annual operating budget as soon as is reasonably practicable in accordance with Section 10 of this Agreement.

In any event, approval by the MWMC Executive Director of the proposed annual operating budget submitted by Eugene is conditioned upon final approval of the entire MWMC budget by the Governing Bodies as prescribed in the MWMC IGA. MWMC shall seek to obtain that approval not later than June 30<sup>th</sup> of each year for the succeeding fiscal year beginning July 1<sup>st</sup>.

- b. Rejection of Annual Operating Budget; Failure to Adopt MWMC Budget. If by the last day of any fiscal year either: (1) the MWMC and Eugene have not agreed on the annual operating budget; or (2) the Governing Bodies have not approved the entire MWMC budget for the upcoming fiscal year commencing on July 1st, then pending final agreement or approval, unless the Cities agree otherwise:
  - i. Eugene shall continue to provide the Operational and Maintenance Functions, set forth in Exhibit C, and Eugene shall bill Springfield monthly in arrears for its proportionate share of the costs of doing so based on billings for regional wastewater

user fees during the previous fiscal year (and Springfield shall pay such amount within thirty (30) days of the billing), and Eugene will undertake no capital replacement unless the capital expenditure has been approved by prior appropriation or is essential to maintain the health and safety standards required by State or Federal regulations governing the operating of the Regional Facilities; and

- ii. Springfield shall continue to provide the Administrative Services, set forth in Exhibit B, and charge Eugene its proportionate share of the cost therefore as provided in i., above, (and Eugene shall pay such amount within thirty (30) days of the billing), and Springfield will perform no non-essential Administrative Services unless the Cities otherwise agree in writing. The MWMC Executive Director shall determine which services qualify as “non-essential” for the purposes stated herein.
- c. Year End Reconciliation. Within one hundred twenty (120) days following the end of each fiscal year, each City shall reconcile the payments the MWMC has made to it during the prior fiscal year, consistent with generally accepted accounting principles, of all actual revenues realized and expenses incurred by the City in its performance of this Agreement, including indirect expenses. The MWMC shall review such reconciliation and if it agrees with the results thereof, then the City shall promptly return to the MWMC any overpayment and the MWMC shall promptly reimburse the City for any approved expenditures for which the City has not received compensation. If the MWMC does not agree with the results of the reconciliation, and negotiation has failed to resolve the disagreement within sixty (60) days following submission of the reconciliation, the dispute shall be settled as provided in Section 10 of this Agreement.

**8. Termination**. This Agreement automatically terminates upon the termination of the MWMC IGA.

**9. Assignability**. This Agreement may not be assigned by any Party without the prior written consent of the other Parties.

**10. Dispute Resolution**.

- a. Disputes Involving Parties. If one or more of the Parties has a material dispute relating to this Agreement, the Party objecting to the action shall refer the matter to the two City Managers, and the MWMC Executive Director, as applicable, for resolution of the matter.
- b. Dispute Resolution Process. In the event the disputing Parties are unable to resolve such dispute in accordance with sections (a) and (b), above, the disputing Parties shall attempt in good faith to resolve the dispute through confidential non-binding mediation. The disputing Parties shall select a mutually agreeable mediator, if possible with expertise on the disputed issue(s) or, if the disputing Parties cannot agree upon a mediator, they shall jointly request the Presiding Judge of Lane County Circuit Court to appoint a mediator with expertise on the disputed issue(s). The disputing Parties shall agree upon mediation procedures, or if the Parties cannot agree to such procedures, the disputing Parties agree to be subject to mediation procedures imposed by the mediator. Each disputing Party shall bear its own costs and expenses for the mediation and shall equally share the costs and expenses assessed by the mediator for administrating the mediation.

**11. Attorneys' Fees.** In the event of any suit, action or other proceeding brought by any Party against one or both of the other Parties to enforce or interpret any of the rights or obligations hereunder or arising out of any dispute concerning the terms and conditions hereby created, the losing Party shall pay each prevailing Party such reasonable amounts for fees, costs and expenses, including attorney's fees in such suit, action or other proceeding and any appeal therefrom as may be set by the court.

**12. Amendments and Modifications.** Any modifications to this Agreement must be made in writing and executed by all Parties.

IN WITNESS WHEREOF, the Parties have entered into this First Restated and Amended Intergovernmental Agreement for the Provision of Operation, Maintenance and Administrative Services to the Metropolitan Wastewater Management Commission effective as of the Effective Date first above written.

**CITY OF SPRINGFIELD**, a municipal corporation of the State of Oregon

**CITY OF EUGENE**, a municipal corporation of the State of Oregon

By: \_\_\_\_\_  
Springfield City Manager

By: \_\_\_\_\_  
Eugene City Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**METROPOLITAN WASTEWATER MANAGEMENT COMMISSION**, an Oregon intergovernmental entity

By: \_\_\_\_\_  
MWMC Executive Director

Date: \_\_\_\_\_

EXHIBIT A  
DEFINED TERMS

1. **“Administrative Services”** means those services as set forth in Sections A and B of Exhibit B to this Agreement.
2. **“Agreement”** has the meaning set forth in the introductory paragraph of this Agreement.
3. **“Capital Improvement Plan”** means the list of capital improvement projects that is included in the MWMC’s annual budget and annually approved by the Governing Bodies.
4. **“City”** has the meaning set forth in the introductory paragraph of this Agreement.
5. **“Cities”** means Eugene and Springfield.
6. **“Claims”** has the meaning set forth in Section 5.
7. **“Contracts for Operations and Maintenance Projects”** means a contract for: (a) the routine, regular or standard purchase of Equipment, services or personal services as needed to support Eugene’s Operations and Maintenance Functions as described in Sections A of Exhibit C to this Agreement; (b) a minor expansion or minor rehabilitation or upgrade of existing Regional Facilities; (c) a minor expansion or minor rehabilitation or upgrade of existing Equipment; and (d) routine maintenance for the Regional Facilities and/or Equipment. “Contracts for Operations and Maintenance Projects” does not include a contract for a Non-Operations and Maintenance Project.
8. **“Deputy Director”** means the MWMC Deputy Director.
9. **“DEQ”** means the State of Oregon Department of Environmental Quality.
10. **“Effective Date”** has the meaning set forth in the introductory paragraph of this Agreement.
11. **“Equipment”** means equipment, tools, vehicles, fixtures, furniture, technology, devices, machinery, supplies (including but not limited to chemicals), systems, or portions thereof, that are a part of the Regional Facilities or support Eugene’s Operations and Maintenance Functions. Any equipment, tools, vehicles, fixtures, furniture, technology, devices, machinery, or supplies that support Springfield’s Administrative Services are excluded from the definition of Equipment.
12. **“Eugene”** has the meaning set forth in the introductory paragraph of this Agreement.
13. **“Executive Director”** means the MWMC Executive Director.
14. **“Governing Bodies”** means for the Cities of Springfield and Eugene, their respective City Councils, and for Lane County, the Lane County Board of County Commissioners.
15. **“MWMC”** has the meaning set forth in the introductory paragraph of this Agreement.

16. **“MWMC Board”** means the MWMC Board of Commissioners, the governing body of the MWMC.
17. **“MWMC IGA”** means the Second Restated and Amended Intergovernmental Agreement for the Metropolitan Wastewater Management Commission, effective \_\_\_\_\_, 2026, as amended.
18. **“MWMC Pretreatment IGA”** means the Intergovernmental Agreement for Metropolitan Wastewater Management Commission Pretreatment Program Reporting Obligations for Pretreatment Activities Outside of Urban Growth Boundaries, effective May 6, 2025, as amended.
19. **“NPDES Permit”** means, as of the Effective Date, the National Pollutant Discharge Elimination System Permit no. 102486 issued by DEQ to the MWMC, Eugene, and Springfield effective November 1, 2022, as may be extended or replaced and superseded by a newly issued permit from DEQ.
20. **“OM&A IGA”** has the meaning set forth in the introductory paragraph of this Agreement.
21. **“Operational and Maintenance Functions”** means those services as set forth in Sections A of Exhibit C to this Agreement.
22. **“Original OM&A IGA”** has the meaning set forth in Recital B.
23. **“Non-Operations and Maintenance Projects”** means projects for: (a) new Regional Facilities; (b) the significant expansion or major rehabilitation of existing Regional Facilities; (c) the significant expansion or major rehabilitation of existing Equipment; and (d) the acquisition of significant Equipment.
24. **“Party”** has the meaning set forth in the introductory paragraph of this Agreement.
25. **“Parties”** has the meaning set forth in the introductory paragraph of this Agreement.
26. **“Pretreatment Code”** means, for the City of Eugene, Eugene Code Sections 6.550 through 6.586; and for the City of Springfield, SMC 4.001 through 4.086, both as amended, replaced, or superseded.
27. **“Regional Facilities”** means that part of the wastewater collection, conveyance and treatment system, as defined in Exhibit B to the MWMC IGA, as it may be subsequently modified pursuant to the provisions of Section 3 to Exhibit B to the MWMC IGA.
28. **“Regional Wastewater Program”** means all those functions of, services provided by, and obligations of the MWMC in accordance with the MWMC IGA, the NPDES Permit, this Agreement, and otherwise as required by State or Federal law.
29. **“Springfield”** has the meaning set forth in the introductory paragraph of this Agreement.

EXHIBIT B  
ADMINISTRATIVE SUPPORT SERVICES

The following list describes the major areas of administrative services to be provided to the MWMC by Springfield. Due to the nature and scope of the Regional Wastewater Program, the services to be performed by Springfield are not limited to those listed. Springfield may expand and contract its level of service to the MWMC as necessary to provide an effective administrative service level for the Regional Wastewater Program.

**A. Technical Services.**

- (1) Non-Operations and Maintenance Projects for Regional Facilities and Equipment. Springfield will be responsible for development and implementation of the facilities construction program for: (a) new Regional Facilities; (b) the significant expansion or major rehabilitation of existing Regional Facilities; (c) the significant expansion or major rehabilitation of existing Equipment; and (d) the acquisition of significant Equipment (collectively, “Non-Operations and Maintenance Projects”). This includes but is not limited to: preparing bid or proposal documents; reviewing bid or proposal submittals for Equipment and facilities; monitoring construction contracts; performing construction and warranty inspections; reviewing change orders and claims; enforcing contract terms and requirements; and identifying deficiencies and implementing necessary modifications during start-up of the new or expanded Regional Facilities and Equipment. Where it is unclear whether a project is a Non-Operations and Maintenance Project, the MWMC Executive Director shall decide. Contracts for Non-Operations and Maintenance Projects shall be subject to the provisions of Sections A(2) and B(2) of this Exhibit B, below.
- (2) Contracts for Goods and Services. Springfield shall enter into contracts for goods and services as needed to support administration of the Regional Wastewater Program as described in this Exhibit B. In doing so, Springfield shall apply the MWMC’s adopted procurement procedures, as amended and enter into such contracts in the name of the MWMC. The MWMC Board shall approve and authorize all contracts except as the MWMC Board delegates authority by resolution to the MWMC Executive Director, or designee, to approve and authorize certain contracts. Such delegated authority shall not exceed the upper dollar limit allowed by ORS 279B.070 for an intermediate procurement (e.g. in 2025, \$250,000). In support of the MWMC review, Springfield will take appropriate actions including, but not limited to, preparing requests and reviewing proposals for consultant services; reviewing and negotiating contracts; monitoring contracts; reviewing and evaluating consultant reports. The MWMC shall continue to act as the local contract review board for all procurements utilizing the MWMC’s procurement rules.
- (3) MWMC Industrial Pretreatment Program. Prepare, revise, and seek regulatory approval of a model ordinance pertaining to pretreatment requirements for industrial users in accordance with State and/or Federal requirements, in coordination with Eugene staff for adoption by both Cities. Submit a pretreatment report(s) to DEQ in coordination with Eugene staff and as required by the NPDES Permit and the MWMC Pretreatment IGA.
- (4) Regional Facilities Planning. Evaluate hydraulic and treatment capabilities of the Regional Facilities; implement regional flow monitoring and infiltration/inflow programs as needed; develop Capital Improvements Plan; and schedule and implement plans for the Regional Facilities’ improvement and expansion, all in coordination with Eugene staff as needed.

- (5) Technical Information. Prepare and issue technical information and reports for use by the public and regulatory agencies including, but not limited to, monthly reports and environmental reviews; technical support for biosolids management and beneficial reuse program.
- (6) Permit Compliance. Monitor the Regional Wastewater Program to assure compliance with all permits and licenses issued to the MWMC. Except as set forth in Section A (5) of Exhibit C, submit all required reports, documents and information to DEQ.

**B. Financial / Administrative Services.**

- (1) Grants Administration. Prepare grant applications and amendments; submit requests for reimbursement; monitor financial status.
- (2) Contract Administration. Administer contracts for Non-Operations and Maintenance Projects. For such contracts, determine appropriate funding; establish retainage; authorize payment; monitor financial status of consultants and construction contracts; authorize purchase orders; review invoices; process payments. The MWMC shall be the party to these contracts and such contracts should be made in accordance with the MWMC procurement and contracting policies and procedures.
- (3) Financial Planning and Management. Provide all aspects of financial planning and management for the MWMC, including but not limited to long- and short-range financial planning, general bookkeeping and accounting services, preparing the annual budget and supplemental budgets as needed, procuring and participating in an annual financial audit, analysis of regional user and connections charges, developing methodologies for systems development charges, preparing Capital Improvement Plans, and all management and planning actions necessary to implement the NPDES Permit. Springfield may procure or utilize auditors, financial advisors, bond counsel, financial institutions, and bank accounts on behalf of the MWMC.
- (4) Property Management and Disposal of Assets. Maintain an inventory of all Regional Facilities. Disposal of assets shall be in accordance with the MWMC procurement rules.
- (5) Insurance and Risk Management. Procure coverage for the MWMC functions, activities, and property, including but not limited to: liability; premises liability; fidelity bonds; personal property; real property; and Equipment. The cost of all insurance policies, premiums, and deductibles under this section shall be paid by the MWMC.
- (6) General Administration. Provide services of the MWMC Executive Director and Deputy Director; provide office management; develop standard operating policies and procedures; prepare correspondence and agendas; staff the MWMC Board meetings; prepare monthly status report; provide document control.
- (7) Public Information and Education. Prepare annual report, newsletters and brochures; schedule and conduct public meetings and hearings; perform customer relations; develop and implement a public education program.
- (8) Intergovernmental Coordination. Working together with Eugene staff, provide liaison with regulatory agencies; prepare interagency agreements; monitor Federal and State rules and

regulations; prepare and submit testimony regarding Federal and State rules and regulations; apply for permits and licenses.

