Metropolitan Wastewater
MANAGEMENT COMMISSION

partners in wastewater management

MWMC MEETING AGENDA

Friday, December 12, 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: **893 2979 4577**

Zoom Link: Https://us06web.zoom.us/webinar/register/WN_kMMYzx6FSbawPfiDHCWYvQ

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 11/14/25 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 or by phone 541-726-3694 by 5 PM December 11, 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 – 7:55 **IV. GOSHEN AND CRESWELL WASTEWATER SUPPORT LETTER**……Matt Stouder
Action Requested: Approve by motion

7:55 – 8:10 **V. LIABILITY INSURANCE RENEWAL**……Jeremy Cleversey
Action Requested: Approve by motion

8:10 – 8:30 **VI. POPLAR HARVEST SERVICES** ……Bryan Robinson
Action Requested: Informational and Discussion

8:30 – 8:55 **VII. FINANCIAL PLAN UPDATE #3 (CAPITAL INVESTMENT POLICIES)** ……Jeremy Cleversey
Action Requested: Informational and Discussion

8:55 – 9:10 **VIII. FY25 GHG EMISSIONS INVENTORY**…….... James McClendon
Action Requested: Informational and Discussion

9:10 – 9:30 **IX. BUSINESS FROM COMMISSION, GENERAL MANAGER, & WASTEWATER DIRECTOR**

9:30 **X. 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

Metropolitan Wastewater
MANAGEMENT COMMISSION

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MWMC MEETING MINUTES
Friday, November 14, 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: Christopher Hazen, Pat Farr, Bill Inge, Doug Keeler, Dawn Lesley, Alan Stout and Jennifer Yeh

Commissioners Present Remotely: None

Commissioner Absent: None

Staff Present In-Person: Steve Barnhardt, Jeremy Cleversey, Matt Dapkus, Spencer Goodro, Amy Hartsfield, Misty Inman, Troy McAllister, Todd Miller, Michelle Miranda, Bryan Robinson, Loralyn Spiro, Matt Stouder, Kevin Vanderwall and Valerie Warner

Staff Present Remotely: Meg Allocco, Tanya Haeri-McCarroll, Yashara Lund, James McClendon, Mike McKay, Brooke Mossefin, Karen Murray, Robert Murray, Sharon Olson, Carrie Swarts, Nick Thrasher, Mark Van Eeckhout, Greg Watkins, and Dawn Williams

Guests Present In-Person: Cliff Bellew, Kathy Gies, Vincent Martorello, Erin Morrison, James Piper, and Curtis Thomas

Guests Present Remotely: Taylor Carsley, John Q. Murray, and Katie Pollock

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

CONSENT CALENDAR

a. MWMC 10/11/25 Minutes

MOTION: IT WAS MOVED BY COMMISSIONER **LESLEY** WITH A SECOND BY COMMISSIONER **KEELER** TO APPROVE THE CONSENT CALENDAR. THE **MOTION PASSED** UNANIMOUSLY 7/0.

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

PUBLIC COMMENT
There was no public comment.

INTERGOVERNMENTAL AGREEMENT/OPERATIONS & MAINTENANCE UPDATES
Matt Stouder, MWMC Executive Director, presented updates to the Intergovernmental Agreement (IGA) and the Operations and Maintenance Agreement (OM&A). Most revisions were completed by the MWMC legal counsel in coordination with legal counsel from the City of Eugene, City of Springfield, and Lane County. He thanked Kristen Denmark for coordinating the work and said that this had been a long process.

Kristen Denmark, MWMC Legal Counsel, said that the IGA and the OM&A had required updates, as neither had been revised in many years. The IGA is the foundational document that established the MWMC as an intergovernmental entity involving Lane County, the City of Eugene and the City of Springfield (Cities). Although the MWMC was not a party to the IGA, it has obligations under it. The OM&A outlines how the two Cities perform operational functions for the MWMC. The initial updates to date are mostly non-substantive, such as correcting outdated terminology. Additional updates aimed to align the documents with current practices, which had evolved over the past two decades. The proposed changes do not alter the MWMC operations but modernized the agreements. She highlighted the need to update the Executive Director's delegated contracting authority. The OM&A previously set limits of $15,000 for non-professional services and $50,000 for professional services, which required frequent MWMC Board approval. She proposed delegating authority up to $150,000, which is below the current intermediate procurement threshold of $250,000, based on comparisons with similar agencies. She and Mr. Stouder will return to a future MWMC Board meeting with a resolution to discuss delegate authority.

Mr. Stouder said that staff have repeatedly needed MWMC Board approval for small contracts, such as personal services of around $20,000. This is quite inefficient, and takes a lot of staff and Board time.

Ms. Denmark said that the Pretreatment Program would require further review by an internal work group, as it was not thoroughly covered in the OM&A. The MWMC has some reporting responsibilities, and the Cities have their municipal codes that are enforced. She acknowledged the complexity of the Pretreatment Program and appreciated the input from regional wastewater staff and legal counsels.

Commissioner **Keeler** said that he likes the proposed changes and that there is nothing terribly substantive. It is hard to believe that the MWMC operated for the first 20-plus years without an OM&A and he remembers someone saying there is no agreement, and how does staff work together to get work done. It is good that there is the OM&A. He also likes the changes to the quorum from five to four Commissioners in attendance if each jurisdiction is represented to complete the MWMC Board business. On the IGA proper, there's no signatory page. Did it get left off?

Ms. Denmark said there is a signatory page, but the MWMC does not sign it, because the MWMC is not a party to it.

Commissioner **Lesley** thanked Ms. Denmark; this is a Herculean effort. When she read the documents, it looks like Mr. Stouder's authority would be approved today, but it was mentioned today that it would be approved later.

Ms. Denmark said that in the OM&A, Exhibit B, Springfield's administrative functions included a proposed change requiring the MWMC Board to approve and authorize all contracts, except those delegated to the Executive Director by the MWMC Board resolution. She noted the statutory delegation limit of $250,000 but recommended setting the delegated authority at $150,000. She preferred bringing updates gradually to ensure the MWMC Board is comfortable with her recommendations before adopting a resolution.

Commissioner **Hazen** said in Section 4-0, it relates to the MWMC Board making a recommendation to the governing bodies if an expansion to the MWMC service area is under consideration. Can you briefly explain what happens after that?

Ms. Denmark said that updating the IGA update began long ago, before the current, more robust discussions about potential new jurisdictions joining the MWMC. The updates were not meant to address future jurisdictions. However, the MWMC previously had no function or voice contractually in conversations about new jurisdictions joining. The Cities and Lane County would amend the Metro Plan even though the MWMC is one of the permit holders with the technical expertise. It was not in the IGA, and that is why it was added to formalize what all the parties expect and for the MWMC Board to make a recommendation, but the Cities and Lane County have to amend the Metro Plan, and then likely the IGA and OM&A. It is important the Cities and Lane County seek MWMC recommendations on capacity and the Department of Environmental Quality (DEQ) discussions. Because this expectation was not in the existing IGA, it was added to clarify MWMC's advisory role. If one of the Cities or Lane County were to provide services for a new partner, significant contractual work could follow, making it important to codify MWMC's role in this update.

Commissioner **Farr** said the increase for Mr. Stouder's authority seems appropriate. The Lane County Board of Commissioners has a lower amount; however, the County meets regularly, and it is easy to make additional changes or authority as needed. The Eugene City Council meets a couple of times a month. Understandably, different levels would be in place with different types of jurisdictions. It makes a lot of sense that Mr. Stouder would not be tied to an immediate decision, waiting for approval from the MWMC Board.

Ms. Denmark said that it might be less wordy if there were two separate motions.

MOTION: IT WAS MOVED BY COMMISSIONER **KEELER** WITH A SECOND BY COMMISSIONER **LESLEY** TO APPROVE THE ADOPTED SECOND RESTATED AND AMENDED IGA FOR THE METROPOLITAN WASTEWATER MANAGEMENT COMMISSION ON THE TERMS SUBSTANTIALLY SET FORTH IN THE PACKET, INCLUDING ANY AMENDMENTS THAT NEED TO BE MADE TO OUR DECISION. THE **MOTION PASSED** UNANIMOUSLY 7/0.

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

MOTION: IT WAS MOVED BY COMMISSIONER **HAZEN** WITH A SECOND BY COMMISSIONER **STOUT** TO 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 MWMC SUBSTANTIALLY IN THE TERMS AS SET FORTH IN THE ATTACHED DOCUMENT. THE **MOTION PASSED** UNANIMOUSLY 7/0.

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

GOSHEN AND CRESWELL INTERCONNECTION UPDATE

Dan Hurley, Lane County Director of Public Works, presented on ongoing discussions about extending wastewater services to Goshen and to Creswell. The Goshen conversation had been active for several years, and he presented a

preliminary project definition report to the MWMC Board in January 2023. He added that Creswell, Lane Community College (LCC), and Armitage Park had also expressed interest in 2023, though LCC and Armitage Park would require additional land-use planning steps. Following his earlier presentations, he attended a Joint Planning Commission meeting focused on a Metro Plan Amendment, which raised questions about system capacity, project cost, service extension outside the metro area, and impacts on existing ratepayers. There is significant work remaining to address these issues. There is an urgency related to Creswell, which has advanced its request to the state through the Governor's Office of Regional Solutions.

In January 2023, the MWMC Board voiced support for pursuing a Metro Plan Amendment, and he is returning to update the Board on staff's progress and to gauge the MWMC Board's support before returning to the Joint Planning Commissions on moving forward with the Metro Plan. Goshen has been an interest for the Lane County Board of Commissioners, with efforts dating back more than a decade. Back in 2011, he started the process to advance the economic potential of Goshen. Goshen's 300 acres of industrial land has transportation access, utilities, and workforce proximity, but the lack of wastewater infrastructure remains the primary barrier. The County's Goshen Regional Employment and Transition (GREAT) Plan aimed to support 2,000 to 3,000 jobs in Goshen and required a statewide planning exemption and a wastewater feasibility study. The 2015 study evaluated alternatives and identified a connection to the MWMC system via a force main along Highway 99 to the McVay Highway trunk line as the most cost-effective and environmentally sound option. This alignment also raised the possibility of connecting Short Mountain Landfill, which already produces landfill leachate that is sent to the Water Pollution Control Facility (WPCF). The landfill leachate is currently trucked to the Glenwood Transfer facility with hundreds of truckloads per year, moving more than 25 million gallons, including around-the-clock operations during severe weather. The emissions, safety risks, and operational challenges of this method is why a direct system connection would be an ideal long-term solution.

Commissioner **Farr** said there are three semi-trucks, how many trips a day?

Mr. Hurley said it varies from seven to thirty trips a day.

Commissioner **Farr** said that he was involved in a conversation 1996 when the City of Eugene said no to the extension.

Mr. Hurley said the onsite leachate treatment had not worked well, and the leachate began being trucked offsite. He conducted a financial and administrative study, including connection costs, and worked with consultants from Kennedy Jenks. They proposed two models, the System Development Charges (SDC) model and a buy-in model, which had been discussed for years with respect to which model would be the most appropriate. Several administrative actions will be required, including amendments to the MWMC's IGA and the Metro Plan. The Metro Plan is the primary regional document for the Eugene-Springfield region. It prohibits extending services outside of the Eugene–Springfield Urban Growth Boundary (UGB). Preliminary engineering identified pipe size, pump station locations, service areas, laterals, and estimated flows using dual 10-inch force mains along Highway 99 to Goshen. As staff began examining an extension to Creswell, this report needed to be modified. Over the past year, the Creswell extension has become an urgent priority for both Creswell and the state.

Vincent Martorello, the City of Creswell City Manager, said he started on July 28, 2025, and he has quickly become immersed in this issue. Creswell has a memorandum order with the DEQ and is limited on the number of connections that can be made, called Equivalent Dwelling Units (EDU) to their wastewater system. Several conditions need to be met, and with each of those conditions, Creswell is incrementally allocated more connections. Within the last week, Creswell was allocated ten more connections because of the hard work of staff and their efficiency. The DEQ is becoming impatient and concerned about these issues and violations that date back several years. Staff have reassured them that Creswell is desperately looking for a solution. The two solutions are building a wastewater treatment plant for about $70 million (M) and upgrading it every year to keep up with the DEQ standard or a regional

connection, which was on the order of $41M. In recent conversations with Lane County, Creswell has offered to make the connection to Springfield, which would add another $12M to the project. This is still a huge endeavor for Creswell, but long-term, it makes sense because Creswell will not have to build a wastewater plant and perform subsequent upgrades for the next 20, 30, or 40 years. He is asking for the MWMC's Board support, and quite frankly, help, in this regional connection.

Mr. Stouder said that one to two years ago, the previous Creswell City Manager and Mayor presented to the MWMC Board about Creswell's challenges with discharging to Camas Swale, a small system with stringent discharge limits. Creswell has difficulty meeting those limits, which drove the need for improvements at their existing facility and their interest in connecting to the MWMC system.

Commissioner **Keeler** said that Creswell's wastewater services it is not for the entire community. There are two systems, one on each side of the freeway.

Mr. Martorello said it is primarily the west side of the highway that needs the connection. The Emerald Valley Wastewater has about 300 or 400 connections on the east side.

Commissioner **Inge** said primarily the west side leaves a wide-open space. Is it the East side, the West side or something different?