- (9) Legal Services. Procure legal services on behalf of the MWMC, at the MWMC's expense, for legal counsel relating to the NPDES Permit; water quality policy and rulemaking; biosolids management facilities; pretreatment; user fees and systems development charges; real property matters; procurement and contracting; risk management; litigation; general governance matters including but not limited to public meetings law and government ethics law; public records requests; and other matters as needed. The MWMC shall be the party to the contract with legal counsel.
- (10) Public Records Requests; Public Inquiries. Springfield and the MWMC are joint custodians of all records regarding the administration of the Regional Wastewater Program as described in this Exhibit B. In the event a public records request is submitted to the MWMC, Springfield shall manage such request as one of its administrative functions provided to the MWMC, at MWMC's expense and, as needed, with assistance from legal counsel for the MWMC. In the event a public records request is submitted to Springfield regarding the Regional Wastewater Program, Springfield shall manage such request at its expense in accordance with Springfield procedures for public records requests. In any event, Springfield and the MWMC agree to coordinate with each other regarding such public records requests and confer with each other regarding any records that may be exempt from disclosure. As part of its administrative functions provided to the MWMC, Springfield agrees to respond to public inquiries related to the functions it performs under this Agreement.

The services provided in Sections A and B of this Exhibit are collectively, the "Administrative Services." In addition, the Parties recognize Springfield: (i) manages its own industrial pretreatment program; and (ii) provides for the local collection of wastewater through its own local wastewater conveyance system, which ultimately connects to the Regional Facilities. Any contracts regarding Springfield's industrial pretreatment program and/or Springfield's local wastewater collection system shall be entered into in the name of Springfield and utilize Springfield's procurement rules and policies.

EXHIBIT C  
OPERATIONAL AND MAINTENANCE FUNCTIONS

The following list describes the major areas of operational and maintenance services to be provided to the MWMC by Eugene. Due to the nature and scope of the Regional Wastewater Program, the services to be performed by Eugene are not limited to those listed. Eugene may expand and contract its level of service to the MWMC as necessary to provide effective operational and maintenance services for the Regional Wastewater Program.

**A. Operational and Maintenance Functions.**

- (1) Operation and Maintenance of Regional Facilities. Eugene will be responsible for operating and maintaining the Regional Facilities in accordance with and in compliance with all applicable laws, ordinances, regulations, and permits issued for their operation by the State or Federal government, and with all agreements by the MWMC affecting the operation or maintenance of the Regional Facilities, and with all accepted standards for similar facilities, which shall include but not be limited to routine and other system maintenance, as well as assisting with implementation of Non-Operations and Maintenance Projects to maintain long-term functionality of existing facilities.
- (2) Septage Haulers. Provide service to septage haulers, which shall include sampling discharges and collection of fees established by the MWMC.
- (3) Laboratory Facilities and Equipment. Operate and maintain laboratory facilities and related Equipment.
- (4) Laboratory Testing. Provide or procure laboratory testing for the Regional Facilities' operation and NPDES Permit requirements, and for industrial discharges and the industrial pretreatment program.
- (5) Reporting. Provide the MWMC, DEQ and EPA with necessary certifications, reports and notifications to meet requirements of applicable laws, ordinances, regulations, and permits.
- (6) Public Records Requests; Public Inquiries. Eugene and the MWMC are joint custodians of all records regarding operations of the Regional Facilities as described in this Exhibit C. In the event a public records request is submitted to Eugene regarding the Regional Wastewater Program, Eugene shall manage such request at its expense in accordance with Eugene procedures for public records requests. In any event, Eugene and the MWMC agree to coordinate with each other regarding such public records requests and confer with each other regarding any records that may be exempt from disclosure. As part of its operations functions provided to the MWMC, Eugene agrees to respond to public inquires related to the functions it performs under this Agreement.
- (7) Operations Reporting. Inform and coordinate with Springfield in its role as administrative services provider to the MWMC regarding issues that may affect the current or future operation of the Regional Facilities and Regional Wastewater Program consistent with regulatory requirements and the MWMC policies and procedures. A monthly operations report comparing the performance of the Regional Facilities to relevant regulatory limits and summarizing the operations and maintenance activities performed shall be provided to the MWMC.

- (8) Contracts for Operations and Maintenance Projects. Eugene shall enter into Contracts for Operations and Maintenance Projects. In doing so, Eugene shall be the party to the contract and shall enter into such contracts in accordance with Eugene procurement and contracting policies and procedures. This includes, but is not limited to, preparing bid or proposal documents; reviewing bid or proposal submittals; reviewing and negotiating contracts; monitoring contracts; performing construction and warranty inspections; reviewing change orders and claims; enforcing contract terms and requirements; and reviewing and evaluating consultant reports. Where it is unclear whether a contract is a Contract for an Operations and Maintenance Project, the MWMC Executive Director shall decide. A monthly report of Contracts for Operations and Maintenance Projects that exceed the upper dollar limit allowed by ORS 279B.070 for an intermediate procurement (*e.g.* in 2025, \$250,000) shall be provided to the MWMC in a format as agreed upon by Eugene and the MWMC. Disposal of assets shall be in accordance with the MWMC procurement rules.
- (9) Interagency Partnership. In partnership and/or coordination with Springfield, provide liaison with regulatory agencies; participate in preparation and negotiation of interagency agreements; monitor Federal and State rules and regulations; prepare testimony regarding Federal and State rules and regulations; participate in the application of permits and licenses; and take such other actions as may be necessary for the proper operation of the Regional Facilities.

The services provided in Sections A of this Exhibit are collectively, the “Operational and Maintenance Functions.” In addition, the Parties recognize Eugene: (i) manages its own industrial pretreatment program; and (ii) provides for the local collection of wastewater through its own local wastewater conveyance system, which ultimately connects to the Regional Facilities. Any contracts regarding Eugene’s industrial pretreatment program and/or Eugene’s local wastewater collection system shall be entered into in the name of Eugene and utilize Eugene’s procurement rules and policies.

# Metropolitan Wastewater MANAGEMENT COMMISSION



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## MEMORANDUM

**DATE:** November 6, 2025

**TO:** MWMC Board

**FROM:** Matt Stouder, MWMC Executive Director  
Todd Miller, MWMC Deputy Director

**SUBJECT:** Goshen/Creswell Wastewater Service Connection Update

**ACTION REQUESTED:** Provide direction on support and advancement of expanding regional services to Goshen/Creswell.

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### **ISSUE**

Representatives from Lane County will attend the November 2025 MWMC Board meeting. Along with Regional Wastewater Program (RWP) staff, Lane County will present updates on the Goshen/Creswell Wastewater Project. This project has been under study for many years and would result in allowing Goshen/Creswell to connect to the regional MWMC wastewater system. Such a connection has several technical, cost, administrative, and policy issues to resolve. Governing body support is needed to advance these issues.

### **BACKGROUND**

RWP staff has been involved in multiple meetings and discussions with Goshen/Creswell stakeholders since the issue was last presented to the MWMC Board in January 2023. The attached staff memo from the January 2023 meeting (Attachment 1) provides the background and timeline through 2022 on the Goshen Industrial Area Project Update. The Goshen connection would also serve as a connection point for direct piping of Short Mountain Landfill leachate into the MWMC system.

At that time, the MWMC Board voiced support for ongoing staff advancement to address necessary amendments to the Eugene-Springfield Metropolitan Area General Plan (Metro Plan), which was last amended June 30, 2019. Since the January 2023 MWMC meeting, the opportunity for Creswell to be added to the project has advanced and the MWMC Executive Director has provided brief updates to the MWMC Board from time to time on this development.

## **DISCUSSION**

The attached memo from Lane County on the Goshen/Creswell Wastewater Project Update dated November 4, 2025 (Attachment 2) provides further background and updates on the project status. As presented in the Lane County memo, certain limitations in MWMC capacity were identified that will need to be addressed prior to connecting Goshen/Creswell to the MWMC system.

RWP staff has been coordinating with MWMC's consultant Jacobs to lead the Comprehensive Facilities Plan Update project, with a concentration on the Process Facilities Plan which addresses flows, loads, treatment capacity, and infrastructure needs over the next 20-year period through 2045, as well as a projection of theoretical capacity over the next 50 years through 2075. These analyses specifically are constrained to the current MWMC service area under the current intergovernmental agreements and Metro Plan.

Staff therefore further coordinated with Jacobs to provide an ancillary assessment of the potential capacity impacts and ability to accommodate additional flows and loads from Goshen/Creswell over the next 20 years. Note that Short Mountain Landfill leachate is currently accepted into the MWMC regional system and has no additional loading impact at the treatment plant, but needs to be considered for conveyance capacity from Goshen. Jacobs provided the MWMC with the attached August 2025 technical memo *Preliminary Evaluation of Additional Creswell/Goshen Loads on MWMC System Capacity* (Attachment 3). Staff will discuss these findings at the November 2025 MWMC Board meeting, and they are addressed in the Lane County memo.

To fairly distribute costs of upgrades and service across current MWMC customers and new Goshen/Creswell customers, the county advanced a cost assessment which was completed by Kennedy-Jenks and Galardi-Rothstein Group. That *Goshen MWMC and Springfield Cost Proposal* is provided as Attachment 4. Lane County representatives and RWP staff will discuss the cost assessment at the November 2025 MWMC Board meeting.

## **ACTION REQUESTED**

Lane County will present recommendations and requested actions to the MWMC Board as presented in Attachment 2, which includes a request for written support from the MWMC for extending wastewater services to Goshen, the Short Mountain Landfill, and the City of Creswell. Staff further requests any direction from the MWMC Board regarding further study and technical recommendations as may be necessary to advance the parties' interests in extending services.

## **ATTACHMENTS**

- 1) January 5, 2023 MWMC Agenda Memo: Goshen Industrial Area Project Update
- 2) November 4, 2025 Memo from Lane County: Goshen/Creswell Wastewater Project Update
- 3) Preliminary Evaluation of Additional Creswell/Goshen Loads on MWMC System Capacity (Jacobs, August 2025)
- 4) Goshen MWMC and Springfield Cost Proposal (Kennedy Jenks, October 2025)

# Metropolitan Wastewater MANAGEMENT COMMISSION



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## MEMORANDUM

**DATE:** January 5, 2023  
**TO:** Metropolitan Wastewater Management Commission (MWMC)  
**FROM:** Matt Stouder, Executive Officer  
**SUBJECT:** Goshen Industrial Area Project Update  
**ACTION REQUESTED:** Information and Discussion

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### **ISSUE**

Representatives from Lane County will attend the January Commission meeting, and along with Regional Wastewater Program (RWP) staff, will provide an update on the Goshen Industrial Area Project. In addition to a general update, staff intends to discuss associated next steps with respect to potential connection to the regional wastewater system.

### **BACKGROUND**

The Lane County Board of County Commissioners (BCC) has been exploring the potential for development/redevelopment in the unincorporated community of Goshen for nearly a decade. Located just south of the Eugene/Springfield metropolitan area, Goshen contains more than 300 acres of industrially zoned land and has been designated by the State of Oregon as a Regionally Significant Industrial Area (RSIA).

Lane County staff have been working with consultants from Kennedy-Jenks since 2014 to assess the feasibility of providing wastewater services to the area. After extensive study, it was determined that the most cost-effective method for providing wastewater services to the area would be to connect to the existing wastewater pipeline in Franklin Blvd. in Springfield.

The Commission was last updated on the Goshen Industrial Area Project by County and RWP staff at the November 2019 meeting. A detailed summary and background associated with the Goshen Project is provided in Attachment 1.

### **DISCUSSION**

For the Goshen Project to move forward, there are a few hurdles that need to be cleared. The first step in the

process includes amending the Eugene-Springfield Metro Plan, which requires support from all three of the MWMC's Governing Bodies (Eugene, Springfield, and Lane County). Lane County intends to move forward with hearings, deliberations, and land use actions to pursue a Metro Plan Amendment, with a tentative timeline as follows:

- March 2023 – Joint Hearing with Lane County Planning Commission (LCPC) & Eugene and Springfield Planning Commissions
- April 4th, 2023 – LCPC Deliberations
- May-June 2023 – Joint Elected Officials Meeting with Eugene and Springfield City Councils and the Board of County Commissioners to adopt the Amendment
- July-August 2023 – Adoption of Lane County land use regulations/zoning overlay to prohibit cross connections

If the Metro Plan is amended, Lane County staff will then engage with the MWMC and the Governing Bodies to pursue an amendment to the MWMC IGA to provide services outside of the current service boundary. The Oregon Department of Environmental Quality will need to be consulted with respect to pretreatment program authority, and may require the MWMC's NPDES permit to be reopened to update Schedule E. Factors that will require consideration and discussion with respect to amending the MWMC IGA include the following:

- Available capacity to accept projected loads at the regional wastewater treatment facility
- Connection options and associated costs to connect to the existing pipeline in Franklin Blvd and the regional wastewater system
- Operations and Maintenance responsibilities associated with the new line from Goshen to Springfield
- Industrial Pretreatment considerations
- Customer billing

#### Additional considerations

If both the Metro Plan and the MWMC IGA are amended, there are other emerging wastewater needs outside of the current service area that could potentially be served by the MWMC regional wastewater system. These include:

- Lane Community College
- Oak Hill School
- The City of Creswell
- Armitage Park

Each of these entities are facing unique wastewater challenges with their existing systems and have expressed interest in connecting to the regional wastewater system. If time permits at the January meeting, representatives from each agency will be available for discussion and questions. Unlike Goshen, these potential expansions would not meet the OAR 660-011-0060 exception criteria, and each would require a Goal Exception and likely a Reasons Goal Exception. Staff from Lane County Land Management will be in attendance to discuss these land use exception processes.

**ACTION REQUESTED**

This item is presented for information and discussion purposes. Staff welcomes Commissioner feedback and comments regarding the Goshen Project and would like to gauge Commission support for the Project prior to beginning discussions regarding the necessary Metro Plan amendments.

**ATTACHMENT:**

1. 12/21/22 Memo from Lane County on Goshen Industrial Area – Wastewater Project Update





## MEMORANDUM

**DATE:** November 4, 2025

**TO:** Matt Stouder, Executive Officer  
Metropolitan Wastewater Management Commission (MWMC)

**FROM:** Dan Hurley, Lane County Public Works Director

**SUBJECT:** Goshen/Creswell Wastewater Project Update

**ACTION REQUESTED:** Support for system expansion and connection cost methodology

### **ISSUE**

The Lane County Board of County Commissioners (BCC) has been exploring the potential for development / redevelopment in the unincorporated community of Goshen for more than a decade with significant analysis into options for providing wastewater services to the area. County staff last updated the Metropolitan Wastewater Management Commission on January 13, 2023. At that meeting, the County updated the Commission on preliminary designs and estimated costs for connecting wastewater from Goshen and the Short Mountain Landfill to the MWMC system. County staff also highlighted other emerging wastewater needs outside the Eugene-Springfield Urban Growth Boundary that could potentially be served by MWMC, including the City of Creswell.

Since the last update to MWMC, Lane County has worked with the City of Springfield, the City of Eugene, and MWMC to better understand issues around existing system capacity and connection costs in order to address concerns about the potential impacts to existing MWMC ratepayers. With this update, County and MWMC staff will discuss the recent capacity analysis completed by MWMC and a proposed methodology for future connection costs for each of the potential new flows. If MWMC is supportive, Lane County will continue work to sponsor an amendment to the Eugene-Springfield Metro Plan to allow wastewater services to be provided outside of the current service area to Goshen, the County landfill, and the City of Creswell.