Cliff Bellew, City of Creswell Public Works Director, said the City of Creswell is split by I-5, western and eastern. The eastern side is served by Emerald Valley Wastewater, which is a private wastewater system, and the City of Creswell serves the west side. The connection would only serve the western side.

Commissioner **Lesley** asked if there is currently a treatment facility treating the west side and will that treatment facility stop being used, or would it provide some pre-treatment before discharging into the MWMC system?

Katherine Gies, West Yost Associates Consultant, said the current plan for Creswell is to have the headworks at the treatment facility maintain its function, and the ponds that are currently providing treatment would be used for equalization to temper the flows into the MWMC system.

Commissioner **Farr** said are the ponds existing ponds?

Ms. Gies said the ponds are the existing ponds at the wastewater treatment plant.

Commissioner **Lesley** asked if the ponds are aerated.

Ms. Gies said the ponds are currently unaerated.

Commissioner **Stout** said what would it cost to construct a smaller waste treatment facility within Creswell. He is interested in the risk profile. If there is an earthquake, and the WPCF is out of commission, what is the consideration for that?

Ms. Gies said if the WPCF is out of commission, the same risk would exist for Creswell. If Creswell had its own treatment plant, there would be more of a risk because of being a small utility and not having the resources that the MWMC has to respond to an event like that. The risk of being able to provide reliable service, following an earthquake, would be less if Creswell were connected to the WPCF. For long-term compliance, discharging to Camas Swale can only be done in the winter. There is no flow there in the summer months, and land application occurs. Camas Swale is already identified under a Total Maximum Daily Load (TMDL) for dissolved oxygen. The limits are stringent for Biochemical Oxygen Demand (BOD), Total Suspended Solids (TSS), and Ammonia and will become more

stringent over time as the TMDLs are developed. Bringing the wastewater ponds up to the standards and discharging to a super low-flow water body would be very significant.

Commissioner **Lesley** asked if there was an alternative or additional outfall considered? Camas Swale is not the only place to discharge.

Ms. Gies said it was her understanding that it was determined not to be feasible. She does not have a lot of detail on that.

Mr. Stouder said that the DEQ was not enthusiastic about approving a different discharge location. The west side of Creswell has about 1,500 service connections, and the upgrades needed is estimated at approximately $80M. Spreading that cost across those Creswell customers would be far more expensive than connecting to the MWMC. If Creswell joined into the regional system, the MWMC would have opportunities for biosolids land application and the additional ratepayers from Creswell would broaden MWMC's ratepayer base.

Commissioner **Farr** said the Creswell meetings with the state are well-documented and any of the minutes are available for reading, with a great deal of input.

Commissioner **Inge** said does the east side ever become an issue, or has there been any consideration for the east side in conjunction with the west side?

Mr. Bellew said there have been considerations, but no. The east side is served by a private wastewater company, Emerald Valley Wastewater. There have been several owners through the years. They are an overarching company that owns several other small treatment systems with their headquarters in Portland. They are not interested in losing their service on that side.

Mr. Hurley said Creswell had evaluated this regional alternative along with three other treatment options and determined that the regional approach offered the lowest cost, easier long-term maintenance, and better environmental benefits. Creswell will be able to take advantage of an existing pipeline and easement that is very close to Goshen. Since January 2023, additional work has been completed. The MWMC staff conducted a preliminary capacity analysis and found adequate capacity overall exists within the system, with the main exception being the Glenwood Pump Station and Force Main, which would require further analysis. This option would also accelerate the timeline for certain capital investments, including the need for a fifth anaerobic digester about six years earlier than planned, along with added processing needs for dewatering, equipment, and chemicals.

Mr. Stouder said that Jacob Engineering had reviewed the preliminary capacity analysis. Most wastewater processes show adequate capacity for the 20-year planning horizon, including full build-out under future land-use assumptions. The Glenwood Pump Station and the Fifth Digester projects had been pushed beyond the planning horizon, but adding Creswell to the MWMC's service area would move those projects up a few years, to approximately 2044 -2045. The Glenwood pump station faces several issues, including poor pump-curve performance and the need for an additional pump. Staff are investigating these long-standing problems. The flows from Creswell and Goshen would nearly double the current volume. The Glenwood Pump Station has two pumps, a third is being added under current work, and space is available for a fourth. Staff are waiting for more information on the existing pump configuration to determine if optimization is possible and to evaluate the cost of adding a fourth pump.

Mr. Hurley said the capacity analysis was done assuming full build-out flows, and the reality is that Goshen's increase in flows will be over a 20-plus-year time horizon. There are no large businesses seeking to build or move to Goshen.

Mr. Stouder said the capacity analysis assumes maximum wet weather flows and Creswell will be able to hold back some of their flows with their existing lagoons. Those are considerations that staff want to look at very closely.

Mr. Hurley said that several connection-cost models exist, and after discussions with the MWMC staff, the SDC model made the most sense. Other entities in the service area use this model, and the MWMC is in the process of updating their current SDC methodology, with completion expected in 2026. He proposes using the 2026 SDC model with a 5% out-of-network surcharge fee added to cover additional equipment wear, chemical use, and administrative costs, ensuring that there will be no financial impact on current ratepayers. This project would increase regional economic vitality and provide efficiency and environmental benefits. Because landfill leachate already enters the MWMC system, the proposal would reduce trucking leachate and emissions. He acknowledged past concerns that this could prompt requests from other areas, such as LCC or Junction City, but emphasized that any expansion would require further analysis, land-use review, permitting, and discussions with the MWMC Board and elected bodies.

Commissioner **Farr** said this is an important because that was the stumbling block the City of Eugene hit in 1996, when a previous Councilor said it would blow a hole in the UGB. This is an assurance that that is not the case. This is a very direct and restricted request.

Mr. Hurley said the main hurdle is the Metro Plan Amendment, which allows only limited exceptions for services outside the UGB. The proposed amendment would apply specifically to the Short Mountain Landfill, Goshen, and the City of Creswell and would require formal approval. The process would begin with a Planning Commission recommendation, followed by a joint meeting and work sessions with the Cities and Lane County. He hopes to present to the Planning Commission in February or March, with a joint public hearing in April, and move to deliberation and action in May. If approved, several follow-up steps would be required. Lane County would need to adopt regulations prohibiting cross-connections and move into engineering work. The MWMC's IGA would need to be amended to reflect the expanded service area. Capacity issues would need further evaluation, along with updates to the cost model, development of an O&M and the IGA, and pretreatment permitting. There have been discussions with the cities about taking on services for some of these areas. Creswell might front the project funding, with Lane County repaying over time. The Regional Solutions Team from the Governor's Office has coordinated support from the DEQ and the United States Department of Agriculture (USDA) to identify grants and loan options. Significant work would still be needed to assemble the full financing plan.

Commissioner **Keeler** said he has two competing values. One value is if the Commission can help and assist other communities, then that is a great. The evolution of this has been the Commission, for the longest time, wanting to get the landfill leachate into a pipeline and off the highway. That's an easy one to accept and want to do. When the discussion of Goshen came up 10 plus years ago, that made sense because of proximity, probably be the same line as the landfill, and seemed easy. Now, there is a shift to another community, and so his other value is protecting the WPCF. He read through the material very carefully, and he is not convinced that the MWMC is ready when he hears about a fourth pump possibly being installed. The unit processes and wastewater treatment are all about reliability and redundancy. If something does go down, is there the capacity to deal with that. He wants to set the expectation that whatever is decided, the MWMC protects our assets for all our current customers, and any potential future ones.

Mr. Hurley thanked Commissioner Keeler and said ultimately, he would like to hear from the Commission on their support. Lane County wants to move forward with Goshen and is supportive of helping Cresswell as well. He would like to hear if the MWMC Board is supportive of Goshen, or Goshen and Creswell, and the connection cost methodology. Ideally, it would be great to have a letter from the MWMC Board on your position that he can take to the planning commissions and elected bodies.

Commissioner **Farr** thanked Commissioner Keeler for bringing up the longevity and the redundancy that is required.

Commissioner **Keeler** said the regulatory changes that might occur and permitting are based on the size of the community. What would this mean if Creswell connects? Things change for Creswell because they are connecting to a larger system, or does it change for the MWMC?

Mr. Stouder said the WPCF's dry-weather rating was 49 million gallons per day (MGD) and the plant was not nearing that capacity, but other issues might arise in the future. Staff plan to continue discussions with the Cities regarding the Metro Plan Amendment and updates to the MWMC's IGA. The City Councils had previously requested more information on how the amendment might affect the MWMC system before making any decisions. He hopes the Metro Plan process will be approved without later discovering that the IGA cannot be updated. There is value in this project, but his primary concern is protecting existing WPCF infrastructure, avoiding permit violations, and maintaining MWMC's strong standing with the DEQ. Work has been ongoing, and additional work will be required, including at the Glenwood Pump Station. The SDC buy-in would allow the project to buy into the system at a future SDC rate at the time of connection, which he felt was appropriate for excess capacity. The proposed 5% surcharge or out-of-network charge is intended to account for additional power use, wear, and long-term system impact. If a fourth pump were to be needed at the Glenwood Pump Station, responsibilities and costs would need to be discussed. The intent is for the project to pay for itself, consistent with direction from the City Councils, while noting that all parties should benefit from moving forward.

Commissioner **Lesley** said she is in favor, in principle, of this approach, but she would like to see a broader approach. The regional discussion could be broader and a more robust conversation to include a bigger look at regional resources. Staff are talking about the plant's resource capacity with regional partners, including Goshen and Creswell, and this is a smart conversation to be having. She would encourage MWMC to think more broadly about nutrients, organic material, staffing, biosolids, energy, heat, and water. How these resources are shared and dealt with as a region has an opportunity to create synergies that is not being looked at when only looking at a pipeline, water, and the three communities. There is a value in industrial symbiosis and resource recovery. There are conversations about adding a new digester, but we should think about the Clean Lane Digester, and conversations with Junction City and Coburg. She knows that this can be politically challenging, but we should look at the whole region. Who is sending what where, how much is there going to be over the next 20 years and getting the regulators in the room for a conversation. The more robust conversations can lead to more efficiencies that cannot be seen when only looking at this aspect of the resource and a few players. She is in favor of this step, but to encourage and initiate a broader conversation, and be smart about the whole system.

Commissioner **Farr** said that is a wonderful addition to the conversation. Other industries like healthcare, for instance, are regionalized, and it works very well. Regionalization can give certain efficiencies and long-term planning.

Commissioner **Stout** said if the landfill connects to the MWMC system, it will eliminate between 3 to 5 trucking jobs, and to think about employment numbers along with the larger changes to the system. He was on the Planning Commission when this brought to the joint Lane County, Springfield, and Eugene Planning Commissions. It was very complicated, and the biggest thing asked was for more information, more clarity, and the presentation was ultimately not fully prepared. He remembers that it would be a mistake to assume that development will happen. The old logic of, if you build it, they will come, does not apply. He is more interested in the conversation of Creswell's involvement than either the Short Mountain Landfill or Goshen, because there might be a lot of money to invest, and unless there's development on the ground, it does not make any sense. However, he would look at resilience as more important than efficiency for the WPCF because if the system is offline for a day, that is big.

Commissioner **Yeh** said she is supportive of this and to look for opportunities to work together, because there is a lot of efficiency that can be done. There is no sense for communities to be doing everything independently and there must be a way to work together as a community. This is a great direction that the MWMC is going in, but there is still detailed work that needs to be done. When the conversation goes to the City Councils, councilors will want as many details and information as possible because they have not been involved in these conversations. She appreciated what Commissioner Lesley said about looking for opportunities and how that can be added to Council conversations. It is important for City Councils to understand all the opportunities and that the whole region is getting benefits, not just Creswell and Goshen.

Mr. Stouder said his understanding from the previous discussion with the City Councils was that the focus had been on how the proposal would impact the MWMC and benefit Goshen and Creswell. There are also benefits to the MWMC, but staff need to improve their communication about these benefits. He added that conversations with Creswell and Goshen should include considerations beyond financial impacts. Taking on additional capacity carries some risk, and any new development brings similar risks. He believes the benefits to the MWMC ratepayers, as well as to the two communities and the County likely outweigh those risks.

Commissioner **Hazen** said that one consideration moving forward is that an agreement needs to have the appropriate risk allocation for growth. He does not know if that is already part of the agreement, but if the growth does not materialize, he does not want that to end up falling back on current ratepayers to financing an asset.

Mr. Stouder said that he would review the appropriate risk allocation for growth. The financing of the existing system from Creswell up to the current point in Springfield would be shared fairly between Lane County and Creswell. The MWMC would not provide funding or assume risk. If the MWMC were to upsize a pump for a pump station and growth in Goshen did not occur, the agreement would be structured so the MWMC would not front the cost. This approach would minimize the MWMC's financial risk.

Commissioner **Farr** said that Mr. Stouder is always talking about risk, and it is one of the highest priorities for this Commission. To always be looking at potential risks for continued operation, continued viability and sustainability of the funding process. He trusts staff. He asked Mr. Hurley if he needed a general approval from the MWMC Board to move this forward or just that we're going in the right direction, and a letter, potentially, from the MWMC Board?

Mr. Hurley said ideally, he is looking to see if the MWMC Board could arrive at a singular position, and be able to advocate, or convey that for the Planning Commissions.