## **BACKGROUND**

Goshen is located just south of the Eugene/Springfield metro area and contains more than 300 acres of industrially zoned land. The area has unique attributes including easy access to major transportation facilities (rail/highway/interstate) and close proximity to labor markets, making it an ideal area for industrial development rarely found in Oregon. Recognizing these attributes, the State of Oregon has designated Goshen as a Regionally Significant Industrial Area (RSIA); however, a lack of infrastructure (particularly wastewater) presents a significant barrier to development and investment.

Lane County has been working with consultants from Kennedy Jenks since 2014 to assess the feasibility of providing wastewater services to Goshen. Through these studies, the County determined that the most cost-effective method for providing wastewater services would be to connect to the Metropolitan Wastewater Management Commission (MWMC) wastewater system. At this time, MWMC policy does not allow for connections to Goshen because the area is outside the currently-defined service boundary.

The history of the Goshen wastewater project extends to 2011, when the County sought to facilitate regional economic development in the area. At that time, the BCC identified development in Goshen as a strategic goal and estimated that 2000-3000 industrial manufacturing jobs could be created on the existing industrial lands. To realize this goal, Lane County developed the Goshen Region Employment and Transition (G.R.E.A.T.) Plan that included obtaining an Oregon Statewide Land Use Planning Goal 14 (Urbanization) exception and a zoning change to allow urban levels of industrial development, to permit better utilization of the area's unique characteristics.

In 2015, the County completed a Wastewater Feasibility Study to demonstrate the feasibility of providing wastewater service to the Goshen area. The 2015 Study recommended connection to the Metropolitan Wastewater Management Commission (MWMC) regional system as it had the lowest cost and highest environmental benefits of the three alternatives considered for wastewater treatment.

In 2017, the County completed a Financial and System Administration Study that estimated connection charges for the MWMC connection. The 2017 Study also identified system administrative functions that would be required for the operation of the Goshen wastewater system. The 2017 Study reviewed several alternatives for system governance, ultimately recommending the Goshen facilities to be incorporated into the MWMC regional system, with allocation of O&M and administrative functions to regional partners City of Eugene and City of Springfield.

In August 2018, the BCC directed Lane County staff to pursue the next phase of work on a wastewater feasibility study. This phase, called the Project Definition phase, included updating construction cost estimates, development of a permitting plan and project schedule, and recommendations for proposed pipelines and pump stations.

On November 19, 2019, Lane County provided a project overview to the MWMC, noting that an amendment would be needed to the Metro Plan and the Intergovernmental Agreement (IGA) established by the MWMC governing bodies to allow a wastewater connection to service the Goshen area. With a connection to Goshen, the trucking of leachate from the Short Mountain Landfill to the Glenwood receiving station could be eliminated, via a piped conveyance to Goshen and the MWMC system.

In February 2022, Lane County completed a *Project Definition Report* (PDR), that refined the conceptual planning and financial estimates from the 2015 and 2017 studies. The PDR includes route evaluations for gravity sewers and pressure force mains as well as capital cost estimates, connection costs estimates, and a Permitting Plan with anticipated timelines.

In early 2023, Lane County conducted work sessions with the City of Springfield and the City of Eugene, and on April 4, 2023, Lane County facilitated a meeting of the Joint Planning Commission with planning commissioners from the City of Springfield, the City of Eugene, and Lane County. Each of these entities expressed the need for more information about existing capacity in the system and more information on connection charges to ensure that current ratepayers would not be negatively impacted by allowing new connections outside of the existing service area.

In November 2024, Lane County received a presentation from the City of Creswell on the City's wastewater system and held a discussion on the feasibility of Creswell connecting to the MWMC system. The City of Creswell's wastewater treatment plant is currently unable to meet discharge permit requirements from the Department of Environmental Quality (DEQ). The City is operating under a Mutual Agreement and Order (MAO) with the DEQ and must upgrade their treatment facility if they are not able to connect to the MWMC regional system. The Board discussed the challenges that the City of Creswell is facing with a moratorium on new housing and potential public health risks of wastewater system discharges into the local waterway.

In December 2024, the Board approved initiating an amendment to the Eugene-Springfield Metropolitan Area General Plan (Metro Plan) to authorize an extension of MWMC services to the City of Creswell and to submit a five-million-dollar Water Resources Development Act (WRDA) funding request to the U.S. Army Corps of Engineers for design services related to extension of a sewer line to serve the City of Creswell.

Throughout 2025, as Creswell's wastewater issues have risen to a State-level concern, the Governor's Office of Regional Solutions facilitated numerous conversations with stakeholders. Three workgroups were formed to explore potential financing for construction, to coordinate work on a Metro Plan amendment, and to advance engineering designs.

In August 2025, Jacobs Solutions, Inc. presented a report to MWMC on a *Preliminary Evaluation of Additional Creswell/Goshen Loads on MWMC System Capacity* (attached). The evaluation utilized projected flow and load estimates

provided by Lane County and the City of Creswell to determine the capacity impacts of potential additional flows and loads from Creswell/Goshen. Flows and loads were modeled under elevated buildout conditions through 2045 completed for the MWMC Comprehensive Facilities Plan Update. A detailed analysis is provided in the Jacobs memo. At a high-level, the evaluation found that the system has adequate existing capacity except for the Glenwood Pump Station and Force Main. Other system impacts included shortening the timeline for needing a fifth anaerobic digester by six years and additional annual dewatering operating hours with existing Belt Filter Press equipment.

In October 2025, Kennedy Jenks and the Galardi Rothstein Group (GRG) provided connection cost estimates for Goshen, the Short Mountain Landfill, and the City of Creswell utilizing the MWMC SDC Methodology (attached). The cost estimates were based on a 2017 study that was updated in 2019 and again in 2023.

## ***DISCUSSION***

### 1. Metro Plan

Previously hearing support from MWMC for expansion to serve Goshen and the Short Mountain Landfill, Lane County intends to move forward with hearings, deliberations, and land use actions to pursue a Metro Plan amendment. The extension to Creswell is a recent development since the last update to the Commission. Lane County staff would like to hear if the Commission is supportive of including Creswell in the proposed Metro Plan amendment.

Over the course of the next few months, Lane County staff will conduct work sessions with the elected bodies of the City of Springfield, City of Eugene, and Lane County. Following these work sessions, Lane County will convene the Joint Planning Commission to restart the process to amend the Metro Plan, with the hopes of having adoption of an amendment by the Joint Elected Officials in the spring of 2025.

### 2. Capacity

MWMC program staff will discuss the preliminary capacity analysis. County staff would like to hear what analysis is needed to address the potential capacity concerns for the Glenwood Pump Station and Force Main. Lane County has engaged the City of Springfield to evaluate the capacity of the Springfield trunk line. The City will utilize an engineering firm to evaluate the capacity of the line for the potential addition of flows from Creswell.

### 3. Costs

The estimated connection costs (in 2023 dollars) are presented in the attached October 2025 draft memorandum, *Goshen MWMC and Springfield Cost Proposal*, from Kennedy Jenks. Lane County and the City of Creswell propose that the methodology contained in this memorandum would be the basis for future connection costs, understanding that the estimates will need to be updated again when MWMC completes their SDC study in 2026.

The proposal also discusses timing of payments. SDCs for flows that would immediately be entering the system would require SDC payments upfront. Whereas flows from Goshen, which may not come for many years, would incur SDCs when those additional flows materialize. The proposal also recommends a 5% out-of-network charge for the additional new flows to account for additional difficult to quantify expenses such as administrative burden and additional wear and tear on pumps and treatment equipment.

The County would like to hear if the proposed methodology and the timing of payments are acceptable to the Commission.

### **RECOMMENDATIONS**

1. Consider support to extending wastewater services to Goshen, the Short Mountain Landfill, and the City of Creswell.
2. Further evaluate potential capacity concerns identified in the preliminary analysis.
3. If supportive of the proposed system expansion, approve using the MWMC SDC methodology as the basis for future connection costs and the timing of payments as proposed in the October 2025 *Goshen MWMC and Springfield Cost Proposal* memorandum.

### **ACTION REQUESTED**

Lane County requests written support from MWMC for extending wastewater services to Goshen, the Short Mountain Landfill, and the City of Creswell. The Joint Planning Commission and the Joint Elected Officials will want to understand MWMC's position and if there are any concerns that should be considered in their decision-making.

### **Attachments**

1. *Preliminary Evaluation of Additional Creswell/Goshen Loads*, Jacobs Solutions, Inc., August 2025
2. *Goshen MWMC and Springfield Cost Proposal Draft Memorandum*, Kennedy Jenks, October 2025



Preliminary Evaluation of Additional Creswell/Goshen Loads on MWMC System Capacity

<b>Date:</b>	August 29, 2025	2020 SW Fourth Avenue
<b>Project name:</b>	MWMC Comprehensive Facilities Plan Update (P80101) Additional Services Work Request	3rd Floor Portland, OR 97201 United States
<b>Project no:</b>	P80101	T +1.503.235.5000
<b>Attention:</b>	Bryan Robinson/MWMC	www.jacobs.com
<b>Company:</b>	Jacobs	
<b>Prepared by:</b>	Corey Klibert/Jacobs Shad Roundy/Jacobs	

**Purpose**

The objective of this memorandum is to document preliminary results of an evaluation of additional projected buildout flows and loads from Creswell and Goshen on the Metropolitan Wastewater Management Commission’s conveyance and treatment systems, conducted as part of the ongoing Comprehensive Facilities Plan Update (CFP Update).

**Introduction**

MWMC contracted Jacobs to assist in developing a CFP Update. The last Facilities Plan was completed in 2004 (CH2M HILL 2004); since then, MWMC has been committed to reviewing and enhancing its processes, infrastructure, and capacity to meet the demands of the next 20 years.

The communities of Creswell and Goshen are interested in establishing connections to the MWMC wastewater conveyance and treatment system and have independently developed projected flow and load estimates of the raw wastewater that would be discharged to the MWMC.

**Methodology**

Flow and load projections for Creswell and Goshen used for this analysis were taken from Tables 2.11 and 2.16 of the Goshen Wastewater Project Definition Report (Kennedy/Jenks, February 2022) and Tables 3-3 and 3-4 of the City of Creswell Wastewater Facilities Plan (West Yost, May 2025). The projections for 2045 from the original source documents are reproduced below Tables 1 through 4, along with Jacobs’ additional assumptions for important parameters not included in the source documents in Tables 5 and 6.



**Table 1. Creswell Projected Near-Term 2045 Influent Flows**

*Reproduced from Table 3-3 of City of Creswell Wastewater Facilities Plan (West Yost, May 2025)*

Condition	Flow Value, mgd	Peaking Factor
AAF	1.3	2.2
<b>Dry Weather (June 1 - October 31)</b>		
BF	0.58	1
ADWF	0.7	
MMDWF	1.9	
MDDWF	2.9	
<b>Wet Weather (November 1 - May 31)</b>		
AWWF	1.7	3
MMWWF	3.8 (Flow Equalized to 3.0 mgd)	6.5 (5.2)
MWWWF	4.5 (Flow Equalized to 3.0 mgd)	7.7 (5.2)
MDWWF	6.3 (Flow Equalized to 3.0 mgd)	10.8 (5.2)
PIF	9.6 (Flow Equalized to 3.0 mgd)	16.6 (5.2)

**Table 2. Creswell Projected Near-Term 2045 Influent Loads**

*Reproduced from Table 3-4 of City of Creswell Wastewater Facilities Plan (West Yost, May 2025)*

Statistic	Loads, ppd		AAL Peaking Factor	
	BOD	TSS	BOD	TSS
AAL	1,100	1,100	1	1
<b>Dry Weather (June 1 - October 31)</b>				
ADWL	1,100	1,100	1	1
MMDWL	1,400	1,300	1.3	1.2
MDDWL	1,700	1,400	1.5	1.3
<b>Wet Weather (November 1 - May 31)</b>				
AWWL	1,200	1,200	1.1	1.1
MMWWL	1,500	1,500	1.4	1.4
MDWWL	1,900	1,900	1.7	1.7

**Table 3. Goshen Flow Projections**

*Reproduced from Table 2.11 of Goshen Wastewater Project, Project Definition Report (Kennedy/Jenks, February 2022)*

Condition	Startup, gpd	Design, gpd	Peaking Factor
Average Dry Weather Flow	90,000	560,000	1.00
Maximum Month Dry Weather Flow	138,600	862,400	1.54
Maximum Month Wet Weather Flow	180,000	1,120,000	2.00
Peak Day Flow	306,000	1,904,000	3.40
Peak Hour Flow	360,000	2,240,000	4.00

**Table 4. Goshen Design Load Projections**

*Reproduced from Table 2.16 of Goshen Wastewater Project, Project Definition Report (Kennedy/Jenks, February 2022)*

Parameter	Condition	Value
Demographics	Acreage	444
	Base Flows	560,000
	EDU's	1,867
BOD, ppd	Avg Annual	1,008
	Max Month	1,310
	Peak Day	2,621
COD, ppd	Avg Annual	2,352
	Max Month	3,058
	Peak Day	6,115
TSS, ppd	Avg Annual	1,120
	Max Month	1,568
	Peak Day	3,136
TKN, ppd	Avg Annual	162
	Max Month	211
	Peak Day	374

**Table 5. Creswell Projected Flows and Loads at 2045 Maximum Month Conditions with Additional Parameter Assumptions**

*Adapted from City of Creswell Wastewater Facilities Plan (West Yost, May 2025)*

Parameter	Value	Units	Comments
Flow	3	mgd	Equalized Flow, included in Table 3-3 of Creswell WFP.
Chemical Oxygen Demand (COD)	3,000	lb/d	No data provided. COD/BOD5 Ratio of 2 was assumed.
	120	mg/L	Creswell WFP assumption results in low strength wastewater.
5-Day Biochemical Oxygen Demand (BOD <sub>5</sub> )	1,500	lb/d	Included in Table 3-4 of Creswell WFP.
	60	mg/L	Creswell WFP assumption results in low strength wastewater.
Total Suspended Solids	1,500	lb/d	Included in Table 3-4 of Creswell WFP.
	60	mg/L	Creswell WFP assumption results in low strength wastewater.
Total Kjeldahl Nitrogen (TKN)	273	lb/d	No data provided. Assumed ratio of BOD <sub>5</sub> /TKN of 5.5, adapted from <i>WEF Manual of Practice No. 8</i> .
	11	mg/L	Creswell WFP assumption results in low strength wastewater.
Ammonia	177	lb/d	No data provided. Assumption = 65% of TKN, similar to MWMC.
	7	mg/L	Creswell WFP assumption results in low strength wastewater.
Total Phosphorus	60	lb/d	No data provided. Assumed ratio of BOD <sub>5</sub> /TP of 25, adapted from <i>WEF Manual of Practice No. 8</i> .
	2	mg/L	Creswell WFP assumption results in low strength wastewater.
Alkalinity	3,755	lb/d	No data provided. Assumed 150 mg/L
	150	mg/L	

**Table 6. Goshen Projected Flows and Loads at 2045 Maximum Month Conditions with Additional Parameter Assumptions**

*Adapted from Goshen Wastewater Project Definition Report (Kennedy/Jenks, February 2022)*

Parameter	Value	Units	Comments
Flow	1.12	mgd	Included in Table 2.11 of Goshen WPDR.
Chemical Oxygen Demand (COD)	3,058	lb/d	Included in Table 2.16 of Goshen WPDR.
	327	mg/L	
5-Day Biochemical Oxygen Demand (BOD <sub>5</sub> )	1,310	lb/d	Included in Table 2.16 of Goshen WPDR, which assumed COD/BOD5 ratio of 2.3 (higher than typically observed at the WPCF).
	140	mg/L	
Total Suspended Solids	1,568	lb/d	Included in Table 2.16 of Goshen WPDR.
	168	mg/L	
	211	lb/d	Included in Table 2.16 of Goshen WPDR.