Commissioner **Farr** said he will look to the Commission and to staff to move forward with that letter and perhaps ask staff to draft a letter.

Commissioner **Keeler** said he would support writing a letter. What the MWMC Board is doing is describing our interest and values going forward, but any commitment is pending discovery of many things that have yet to done. He would not be opposed to that being in the letter as well.

Commissioner **Inge** said he is generally supportive as well. Another component is the work of the MWMC and the way this body has functioned in the intergovernmental agreement. Looking at the world politically, with all of this polarization that exists, the MWMC is one place where that really has not been the case. Everyone works together for the benefit of the constituents within our area, and there has not been any polarization. This is a model that needs more exposure, frankly, and this project gives some exposure, whether the MWMC connects to Creswell, Goshen, or Junction City, if it makes sense to do so. From a risk perspective, if the infrastructure is built and the growth does not occur, then that is not the expense of the MWMC. If Lane County, Goshen or Creswell wants to take on that risk, then wonderful. But the other component is that project costs are underestimated frequently. In 2023, the costs are $19M to $23M but now could be $30M to $35M. There was discussion on the Glenwood Pump Station, but in the memo, it mentions the Willakenzie Pump Station. Is that connected to this project because there's another $17M there?

Todd Miller, ESD Deputy Director, said that it is connected. The Glenwood Pump Station flows to the East Bank interceptor and then to the Willakenzie Pump Station across from the WPCF. The current capacity is sufficient for the Eugene–Springfield area over the 20-year planning horizon, with additional capacity available for Creswell and Goshen depending on growth. He added that faster-than-projected growth could require earlier plant upgrades, and that long-term planning would eventually need to account for investment in the Willakenzie Pump Station.

Commissioner **Hazen** said he hopes that the letter of support would address risk, and the expectation of the Commission that any final agreement would address risks, benefits and allocate those appropriately between the various parties. When he thinks about this next step in the process, how risk gets allocated is about how much data the MWMC Board has and is there enough to decide? More data can be presented and at some point, there will be uncertainties, but as long as that is addressed in the final agreement. As a Commissioner, he would be supportive of moving forward.

Commissioner **Farr** said in Lane County, there are other risks involved of people not having housing. The County is falling behind by 1,100 units a year. This is not going to solve that problem, but it will be an additional way for the MWMC to help ease the housing issues in Lane County. People who are unhoused, inadequately housed, or paying more than 50% to 70% of their income for housing is part of the risk. To Mr. Stouder, regarding the letter, what would be the time, then?

Mr. Stouder said he will talk to legal counsel and have a letter drafted for the December Commission meeting for Commission review.

RENEWABLE NATURAL GAS UPDATE

Steve Barnhardt, City of Eugene WPCF Operations Manager, and Mark Van Eeckhout, City of Springfield Civil Engineer, presented an update on the Renewable Natural Gas (RNG) system. Mr. Barnhardt said that one of the primary reasons the RNG system was brought online was the MWMC Board's decision to discontinue flaring gas created by the anaerobic digesters. Staff evaluated several options, and the RNG system was ultimately selected. Some recent changes in the Renewable Fuel Standard (RFS) programs have created challenges related to reporting, system administration, and the need for additional equipment. The RNG off-taker service agreements were expected to be completed by the end of 2026, and staff are exploring potential options for monetizing the gas.

Mr. Van Eeckhout said that the RNG project efforts began in the early 2000s with biogas studies evaluating options such as continuing combined heat and power generation, fueling of fleet, or producing RNG. After multiple studies, the MWMC Board selected the RNG project for its cost, environmental, and risk advantages. Kennedy Jenks designed the facility, and it was constructed between 2019 and 2022. The system began injecting gas into the Northwest Natural (NWN) Natural grid in November 2021. While challenges have occurred, staff have reported many successes.

Mr. Barnhardt said that the system uptime varied: 60% in 2022, 46% in 2023, and 76% in 2024, averaging about 60% overall. Because staff are wastewater specialists, learning the safety-intensive gas system took time. During power outages, the wastewater system was prioritized over the RNG system, contributing to downtime. The pressure swing adsorption system upgrades methane for NWN pipeline injection, while the remaining tail gas is sent to a regenerative thermal oxidizer (RTO). The RTO operation and frequent media change-outs have caused additional downtime. Hydrogen sulfide media, originally expected to last six months, required replacement about every four months. Staff are evaluating to seek improved uptime via improved media options, air micro-injection to reduce hydrogen sulfide, and a new waste-gas burner planned for 2026 to improve reliability.

Mr. Van Eeckhout stated that the RNG system aimed to meet environmental goals while generating revenue through two main contracts: Anew (renewable fuel and low-carbon fuel standard credits) from California or Oregon, and NWN (brown gas sales). More than 217,000 dekatherms had been produced since startup. Brown gas revenues reached about $1M through October, and federal renewable fuel credits totaled about $4.8M. However, credit values declined as the California market became saturated, particularly by dairy farms. Staff continued monitoring voluntary carbon markets as a potential future opportunity. The Environmental Protection Agency (EPA) and the federal renewable fuel standards drive the revenue for the RNG system.

Mr. Barnhardt noted that the EPA's renewable fuel standards, updated in 2023 under the Biogas Regulatory Reform Rule (BRRR) that sets biofuels for fossil fuel producers, significantly changed measurement and reporting requirements. Staff had to register with the EPA's website. The WPCF had to register as both a biofuel and RNG

producer and begin reporting in one-second increments. Because the Quality Assurance Plan (QAP) Provider could not finalize the wastewater project pathway until October 2025, the WPCF accumulated roughly 387,000 unsold Renewable Identification Numbers (RINs). Anew has reported selling them, but revenue had not yet been received.

Commissioner **Lesley** asked if these costs are included in the $1M (O&M) cost?

Mr. Barnhardt said yes, but the cost for Anew comes out of the revenue. The rule change resulted in delayed payment for the past RINs.

Commissioner **Inge** said that is for the 387,000 RINs, and does someone owe us $900,000?

Mr. Stouder said yes, the RINs have been sold, but it takes time for the payment to be processed.

Ms. Denmark said this issue was brought up at a previous MWMC Board meeting, and she had been directed to write a letter, which she did not because the provider registered, the RINs sold and is now waiting to receive the revenue.

Commissioner **Inge** said the $900,000 included in the $6M or is it additional money?

Mr. Van Eeckhout said that the payment is considered additional and, based on history, staff expected to receive it at the end of the month, but it is not report until the payment is received. He added that the contract had been in place since 2021 and was set to expire in 2026. With management's support, staff will move forward with a new Request for Proposal to evaluate available options and determine the best path for 2026–2027. This process would occur in conjunction with the brown gas contract with NWN. As part of the new contract process, staff would also review other potential carbon markets.

Mr. Barnhardt said that there were multiple ways to monetize the gas. Options include transportation fuels market under the RFS program and participating in the voluntary carbon market, where businesses seeking a net-zero carbon portfolio purchased carbon credits. The renewable fuel standard program currently used, which allows monetization through the renewable fuels market with RIN but sells into the California market to obtain Low Carbon Fuel Standard (LCFS) credits.

Commissioner **Keeler** said that the biggest revenue lever might be the uptime. It has been rather abysmal, and it seems to be going in the wrong direction. He does not think that the MWMC Board is realizing the revenue on the investment that was made, which was substantial. He wonders if hiring a world-class expert would be beneficial to optimize the system, write new manuals, and train staff to make an incremental leap forward, because the uptime has not been good.

Mr. Barnhardt said he agreed that the performance has not met expectations but noted that in-house experts have been developed, and outside agency specialists are using our staff as a resource. The issue is an industry-wide challenge and the MWMC had been more successful than many others.

Mr. Stouder said the WPCF has strong in-house experts who had been recruited by other organizations and asked to present externally. He acknowledged that the uptime expectations previously discussed with staff had not been realistic. Runtimes were lower than expected, and staff continued working to improve uptime.

Commissioner **Keeler** said he would feel better if staff could at least get an opinion validated by an expert authority that says the MWMC has a world-class RNG facility at 50%. He struggles with that because it was such a large investment, with better expectations, and for the MWMC to not get too inwardly focused.

Mr. Stouder said he understood his concern and would review it. The RNG system has been online for three years, costing $14M, and has generated $6M in revenue. After accounting for operational costs, the project was tracking toward an estimated payback period of 8 to 15 years, depending on several factors.

Commissioner **Farr** said the return on the investment is proving itself, and as far as world-class experts, in an evolving science, the WPCF staff is as close to it, but he would like confirmation on that.

Mr. Stouder said the RNG systems operated at dairies differed because the MWMC uses an RTO to burn off waste products rather than flare it. This added significant complexity, making the process unique to the public sector and to wastewater operations.

Mr. Barnhardt said that the RNG system has an air quality permit to meet, which required the RTO, and the RTO has been one of our largest causes for downtime.

Commissioner **Inge** said can staff provide a comparison of the projection to the actual year-to-date? Since January of 2025, there have not been RINs sold. That's not the 387,000, but a separate RIN.

Mr. Barnhardt said it is the 387,000.

Commissioner **Inge** said the WPCF staff's primary focus is on maintaining the NPDES permit, but it sounds like staff are being moved for necessity, which causes downtime and creates the dynamic causing this problem. Would it make sense to hire a person for the RNG system? It does not make sense to shut down the RNG system if it has a revenue-generating possibility and put that staff into an expense category.

Michelle Miranda, City of Eugene Wastewater Director, said that many treatment plants implementing similar programs follow the same approach. She noted that Portland has a team dedicated to energy management or biogas utilization, focused specifically on this work. She added that the WPCF had increased staffing by 1.8 FTE since operating the RNG system. Staff are continually evaluating whether additional staffing is needed.

Commissioner **Inge** asked whether staff had already completed an evaluation.

Ms. Miranda said that staff were consistently assessing the RNG system needs, and she believes that additional FTE resources would be beneficial. She reiterated that the department's primary mission is water treatment and compliance with the National Pollutant Discharge Elimination System (NPDES) permit, along with other required environmental permits. If an issue occurs with the water permit while the RNG system is also down, staff have to prioritize core operational responsibilities, making resource availability a challenge.

Commissioner Hazen left the meeting at 9:12 am.

FINANCIAL PLAN UPDATE #2

Jeremy Cleversey, MWMC Management Analyst, presented the second update to the 2019 Financial Plan discussion. He reviewed policies related to investment of liquid assets (I policies), sewer user rates and system development charges (R policies), and asset management (A policies). Staff will return to the Commission with the updated capital planning and financing (C) policies at a future meeting. He explained that the I Policies require updates but did not affect business practices. Liquid assets are managed by the City of Springfield as the MWMC's administrative agency, and the City's Finance Director also serves as MWMC's Finance Officer. Investments follow Springfield's portfolio policies and Government Finance Officer Association practices. Policy I-1 addresses protection from bank failure, I-2 covers investment criteria, and I-3 outlines where funds could be invested. The main proposed change was updating Policy I-1 to reference the Oregon Public Funds Collateralization Program under ORS 295 instead of ORS 294.

In reviewing the R policies, most of the MWMC revenue comes from sewer user rates and he asked the Commission to help define "equity" within the policy context. Policies R-1 and R-2 guide the Commission in establishing annual rates and supporting capital and operating budgets, emphasizing equitable rates and full cost recovery based on volume, strength, and flow. Policy R-1 focuses on monthly sewer user rates, while R-2 incorporates new SDC methodologies and alignment with state law. Policy R-3 establishes rate structures that fully fund reserves and meet bond covenants, R-4 emphasizes stable multi-year rates, R-5 defines SDC rate policies and R-6 defines cost of service. User rates are determined based on volume and strength of the effluent, and SDC rates are based on the timing of a particular individual or business becoming a user of the system. Staff is uncertain about the definition of "general equity," particularly regarding how annual costs such as debt service and reserve contributions are treated and he plans to return to the MWMC Board with recommendations.

Commissioner **Farr** asked if he is looking for the definition of "equity" or informing the MWMC Board that staff are working on this.

Mr. Cleversey said currently, as it is defined within the system, equity considers wastewater quantity, quality, and strength consistent with state law, as well as multi-year stability rather than fluctuation. Any thoughts from the Commission would be helpful, but staff will take a deeper dive into the general equity definition.

Commissioner **Lesley** said that residential strength is increasing, and flows are decreasing as conservation practices are implemented. It shifts that balance from what it has been historically. It is good to consider strength and flow independently. She is glad that this deep dive is being done, looking at equity. Although she does not have answers, she is glad that it is being examined.

Commissioner **Keeler** said he agrees with Commissioner Lesley. Customers should be charged based on how they impact the system. What customers are discharging and how much flow, and then what are the variable costs including treatment, electricity, and chemicals. As far as "general equity", he is unsure how staff would do that, because there are capital projects occurring, and then tapering off. Maybe have a lower rate increase.

Mr. Cleversey said that staff have asked the same questions and are looking at the models but are unsure.

Commissioner **Stout** said he thinks about what rates and SDCs small businesses are being charged. It is important not to unnecessarily penalize businesses for constructing new developments within the system. What is the Commission comfortable with in terms of setting rates? Properties develop at different times and have different impacts socially. Properties developed in the 1930s and 1940s have a different profile from those recently developed. What does it cost to build, and when does the MWMC want to capitalize? He thinks about the money side for equity without penalizing the bigger developers.