<b>Total Kjeldahl Nitrogen (TKN)</b>	23	mg/L	
<b>Ammonia</b>	137	lb/d	No data provided. Assumption = 65% of TKN, similar to MWMC.
	15	mg/L	
<b>Total Phosphorus</b>	37	lb/d	No data provided. Assumed ratio of BOD <sub>5</sub> /TP of 25, adapted from <i>WEF Manual of Practice No. 8</i> .
	4	mg/L	
<b>Alkalinity</b>	1,402	lb/d	No data provided. Assumed 150 mg/L
	150	mg/L	

The projected flows and loads for Creswell and Goshen were combined with the MWMC 2045 CFP Update projections presented in Tables 6-10 through 6-19 of Section 6.3 of the CFP Update (Jacobs, 2025). Maximum month loading rates for Creswell/Goshen have been used in lieu of max week and max two-week projections where applicable, as those were not defined in source material.

These combined projections were incorporated into the whole-plant process model developed for the CFP Update and described in Section 8.2.1 to simulate facility performance under elevated buildout conditions. The simulation results were then evaluated to determine the capacity impacts of the additional Creswell/Goshen contributions relative to the capacity limitations anticipated from MWMC flows and loads alone.

## Observations and Conclusions

### Conveyance System Capacity

For the MWMC Collection System, expansion of service to the City of Goshen and City of Creswell will have impacts on the following infrastructure based on estimated peak hour flows of 2.2 mgd and 3.0 mgd from each city respectively (total 5.2 mgd):

- In the CFP Update, the Glenwood Pump Station was evaluated for upsizing to serve existing and future flows in the Laurel Hill Basin and areas of the City of Springfield. Recommendations were to upsize the pump station to accommodate 5.8 mgd existing peak hour flow and 7.5 mgd future peak hour flow.
- An additional 5.2 mgd from Goshen and Creswell will require a major additional upgrade to the Glenwood Pump Station and Force Main or an independent Goshen/Creswell Pump Station will need to bypass the Glenwood Pump Station with an independent force main with similar length to the existing Glenwood Force Main crossing the Willamette River and discharging to the East Bank Interceptor. A Class 5 cost estimate (2025 dollars) for a 5.2 mgd pump station and 18-inch force main crossing the river (trenchless construction) is \$19-23 million. Costs will increase dramatically for longer force main segments from each of the cities to reach the river. The force main reaches from the cities to the river are excluded from the cost estimate.
- In the CFP Update, the East Bank Interceptor is shown to have adequate capacity for the existing service area and associated future growth during wet weather conditions. A hydraulic profile of future conditions for the East Bank Interceptor is shown in Figure 1 below for the existing service area. The hydraulic profile with additional flows of 5.2 mgd from Creswell and Goshen to the East Bank Interceptor is shown in Figure 2. The interceptor has adequate capacity with an additional 5.2 mgd with

the pipeline flowing approximately full. Flow monitoring is recommended on the East Bank Interceptor to confirm existing capacity prior to any expansion of the service area to Goshen and Creswell.

- In the CFP Update, the Willakenzie Pump Station is shown to have adequate capacity for the existing service area and associated future growth during wet weather conditions with assumptions of low inflow and infiltration (I&I) allowance for new development (2,500 gallons per developed acre per day peak I&I flow) and targeted I&I reductions in the upstream City of Eugene and City of Springfield collection systems. The pump station is estimated to have available firm capacity plus excess capacity of approximately 5.2 mgd by 2045 to serve Goshen and Creswell. Beyond 2045, the pump station does not have excess capacity for growth in the existing service area with the addition of Goshen and Creswell. The available existing capacity could be initially used to serve the cities; however, MWMC would need to decide to build capacity for Goshen and Creswell likely within the next 10 years so that existing capacity may be reserved longer-term for growth in Eugene and Springfield beyond 2045. Additionally, improvements may be required sooner than 2045 if growth rates in Eugene and Springfield accelerate. A Class 5 cost estimate (2025 dollars) to expand the pump station capacity by 5.2 mgd, assuming that the force mains do not require upgrades, is \$15-17 million. Existing firm capacity of the Willakenzie Pump Station and future flows are shown in Figure 3. Pump station draw down testing and flow monitoring are recommended to confirm existing firm capacity of the Willakenzie Pump Station (127.5 mgd) and existing influent flows prior to any expansion of the service area to Goshen and Creswell.

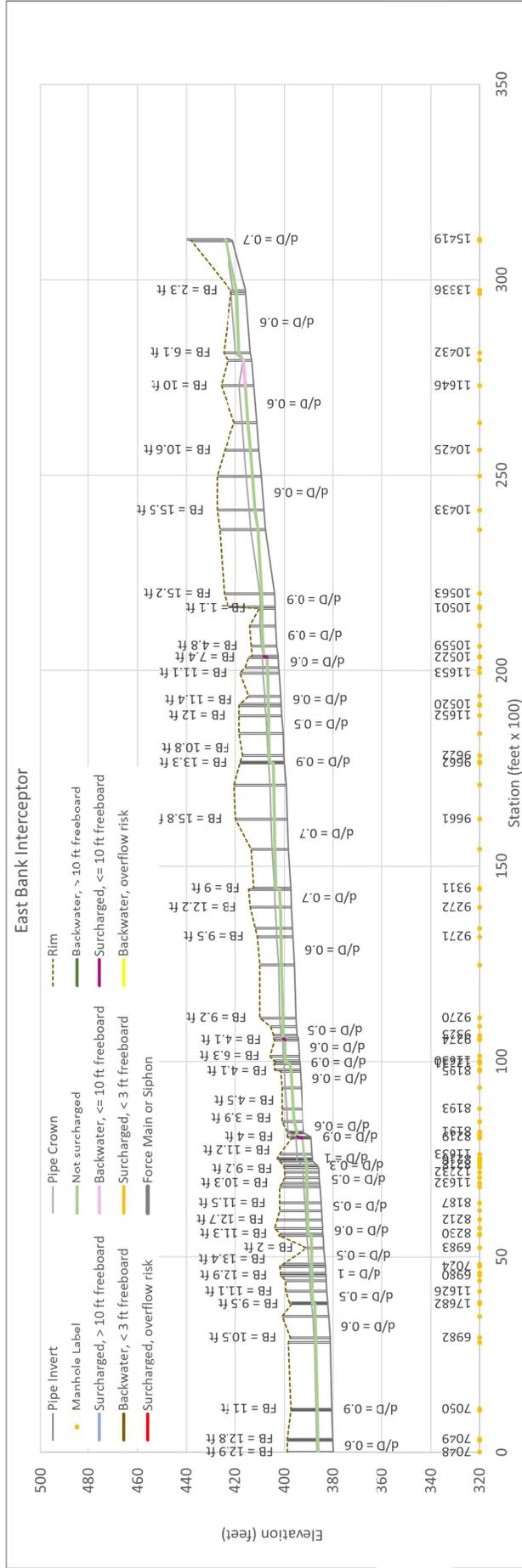


Figure 1. East Bank Interceptor Hydraulic Profile, Existing Service Area with Future Flows.

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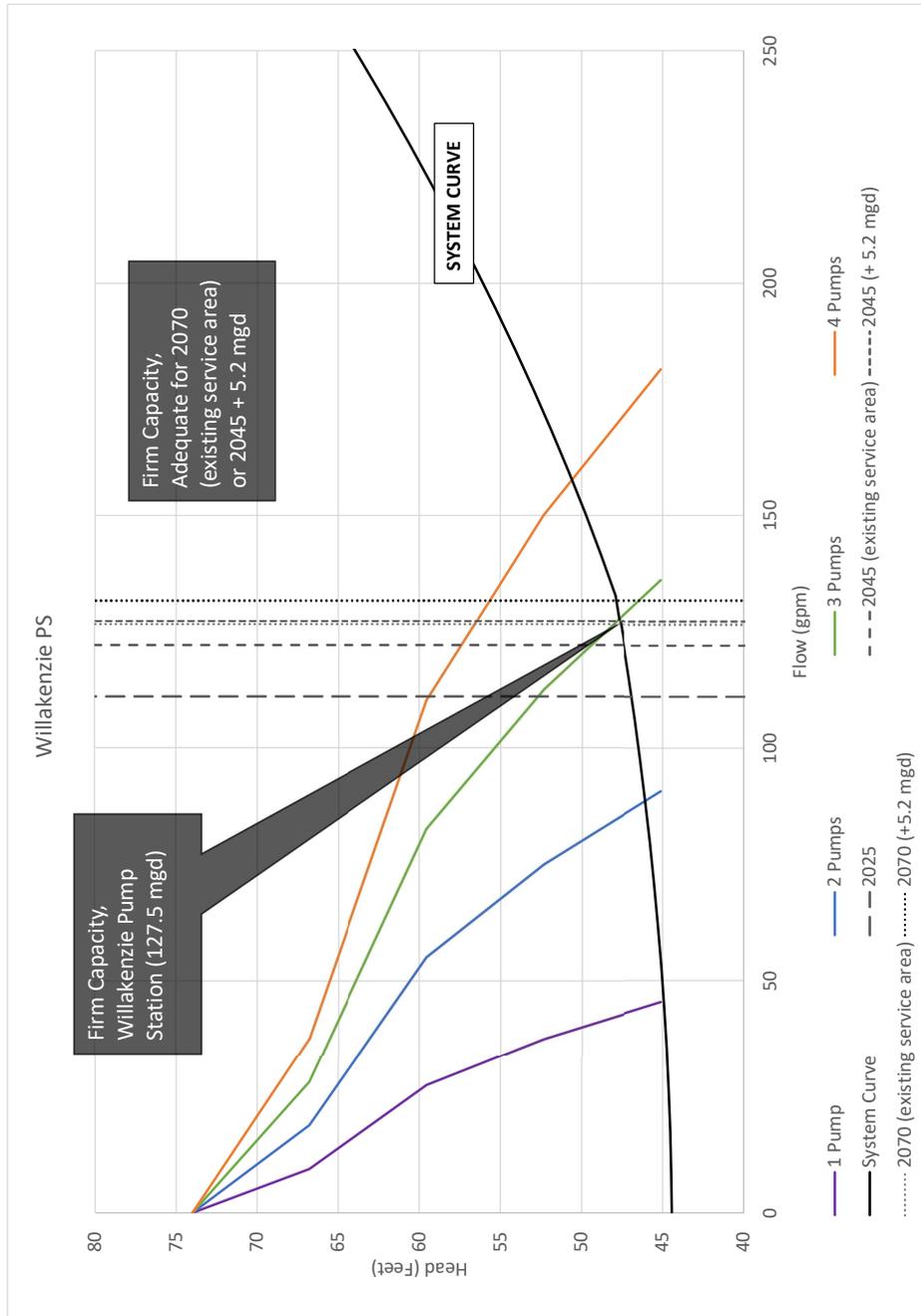


Figure 3. Willakenzie Pump Station System and Pump Curves showing Existing Firm Capacity (largest pump out of service, 127.5. mgd). Future flows with and without the additional Goshen and Creswell flows (5.4 mgd) and associated capacity limits.

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## **Treatment System Capacity**

Impacts to MWMC treatment system capacity from the projected Creswell/Goshen flows and loads are summarized on the following page in Table 7. Flow and load projections for the current service area were not extended beyond the year 2070 within the scope of the CFP Update. Consequently, the effects of incorporating additional flows and loads from Creswell and Goshen on the capacity trigger years for units with adequate capacity post-2070 have not been determined. The following subsections provide additional information about impacts to several unit processes.

### **Anaerobic Digestion Capacity**

Firm capacity under maximum two-week storage conditions—a key digester design criterion—is projected to be reached by 2044 when accounting for Creswell/Goshen loads. This analysis assumes implementation of the thickening improvements recommended in the CFP Update, resulting in a digester feed concentration of 5% total solids. The additional Creswell/Goshen contributions advance the anaerobic digestion capacity trigger by approximately six years, necessitating construction of a fifth digester within the CFP Update planning period. This timeline is sensitive to the degree of thickening achieved at the WPCF and the accuracy of actual flows and loads relative to projections.

### **Aeration Blower Demand**

Peak-day aeration demand is projected to increase by 5.8%, which exceeds other process impacts (2.6%–3.6%). This increase reflects both higher oxygen demand from additional loading and a slight reduction in aeration efficiency (alpha factor) predicted by the model. Despite these impacts, the future blower addition identified in the CFP Update will provide sufficient aeration capacity beyond the planning horizon.

### **Effluent TSS and Tertiary Filtration**

Secondary clarifier performance and effluent TSS cannot be reliably predicted by process modeling due to inherent variability in biological settling characteristics (e.g., sludge volume index). Consequently, the impact on tertiary filtration cannot be quantified. However, accepting additional Creswell/Goshen loads is expected to increase the risk of elevated effluent TSS during peak conditions.

### **Belt Filter Press (BFP) Dewatering and Air Drying Beds (ADB)**

Impacts on these solids handling processes depend on assumptions regarding volatile solids reduction (VSR) in the Facultative Sludge Lagoons (FSL), which are difficult to measure accurately. The percentage increase in loading is expected to align with the 3.6% increase projected for the FSL under Creswell/Goshen conditions, regardless of VSR assumptions. Additional loads will require increased annual dewatering operating hours, accelerating the need for an additional dewatering shift prior to the end of the planning period (2045). Since new lagoons and air drying beds are already recommended in the CFP Update, no additional capital improvements are anticipated as a result of Creswell/Goshen flows.

Table 7. Results of MWMC Treatment Capacity Assessment of Additional Flows/Loads from Creswell/Goshen.