Commissioner **Farr** said for clarification, recent development has a lesser impact on the sustained future than older development.

Commissioner **Stout** said that is right, and older development has different requirements for renovation. Development over 70 years ago is the most advanced infrastructure, being the least impact on the majority of city services, as opposed to modern developments. He does not want to rely on new growth to fund current infrastructure. All development should pay equitability when fully funding the system and repairs. Developers building new buildings and housing should not have a roadblock in their way.

Mr. Cleversey said that the final set of policies for this meeting are the asset management A Policies, which guide the MWMC Board in protecting and safeguarding investments in regional facilities and equipment. Policy A-1 specifies which MWMC assets would be insured for replacement value, A-2 aims to reduce volatility in the operating budget by maintaining a fully funded equipment replacement reserve, and A-3 defines the assets included in the equipment

reserve as all fleet equipment and other items over $10,000 with a useful life of more than one year. In the equipment replacement updates, should "shall be insured" in R-1 be revised? There are cases where it is more cost-effective not to insure certain smaller items because it is paid for as needed. Would adjusting the policy language provide a clearer criterion?

Mr. Stouder said staff will return to the MWMC Board with revised language indicating that the MWMC would insure infrastructure through an annual process with the Board. The current language requires staff to insure all assets at the replacement value, which was not always practical. For example, the seasonal industrial waste facility was no longer in use, so insuring it at full replacement value and maintaining it for liquidation did not make sense.

Mr. Cleversey said that the reserve language calls for it to be fully funded to replace all equipment. Prior discussions suggested the reserve held too much money. His understanding was that the goal had been to maintain enough funding to cover the next ten years, and he requested clarification on the definition of "fully funded."

Commissioner **Keeler** said it will depend on the expected life of the asset, so it may be all. The term "fully funded" is a bit redundant within itself, so is it funded or not?

Mr. Stouder said that the policy language required the Equipment Replacement Reserve to fully fund all the WPCF equipment, whether it had a 30-year or 10-year life. The reserve fund would grow very large, and staff can only replace a limited amount of equipment within a 10-year period. He suggested setting the reserve to cover only what is expected to be replaced in that rolling 10-year window. The reserve had reached about $20M, prompting the Commission to question the size. Because the reserve has been set to fully replace all equipment, it appeared higher than necessary, so staff adjusted the reserve downward to reflect only the anticipated 10-year replacements

Commissioner **Keeler** said if there is an asset that is going to last 20 years, then 5% of that money is put into every year.

Commissioner **Farr** said is that consistent with current practice?

Kevin Vanderwall, MWMC Accountant, said that fully funding all future equipment needs based on depreciation would require a reserve of $40M to $50M. After being asked to reduce the reserve amount, staff ensured that the next ten years of equipment replacement requests were funded and have continued to monitor the reserve's health.

Mr. Stouder said that staff could bring this topic back to the Board for further discussion.

Mr. Cleversey explained that the A-policies addressed major rehabilitation. The Policy A-4 required major rehabilitation work to be funded from the capital reserve, and A-5 restated GAAP requirements. This is duplicative since GAAP must be followed regardless of policy.

Commissioner **Farr** said that the meeting is against the time limit and needs to conclude.

Mr. Stouder said that the remaining slides can be brought back to the MWMC Board.

BUSINESS FROM COMMISSION
None

BUSINESS FROM EXECUTIVE OFFICER
Mr. Stouder introduced Matt Dapkus, who filled the role previously held by Barry Mays. Matt had served as the building and facilities manager at Lane County and has extensive project and construction experience. He is excited about adding Matt's expertise to the team.

He thanked Todd Miller and Misty Inman for assembling the meeting packet. While Misty routinely handles this task, Todd completed most of the work that Mr. Stouder would have done had he not been on vacation.

Lastly, he introduced Valerie Warner, whom he had mentioned at the previous Board meeting. Many attendees already know Valerie from her previous work with the City of Springfield. She will work for up to a year and has been instrumental in supporting financial projects.

BUSINESS FROM EXECUTIVE OFFICER WASTEWATER DIRECTOR

The Oregon DEQ will be conducting a compliance inspection next week. The Carbonaceous BOD effluent limit violations discussed at last month's meeting were later confirmed not to be violations. The DEQ initially flagged them, then reversed the finding, and staff are working to remove them from the discharge monitoring reports.

Commissioner **Keeler** asked about the progress of the administration building.

Ms. Miranda reported that it was ahead of schedule and photos could be provided at next month's meeting.

Commissioner **Farr** adjourned the meeting at 9:34 am.

Metropolitan Wastewater
MANAGEMENT COMMISSION

partners in wastewater management

MEMORANDUM

DATE:	December 4, 2025
TO:	MWMC Board
FROM:	Matt Stouder, MWMC Executive Director
SUBJECT:	Goshen/Creswell Wastewater Connection Letter of Support
ACTION REQUESTED:	Provide direction on Letter of Support regarding advancement of expanding regional wastewater services to Goshen/Creswell.

ISSUE

At the November 14, 2025, MWMC Board meeting, representatives from Lane County requested the Board to provide a Letter of Support to be included in materials to be presented to the Governing Bodies regarding advancement of expanding regional wastewater services to Goshen, Creswell and the Short Mountain Landfill.

BACKGROUND AND DISCUSSION

Regional wastewater program (RWP) staff have been involved in conversations with Lane County and Creswell over the past several years regarding possible connection into the MWMC's regional wastewater system. At the November 14, 2025, Commission meeting, representatives from Lane County provided an update on the status of the Goshen/Creswell Wastewater Project. Connection into the MWMC's system has several technical, cost, administrative and policy issues that need to be resolved prior to connection occurring. Governing Body support from Lane County, the City of Eugene, and the City of Springfield is needed to allow connection to occur.

Prior to the November 14, 2025, MWMC Board meeting, staff has provided updates to the Board on several occasions, most recently in 2023. 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.

At the November 14, 2025, MWMC Board meeting, Lane County staff provided a status update on the potential connection into the MWMC's regional wastewater system for Goshen and Creswell systems. Discussion topics included next steps with respect to requesting amendments to the Eugene-Springfield Metropolitan Area Plan (Metro Plan), as well as costs to buy-in to the system and capacity constraints

within the regional system. Attachment 1, the summary memo from the November 14, 2025, MWMC Board meeting is provided for reference. At the close of the presentation, Lane County staff asked the MWMC Board to provide a letter of support regarding connection into the regional wastewater system that could be provided as part of a package to be discussed with the Governing Bodies as part of the Metro Plan amendment process.

The Board provided feedback and direction to staff regarding a support letter and directed staff to bring the letter to the December 12, 2025, Board meeting for discussion. The draft support letter is attached for review and consideration as Attachment 2.

ACTION REQUESTED

Staff requests the MWMC Board review Attachment 2 and provide feedback to the MWMC Executive Officer.

ATTACHMENTS

1) MWMC Board memo on Goshen/Creswell – 11/14/25
2) Draft letter of support from the Board regarding connection into the MWMC's Regional Wastewater System

Metropolitan Wastewater
MANAGEMENT COMMISSION

partners in wastewater management

MEMORANDUM

DATE:	November 6, 2025
TO:	Metropolitan Wastewater Management Commission 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.

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)

Dear Lane County Board of Commissioners, Springfield City Council, and Eugene City Council:

The Metropolitan Wastewater Management Commission (MWMC) has participated in multi-year discussions with Lane County and regional partners regarding possible wastewater connections from Goshen, Creswell, and the Short Mountain Landfill (the "Goshen/Creswell Wastewater Project"), with additional areas expressing similar interest. Following a presentation by Lane County staff to the MWMC Board, Lane County requested the MWMC Board provide a letter of support for the Goshen/Creswell Wastewater Project.

The MWMC Board has voiced its support for exploring these opportunities for wastewater connection, with the clear understanding that any out-of-service-area connection must not negatively impact the existing Eugene/Springfield service base or current ratepayers. Furthermore, the MWMC Board understands its role to make a recommendation to the Governing Bodies on this issue and the decision as to whether to amend the Eugene-Springfield Metropolitan Area General Plan (Metro Plan) to allow such wastewater connections lies fully with the Governing Bodies.

The MWMC recognizes the potential regional benefits of such connections, including:

- More cost-effective, regional solutions for protecting water quality through leveraging outlying area investment into the high-performance of the MWMC's treatment plant, resulting in a better water-quality outcome per dollar than new treatment plant upgrades could provide
- Opportunities to expand and diversify the MWMC's customer/rate base, in turn reducing overall cost burdens on internal and external ratepayers.
- Increased resiliency and diversification of the regional wastewater system through joining assets such as expanding the land base for sustainable biosolids management and using existing community capacity to store and release wastewater flows to maintain more manageable wet weather practices.
- Positive economic and community outcomes through support of future housing and employment potential.
- Reduced truck traffic risks associated with hauling of landfill leachate in tanker trucks.

Preliminary evaluations indicate that the MWMC's regional treatment facilities can likely accommodate projected Goshen/Creswell flows without adverse impacts to current ratepayers or system capacity. However, additional evaluation is necessary to fully understand and address:

- Conveyance and pumping system limitations.
- Required capital improvements.

- Long-term cost impacts and funding responsibilities.
- Regulatory, governance, and operational considerations.

Completing this work requires a level of study, coordination, and financial commitment that extends beyond the MWMC's responsibility to its existing service area. To move this opportunity forward, the MWMC supports the identification of a regional project manager or coordinating role to lead and resource the technical studies, cost analyses, and stakeholder processes. These efforts should be funded collectively by the jurisdictions and entities seeking connection to the regional system. The MWMC Board supports, in concept, expansion of the wastewater system to Goshen, Creswell, and the Short Mountain Landfill. However, the MWMC Board cannot make a recommendation to the Governing Bodies until these technical, cost, administrative and policy issues are further analyzed.

The MWMC remains committed to partnering in this process and to evaluating all opportunities that align with regional benefits while protecting the interests of the existing service base.

Metropolitan Wastewater
MANAGEMENT COMMISSION

partners in wastewater management

MEMORANDUM

DATE:	December 4, 2025
TO:	MWMC Board
FROM:	Jeremy Cleversey, MWMC Management Analyst
SUBJECT:	MWMC Liability Insurance Renewal for 2026
ACTION REQUESTED:	Authorize the Executive Officer to enter into an agreement for Liability and Cyber Insurance coverage to be effective January 1, 2026

ISSUE

The Metropolitan Wastewater Management Commission's (MWMC) existing General Liability (Casualty) insurance coverage is through Special Districts Insurance Services (SDIS) and Cyber insurance coverage is through State National Insurance Company. Staff requests that the Board authorize the Executive Officer to enter into an agreement for insurance coverages to take effect January 1, 2026, through December 31, 2026.

BACKGROUND

The MWMC carries policies for Property and Liability (Casualty) insurance coverage. This is accomplished by working closely with the MWMC's Insurance Agent of Record.

Insurance Agent-of-Record - Following a competitive process by MWMC procurement rules, the Board authorized the MWMC Executive Officer to enter into a multi-year contract with Brown & Brown Insurance for Agent-of-Record services. The Brown & Brown team members serving the MWMC include Geoff Sinclair, Senior Vice President; Jeff Cecchini, Vice President; Tim Clarke, Senior Vice President of Claims; and Jess Butler, Lead Account Manager. The cities of Eugene and Springfield, and Lane County also use Brown & Brown Insurance.

Property Insurance – (Not included in this quote)
In June 2025, the Board authorized the MWMC Executive Officer to enter into agreements to secure Property Insurance including earthquake and flood coverage for property assets currently valued at $486.3 million for the period of July 1, 2025, through June 30, 2026. Staff will return to the Board in June 2026 to discuss Property Insurance options and to seek approval for FY 2026-27.

Liability (Casualty) Insurance – Below is a summary of the insurance coverage recommended for calendar year 2026 that will be discussed at the December 12, 2025, meeting.

Preliminary Premium Summary

Line of Business	Expiring Premium (Inception)	Renewal Premium
Carrier	**Special Districts Insurance Services (SDIS)**	**Special Districts Insurance Services (SDIS)**
Admitted/AM Best	Admitted/Not Rated	Admitted/Not Rated
Property/Equipment including Flood & Earthquake	*No Coverage*	*No Coverage*
Boiler/Mechanical Breakdown	*No Coverage*	*No Coverage*
Crime	*No Coverage*	*No Coverage*
Liability	$45,511.00	$51,551.00
Auto	$479.00	$514.00
Best Practices Credit	($5,207.00)	($5,898)
Total Package Premium	**$40,783.00**	**$46,167.00**
Carrier	**State National Insurance Co**	**State National Insurance Co**
Admitted/AM Best	**Admitted/A X**	**Admitted/A X**
Cyber Liability	$19,225.00	$13,950.00
ECC Broker Fee	$500.00	$500.00
Total Cyber Premium	**$19,725.00**	**$14,450.00**
Broker Service Fee	$31,021.00	$31,952.00
Grand Total	**$91,529.00**	**$92,569.00**

DISCUSSION

Liability (Casualty) Insurance provides coverage for General Liability, Administrative Liability, Public Officials' Liability, non-owned and hired automobile liability, hired automobile physical damage, and umbrella/excess liability. The Cyber Insurance policy covers MWMC's computer networks and control systems across all operational sites, including the Water Pollution Control Facility (WPCF), the Biosolids Management Facility (BMF), pump stations, and administrative staff supporting MWMC.

Staff recommends renewing Liability Insurance coverage with Special Districts Insurance Services (SDIS) and Cyber Insurance coverage with State National Insurance Company for the 2026 calendar year.

ACTION REQUESTED

The Board is requested, by motion, to authorize and direct the MWMC Executive Director to proceed with Liability (Casualty) Insurance coverage stated above totaling $92,569 for the period of January 1, 2026, through December 31, 2026.

ATTACHMENT

1) Brown & Brown Insurance Services – MWMC 2026 Liability Insurance Proposal

Brown & Brown

PROPERTY & CASUALTY

Proposal Prepared for

Metropolitan Wastewater Management Commission

Policy Period: January 1, 2026 – January 1, 2027

Brown & Brown Insurance Services, Inc.
California DBA Brown & Brown Retail Insurance Services
CA Entity License #0F56560

Executive Summary

The public entity special districts insurance market is experiencing a transitional phase. Loss trends driven by increased claim severity persist, meanwhile additional capacity entering the market and competing for business has helped to moderate overall pricing increases. Clean accounts (i.e., good historical loss ratios with completed Best Practices surveys) are seeing rate increases of around 12%. Insureds with a worse-than-average loss experience, or those identified with a higher hazard profile, continue to see above average rate increases. Actuarial projections for claims and settlements have more than doubled over the past decade, forcing the pool to budget for these higher costs while the reinsurance market prices these potential losses in.

Capacity Trends

Capacity that entered the market in 2024 and prior years is growing as a percentage of the market, and additional capacity is expected later in 2025. Total capacity remains below 2020 and 2021 levels, but the trend is positive, especially in property lines which have rebounded from the hard market that persisted for the past several years.

Underwriting Scrutiny

This year there is a heightened scrutiny around sexual abuse/harassment, state-specific revival laws for victims of sexual abuse and ever-increasing tort caps. This resulted in additional application requirements this year, focusing on loss exposure and loss prevention efforts, particularly in special districts such as Parks & Rec, aquatic centers, libraries, transit, health districts or others with programs for children.

Cyber Coverage

The SDIS pool eliminated additional cyber limits beyond the standard $50,000 this year due to low participation, meaning members who need a cyber solution must look outside the program. However, the standalone market has been favorable for a number of years now, often outperforming pool coverage offerings and rates. Many options are available for members who need cyber support and protection, with standard IT requirements in place such as multi-factor authentication, off site backups and end point monitoring. Cyber extortion claims continue to occur, with losses occurring for public entities. At a minimum it's highly encouraged that members explore with IT staff and teams how the organization would respond to a ransomware attack.

Preliminary Premium Summary

Line of Business	Expiring Premium (Inception)	Renewal Premium
Carrier	**Special Districts Insurance Services (SDIS)**	**Special Districts Insurance Services (SDIS)**
Admitted/AM Best	Admitted/Not Rated	Admitted/Not Rated
Property/Equipment including Flood & Earthquake	*No Coverage*	*No Coverage*
Boiler/Mechanical Breakdown	*No Coverage*	*No Coverage*
Crime	*No Coverage*	*No Coverage*
Liability	$45,511.00	$51,551.00
Auto	$479.00	$514.00
Best Practices Credit	($5,207.00)	($5,898)
Total Package Premium	**$40,783.00**	**$46,167.00**
Carrier	**State National Insurance Co**	**State National Insurance Co**
Admitted/AM Best	**Admitted/A X**	**Admitted/A X**
Cyber Liability	$19,225.00	$13,950.00
ECC Broker Fee	$500.00	$500.00
Total Cyber Premium	**$19,725.00**	**$14,450.00**
Broker Service Fee	$31,021.00	$31,952.00
Grand Total	**$91,529.00**	**$92,569.00**

Quotes are valid for (30) days or until the proposed effective date, whichever is first.
Please note SDIS Premium Rate Comparison reflects annualized 2025-2026 premiums.
All Fees are fully earned

Payment Plans

Line of Business	Payment Plan	Billing Plan
SDIS Package	Due to SDIS by March 1, 2025	Directly billed by SDIS
Cyber Liability	Due on effective date	Billed by Brown & Brown
Broker Service Fee	Due on July 01, 2026	Billed by Brown & Brown

Subjectivities:

Cyber – Satisfactory confirmation that you have downloaded and registered our incident response mobile app, details of which can be found with your policy documents

SDIS Premium Rate Comparison Report

Metropolitan Wastewater Management Commission | **2025 - 2026 Policy Year Comparison Report** | Agent: Brown & Brown Northwest-Portland

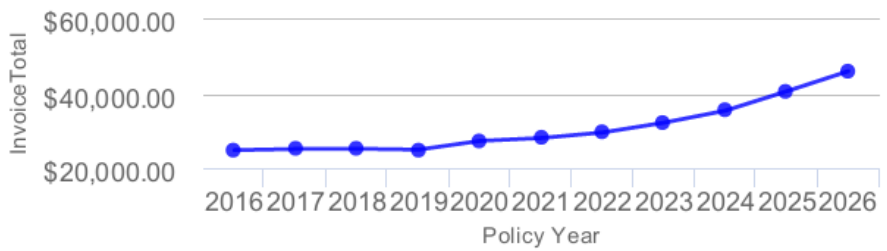
Report displays contribution difference (changes) between 2025 and the 2026 renewal in an effort to provide a general idea of rating components that influence contributions.

Coverage	2025 contribution	Change in exposures	2026 contribution	Total contribution change	Total % contribution change
General Liability	$40,304	See Below	$45,653	$5,349	13.27%
Auto Liability	$0		$0	$0	
Non-Owned Auto Liability	$168		$172	$4	2.38%
Auto Physical Damage	$0	$0	$0	$0	
Non-Owned APD	$311		$342	$31	9.97%
Property	$0	$0	$0	$0	
Earthquake	$0	$0	$0	$0	
Flood	$0	$0	$0	$0	
Equipment Breakdown	$0	$0	$0	$0	
Crime	$0		$0	$0	
Cyber	$0		$0	$0	
Total All Lines	$40,783		$46,167	$5,384	13.20%

General Liability Exposure Comparison

Description	Last Year	This Year	Difference
2025-2026 Budgeted Materials and Supplies *	$10,162,557	$12,130,709	$1,968,152
2025-2026 Budgeted Personal Services *	$14,049,147	$15,267,616	$1,218,469
Events/Fundraisers - Alcohol Served	$0	$0	$0
Pipe Line (Sewer or Storm Drainage)	$800	$800	$0

Annual Contribution History



2020-2024 Net Loss Ratio = 0.00%

Best Practices	Year	% Credit
	2025	10%
	2026	10%

Attachment 1

* Auto Liability Exposure = Number of Autos. Auto Physical Damage = Total Insured Auto Values. Excess Liability = Materials and Supplies + Personal Services. Property and Boiler and Machinery = Total Insured Property Values.

Liability

Coverage Type	Coverage Basis
Commercial General Liability	Occurrence

Limits of Liability

Coverage	Limit	Participant Limit	All Participants	Deductible
Each Occurrence	$5,000,000			None
Wrongful Act Limit of Liability	$5,000,000			None
Annual Aggregate	$10,000,000			
Additional and Supplemental Coverages				
Ethics Complaint Defense Costs	$5,000	$5,000		None
EEOC/BOLI Defense Costs	$5,000,000			None
Limited Pollution Coverage	$250,000	$250,000		None
Injunctive Relief Defense Costs	$25,000	$25,000	Not Applicable	None
Criminal Defense Costs	$100,000	$100,000	$500,000	None
Premises Medical Expense	$5,000	$5,000		None
Fungal Pathogens (Mold) Defense Costs	$100,000	$100,000		None
Applicators Pollution Coverage	$50,000	$50,000		None
Lead Sublimit Defense Costs	$50,000	$50,000	$200,000	None
Marine Salvage Expense Reimbursement	$250,000	$250,000		None
Communicable Disease Defense	$50,000	$50,000	$2,000,000	None

Higher limits may be available.

Exposure Basis

Classification	Exposure
2025-2026 Budgeted Personal Services *	$15,267,616
2025-2026 Budgeted Materials and Supplies *	$12,130,709
2025-2026 Budgeted Contingencies *	0
Number of Employees	0
Number of Volunteers	0
Number of Board Members	7
District Size	60
Population Served	279,000
Pipe Line (Sewer or Storm Drainage)	800
Buildings & Premises - Occupied by District	160,000
Boats	4
Dollars Paid For Services	$90,000
Events/Fundraisers - No Alcohol Served	3
Events/Fundraisers - Alcohol Served	0
Number of Drones (UAVs) Owned or Operated	1

Terms, Conditions, Endorsements, Exclusions, and/or Limitations include but are not limited to:

SDIS Liability Coverage Document

$25,000,000 maximum limit for all SDIS Trust Participants involved in the same Occurrence or Wrongful Act.

$25,000 Employment Practices deductible for terminations when SDIS is not contacted for legal advice in advance.

All Participants limit shown denotes maximum limit of coverage, for all SDIS Trust Participants for the Coverage Period. Does not apply to Injunctive Relief Defense Costs.

Injunctive Relief Defense Costs - Maximum limit of coverage, for all SDIS Trust Participants involved in the same Occurrence or Wrongful Act is $100,000

Cyber Liability

Coverage	Limit
Cyber Total Aggregate Limit of Liability	$150,000
First Party Coverage's Sublimit of Liability	$50,000
First Party Coverage Includes:	
Network Interruption	
Event Management	
Cyber Extortion	
Data Restoration	
Computer and Legal Experts	
Public Relations	
Business Income	
Third Party Liability Coverage's Sublimit of Liability	$100,000
Third Party Coverage Includes**:**	
Security Failure or Privacy Event	
Media Content	
Regulatory Action	
SDIS Trust Cyber Annual Aggregate Limit of Liability	$2,000,000
SDIS Member Contribution	Included

This summary only represents a brief and incomplete summary of coverage. Other conditions and exclusions apply as described in the SDIS Cyber Coverage Document. Titles are provided for convenience of reference and shall not be deemed to in any way to limit or affect the provisions to which they relate.

Higher limits may be available.

Terms, Conditions, Endorsements, Exclusions, and/or Limitations include but are not limited to:

SDIS Cyber Coverage Document

Business Auto

Coverage	Limit	Deductible	Symbol
Auto Liability Coverage	*No Coverage*		
Non-Owned & Hired Auto Liability	$500,000	None	8,9
Excess Auto Liability Coverage	*No Coverage*		
Excess Non-Owned & Hired Auto Liability	$4,500,000		
Personal Injury Protection (PIP) Applies to Private Passenger Vehicles	*No Coverage*		
Uninsured/Underinsured Motorist Bodily Injury	500,000	None	2
Comprehensive	*No Coverage*		
Collision	*No Coverage*		
Hired Auto Physical Damage - Comprehensive	$100,000	$100	8
Hired Auto Physical Damage - Collision	$100,000	$500	8

Higher limits may be available.

Vehicle Ownership
The Named Insured represents that all scheduled vehicles are titled to the Named Insured or leased to the Named Insured. If not, you must notify us immediately in order to obtain proper coverage not currently proposed.

Terms, Conditions, Endorsements, Exclusions, and/or Limitations include but are not limited to:

SDIS Auto Liability Coverage and Excess Liability Coverage Document
SDIS Auto Physical Damage Document
Vehicle Valuation

- Buses 10 years old and newer – Replacement Cost
- Other Vehicles 6 years old and newer – Replacement Cost
- All Other Vehicles – Functional Replacement Cost

Auto Symbols

Symbol	Description
1	Any Auto
2	Owned Autos only. Only those autos you own (and for Liability Coverage any trailers you don't own while attached to power units you own). This includes those autos you acquire ownership of after the policy begins.
3	Owned private passenger autos only. Only the private passenger autos you own. This includes those private passenger autos you acquire ownership of after the policy begins.
4	Owned autos other than private passenger autos only. Only those autos you own that are not of the private passenger type (and for Liability Coverage any trailers you don't own while attached to power units you own). This includes those autos not of the private passenger type you acquire ownership of after the policy begins.
5	Owned autos subject to no-fault. Only those autos you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those autos you acquire ownership of after the policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.
6	Owned autos subject to a compulsory uninsured motorist's law. Only those autos you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those autos you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorist's requirement.
7	Specifically Described Autos. Only those autos described in item three of the declarations for which a premium charge is shown (and for Liability Coverage any trailers you don't own while attached to any power unit described in item three).
8	Hired Autos Only. Only those autos you lease, hire, rent or borrow. This does not include any auto you lease, hire, rent or borrow from any of your employees or partners or members of their households.
9	Non-owned Autos Only. Only those "autos" you do not own, lease, hire, rent or borrow and that are used in connection with your business. This includes "autos" owned by your employees or partners or members of their households but only while used in your business or your personal affairs.