Unit Process	Criteria	Units	Current Service Area		Current Service Area + Creswell/Goshen at Buildout		Percentage Flow/Load Increase	Percent Flow Load Increase per 1 mgd of add'l capacity (MM basis)	Capacity Criteria	Design Capacity	Creswell Fraction	Goshen Fraction	Comments
			2045 Conditions	Trigger Year	2045 Conditions	Trigger Year							
IPS-1 and 2	PHWW	mgd	92.2	Beyond 2070	92.2	Beyond 2070	0.00%		Firm	99.9			C&G flows to Willakenzie PS, bypassing IPS 1&2
Screening	PHWW	mgd	254.1	Beyond 2070	259.3	Beyond 2070	2.10%	0.40%	Total	300	58%	42%	
Grit Removal	PHWW	mgd	254.1	2068	259.3	2062	2.10%	0.40%	Total	275	58%	42%	
Primary Clarification (PC)	PHWW	mgd	170	n/a	170	n/a	0.00%		Total	170			Flow to PC limited to 170 mgd by peak flow strategy
Aeration Blowers	MDDW	scfm	22435	Beyond 2070	23730	Beyond 2070	5.80%	1.20%	Firm	32000	53%	47%	Assuming 1 additional turbo blower installed in 2045 as planned
Activated Sludge /Secondary Clarification	MDWW	Solids Loading Rate (% of ideal max)	66%	Beyond 2070	68%	Beyond 2070	3.00%	0.60%	Total	85%	53%	47%	Design SLR capacity limited to 85% of max theoretical for real-world conditions. Assuming 10 SC online (no redundancy required at peak hour conditions)
Tertiary Filtration	n/a	mgd	11	n/a	11	n/a	0.00%		Total	11			Accepting Creswell/Goshen loads slightly increases risk of violation of effluent TSS
Disinfection Chlorine Contact Basins (CCB)	PHWW	mgd	254.1	Beyond 2070	259.3	Beyond 2070	2.10%	0.40%	Total	477.2	58%	42%	With CCB 1-4 and High-Rate CCB online; 15-min contact time
Plant Hydraulics	MDWW	mgd	224	Beyond 2070	228.9	Beyond 2070	2.20%	0.40%	Total	358.4	61%	39%	With CCB 1-4 and High-Rate CCB online; 20-min contact time
WAS Gravity Belt Thickening (GBT)	PHWW	mgd	254.1	2068	259.3	2062	2.10%	0.40%	Total	275	58%	42%	Limited by Grit Removal
Anaerobic Digestion	M2WWW	lb/d	46410	2050	48091	2046	3.60%	0.90%	Firm	48240	53%	47%	
Facultative Sludge Lagoons (FSL)	M2WWW	mgd	0.21	2050	0.217	2044	3.30%	0.80%	Firm	0.215	53%	47%	With 3 digesters online, 15-day SRT, assuming digester feed thickening improved to 5% TS.
Belt Filter Press Dewatering (BFP)	M2WWW	lb VS/d	70151	Beyond 2070	72684	Beyond 2070	3.60%	0.90%	Firm	80013	53%	47%	With 3 digesters online, max VSLR of 0.18 lb VS/ft <sup>3</sup> -digester volume/day
Air-Drying Beds (ADB)	M2WWW	lb/d	31568	Beyond 2070	32700	Beyond 2070	3.60%	0.90%	Firm	34031	53%	47%	With 5 of 6 FSL online, assuming 2 additional FSL are constructed prior to 2045
	M2WWW	lb/d	35641	n/a	36924	n/a	3.60%	0.90%	Firm	38356	53%	47%	Additional loads will increase unit process operating time/utilization (additional shifts)
	M2WWW	dT/year	5854	n/a	6065	n/a	3.60%	0.90%	Total	*	53%	47%	Additional loads will increase unit process operating time/utilization; buildout capacity with additional units not yet established

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## Recommendations for MWMC

To manage uncertainty around future Creswell and Goshen flows and loads, MWMC should focus on improving data accuracy and planning flexibility. Key recommendations include:

- Obtain detailed development information from Creswell and Goshen, including land use plans, expected industrial sectors, and projected water demands.
- Require early notification of new industries and preliminary wastewater profiles to support pretreatment planning and protect treatment capacity.
- Establish a formal data-sharing process among MWMC, Creswell, Goshen, and Lane County with regular updates on development activity.
- Continue scenario-based modeling using higher-than-expected loads and define clear capacity triggers (e.g., 85–90% utilization) for initiating capital projects.
- Develop a load tracking tool to monitor committed and projected flows and loads in real time.

These steps will help MWMC anticipate future needs, maintain compliance, and ensure reliable service as regional development progresses.

10 October 2025

## Draft Memorandum

To: Dan Hurley, Lane County  
Robert Woodard, Lane County

From: Deb Galardi, Galardi Rothstein Group  
Ben Bosse, Kennedy Jenks

Subject: Goshen MWMC and Springfield Cost Proposal  
K/J Project No. 2476014\*00

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### Introduction

Lane County commissioned a study in 2014 to determine the feasibility of providing wastewater collection and treatment services to the unincorporated area of Goshen. A wastewater feasibility study was completed in January 2015 by Kennedy Jenks Consultants, Inc., which identified three potential options for providing wastewater services to Goshen. One of the options is for Goshen to be served through a connection to the Metropolitan Wastewater Management Commission (MWMC) via trunk sewers owned by the City of Springfield. Costs to implement this option would include connection costs to the MWMC and City of Springfield systems.

In 2017, Galardi Rothstein Group (GRG) completed an initial study to develop connection cost bases and estimates associated with providing wastewater service to Goshen and Short Mountain Landfill through the MWMC and Springfield systems. Since the 2017 study, GRG has twice updated the connection cost estimates for MWMC and Springfield, once in 2019 to reflect system cost inflation, and once in 2023 to update flow and asset data as well as system cost inflation.

This memorandum presents the most recent 2023 connection cost estimates with the following updates:

- Based on input from MWMC, an SDC approach has been selected for MWMC connection costs,
- Creswell connection costs have been included (see Attachment A),
- Costs associated with Short Mountain Landfill leachate flows have been separated out from Goshen flows.

### MWMC Connection Costs

System development charges are assessed on all new development that connects to MWMC's regional wastewater system. The MWMC SDC model – most recently updated in May 2023 (for fiscal year 2023-2024) – follows a methodology that was developed in accordance with Oregon SDC legislation

(ORS 223.297-223.316), and includes a reimbursement for existing facilities, as well as recovery of future facility costs needed to expand system capacity to serve new development.

For purposes of charging future development in Goshen an equitable share of MWMC wastewater system capacity, the County recommends using a System Development Charge framework. Because MWMC is currently in the process of updating its SDC methodology and public facilities plan, the specifics of the methodology and SDCs to be charged will not be known until 2026. However, it is assumed that the updated methodology will reflect the following key elements, consistent with the current methodology:

- The SDC methodology will be based on a combined reimbursement and improvement structure. The reimbursement fee will be based on the value of existing system facilities with available capacity to serve future growth. The improvement fee will be based on MWMC's updated facilities plan and SDC capital project list.
- For purposes of determining an equitable share of system capacity costs, costs will be allocated across system capacity parameters that reflect system design criteria, including:
  - Flow (average and peak)
  - BOD (maximum month)
  - TSS (maximum month)
- Unit costs for each capacity parameter will be determined by dividing the growth-related reimbursement and improvement costs by the projected growth capacity requirements (including Goshen and Creswell) for the planning period.
- In addition to the improvement and reimbursement costs, the MWMC SDC methodology may include one or more adjustments to the SDC costs to reflect Oregon SDC statute compliance costs, capital improvement financing costs, or other factors.

Table 1 presents the 2023 SDC model connection costs, with Short Mountain Landfill costs separated from Goshen costs. It is assumed that even if the County currently pays a rate to MWMC for conveyance and treatment of leachate, the Goshen pipeline would constitute a new connection and a SDC charge would apply. The Landfill cost estimates have also been updated to reflect higher flow and maximum month BOD loading estimates from the Goshen Project Definition Report. It is important to note that costs shown in Table 1 will likely increase due to the 2026 MWMC's SDC update. The current SDCs are based on system assets from 2003 and do not collectively account for all the facilities (like renewable natural gas facilities) that are part of the system today. Furthermore, the revised SDCs will reflect updated cost projections for system capacity improvements.

## Timing of Payments

The County proposes Goshen area SDCs would be paid as property develops in the future. Existing development in Creswell and the landfill would pay SDCs up-front when they connect to the system.

**Table 1 – MWMC Connection Costs**

Parameter	Unit Cost	Goshen		Landfill		Creswell		Combined	
		Units	Cost	Units	Cost	Units	Cost	Units	Cost
Max Month Dry Weather Flow	\$1,941,814	0.86	\$1,669,960	0.08	\$155,345	1.9	\$3,689,447	2.84	\$5,514,752
Peak Hour Wet Weather Flow	\$831,076	2.24	\$1,861,610	0.23	\$191,147	3	\$2,493,228	5.47	\$4,545,986
Max Month Dry Weather BOD	\$1,653	1310	\$2,165,430	1010	\$1,669,530	1400	\$2,314,200	3720	\$6,149,160
Max Month Dry Weather TSS	\$1,213	1568	\$1,901,984	174	\$211,062	1300	\$1,576,900	3042	\$3,689,946
<b>Estimated MWMC Connection Cost</b>			<b>\$7,598,984</b>		<b>\$2,227,085</b>		<b>\$10,073,775</b>		<b>\$19,899,843</b>

## User Charges

Goshen and Creswell are outside the existing political boundaries of MWMC. It is common practice for utilities to charge a differential rate or an administrative fee on top of the regular monthly service charges for customers located outside the political boundaries. For example, the City of Salem charges a 7.5 percent rate surcharge for utility services provided to customers in unincorporated Marion County. The City of Redmond applies a 5 percent administrative fee to monthly billings from customers in the Terrebonne Sanitary District. The County recommends that a 5 percent rate surcharge be used for customers in Goshen and Creswell.

## Springfield Connection Costs

In addition to the regional wastewater system, the flows from the Goshen system will utilize trunk sewers owned and operated by the City of Springfield. Based on information provided by the City of Springfield, the Franklin/McVey extension is anticipated to be at 50 percent capacity with projected flows of Springfield customers. When the Goshen flows are added, this line would be fully utilized, with 45 percent of the capacity from Goshen and 5% of the capacity from the Short Mountain landfill. It should be noted that the Springfield capacity discussion occurred prior to updating the Short Mountain Landfill peak flows as part of the Project Definition Report, which resulted in an increase of 160,000 gpd at the peak hour condition. Further discussion with Springfield is recommended to understand the impact of the landfill flow increase on capacity. Additionally, further discussion with Springfield is recommended regarding the Creswell flows, as described below. Springfield connection costs from the 2023 connection cost updates memo are summarized in Table 2.

Creswell costs have not been considered in this memorandum. Additional discussion is needed to understand the capacity of existing Springfield trunk sewers to accommodate the Creswell flows. The following excerpt is taken from the Creswell Wastewater Facilities Plan Update regarding Springfield connection costs for Creswell flows:

*“As discussed in Chapter 5, the 2023 Cost Update TM indicates that Goshen will utilize 30 percent of the capacity of the Glenwood Trunk (with Springfield using an additional 30 percent) and 50 percent of the capacity of the Franklin/McVey Sanitary Sewer Ext (with Springfield using the remaining 50 percent). It is thus implied that an additional 40 percent of the Glenwood Trunk capacity is available for the Creswell, but no capacity is available in the Franklin/McVey Sanitary Sewer Ext. However, follow up discussions with City of Springfield staff indicate that this may not be an accurate assessment.*”

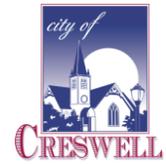
*Due to the uncertainties regarding available conveyance capacity, combined with the fact that the proposed peak flows from Goshen and Creswell are similar, it has been assumed that Creswell and Goshen would pay the same connection cost to Springfield as defined in the 2023 Cost Update TM. However, if it is determined that one, or both, of the conveyance pipelines requires expansion to accommodate the flows, additional costs could be incurred<sup>3</sup>. Discussions with City of Springfield staff are needed to finalize this assessment. For PIF related to the Springfield conveyance, Creswell could avoid sending flows during such events to prevent the need for capacity expansion of the Springfield conveyance facilities.”*

**Table 2 – Springfield Connection Costs**

<b>Springfield Asset</b>	<b>Cost<sup>(a)</sup></b>	<b>Goshen</b>		<b>Landfill</b>		<b>Combined</b>	
		<b>Share</b>	<b>Cost</b>	<b>Share</b>	<b>Cost</b>	<b>Units</b>	<b>Cost</b>
Glenwood Trunk Sewer (30")	\$2,767,568	27%	\$747,243	3%	\$83,027	30%	\$830,270
Franklin/McVay Sewer (18")	\$4,039,061	45%	\$1,817,577	5%	\$201,953	50%	\$2,019,531
Debt Portion	\$467,143	45%	\$210,214	5%	\$23,357	50%	\$233,572
<b>Estimated Springfield Connection Cost</b>			<b>\$2,775,035</b>		<b>\$308,337</b>		<b>\$3,083,372</b>

**Notes:**

(a) Includes inflation and net present value of debt.



### 6.3.2.2 Goshen System Upgrades

To accommodate the additional flow from Creswell, the capacity of a portion of the facilities proposed for the Goshen wastewater system will need to be increased as follows:

- Approximately 3,540-feet of gravity sewer along Highway 99 between the Manhole 28 tie-in (shown on Figure C-3 of the 2022 PDR) and Pump Station No. 1 (shown on Figure C-3 of the 2022 PDR) will need to be upsized from 8-inch diameter pipe to an 18-inch diameter pipe.
- Pump Station 1, originally proposed to have approximately 2.5 MGD of capacity, will need to be upgraded to a 5.5 MGD capacity.
- The 18,400-foot long, dual force mains connecting the Pump Station 1 to the Springfield system (shown as Goshen Forcemain-South and Goshen Forcemain-West on Figure C-6 of the 2022 PDR) will need to be increased from 10-inch diameter pipelines to 12-inch diameter pipelines.

### 6.3.3 Connection Charges

System Development Charges (SDCs), also called connection charges, will need to be paid by the City for the use of existing capacity in the Springfield and MWMC facilities that are used for conveying and treating the City's flows. Charges for conveying and treating the Goshen flows were estimated in the 2022 PDR and refined in the 2023 Cost Update TM. For purposes of this Facilities Plan Update analysis, the information and methodology in the 2023 Cost Update were applied.

For the MWMC Connection Charges, two different potential costs were defined: one using an updated (2024) MWMC SDC model, and one using a buy-in model. The SDC model methodology is based on a combined reimbursement and improvement structure defined in accordance with Oregon law. With this approach, four capacity measures are used to develop the estimated SDC: average flow, peak flow, maximum month BOD load, and maximum month TSS load. The buy-in model requires new customers to "buy-in" to the existing system at a rate that reflects the past investments of existing customers in the regional system, where the current system value per connection can provide a reasonable estimate of the cost that the utility will incur to provide capacity for new development. Additional discussion with MWMC will be necessary to better define if these models will be appropriate for the combined Goshen/Creswell project.