Cyber Liability (Standalone)

Coverage Basis	Retro Date	Indemnity Period	Waiting Period
Claims Made	Unlimited	6 Months	8 Hours

Limits of Liability

Coverage	Limit	Retention
Aggregate limit of liability	$2,000,000	
Cyber Incident Response		
Incident Response Costs	$2,000,000	-
Legal and Regulatory Costs	$2,000,000	-
IT Security and Forensic Costs	$2,000,000	-
Crisis Communication Costs	$2,000,000	-
Privacy Breach Management Costs	$2,000,000	-
Third Party Privacy Breach Management Costs	$2,000,000	-
Post Breach Remediation Costs	$50,000	-
Cyber Crime		
Electronic Theft of your financial assets	$250,000	-
Electronic Theft of third party funds held in escrow	$250,000	-
Electronic Theft of personal assets	$250,000	-
Extortion	$2,000,000	
Authorized Push Payment Fraud	$250,000	-
Telephone Hacking	$250,000	-
Unauthorized Use of Computer Resources	$250,000	-
System Damage and Business Interruption		
System Damage and Rectification Costs	$2,000,000	-
Income Loss and Extra Expense	$2,000,000	-
Dependent Business Interruption	$2,000,000	-
Claim Preparation Costs	$25,000	-
Network Security & Privacy Liability		
Network Security Liability	$2,000,000	-
Privacy Liability	$2,000,000	-
Management Liability	$2,000,000	-
Regulatory Investigation Costs	$2,000,000	-
Merchant Services Liability	$2,000,000	-
Media Liability		
Defamation	$2,000,000	-
Intellectual Property Rights Infringement	$2,000,000	-
Technology E&O	*No Coverage*	

Defense Costs:
Defense costs incurred in the investigation and defense of any claim will be paid within the stated limits of liability.

Extended Reporting Period Options:

12 Months at an additional 100% of premium
24 Months at an additional 150% of premium
36 Months at an additional 200% of premium

Terms, Conditions, Endorsements, Exclusions and/or Limitations include but are not limited to:

Privacy Notice
Consequential Reputational Harm Extension Endorsement
Customer Payment Fraud Extension Endorsement
Incident Response Outside Of The Policy Limit Endorsement
System Damage And Rectification Costs Amendatory Endorsement
System Failure Extension Endorsement
Hardware Replacement Costs Extension Endorsement
Media Liability Amendatory Endorsement
Policyholder Disclosure Notice Of Terrorism Insurance Coverage
Schedule Of Information
Oregon Amendatory Endorsement
War and Cyber War Exclusion Endorsement


Brown & Brown

Metropolitan Wastewater
MANAGEMENT COMMISSION

partners in wastewater management

MEMORANDUM

DATE:	December 4, 2025
TO:	MWMC Board
FROM:	Bryan Robinson, Environmental Services Supervisor
SUBJECT:	Poplar Harvest Services
ACTION REQUESTED:	No action, this item is informational

ISSUE

Biocycle Farm Management Unit 1 (MU1) trees were planted in 2016 and are due for harvest by 2028 at age 12. Poplar harvests are now a routine operational activity, funded through the City of Eugene Wastewater Operations (Ops) budget, and are no longer included in the MWMC Capital Improvement Program (CIP) budget. Staff from both cities are collaborating on the transition of poplar management from the MWMC CIP to Eugene Wastewater Ops. Staff will present the strategies and administration of the upcoming contract at the December 2025 Board meeting and intend to request authorization by resolution for a contract in early 2026.

BACKGROUND

The Springfield capital project team implemented initial harvest/replanting of Biocycle Farm from 2013-2023 to ascertain best management practices and market opportunities for poplar rotations. Staff developed the attached Recommendations Report (Attachment 1) in February 2024 for ongoing MWMC best practices.

Staff from both cities have adopted the following strategies from the Recommendations Report:

- Field Work Strategies:
  - Biannual harvests will be implemented by staggering the harvest and replanting of MUs into North and South units—six units in total—to achieve harvest cycles between 10 and 12 years of growth.
  - The City of Eugene (COE) will manage poplar harvests as an operations function.
  - The City of Springfield (COS) will continue to develop potential poplar markets as a planning function.

- Contract Work Strategies:
  - A single general contractor/project manager will be retained to oversee all phases of work.

  - The intention is to establish a long-term contract to continue these services throughout the entire next 12-year harvest cycle.
  - COS staff will manage procurement and contract administration in accordance with MWMC procurement rules, as this is a long-term, high-value contract.
  - COE staff will manage project administration to coordinate onsite operational activities.

Field work is organized into three primary phases, each representing a critical stage in the poplar harvest and replanting cycle:

- Phase 1 – Logging and Sales:
  This phase includes tree harvesting, processing, and removal of marketable timber, as well as coordination of log transportation and sales. Revenue generation and contract compliance are primary focuses during this phase.
- Phase 2 – Field Restoration:
  Following harvest, this phase involves site cleanup, debris and stump management, soil preparation, grading, and any necessary drainage or erosion control work to return the site to plantable condition.
- Phase 3 – Replanting and Establishment:
  This phase includes planting new poplar stock, installing irrigation or protection measures as needed, and conducting early-stage establishment activities such as weed control, replanting failures, and monitoring tree survival and growth.

DISCUSSION

Previously, MWMC managed all poplar crop work as individual harvest and replanting projects, with each project limited to a single management unit (MU) and navigating procurement and each phase of field work independently from other Biocycle Farm activities. Beginning in 2026, the goal is to combine, to the greatest extent possible, all work associated with logging, field restoration, and replanting into a long-term contract under the control of a general contractor. The minimum contract duration would cover the 2026–2027 harvest and replanting of a 77-acre unit. The maximum duration would include the complete 2026–2036 harvest and replanting of six units comprising approximately 400 acres of trees.

The project is currently on track to meet the targeted procurement schedule outlined below with field work expected to begin in spring 2026.

- The Request for Information (RFI) opened on August 11, 2025, and closed on September 15, 2025. The RFI is provided for reference (Attachment 2).
- The Request for Proposals (RFP) opened on November 25, 2025, and is scheduled to close on January 9, 2026. The RFP is available on the MWMC website at https://mwmcpartners.org/capital-improvements/request-for-proposals/.
- Contract authorization and execution are planned for March 2026.

ACTION REQUESTED

There are no actions required; this is for informational purposes only.

ATTACHMENTS

1) Poplar Harvest Recommendations Report
2) Poplar Harvest Services Request for Information

Poplar Harvest Management Preliminary Recommendations Report

February 2024

Executive Summary

This preliminary recommendations report presents the MWMC operations team at the City of Eugene with a proposed schedule and best management practices for routine harvest and replanting of the Biocycle Farm. The MWMC's capital program team at City of Springfield will prepare a full analysis of the efforts and outcomes resulting from oversight of all harvest, marketing, and replanting activities from 2013-2024. The full report will be completed in mid-2024.

The strategies herein are summarized as follows:

- Harvest Rotation
    - Break management units (MUs) into six smaller rotational units by separating existing MU1, MU2, and MU3 into north and south units each, divided by the farm road and irrigation risers.
    - Adopt a biennial harvest and replanting schedule starting with the harvest of MU1-South (MU1-S) in 2026, followed by its replanting in 2027.
    - This will eventually level out to regular harvests at year 11, providing one year of slippage (to age 12) if needed, or one year of acceleration (age 10) if beneficial.
    - Upon establishment of regular two-year harvest and replantings, source poplar whips from pruned branches from 2-year old growth from the previous planting unit.
- Harvest, Post-Harvest, and Planting Needs
    - Separate contractor tasks into harvest, field preparation, and replanting scopes of work under separate procurements and contracts.
    - Task harvest contractor with sales of poplar product – typically wood pulp, and expect no market value for hog fuel.
    - Destroy stumps in place after harvest by grinding to surface or subsurface level and interplant next rotation between stump locations.
    - Manage hog fuel as tree row mulch during field preparation scope of work.

The capital program team will continue to explore market opportunities for Biocycle Farm poplar, as well as opportunities for higher/best use of logging slash or hog fuel residuals, such as compost or biochar. Depending on long term market realities/reliabilities, if no solid wood (saw log or peeler log) market is feasible, the MWMC should consider coppice growth off existing stumps after harvest for generation of biomass only.

Contents

Purpose

This report provides a preliminary set of recommendations for ongoing management of poplar harvests based on the experiences from the initial harvests and replantings of the MWMC's Biocycle Farm – specifically the three designated management units (MUs) MU1, MU2, and MU3 – from 2013-2024. This 12-year period represents a "startup and commissioning" era of the initial establishment of the MUs to learn best practices based on experienced market and environmental conditions.

A full report of all project phases, implementations, data, results, observations, pilot studies, and analyses and recommendations will be presented later in 2024. The recommendations herein are not expected to change, but rather be supported and augmented by the full report. The full report will provide information that provides more detail on recommended practices, resources, and considerations for adaptive management of the Biocycle Farm.

I. Recommended Harvest Rotation Scheme

Recommendation 1: Transition to a six-unit management scheme.

Starting with the next harvest, the MWMC should transition away from harvesting entire units (MU1, MU2, and MU3) in a single season and instead transition to six units (splitting each existing unit into north and south halves as delineated by the access roads).

Figure 1 presents the recommended six-management-unit layout. The recommended units are MU1-N, MU1-S, MU2-N, MU2-S, MU3-N, and MU3-S (for north and south halves, respectively).

This reduces the acreage treated by half over the past practices, making management much more feasible. Numerous challenges were encountered with historical harvest and replanting events due to contractor capacity, market capacity, and seasonal weather variations either postponing or curtailing field work. Half units allow for sufficient time to ensure contractors are secured and available, harvests are completed in timely fashion to provide the necessary harvest cleanup and field prep needed to ensure ideal replanting conditions, and there is scheduling flexibility to work around saturated field conditions, hot weather fire hazards, and other extremes. Similarly, half unit acreages provide similar feasibility benefits during replanting, ensuring that adequate planting stock can be collected during the dormant winter season and subsequently planted after freezing weather and before spring rains dry up.

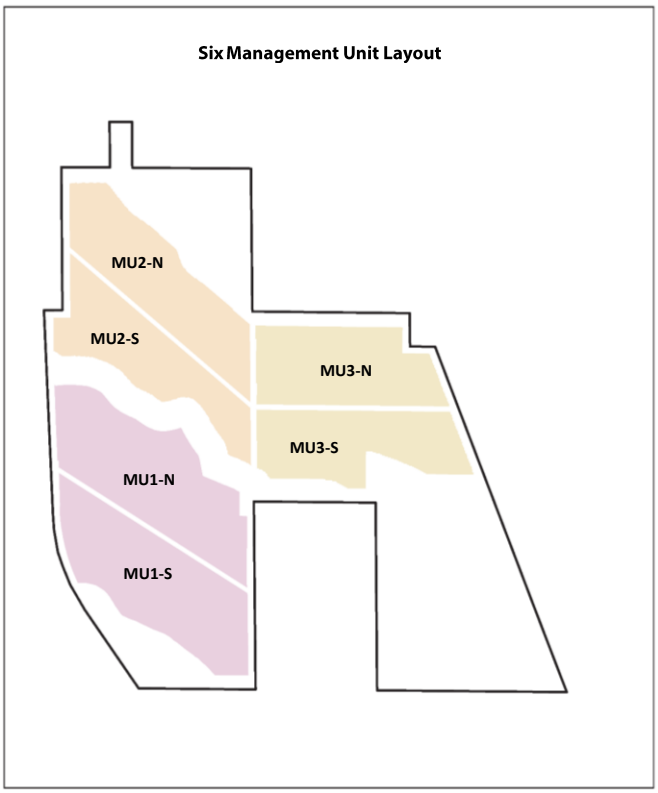
Recommendation 2: Transition to an alternating year cycle of harvest and replanting.

An additional benefit of the six MU approach is to adopt an alternating year schedule of harvest-plant such that every year either a harvest rotation is occurring, or, in alternating years, a planting rotation is occurring. This provides several benefits, including regularity in workforce needs and in harvest material going to market. Additionally, the MWMC can self-source poplar whip cuttings from pruned branches off two-year-old growths from the previous planting unit. Trees should be pruned at that point and therefore the cost to collect the whips is largely embodied in the pruning task.

Ultimately, the six-unit rotation schedule equals a 12-year cycle from initial harvest to final replanting (six units with a year of harvest followed by a year of replanting). At the end of the rotation, trees will be 11 years old (in 12th season of growth). If unavoidable interruptions to a harvest year should occur,

the harvest could be deferred to the following year and maintain the 12-year-old age limit on agricultural poplar.

Figure 1: Recommended Six MU Layout



Recommendation 3: Adopt six-unit, alternating year harvest schedule starting 2026.

Several alternatives to adopt the six-unit rotation were evaluated and the schedule below is recommended for adoption, with the first harvest in 2026. Due to the unequal staggering of existing MU plantings, the initial years require harvesting trees at varying ages until the replanting schedule generates the regular age-class rotation. Additionally, unless harvest starts in 2025, there will need to be at least one year in which both a unit of harvest and a unit of replanting are occurring. These activities do not necessarily need to overlap, as planting can be completed in spring prior to harvest activities. A schedule starting in 2025 is ruled out because (a) Eugene Operations would need to be prepared to contract for and oversee harvest this upcoming fiscal year, and (b) the MU1 trees will only be 9 years old in 2025, reducing their yield and market value.

Tables 1, 2, and 3 provide the recommended schedule based on MU, Year, and Activity (same set of data presented in different layouts). Table 4 presents the recommended annual activities corresponding with harvest and replanting. These activities are further described in the following sections.

Table 1: Recommended Alternative for Optimized Harvest Schedule

Re-Planting Date	Harvest Date	Unit Age	Unit	Acres
2016	2026	10	MU1N	79.1
2016	2028	12	MU1S	76.9
2018	2029	11	MU2N	65.6
2019	2031	12	MU2S	56.4
2023	2033	10	MU3N	59.5
2023	2035	12	MU3S	56.8
2027	2037	10	MU1N	79.1
2029	2039	10	MU1S	76.9
2030	2041	11	MU2N	65.6
2032	2043	11	MU2S	56.4
2034	2045	11	MU3N	59.5
2036	2047	11	MU3S	56.8
2038	2049	11	MU1N	79.1
2040	2051	11	MU1S	76.9
2042	2053	11	MU2N	65.6
2044	2055	11	MU2S	56.4
2046	2057	11	MU3N	59.5
2048	2059	11	MU3S	56.8

Note: Green shaded year represents need for both a replanting and a harvest. The orange shaded year represents adjusted planting date based on average planting date of trees due to replantings in that unit .

Table 2: Recommended Harvest and Replanting Schedule by MU

MU	Acres	Harvest Year	Replant Year	Cutting Collection Year (Jan)
MU1N	79.1	2026	2027	2029
MU1S	76.9	2028	2029	2030
MU2N	65.6	2029	2030	2032
MU2S	56.4	2031	2032	2034
MU3N	59.5	2033	2034	2036
MU3S	56.8	2035	2036	2038

Note: Green shaded year represents need for both a replanting and a harvest. Yellow shaded year represents that cuttings to be collected after first year, rather than second year, of growth.

Table 3: Recommended Schedule for MU Activity by Year 2026-2040

Year	Harvest Unit	Acres	Replant Unit	Acres	Winter Pruning Unit (cutting source)	Age of Pruning Unit (seasons of growth)
2026	MU1N	79.1				
2027			MU1N	79.1	MU3	4
2028	MU1S	76.9				
2029	MU2N	65.6	MU1S	76.9	MU1N	2
2030			MU2N	65.6	MU1S	2
2031	MU2S	56.4				
2032			MU2S	56.4	MU2N	2
2033	MU3N	59.5				
2034			MU3N	59.5	MU2S	2
2035	MU3S	56.8				
2036			MU3S	56.8	MU3N	2
2037	MU1N	79.1				
2038			MU1N	79.1	MU3S	2
2039	MU1S	76.9				
2040			MU1S	76.9	MU1N	2

Note: Yellow shaded year represents outlier of initial age of onsite source cuttings for MU1N replanting – MU3 prunings may be too old and inadequate and nursery stock may be needed.

Table 4: Recommended Annual Schedule of Activities

Month	Harvest Activity	Planting Activity	Maintenance Activity
January		cutting collection	2nd year pruning (with cuttings)
February	contracting	contracting	
March	confirm logging, cleanup, and marketing logistics	planting	
April			survey for disease, pests, stress
May	harvest/sales	irrigation	mitigate stress problems
June			irrigation/biosolids app, pruning, mowing/weed control
July			
August	slash cleanup/stump grinding		
September	field liming, herbicide	1st year pruning	
October	mulch rows, seed alleys		
November	resurvey rows/tree points		
December			

II. Harvest Needs

Timing of Harvest.

Trees need to be harvested at no more than 12 years of age (12 years after planting). Any time within the 12th year of age is deemed acceptable (i.e., before trees turn 13 years old). The statutes are not tested in this regard, but other agencies have needed to extend harvests past year 12 due to extenuating circumstances. The recommended harvest schedule includes initial harvests of 10 to 12 years, eventually settling on a consistent 11-year-old harvest age. Harvest should be scheduled as early in the season as possible – typically starting June if soils are firm enough for heavy equipment. An early start allows adequate time to ensure complete harvest while avoiding late summer issues that can come with wildfire season and unseasonably hot conditions. Early harvest completion also allows for adequate post-harvest cleanup and field prep activities prior to the fall rainy season.

Tree Felling and Processing.

Trees need to be felled, with stumps cut flush (or close) to ground, and processed by stripping limbs, then bucked into lengths suitable for trucking and market demands. This is typically done in one process with a harvesting head that grasps the tree truck, cuts it at its based, runs it through the stripping mechanism, and then cuts the trunk into uniform log lengths.

Log Decking and Loading.

Cut logs are typically yarded to a staging area where logs are readied for loading onto trucks. If market or processing considerations demand it, logs may be chipped onsite either into chip piles for later loading, or directly into hopper trucks. The harvest contractor will sell material to markets as appropriate. See Section 7 on Harvest and Market Strategy for more recommendations.

Slash Management.

Field debris should be maintained to a minimum and all slash piled into uniformly distributed piles throughout the unit or, if feasible, staged in a dedicated area. Slash should be managed per recommendations of the Section 5 Post-Harvest Needs.

III. Post-Harvest Needs

Slash Cleanup.

As recommended below, it may be most effective to procure separate contractors to perform harvest and post-harvest activities. While the harvest contractor will create piles of harvest slash, the post-harvest contractor will most likely need to rake the site and do the final slash cleanup. Slash management techniques are recommended below in Section 8 – Residuals Management.

Stump Management.

Of the three stump management strategies tried, the recommended practice is keep in place and grind flush or below surface level and mow sucker growths the following season, interplanting between stumps. Stump removal and complete auger grinding to destroy the stump were expensive, time consuming, problematic, and required extra field grading to level. Cutting stumps flush and treating with herbicide was also expensive and problematic/infeasible, and many sucker shoots still

emerged from root systems and incompletely killed stumps. Retaining stumps as nurseries for new poplar cuttings also presented more challenges and costs than is worthwhile. With proper Brown Bear attachments, BMF staff or contractors can grind the stumps in a post-harvest field mastication phase.

Tilling/Mastication.

After post-harvest field cleanup, the unit should be run through with tilling or mastication equipment to destroy remnant wood debris, level holes and ruts, and break up roots. As noted above, stumps should be ground to surface or below in this phase.

Soil Amendment.

Soil pH should be tested prior to planting to determine if pH balancing is needed to reduce acidity. Liming is not recommended, if avoidable, due to the expense and carbon footprint of lime production and importing (Oregon has no geological sources of lime). Amending with biochar can provide the same soil buffering benefits of lime while sequestering carbon and enhancing nutrient and pollutant management. Biochar can be produced during the harvest phase from logging slash; alternatively, regional sources of biochar may be available if cost effective.

Pre-Emergent Herbicide.

A pre-emergency herbicide applied in the late summer or early fall before the wet season will greatly reduce the weed growth in the spring when new poplar trees need to be established. A pre-emergent herbicide application was not feasible in the 2013-2024 harvest/planting phases due to seasonal issues with wet conditions, large acreages to manage, and other conflicts. The six-unit rotation with smaller units provides a feasible schedule to ensure post-harvest field conditions are herbicide ready prior to the wet season. A pre-emergent herbicide also reduces or eliminates the need for a spring or summer herbicide application when new poplars are growing out and getting established.

Tree Row Mulching.

It may be feasible to use hog fuel generated from harvest slash as mulch for tree rows to reduced weed growth and provide soil enhancement benefits. However, in previous harvests, no cost-effective and conducive method spreading hog fuel uniformly on tree rows was identified. If logging slash is not diverted to biochar production or for hog fuel markets, then this option should be explored. With the timing afforded by the six-unit rotation schedule, there should be time between the harvest and wet season to process slash into hog fuel directly into manure spreaders or other appropriate equipment to immediately land apply on tree rows, avoiding the issues of multiple handling of hog fuel piles and the combustion risks associated with them. Mulch should be 3-4 inches thick to be effective in weed suppression. Wood chip decomposition drives nitrogen consumption, which is an asset for biosolids management but needs to be recognized for establishing healthy poplar trees. Nitrogen utilization rates should be calculated based on biomass and adjustments made to biosolids application rates to compensate for the additional nitrogen uptake on the young tree beds.

Grass Alley Establishment.

To ensure better field conditions, it is recommended to follow the practice of seeding grass alleyways in the fall following field cleanup and pre-emergent herbicide application.

IV. Planting Needs

Poplar Varietals.

OP367 is currently the poplar varietal of choice for the Biocycle Farm and is readily available from the few nurseries in the Pacific Northwest as well as able to be sourced from existing Biocycle Farm trees. OP367 is selected for the reasons cited in the FEMA report after the 2016 ice storm – this varietal has performed well at the Biocycle Farm site, has a better record of disease and pest resistance than many other varietals, and generally grows big and straight, providing a better market potential. The drawbacks of OP367 include its tendency to grow thick, bushy branches and fuller canopies, requiring extra pruning effort and harvest processing effort. On the other hand, the numerous branches requiring pruning after initial establishment make OP367 an ideal source tree for whip cuttings for the next planting rotation. The oldest OP367s may be more at risk to ice storm damage due to their robust branches collecting more weight. Best practices warrant interspersing blocks of different varietals to hedge against mass impacts from environmental impacts being experienced across the Biocycle Farm.

Poplar Sourcing.

Considerations in sourcing poplar starts include size (cutting lengths or whip lengths) and sourcing externally from nurseries or internally from cuttings collected onsite.

Dimensions: Whips vs Cuttings. Whips are the recommended planting size. Whips are 6 to 8 feet long single stalks of poplar no greater than 1" at the large end. The benefit of whips is that the trees have a head start on growth above surrounding grass and weeds and will grow ample branches over the first two years of growth to produce stock for the next planting. Alternatively, if whips are not feasible, cuttings measuring 22" are more ideal than shorter cuttings and need to have a minimum diameter of 3/8" and no more than 1". Shorter cuttings are not inserted as deeply in the ground and generate shallower root systems, making them more prone to topple and less able to tap soil moisture during non-irrigated periods. A more complete list of specifications and dimensions will be presented in the full report.

External Sourcing. The number of Pacific Northwest nurseries is limited and may be reducing. Some poplar nurseries that existed when the Biocycle Farm was established are no longer in business or no longer providing poplar. There have been at least two respondents to each procurement on previous replantings. This suggests that while poplar may be available from an external nursery, there is a risk that no nursery stock may be available during future plantings. It is recommended that an annual list of active nurseries available for sourcing poplar be maintained so that proper advance planning and orders can be made.

Internal Sourcing. Onsite propagation could be a sustainable, cost-effective means of sourcing poplar cuttings (whips). Under the six-unit rotation schedule, virtually two-year-old trees will be established, in need of pruning, and have branches that should produce moderately sized, straight whips for replanting. However, if the 2026 harvest date is adopted, the replanting date will be 2027, and the youngest trees available for onsite sourcing will be the MU3 trees planted in 2023 and 2024 and having 3 to 4 years of growth.

> **Pros/Cons.** Internally sourced cuttings need to be collected during the winter dormant season no later than mid-February. A pruning regime prior to cutting collection needs to account for

the need for winter pruning. To be cost effective, the winter pruning and cutting collection should offset a growing season round of pruning (typically done towards the end of the growing season). Any pruned material not suitable for planting stock will need to be discarded on the ground for later mowing or otherwise disposed of. Onsite sourced cuttings will need to be properly packed and put in freezer storage until ready for planting. The latest whip pricing, including cooler storage, is $4 per whip. Evaluation of the costs and feasibility to complete winter pruning versus nursery sourcing is needed in the year prior to planting.

Proprietary/Other Varietals. OP367 is the predominant stock in the MU1, MU2, and MU3 replantings. MU2 contains approximately one-third of proprietary stock sourced from GreenWood Resources. The GWR varietals agreement disallows collection of those cuttings for propagation, but an exception made be made for onsite use. Regardless, the GWR varietals will be too old for sourcing cuttings.

Planting Protocols.

The recommended protocol for replanting is to establish new tree points between stumps from previous harvest. With proper field preparation, stumps will be buried/indistinguishable and tree rows and placement will need to be verified through survey/GPS tools. See Exhibit C from the MU1 Replanting RFP for general guidelines. Planting should include the following steps:

1. Survey/GPS tree rows and planting positions. Planting points can be confirmed by planting crews with precise GPS technology or survey benchmarks and verification tools to ensure north-south orientation with proper 14-foot spacing between trees and tree rows.
2. Clear the ground at each planting point, including grubbing out of any intrusive weeds within a 3 feet radius of the planting point.
3. Insert a dibble tool approximately ¾-inch diameter to a depth of approximately 18 inches, depending on soil resistance. Using a 22-inch cutting requires insertion of the cutting to 21 inches (accounting for tamped soil and mulch, if used).
4. Insert the planting whip or cutting, oriented bud tips up, to the full depth of the dibble hole. Ensure whip is straight or that cutting is no more than 1-inch above surface and has at least one healthy exposed bud, and that the cutting is not damaged, split, or broken.
5. Tamp soil firmly around the cutting to ensure that the cutting is not loose in the hole and that it will not dry out from air exposure.
6. If feasible, ensure a thick mulch ring around each tree, preferably to 3-foot radius, is emplaced and/or a weed suppression fabric is placed at each tree. Ideally, tree rows will be mulched with hog fuel the previous fall and adequate material is available to readily place around the tree.

Vegetation Management.