In addition to the regional wastewater system, the City and Goshen will need to utilize trunk sewers owned and operated by the City of Springfield. Specifically, the flow will be conveyed through the 18-inch Franklin/McVey sewer extension, and the 30-inch Glenwood trunk sewer between the Franklin/McVey Extension and the Glenwood Pump Station.

To estimate connection charges for use of these pipelines, the percent of the total conveyance flow that will be attributed to the City of Creswell must be defined. However, the 2023 Cost Update TM indicates that the Franklin/McVey Extension is anticipated to be at 50 percent capacity with projected flows of Springfield customers and would be fully utilized when the Goshen flows are added. Therefore, it is unclear whether there would be available capacity for the Creswell flows in this pipeline. The Glenwood trunk sewer is a larger line, and it is estimated that Goshen's share of that line is estimated to be 30 percent of the total capacity. This would imply that there would be additional capacity available in this line for Creswell flows.

Discussions with Springfield conducted as part of this Facilities Plan Update indicate that there is some uncertainty as to whether there is available capacity to accommodate both Goshen and Creswell flows. Additional discussions with Springfield are needed to confirm the available capacity and flow percentage and whether an expansion of either pipeline is needed. For purposes of this analysis, it has been assumed that either there will be adequate capacity, or Creswell can hold flows during peak flow events using the WWTF equalization ponds – thereby not adversely impacting the capacity of the system.

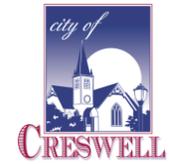
## **6.4 ALTERNATIVE 2: MBR TREATMENT**

The primary elements required for Alternative 2 include the new influent pump station discussed previously, an influent screening facility, peak flow diversion and equalization facilities, a fine screening facility, the MBR treatment system, and a biosolids treatment/storage facility. A site layout showing the location of these facilities is provided on Figure 6-7.

### **6.4.1 Influent Screening**

The WWTF currently operates without influent screening, which has led to excessive trash accumulation in the pond. To address this issue, it is recommended that a multi-rake bar screening facility be included with this project. The screening facility would be located downstream of the Influent Pump Station and would be sized to accommodate future peak flows of 9.6 MGD. It is also assumed that only one mechanical bar screen will be installed, and that a bypass channel with a manual bar rack will be provided for bypass of flows when the mechanical screen is down for maintenance.

For this MBR alternative, the screening facility will also provide pre-treatment and help minimize head losses through the fine screening facility that is required upstream of the MBR facility.



**7.1.1.3 Connection Charges**

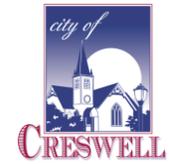
As discussed in Chapter 6, the Creswell connection charges were estimated using the values and methodology presented in the 2023 Cost Update TM (Appendix G). As described in the 2023 Cost Update TM, there were two models considered for establishing connection charges for Goshen:

- **MWMC SDC Model:** This methodology was developed in accordance with Oregon System Development Charge (SDC) legislation (ORS 223.297-223.314) and includes a reimbursement cost for existing facilities, an investment cost for future facility costs needed to expand system capacity to serve new development, a decreased adjustment to account for future debt payments, and an increased adjustment to cover the costs of complying the SDC statutes.
- **MWMC Buy-In Model:** Under this methodology, new customers are required to “buy-in” to the existing system, at a rate consistent with past investments. For this approach, a current system value per existing connection is developed to represent the costs that the utility will incur in the future to provide capacity for new development at existing service levels, and to equitably recover future costs from new development without placing a burden on existing customers.

Under both methodologies, unit costs are established in the 2023 Cost Update TM for the projected MMDWF, PIF, BOD MMDWL, and TSS MMDWL conditions. These unit costs can therefore be directly applied to the projected flow and loads from the City of Creswell to generate costs under both models. Table 7-6 presents the results of the SDC Model Methodology calculations, and Table 7-7 presents the results of the Buy-In Model Methodology calculations.

Area	Unit Cost <sup>(a)</sup> , dollars	Units <sup>(b)</sup>	Estimated Connection Cost, dollars
<b>Flows</b>			
MMDWF	1,914,814	1.9	3,689,447
PIF	831,076	3.0	2,493,228
<b>Loads</b>			
MMDWF	1,653	1,400	2,314,200
PIF	1,213	1,300	1,576,900
<b>Total</b>	-	-	<b>\$10,073,775</b>

(a) Defined in Table 5 of Appendix B in the 2023 Cost Update TM  
 (b) Based on the flow and load characterization presented in Chapter 3, with the exception of the PIF. This value is based on the maximum assumed pumping capacity to the system as defined in Chapter 6.



<b>Table 7-7. Estimated Connection Charges Based on the MWMC Buy-In Model</b>			
<b>Area</b>	<b>Unit Cost<sup>(a)</sup>, dollars</b>	<b>Units<sup>(b)</sup></b>	<b>Estimated Connection Cost, dollars</b>
<b>Flows</b>			
MMDWF	2,277,269	1.9	4,326,811
PIF	1,142,727	3.0	3,428,181
<b>Loads</b>			
MMDWF	2,384	1,400	3,337,600
PIF	2,063	1,300	2,681,900
<b>Total</b>			<b>\$13,774,492</b>
<small>(a) Defined in Table 7 of Appendix B in the 2023 Cost Update TM                  (b) Based on the flow and load characterization presented in Chapter 3, except for the PIF. This value is based on the maximum assumed pumping capacity to the system as defined in Chapter 6.</small>			

The 2023 Cost Update TM defines a City of Springfield Connection Charge of \$3.08 million<sup>2</sup> based on the following information:

- The cost (inflated to current dollars) of the two truck lines that will convey the flow to the MWMC system (i.e. the Glenwood Trunk Sewer and the Franklin/McVey Sanitary Sewer Ext)
- The net present value (NPV) of interest paid on the debt portion of the costs for these facilities
- The percent of capacity within the pipelines that would be encumbered by the Goshen flows

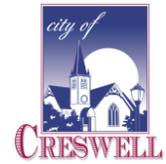
As discussed in Chapter 5, the 2023 Cost Update TM indicates that Goshen will utilize 30 percent of the capacity of the Glenwood Trunk (with Springfield using an additional 30 percent) and 50 percent of the capacity of the Franklin/McVey Sanitary Sewer Ext (with Springfield using the remaining 50 percent). It is thus implied that an additional 40 percent of the Glenwood Trunk capacity is available for the Creswell, but no capacity is available in the Franklin/McVey Sanitary Sewer Ext. However, follow up discussions with City of Springfield staff indicate that this may not be an accurate assessment.

Due to the uncertainties regarding available conveyance capacity, combined with the fact that the proposed peak flows from Goshen and Creswell are similar, it has been assumed that Creswell and Goshen would pay the same connection cost to Springfield as defined in the 2023 Cost Update TM. However, if it is determined that one, or both, of the conveyance pipelines requires expansion to accommodate the flows, additional costs could be incurred<sup>3</sup>. Discussions with City of Springfield staff are needed to finalize this assessment. For PIF related to the Springfield conveyance, Creswell could avoid sending flows during such events to prevent the need for capacity expansion of the Springfield conveyance facilities.

<sup>2</sup> See Table 8 of Appendix B in the 2023 Cost Update TM.

<sup>3</sup> As noted in Chapter 5, Creswell would also have the flexibility to temporarily reduce or stop discharge flows during peak flow periods. This approach could be an effective strategy for mitigating capacity impacts in the Springfield system and avoid the need to expand the pipeline capacity.

**Chapter 7**  
**Selection of Preferred Alternative**



A summary of the total estimated Connection Cost discussed above is provided in Table 7-8.

<b>Table 7-8. Summary of Estimated Connection Charges</b>		
Area	Connection Cost Using MWMC SDC Method, dollars	Connection Cost Using MWMC Buy-In Method, dollars
MWMC Connection Charges	10,070,000	13,770,000
Springfield Connection Charges		3,100,000
<b>Total</b>	<b>\$13,170,000</b>	<b>\$16,870,000</b>

**7.1.1.4 Summary of Estimated Alternative 1 Project Costs**

A summary of the total estimated Project Cost for the Regional Approach (Alternative 1) is shown in Table 7-9.

<b>Table 7-9. Total Project Costs for Alternative 1</b>		
Area	Adjusted SDC Method, dollars	Buy-In Method, dollars
City-Owned Improvements	19,820,000	
Goshen System Upgrades	7,230,000	
MWMC Connection Charge	10,070,000	13,770,000
Springfield Connection Charge	3,100,000	
<b>Total</b>	<b>\$40,220,000</b>	<b>\$43,920,000</b>

# Metropolitan Wastewater MANAGEMENT COMMISSION



*partners in wastewater management*

## MEMORANDUM

**DATE:** November 6, 2025

**TO:** MWMC Board

**FROM:** Steve Barnhardt, MWMC Operations Manager  
Mark Van Eeckhout, Senior Civil Engineer

**SUBJECT:** Renewable Natural Gas (RNG) Operational Update

**ACTION REQUESTED:** Information only; no action requested

### **ISSUE**

In November of 2021, the MWMC's Renewable Natural Gas (RNG) System became the first publicly owned wastewater facility in Oregon to successfully produce and inject renewable natural gas into the Northwest Natural Gas (NWN) energy grid. The MWMC has been recognized for this achievement by the National Association of Clean Water Agencies (NACWA), the Water Environment Federation (WEF), and the Pacific Northwest Clean Water Association (PNCWA). This memo provides an informational update about the operation and maintenance of the RNG System, gas production details, general revenue, an update on the U.S. Environmental Protection Agency (EPA) Biogas Regulatory Reform Rule (BRRR) within the Renewable Fuel Standard (RFS) Set Rule, and upcoming contract changes with the MWMC gas offtaker (Anew) in December 2026.

### **BACKGROUND**

The MWMC's biogas is produced through the anaerobic digestion processes during treatment of wastewater and is roughly 60% methane (CH<sub>4</sub>) and 40% carbon dioxide (CO<sub>2</sub>), with some impurities such as hydrogen sulfide (H<sub>2</sub>S). The methane produced through the digestion process is chemically identical to fossil natural gas and can be used as energy. For decades, the MWMC has beneficially used biogas produced at the Water Pollution Control Facility (WPCF) by capturing and partially treating the gas for use as fuel in Combined Heat Power (CHP) Generators that create heat and electricity.

In 2014, the EPA authorized a pathway for biogas derived from anaerobic digestion of domestic wastewater solids to be treated as biofuel and for the environmental attributes to be sold as a fuel commodity. With the Commission's direction, the decision was made to move forward with construction of the RNG System to maximize reuse of the methane. Construction of the RNG System began in June 2020 and ended in November 2021, when the first injection of RNG into the NWN grid occurred. City of Eugene staff have been operating and maintaining the RNG System since 2021 with support from outside contractors and consultants.

## **DISCUSSION**

### **Operation and Maintenance**

The RNG System has been operating for 4 years since gas was first introduced into the NWN Gas System in November 2021. During the first 3 years of operating the RNG System, the average runtime of the system has been 61%, (60% in 2022, 46% in 2023, and 76% in 2024). To date in 2025 the system has averaged 52% uptime.

With MWMC being an early adopter of the RNG process in wastewater treatment, staff has been on a learning curve on the ongoing complexities and challenges to operate the system. Reasons associated with downtime have included challenges with incorporating the new RNG System within the existing treatment processes at the WPCF, the complex nature of some maintenance activities (e.g. H<sub>2</sub>S filter media change outs, increasingly sensitive instrumentation, and repair of the Pressure Swing Absorption (PSA) equipment), long lead times for maintenance and repair parts, unforeseen design changes, staff time demands to learn new practices for all of the systems inherent to the RNG System,, and implementing new requirements of the EPA Rules governing the fuels commodity market. Through this all WPCF staff maintains their primary focus on maintaining NPDES permit compliance, which at times is necessarily prioritized over RNG operations.

Staff has worked to address and resolve issues that have resulted in downtime of the RNG system. Measures have been implemented to increase runtime, including the continued identification of critical repair parts to be stocked in inventory, establishment of a Greenlane (Biogas Process Equipment Supplier) contract for technical support, fine-tuning of the RNG system, gaining efficiencies in complex maintenance activities, and gaining more staff experience at operating and maintaining the systems. Outcomes of these measures have been mixed due to the complexities of the system, while staff continues to work to improve runtime. Currently, staff is working with consultants to design and install a dedicated Waste Gas Burner (WGB) and to add micro-oxygenation to the H<sub>2</sub>S treatment system. Staff anticipates these projects will be complete in 2026 and will result in more runtime.

### **Gas Production**

Since December 2021, a total of roughly 240,000 million British thermal units (MMBtu; also called dekatherms) of gas have been produced and sold. In calendar year 2024, the total RNG produced by the system averaged approximately 4,100 MMBtu per month.

### **Revenues**

The MWMC receives revenue from the RNG produced. The physical RNG is sold directly to NWN and is known within the industry as "brown gas." The MWMC also receives revenues from our contracted gas offtaker/broker (Anew) associated with the gas's Federal Renewable Fuels Credit (commodified as Renewable Identification Numbers, or RINs), and California Low Carbon Fuel Standard (LCFS) Credits. The MWMC has received payments for the sale of RINs associated with the RNG from Anew, totaling a little under \$4,800,000 through January 2025, which was the last time MWMC RINs were sold by Anew. RNG produced from wastewater anaerobic digestion is classified and valued as a "D3" RIN. D3 RIN prices have ranged between \$2.16 to \$3.37 per RIN and is currently trading at approximately \$2.30 per RIN. There are roughly 11.7 RINs per dekatherm of produced RNG.

Since December 2021, the MWMC has received roughly \$6 million (M) in total revenue from these sales. About \$4.8M in revenue has been received from the RIN market, another \$200,000 in revenue has been received from the LCFS market, and approximately \$1M in revenue has been received from brown gas

directly sold to NWN. Based on history and pricing assumptions, the percentage of MWMC RNG revenue collected by source is 77% RINs, 3% LCFS, and 20% Brown Gas.

### **Renewable Fuel Standards (RFS) Set Rule Update**

As discussed above, the MWMC receives revenue on RNG produced from three different sources: Brown Gas sales (Commodity Gas) from NWN, Renewable Fuels Credit (RINs) sales from Anew, and Low Carbon Fuel Standard (LCFS) Credit sales from Anew. Monetization of the Renewable Fuels Credits (RINs) produced through biogas derived from renewable pathways is regulated by the EPA. This portion of the RNG revenue is the most significant of the three sources.

EPA requirements include registration, third-party quality-assurance audits and verification, and reporting of gas quality and quantity. In July 2023, the EPA finalized changes to the Renewable Fuel Standard (RFS) with the release of a new Set Rule, and the rule was implemented in 2025. A component of the Set Rule is the Biogas Regulatory Reform Rule (BRRR); the amended BRRR included changes to the required instrumentation allowed for the metering of gas, requirements for specific gas chromatographs used to measure gas quality on both the raw biogas and the product RNG sides, and new reporting requirements. Our contracted offtaker, Anew and their contracted quality assurance programmer (EcoEngineers) were also required to reregister with the EPA and ensure a pathway for the sale of the renewable credits into the market.

Staff has upgraded the metering equipment for RNG produced and reregistered the MWMC as a Biogas producer and RNG producer. During this change in regulations, EcoEngineers was unable to obtain a wastewater pathway until just recently (Fall 2025). Once EcoEngineers became registered, the non-qualified RINs became eligible for sale. MWMC currently has not been paid for nearly 387,883 RINs that are currently in storage (as credits, not physical gas). The value of these RINs is hard to quantify in the current market but is estimated to be around \$900,000.

Following the finalization of the BRRR changes, EPA leadership and direction changed with the new federal administration as it took office in early 2025. Under the new administration and direction from the EPA, small refineries have been encouraged to request exemptions from the EPA's required volumetric obligation (RVOs) for renewables. Based on the history during a similar policy stance between 2016 and 2020, the granting of RVO exemptions resulted in the overall market reduction in demand for RINs, and therefore a commensurate drop in RIN values. Hence, in 2025 there has been a steady decrease in RIN values, resulting in lower than projected revenues for the MWMC. However, at the current RIN rate and other RNG values, the MWMC continues to realize financial benefits by selling RINs associated with RNG production, as well as realizing the ongoing environmental benefits of producing and selling RNG.

### **RNG Offtake Services Contract Update**

As part of the original capital project incepted in September 2019, the MWMC issued a Request for Proposal (RFP) for RNG Offtake Services. The scope of these services was for support, tracking and sale of the renewable credits associated with the renewable natural gas to be produced by MWMC. Bluesource (which is now Anew) was successful in obtaining this contract with the MWMC and entered into an agreement for these offtake services in March 2020. They have been providing these services and the term of the contract states that the project will continue through December 31<sup>st</sup> of the fifth year from the commencement date, which comes due next year on December 31, 2026.

Staff will be creating a new Request for Proposal to go back to the market to seek the best current market options for the sale of MWMC RNG and the associated credits. The results of these efforts will be discussed with the Commission in upcoming meetings. The pending end of the term for the current offtaker contract in 2026, increased reporting demands, shifting markets, and other changes in the dynamic RNG market prompts a re-evaluation of whether the current approach of selling credits is in MWMC's best interest moving forward. The renewables market has evolved and there may be opportunity to streamline the sale of RNG, including credits through the voluntary carbon market, potential direct sale to NWN, or sales through another available offtaker.

**ACTION REQUESTED**

No formal action is requested. This update is for discussion only.

**ATTACHMENTS:**

None

# Metropolitan Wastewater MANAGEMENT COMMISSION



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## MEMORANDUM

**DATE:** November 6, 2025

**TO:** MWMC Board

**FROM:** Jeremy Cleversey, MWMC Management Analyst

**SUBJECT:** MWMC Financial Plan – Policy Discussion #2

**ACTION REQUESTED:** Information and Discussion

### ISSUE

Staff is updating the MWMC Financial Plan, which was last updated in 2019. Updating the plan includes reviewing current objectives and policies. Staff is in process of discussing these objectives and policies with the Commission for feedback on updates as warranted. At the November 2025 MWMC meeting, staff will review three of the four remaining policy sections for discussion: Investment of Liquid Assets ('I') policies, Sewer User Rates and System Development Charges ('R') policies, and Asset Management ('A') policies. The policies are included as Attachments 1, 2, and 3 to this memo.

### BACKGROUND

The MWMC Intergovernmental Agreement (IGA) requires the MWMC to update the Financial Plan from time to time so as to provide guidance for the generation of sufficient revenue for the MWMC to fulfill its functions under the IGA. The IGA further specifies Financial Plan update objectives. Staff is leading the Commission through an iterative process over several months to engage the Commission in feedback on focal sections of the plan.

In August 2025, staff began a conversation with the Commission about the need to refresh and update the 2019 Financial Plan. In October 2025, staff facilitated that work with the Commission by focusing on the Financial Forecasting and Budgeting ('F') policies, with particular attention on the Reserves Policy ('F5'). Staff presented options for potential changes to gather input and feedback from the Commission.

Throughout this process, Commission feedback will continue to inform staff updates to the Financial Plan. Staff intends to present the final Financial Plan for adoption in 2026.

The financial administration objectives of the 2019 MWMC Financial Plan are directed toward achieving the following objectives as required by Section 3.f of the IGA:

1. Establishing revenue adequacy to provide for long-term health and stability of the regional sewerage facilities through a program of monthly sewer user charges, and system development charges that are imposed uniformly throughout the service area to achieve full cost recovery
2. Fully funding a program of capital improvements to address capacity, regulatory, and efficiency/effectiveness needs
3. Ensuring equity between newly connected and previously connected users for their total contributions toward regional sewerage facilities
4. Ensuring equity among various classes of users based on the volume, strength, and flow rate characteristics of their discharges together with any other relevant factors
5. Ensuring efficient and cost-effective financial administration of the regional sewerage facilities
6. Complying with applicable laws and regulations including those governing the establishment of user charges and the establishment of system development charges

## **DISCUSSION**

The objectives of the three policy sections to be discussed at the November 2025 MWMC meeting are described below.

### **The 'I' Policies:**

The MWMC's Investment of Liquid Assets Policies address both operating cash and reserve funds. Decisions about these funds are made by the MWMC Chief Financial Officer (a position fulfilled by the City of Springfield Finance Director). While MWMC and Springfield funds are co-mingled for investment purposes, they are accounted for separately.

Investment decisions are guided by the Springfield Investment and Portfolio Policies (the Springfield Policy), which is included as Attachment 4. The Springfield Policy defines the objectives of Safety, Legality, Liquidity, Diversity and Yield. Specific activities and parameters are set out in the Springfield Policy to achieve those objectives. The activities include performing periodic due diligence on any firms performing investment services, as well as preparing and reviewing monthly reports to demonstrate conformance with the diversity parameters and to calculate the average investment yield. Legality is addressed by tying the Springfield Policy to any applicable Oregon Revised Statutes and the Internal Revenue Codes. All of the objectives are served by the parameters which define require diversity of investments by security type, institution and maturity.

Operating cash is held in a local bank that participates in the Oregon Public Funds Collateralization Program to ensure protection beyond FDIC limits.

The City of Springfield primarily uses the Oregon Local Government Investment Pool (LGIP) for daily investing, supplemented by other approved investment instruments. As of September 30, 2025, the MWMC's funds amount to 40.3% of the total \$308 million investment portfolio. The average yield on all investments was 4.29%.

### **The 'R' Policies:**

The MWMC's Sewer User Rate and System Development Charge (SDC) Policies guide the Commission in setting annual rate structures and approving capital and operating budgets per the IGA. Monthly sewer user rates, the primary revenue source for the Regional Wastewater Program (RWP), are based on cost-

of-service assessments. Both existing and new users — including new connections, expanded usage, and septic conversions — are expected to contribute fairly to system costs; therefore, user rates and SDCs are set accordingly.

Rate structures must ensure full funding of reserves, compliance with bond covenants, and support for system operations and improvements, while maintaining an un-enhanced AA credit rating. The Commission also aims to adopt multi-year rate schedules to promote stability, supported by a Rate Stability Reserve to sustain rates throughout the cycle.

#### The 'A' Policies:

The MWMC's Asset Management Policies are designed to protect and preserve the Commission's investment in regional facilities and equipment by ensuring assets remain in sound working condition. The goal is to minimize total system costs while maintaining reliable service and high water-quality standards.

All assets are insured at replacement value to allow for restoration in the event of a loss. A fully funded Equipment Replacement Reserve supports timely replacement or rehabilitation of equipment — specifically those valued over \$10,000 with a useful life exceeding one year — without negatively impacting the operating budget. This reserve is reviewed annually, with adjustments made for inflation, life expectancy, and interest earnings.

Before replacement, equipment is evaluated for potential continued use, rehabilitation, or upgrade. Major rehabilitation projects are funded through the Capital Reserve only if they extend an asset's useful life beyond its original estimate; otherwise, such work is treated as major maintenance and funded as an operational expense.

A team of Springfield and Eugene staff is contributing to the MWMC Financial Plan update and has identified areas for review related to the 'I', 'R', and 'A' policies for discussion at the November 14, 2025, meeting. Staff has highlighted several key discussion points for consideration. Proposed policy revisions are presented in Attachments 1 through 3. Additions are shown with underline, deletions are indicated with strikethrough, and additional areas are highlighted for discussion during the meeting.

#### **ACTION REQUESTED**

No formal action is required. The information provided herein is presented for discussion at the November 14, 2025, MWMC meeting. Staff seeks Commissioner input on the Investment of Liquid Assets ('I') policies, Sewer User Rates and System Development Charges ('R') policies, and Asset Management ('A') policies, and will field any questions the Commission may have regarding the MWMC's reserves.

#### **ATTACHMENTS**

- 1) 2019 Financial Plan – Investment of Liquid Assets ('I') Policies
- 2) 2019 Financial Plan – Sewer User Rates and System Development Charges ('R') Policies
- 3) 2019 Financial Plan – Asset Management ('A') policies
- 4) 1997 Springfield Investment and Portfolio Policies



## Investment of Liquid Assets

The liquid assets of the Metropolitan Wastewater Management Commission (MWMC) are managed by the City of Springfield, in the City's capacity as the MWMC's administrative agency.

As part of its MWMC administration functions, the City of Springfield manages MWMC funds in compliance with the **Springfield Investment and Portfolio Policies (Appendix IV)** as updated and amended from time to time. These policies are consistent with the local government investment requirements defined in **Oregon Revised Statutes (ORS 294 and 295)**, and are substantially similar to the public funds investment policies of Eugene and Lane County.

**Policy I1** Cash on hand that is not invested is kept in a local bank. Because the balance is usually in excess of the FDIC insured amount of \$250,000, ~~the~~ an eligible local bank must participate in the Oregon ~~Certificate of Participation Collateral Pool~~ Public Funds Collateralization Program regulated by ORS295. This protects depositors from loss in the event of bank failure.

**Policy I2** MWMC funds are invested based on the following criteria: Safety, Legality, Liquidity, Diversity, and Yield. For purposes of investing, MWMC and Springfield funds are co-mingled, but are tracked separately.

**Policy I3** For day-to-day investing purposes, the City of Springfield uses the State of Oregon Local Government Investment Pool (LGIP). The LGIP provides a modest rate of return with nearly immediate liquidity. In addition to the LGIP, the City of Springfield can invest in U.S. Treasury Obligations, U.S. Government Securities, Bankers' Acceptances, Corporate Bonds, Repurchase Agreements, Oregon and Local Government Obligations, Regional Debt Obligations, and Time Certificate of Deposits. With the exception of the LGIP and U.S. Treasury Obligations, no more than 25% of the portfolio can be invested with any one financial institution, and there are limits to the amount that can be invested in any one type of instrument. For instance, a maximum of 25% of the portfolio can be invested in corporate bonds.

**Discussion** – Guidelines were created to ensure adequate liquidity. For instance, at least 10% of the short-term investments must be in instruments with a maturity of less than 30 days, 25% must mature within 90 days and, with certain exceptions, all investments in this portfolio must have a maturity date of 18 months or less. Longer maturities are allowed with approval of the Finance Director and when matched to a specific cash flow. The City of Springfield Finance Director also serves as the MWMC Chief Financial Officer.

The investment policy requires that internal controls for cash and investment activity be established and followed. The policy also requires that the financial condition of the broker/dealers and financial institutions involved in the investment program be reviewed annually and that monthly cash and investment reports be issued and reviewed to demonstrate compliance with the limits outlined in the policy (Appendix IV contains the full text of the City of Springfield Investment Policy).



## Sewer User Rates and System Development Charges

The below User rate and SDC policies are intended to guide the Commission in establishing annual rate structures and approving RWP capital improvement and operating budgets. User rate and SDC policies shall be directed towards achieving the requirements of the current IGA. ~~Section 3.f.1.-7.~~

**Policy R1** Monthly sewer user rates, which are the primary source of revenue for the RWP, are to be equitably allocated to all users based on a cost of service assessment that considers, among other factors, the volume, strength, and flow rate characteristics of their discharges.

**Policy R2** Existing and new sewer users shall equitably contribute to recovering all costs associated with the RWP. To implement this policy, user rate and SDC methodologies will consider wastewater quantity, quality, and strength, consistent with Oregon State law.

**Discussion:** “New users” means users produced from

1. New connections to the existing collection system, including:
  - a. new single family and multiple unit residential connections; and
  - b. new commercial or industrial connections;
2. Expansions in activity from existing connections, including:
  - a. conversion of residential units (single or multiple) to include additional users or equivalents, or both; and
  - b. expansions in commercial or industrial activity; and
3. Septic ~~system(s) to sewer connection conversion to MWMC.~~

**Policy R3** MWMC rate structures shall be sufficient to fully fund reserves, comply with bond covenants and cover the costs of constructing, operating, rehabilitating, maintaining, and improving the MWMC assets, while maintaining an un-enhanced credit rating of AA for the Commission’s bonds.

**Discussion** – A rate sufficiency covenant is a standard provision in municipal utility bond contracts. The covenant requires that rates and charges be set at a level that is high enough to pay the costs of operating and maintaining the utility. The intent of this policy is to assure that MWMC rates and charges will be maintained at a level consistent with maintaining an un-enhanced credit rating of AA for the Commission’s bonds.

MWMC should strive to maintain rates and charges that provide sufficient financial flexibility to accomplish strategic objectives for long-term water and biosolids quality, customer satisfaction, and community support.

**Policy R4** The Commission will attempt to adopt user rates that provide multi-year stability.

**Discussion** – A multi-year rate schedule establishes user rates that are applicable over several years. They may be the same each year, or change at some frequency. A Rate Stability Reserve shall be maintained to ensure that adequate funds are available to sustain the rate through completion of the rate cycle.

The [MWMC Executive Officer](#) ~~General Manager~~ shall prepare and submit to the Commission a report in support of the scheduled or proposed monthly sewer rates for the next year, including the following information:

- key financial assumptions such as inflation,
- bond interest rates,
- investment income,
- size and timing of bond issues,
- the considerations underlying the projection of future growth in residential customer equivalents,
- all key projections, including the annual projection of operating and capital costs, debt service coverage, cash balances, revenue requirements, revenue projections and a discussion of significant factors that impact the degree of uncertainty associated with the projections, and
- a discussion of the accuracy of the projections of costs and revenues from previous recent budgets.

**Policy R5** Costs of existing and future capacity for new customers shall be recovered by SDCs that are based on the cost of existing and required new capacity in conformance with the Commission's SDC methodology.

**Discussion** – The Commission should periodically review the SDCs to ensure that equity is established between newly connected and previously connected users for their total contributions toward the Regional Sewerage Facilities.

**Policy R6** Costs of services (direct and indirect) provided to any public or private organizations by the RWP shall be recovered through appropriate fees or charges.

**Discussion** – Costs for administering the mobile waste hauler program are recovered through rates set on a cost of services basis, including a state-wide market comparison.

## **Asset Management**

Asset management policies are intended to guide the Commission in protecting and safeguarding the investment in regional facilities and equipment. Capital assets shall be kept in sound working condition. Replacement, maintenance and rehabilitation shall be provided for, so that total system costs are minimized while reliable, high-quality service and high-water quality standards are maintained.

**Policy A1** MWMC assets shall be insured for replacement value so that, in the event of a loss, plant and equipment could be restored to working condition.

**Policy A2** The Commission shall maintain a fully-funded Equipment Replacement Reserve so equipment may be replaced or rehabilitated when needed, without creating volatility in the operating budget.

**Policy A3** Equipment provided for by the Equipment Replacement Reserve shall include all fleet equipment, and other equipment, with an original cost over \$10,000, and with a useful life expectancy greater than one year.

**Discussion** – The equipment list shall be reviewed annually and estimates of replacement cost and life expectancy adjusted. The analysis shall make use of other estimates, such as inflation and available resources, such as interest earnings on the reserve balance.

Before equipment is replaced, an analysis shall be done to determine if it should be kept in use longer, rehabilitated to extend its life, replaced with similar equipment, or replaced with different equipment. Equipment that outperforms projections in useful life expectancy may be replaced with funds accumulated in the reserve.

**Policy A4** Major Rehabilitation work shall be funded from the Capital Reserve and appropriated annually into a budget line item called Major Rehabilitation.

**Policy A5** The Major Rehabilitation work shall be capitalized if it extends the useful life of the asset beyond the original estimate. If the Major Rehabilitation work does not extend the life of the asset, but enables the asset to reach its originally estimated useful life, then it will be considered major maintenance work and not capitalized.



CITY OF SPRINGFIELD  
INVESTMENT AND PORTFOLIO POLICIES  
NOVEMBER 1997  
DATE OF LAST ADOPTION: 11/15/88

**SCOPE**

This investment policy applies to all cash-related assets included within the scope of the City of Springfield's audited financial statements and held directly by the City. The City's portfolio excluding bond proceeds is currently \$41 million. The average monthly balance of funds invested, excluding bond proceeds is about \$42.5 million.

Funds held in trust for the Pension Portfolios and deferred compensation funds for the Employees of the City of Springfield, which have separate rules, are excluded from these policies. In addition, funds held by trustees or fiscal agents are excluded from these rules; however, all funds are subject to regulations established by the State of Oregon.

Funds will be invested in compliance with the provisions of, but not necessarily limited to the Oregon Revised Statutes (ORS), Chapter 294, other applicable statutes and this policy. Investment of any tax exempt borrowing proceeds and any related debt service funds will comply with the arbitrage restrictions in all applicable Internal Revenue Codes.

**OBJECTIVES**

The City will limit investment activities in order to ensure safety, legality, liquidity, diversity and yield:

Safety	Preservation of capital and the protection of principal.
Legality	Conformance with federal, state and other legal requirements.
Liquidity	Maintenance of sufficient liquidity to meet operating requirements.
Diversity	Avoidance of imprudent credit, market and speculative risk.
Yield	Attainment of a market rate of return throughout all economic and fiscal cycles.

The City will not assume unreasonable investment risk to obtain investment income.

**DELEGATION OF AUTHORITY**

The Deputy Treasurer is the designated investment officer of the City of Springfield and is responsible for investment decisions, under review of the City of Springfield's Council. The day-to-day operations of the investment process program is handled by the Budget/Treasury section.

The investment officer is responsible for setting investment policy and guidelines subject to review and adoption by the City Council and, if required, review and comment by the Oregon Short-Term Fund Board. Further, the Deputy Treasurer is the portfolio manager and makes investments under the general

direction of the Finance Director and will be responsible for the day-to-day operations of the investment process which includes but is not limited to choosing what to buy or sell, from whom investments will be purchased, executing the buy/sell orders, producing necessary reports and supervising staff. In addition to the active management of the investment portfolio, the Deputy Treasurer is responsible for the maintenance of other written administrative procedures consistent with this policy and the requisite compliance. To further optimize the total return of the investment portfolio, the Deputy Treasurer will administer an active cash management program the goal of which will be to maintain historical cash flow information, i.e. debt service; payroll; revenue receipts; and extraordinary expenditures.

In order to optimize total return through active portfolio management, resources will be allocated to the Budget/Treasury's cash management program. This commitment of resources will include financial and staffing considerations.

## **PRUDENCE**

The standard of prudence used by the investment officer and staff in the context of managing the overall portfolio shall be the prudent investor rule, which states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

## **MONITORING AND ADJUSTING THE PORTFOLIO**

The Deputy Treasurer will routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments and will adjust the portfolio accordingly.

If, due to unanticipated cash needs, the investment in any security type or financial institution exceeds the limitations in this policy, or if the credit rating of a security type or financial institution is lowered after an investment is purchased, the Deputy Treasurer is responsible for bringing the investment portfolio back into compliance as soon as practicable.

## **INTERNAL CONTROLS**

The Deputy Treasurer will maintain a system of written internal controls which will be reviewed annually by the independent auditor or upon any extraordinary event, i.e. turn-over of key personnel, the discovery of any inappropriate activity. The controls will be designed to prevent loss of public funds due to fraud, error, misrepresentation or imprudent actions.

## **PORTFOLIO DIVERSIFICATION**

The City will diversify investments across maturities, security type and institution to avoid incurring unreasonable risks.

## PORTFOLIO DIVERSIFICATION (continued)

Except for the Local Government Investment Pool, no more than 25 percent of the City's total investment portfolio will be invested with a single financial institution.

<b><u>Diversification by Instrument</u></b>	<b><i>Maximum percentage of portfolio</i></b>
<b>U.S. Treasury Obligations</b> (Bills, notes, bonds, strips)	100%
<b>State of Oregon Investment Pool</b>	100%
<b>U.S. Government Agency and Instrumentality Securities of Government Sponsored Corporations.</b>	50%
<b>Time Deposit and Savings Account</b>	50%
<b>Bankers' Acceptances (BA's)</b> Issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one or more nationally recognized rating organizations.	25%
<b>Corporate Indebtedness</b> A1 or AA or better by S & P; or P1 or Aa or better by Moody's, or an equivalent rating by any nationally recognized rating agency.  <b>Oregon Issuers:</b> A1 or A or better by S & P; or P1 or Aa or better by Moody's, or an equivalent rating by any nationally recognized rating agency.	25%
<b>Repurchase Agreements</b>	25%
<b>Oregon State and Local Obligations</b> Obligations of the agencies and instrumentalities of the State of Oregon and its political subdivisions that have a long-term rating of A or better, or rated in the highest category for short-term municipal debt.	25%
<b>Regional Debt Obligations</b>  Obligations of California, Idaho and Washington and political subdivisions of those states if obligations carry a long-term rating of AA or better or are rated in the highest category for short-term municipal debt	25%
<b>Time Certificate of Deposit (TCD)</b> <b>Commercial Banks</b>	25%
<b>Savings and Loan Associations</b>	10%

## **Diversification by Institution**

### **U.S. Government Agency and instrumentality Securities of Government Sponsored Corporations.**

No more than 20 percent of the total portfolio with any one security.

### **Bankers' Acceptances (BA's)**

Issued by a qualified financial institution located and licensed to do business in Oregon; or a financial institution located in Washington, California or Idaho that is wholly owned by a bank holding company that owns a financial institution licensed to do business in Oregon. No more than 10 percent of the total portfolio with only one financial institution.

### **Corporate Indebtedness**

Subject to a valid registration statement on file with the SEC or must be issued under section 3(a)(2) or 3(a)(3) of the Securities Act of 1933 (ORS 294.035(9)(a)). Must be issued by a commercial, industrial or utility business enterprise, or by a financial institution or bank holding company owning a majority interest in a qualified financial institution.

***Oregon Issuer:*** Business enterprise or holding company headquartered in Oregon having more than 50 percent of its permanent work force, or tangible assets in Oregon; or is issued by a holding company owning not less than a majority interest in a qualified financial institution as defined for bankers' acceptances.

No more than 5 percent of the total portfolio with any one corporate entity.

### **Time Certificate of Deposit (TCD)**

FDIC or FSLIC insured to \$100,000, and in accordance with ORS Chapter 295, the financial institution must hold with the Oregon Certification of Participation Collateral Pool eligible securities pledged to secure not less than 25% of the aggregate amount of the City's funds held in deposit less the insured \$100,000.

### **Time Certificate of Deposit (TCD) (continued)**

Commercial Banks: No more than 15 percent of the total portfolio with any one financial institution.

Savings & Loan Associations: No more than 10 percent of the total portfolio with any one institution.

### **Repurchase Agreements**

A signed master repurchase agreement is required. Only treasury securities described in ORS 295.035 (1) shall be used in conjunction with the repurchase agreement. No more than 10 percent of the total portfolio with any one institution.

### **Oregon State and Local Obligations**

No more than 20% of the total portfolio.

## **Diversification by Institution (continued)**

### **Regional Debt Obligations.**

No more than 20% of the total portfolio.

### **Time Deposit and Savings Accounts.**

FDIC or FSLIC insured to \$100,000, and in accordance with ORS Chapter 295, the financial institution must hold with the Oregon Certification of Participation Collateral Pool eligible securities pledged to secure not less than 25% of the aggregate amount of the City's funds held in deposit less the insured \$100,000.

### **State of Oregon Investment Pool (LGIP)**

With the exception of pass-through funds (in and out within 10 days), no more than the state annual maximum amount invested as detailed in ORS 294.810(2).

## **INVESTMENT MATURITY**

Maturity limitations will depend upon whether the funds being invested are considered short-term or long-term funds. All funds will be considered short term except those reserved for capital projects. Except for special situations, as directed by the Finance Director, investments will be limited to maturities not exceeding 18 months (ORS 294.135).

### **Short-Term Portfolio (under 18 months)**

Funds considered short-term will be invested to coincide with projected cash needs, taking into account large routine expenditures (bond payments, payroll) as well as blocks of anticipated revenues. The primary objective is to avoid incurring the market risk associated with the forced liquidation of a security prior to its maturity date. Maturities in this category will be timed to comply with the following guidelines:

Under 30 days	10% minimum
Under 90 days	25% minimum
Under 270 days	50% minimum
Under One year	80% minimum
Under 18 months	100% minimum

Commercial paper will have a maximum maturity of 270 days (ORS 294.035)

### **Long-term Portfolio (over 18 months)**

Instruments and diversification for the long-term portfolio shall be as for the short-term portfolio.

Maturities of over 18 months must be invested to coincide with a specific anticipated need (capital project funds, contractor payments, bond payment dates) and may be utilized with the approval of the Finance Director.

Unless matched to a specific cash flow (ORS 294.135), the City will not invest in securities maturing more than three years from the date of purchase. Investment of capital project funds will be timed to meet projected contractor payments.

## **COMPETITIVE SELECTION OF BIDS OR OFFERS**

Before the City invests funds or sells securities prior to their maturity, competitive offers or bids need to be obtained. Ideally, bids or offers from three different sources should be obtained. Records will be kept of the investment transactions by completing the Security Quote Form - Exhibit One.

If a specific maturity date is required, either for cash flow purposes or for conformance to maturity guidelines, offers or bids will be requested for instruments which meet the maturity requirement.

The City will accept the offer or bid which provides the best price within the maturity required and within the perimeters of this policy.

## **QUALIFIED INSTITUTIONS**

The investment officer will maintain a list of all security brokers/dealers and financial institutions which are approved for investment purposes or investment dealings. The City will limit all investment activities to the institutions on this list.

Written procedures and criteria for selection of financial institutions and securities dealers will be maintained by the investment officer. Securities dealers not affiliated with a bank are required to have an office in Oregon. Any firm is eligible to make application to provide investment services to the City, and will be added to the list if the selection criteria are met. Additions or deletions to the list will be made at the City's discretion.

At the request of the City, the firms performing investment services will provide their most recent financial statements or Consolidated Report of Conditions (call report) for review. The City will conduct an annual evaluation of each firm's credit worthiness to determine if it should remain on the list.

Further, there should be in place, proof as to all the necessary credentials and licenses held by employees of the broker/dealers who will have contact with the City of Springfield as specified by but not necessarily limited to the National Association of Securities Dealers (NASD), Securities and Exchange Commission (SEC, etc.)

## **SAFEKEEPING AND COLLATERALIZATION**

Purchased investment securities will be delivered by either Fed book entry, DTC, or physical delivery, and held in third party safekeeping - registered to the City of Springfield - with a designated custodian. The trust department of a bank may be designated as custodian for safekeeping securities purchased from that bank. The purchase and sale of securities will be on a delivery versus payment basis. The custodian shall issue a safekeeping receipt to the City listing the specific instrument, selling broker/dealer, issuer, coupon, maturity, cusip number, purchase or sale price, transaction date, and other pertinent information.

Demand and time deposits shall be collateralized through the state collateral pool as required by statute for any excess over the amount insured by an agency of the United States government. The Deputy Treasurer is responsible for maintaining sufficient collateral with each financial institution.

Delivery versus payment will be required for all repurchase transactions and with the collateral priced and limited in maturity in compliance with ORS 294.035 (1). ORS 294.035 (11) requires repurchase agreement collateral to be limited in maturity to three years and priced according to percentages prescribed by written policy of the Oregon Investment Council or the Oregon Short-Term Fund Board. On March 12, 1996, the OSTF Board adopted the following margins:

US Treasury Securities:	102%
US Agency Discount and Coupon Securities:	102%
Mortgage Backed and Other	103%

## **ACCOUNTING METHOD**

The City of Springfield shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

## **REPORTING REQUIREMENTS**

The Deputy Treasurer will generate monthly reports for management purposes which will include an analysis of investments by financial institution, type of security, rate of interest and maturities. Any deviation from the Investment Guidelines must be authorized by the Finance Director.

## **INDEMNITY CLAUSE**

The City will indemnify the investment officer, staff and city officials, from personal liability for losses that might occur pursuant to administering and while acting in accordance with this investment policy. Staff acting in accordance with this policy and exercising due diligence, will not be held personally responsible for a specific security's credit risk, market price changes, or loss of principal if securities are liquidated prior to maturity provided that these deviations and losses are reported as soon as practical and action is taken to control adverse developments.

## **PERFORMANCE EVALUATION**

The performance of the City’s portfolio will be measured against the performance of the “S & P Rated LGIP Index” as reported monthly in the Public Investor, a monthly subscription newsletter of the Government Finance Officers Association. The index is comprised of local government investment pools that are rated AAA or AA by Standard & Poor’s and represent pools that strive to maintain a stable net asset value.

## **INVESTMENT POLICY ADOPTION**

The investment policy will be reviewed by the Finance Committee and the Oregon Short-Term Fund Board prior to being submitted to the City Council for adoption on an annual basis in accordance with ORS 294.135a.

Adoption of this policy supersedes any other previous council action or policy regarding the City’s investment management practices.

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