Vegetation management can be provided by planting contractor, separate contractor, internal staff, or combinations thereof. Mowing and reduction of weeds and grass competition is critical to robust poplar tree establishment. Encroaching weeds/grass will compete for water and nutrients with the trees, shade out small trees or starts, and create habitat and a vector for voles, insects, disease, and trapped moisture.

V. Harvest and Market Strategy

Strategic solicitation and procurement of harvest contractors is essential. Based on limited past responses to harvest solicitations, include a zero-response situation, streamlining the work detail to make it as conducive as possible for BMF operations and logging contractors is essential. The most cost-effective and time-efficient logging was conducted by a logging contractor who was not responsible for all the ancillary logging slash processing and field cleanup. Too broad of a procurement (ranging from logging to field restoration) vastly limits the competition and availability of contractors to do the work. Furthermore, attempting to package the harvest needs into one contract reduces the alternatives the MWMC could have for biomass processing and other outcomes. Therefore, it is best to split these tasks into distinctly different scopes of work: (1) logging, (2) biomass processing, and (3) field restoration/preparation.

1) Logging Scope: felling/processing of trees, yarding/decking logs, piling slash, selling logs to market.
2) Biomass Processing Scope**:** processing of logging slash into hog fuel or biochar, and stockpiling or sale of hog fuel or biochar.
3) Field Restoration Scope: stump grinding/field mastication, field raking/leveling, soil acidity buffering (e.g. liming or biochar application - optional), pre-emergent herbicide application, grass alleyway seeding, tree row hog fuel mulching (optional).

Budgeting.

The costs of services vary widely based on harvest-to-harvest volatility and inflation. A more comprehensive evaluation of harvest costs based on elements of each prior harvest contract will be presented in the full report. Additionally, any sales revenue must be accounted for separately and the value of the contract must be based on the costs prior to revenues – even if the revenue balances or exceeds the costs of harvest. This is important for ensuring appropriate project budgeting and proper procurement pathways and authorizations.

Table 5 presents the approximate costs were incurred for harvest and planting tasks over the entire three-unit project cycle 2013-2024. Revenues were credited towards harvest costs and are added here to account for full contract costs of harvests. Based on these expenses, not accounting for inflation, Table 6 presents the approximate harvest and replanting cost of each of the six MUs. A full accounting and analysis of costs, with inflation indexes and other forecasts, will be presented in the full report.

Table 5: Harvest Management Costs 2013-2024

Expense	Totals	Per Acre Avg
Harvest Costs	$906,000	$2,298
Harvest Sales	$936,000	$2,374
Total Harvest Cost	*$1,842,000*	*$4,672*
Replanting Costs	$602,000	$1,527
Total All Units	$2,444,000	$6,198

Note: Total harvest cost includes the billed harvest costs plus the harvest sales revenues credited on the invoices.

Table 6: Approximate Cost Per Unit (Unadjusted Averages)

MU	Acres	Harvest Cost	Planting Cost	Total Cost
MU1N	79.1	$369,555	$120,786	$490,262
MU1S	76.9	$359,277	$117,426	$476,626
MU2N	65.6	$306,483	$100,171	$406,589
MU2S	56.4	$263,501	$86,123	$349,567
MU3N	59.5	$277,984	$90,857	$368,781
MU3S	56.8	$265,370	$86,734	$352,046

In 2024, the ORS Procurement Rules updated Intermediate procurement to allow contracts up to $250,000 with request for quotes – this is highly advantageous as previous experiences with Invitation to Bid and Request for Proposals solicitations proved too onerous for, or precluded opportunities with, potentially competitive contractors. A scope of work may not be split into smaller scopes purely for circumventing the procurement thresholds. However, pending legal review/approval, the poplar harvest needs have three distinct service needs, skill sets, and accompanying qualifications and insurance thresholds that should qualify each for an independent Request for Quotes, with a maximum contract of $250,000. For example, the logging scope may warrant broad form loggers insurance, performance and payment bonds, and other requirements that are not applicable to the other scopes. Furthermore, the field restoration scope may be accomplished in full or part by internal staff and/or small service agreements (e.g. field liming or herbicide application).

Contracting.

Solicitations, authorizations, and contract execution should be scheduled and completed well in advance of the service need (at least one month). Delays in this process can cut into seasonal work periods and complicate the critical path of project completion. Opportunities to streamline this process include:

a. Identify short list(s) of qualified contractors (e.g., via Request for Qualifications) who can handle the scope of work, contract specifications, insurance requirements, and any bonding, wage, or other applicable stipulations of the agreement. Refresh annually and alert identified contractors of schedule of services needed in the upcoming year.
b. Prepare standard/template scopes of work and specifications, contracts, and solicitation materials for each service/phase of work and schedule the release date to obtain quotes (preferable) or (if necessary) ITB/RFP.
c. Schedule all activities for the year, including contracted services and internal operational needs (e.g. biosolids application) and require adherence to the schedule (with reasonable leeway for slippage).

Marketing of Logs.

MWMC planning team members will continue to seek opportunities and markets for Biocycle Poplar. Meanwhile, expect that the likely market is solely as pulpwood and that the logging contractor is responsible for securing the best feasible market for the pulpwood (logs and/or chips). Markets are too

volatile and unpredictable to forecast – in any given year, changes in national economies, number of regional mills and pulp users in operation, and supply/demand issues make any forecast unreliable. The logging contractors will know the best markets based on their logistics and going market rates. The best market rates in past harvests have been for veneer and newsprint – both of those markets have since closed or been constrained.

VI. Residuals Management

Disposition of Slash.

Logging slash and related debris have had very limited marketability. Slash can be ground into hog fuel for either offsite sales (if rare market conditions make lucrative) or for use onsite. The highest/best use of onsite hog fuel is for tree row mulching, if economically feasible (and coordinated with field prep and conducive weather). Alternatively, if biochar production can be scaled up and has favorable cost-benefit outcomes, slash can be fed directly into burners for biochar production and avoid the costs of hog fuel processing, stockpiling, and handling. A full agronomic/economic analysis of these alternatives will be studied in the full report.

Onsite Use of Biomass Residuals.

Unless external markets for hog fuel or biochar are more attractive, the biomass residuals can be put to beneficial use on site.

Hog Fuel Production. Hog fuel mulching of tree rows (at least 3-4 inches deep in a row 6-feet wide) will help reduce weed growth and the amount of herbicide and labor needed to control vegetation (labor may include weed whacking, mowing, and spot application of herbicide). The decaying wood returns carbon to the soil (but does not sequester carbon in the long-term) and drives nitrogen demand from microbial processes. The increased nitrogen demand can increase the amount of biosolids agronomic rate application. A lower biosolids application rate is currently required on trees under 4 years old. This practice may allow for a more uniform biosolids application rate and overall tree farm capacity.

Biochar Production. Biochar tilling into tree rows. Biochar has numerous potential benefits, including precluding the need for field liming to buffer the soil acidity. Liming has a significant cost and carbon footprint and should be avoided if possible. Amending the soil with biochar also sequesters carbon (for 100s+ years), enhances water utilization (requiring less frequent/urgent irrigation in drought), and enhances overall nutrient availability and pollutant reduction capacity. Together, these benefits should result in larger trees with more biomass and market value at harvest.

Class A Biosolids Composting. Both hog fuel and biochar could be assets for an enhanced, Class A biosolids product. Further study and evaluation of this practice is needed.

VII. Tree Growth Management

Adaptive management considerations should be made each harvest cycle to determine the best practices for cost-benefit outcomes of the tree crop. Currently, trees are grown with intent to sell for saw log (lumber) purposes, but market demand has only been for pulpwood (other than a brief success with peeler logs for poplar veneer). MWMC capital program planning staff will continue to

seek local lumber market relations (from milling to end users). However, if those markets do not materialize, the MWMC should consider whether either a pulpwood or a biomass focus is better in the long term.

Regardless of the end market, the more biomass (whether in form of logs, chips, slash, or hog fuel), the better. Harvest costs are largely the same regardless of whether the trees are 6-inch diameter or 12-inch diameter. More biomass results in more market value and a better cost recovery for farm operations. To enhance biomass production, trees should receive optimal biosolids and recycled water application to maximize growth potential. Optimal may not mean maximum – depending on the operational demands and considerations for the MWMC's overall operations.

Saw Log Production. For saw logs, trees should be managed to be straight, larger diameter, and knot free by careful establishment (e.g., singling of main stem), pruning (both during establishment and through year 7 of growth up pruned to 10 to 20 feet high), and ample irrigation and biosolids application.

Pulp Log Production. For pulp logs, tree establishment, pruning, and growth is less important, although the more biomass at harvest, the more pulp value there will be in revenue. Taller and larger diameter trees will have more biomass. Straighter trees remain beneficial if logs are stacked and trucked offsite.

Biomass Production. Single trees with large trunks are not necessary if the goal is to produce only biomass – for example, for biochar production and composting. In that case, the option to coppice the trees after harvest can be considered. This could save significant harvest and re-establishment costs, as coppicing is achieved by regrowing multiple stems from cut stumps. Younger growths (up to 3-7 years) can be harvested with specialized farm equipment to mow and grind the material directly into hog fuel for biomass uses. One drawback of coppicing is the potential need to trim back the sides of the coppice to allow farm equipment and carts to freely access the alleyways. More study and evaluation on this option is needed.

VIII. Poplar Management Resources

Several manuals and resources related to the Biocycle Farm or poplar growing in the Pacific Northwest are available and valuable for confirming and refining best management practices related to tree establishment, harvesting, and end uses. Some of the materials were produced by GreenWood Resources in establishing the Biocycle Farm and others were produced in collaboration with MWMC or are otherwise relevant to Biocycle Farm best practices and opportunities. A fuller list of resources will be included in the full report.

Recommended Poplar Management Resources Guides

Crop Manual for Hybrid Poplar at the Metropolitan Wastewater Management Commission Biocycle Farm (GreenWood Resources, Inc., January 16, 2008).

Assessment of Phase 1, 2 and 3 of the MWMC Biocycle Poplar Farm (GreenWood Resources, Inc., November 2009 undated).

Growing Hybrid Poplar for Bioenergy in the PNW, Washington State University Extension Publication EM123 (GreenWood Resources, October 2023)

Metropolitan Wastewater Management Commission (MWMC)
Tree Farm Services
REQUEST FOR INTEREST
in advance of contract

STATEMENT OF NEED

The Metropolitan Wastewater Management Commission (MWMC) is preparing to solicit contract services for poplar tree farm management beginning in 2026 at its Biocycle Farm site in Eugene, Oregon. The MWMC is preferably seeking a qualified general contractor or project manager to oversee all aspects of the project needs and coordinate subcontracted services.

The scope of the contracted project management services will be shaped by responses to this Request for Interest (RFI). The requested services may encompass all or part of three major phases of work (tree harvesting and sales, site cleanup and restoration, and replanting and establishment), as well as single-unit short-term or multi-unit long-term contract durations. The minimum contract duration will be for the 2026-2027 harvest and replanting of a 77-acre unit. The maximum duration would be for the 2026-2036 complete harvest and replanting of six units comprising approximately 400 acres of trees.

Past services have resulted in expenses of $350,000 to $500,000 per rotation unit (dependent on total acres and scope of services), excluding revenues from timber sales. The MWMC projects that a contract for the full suite of services across six planting units could exceed $2,000,000. The MWMC is seeking the most streamlined and cost-effective project delivery of future services and would greatly benefit from a project manager to oversee all phases of work. Depending on the responses to this RFI, the MWMC may solicit a Request for Proposal (RFP) for alternative project delivery recommendations, or an Invitation to Bid (ITB) for a cost-based fixed-scope approach to services.

ABOUT THE BIOCYCLE FARM

The Biocycle Farm is located at 29689 Awbrey Lane in Eugene, Oregon, collocated with the MWMC's Biosolids Management Facility. The farm is classed as farmed wetlands, and its primary purpose is for seasonal land application of nutrient-rich biosolids recovered from the wastewater treatment process. Under Oregon statute, farmed poplar trees must be harvested within 12 years of growth. During the wet season, heavy equipment work is damaging to the site and wetland functions. Therefore, the schedule of work activities is driven by harvest deadlines and seasonal site conditions.

Month of Year	Needed Activity
May (earliest) - July	Tree harvest and log/chip sales
August	Slash processing and stump grinding
September - October	Field restoration, reseeding, herbicide, and mulching
November (or earlier)	Surveying of tree rows for replanting
December - January	Replanting stock procurement
March - April	Replanting
As needed	Tree pruning and weed control

The MWMC manages the Biocycle Farm in three primary management units (MUs) each divided into a north and south block for a total of six rotational units. Each MU was replanted as a single block resulting in three rotation ages. Starting with the 2026 harvest, each of the six units will begin an alternating year harvest and replanting schedule, resulting in six rotation ages upon replanting. This will ensure the completion of necessary field work during the dry season as well as provide a steady, regular contract service need and flow of poplar product to market.

The MWMC seeks the highest and best use of harvested poplar and return of revenue to offset the operating expenses of the Biocycle Farm. Based on past markets, the MWMC expects the contractor to arrange for and sell all pulpwood to regional mills. Based on past harvest yields, age of rotation, and acreage of harvest, yields are projected to vary as forecast below.

Unit	Acres	# Trees (approx)	Year to be Harvested	Unit Age (years)	Year to be Replanted	Projected Pulpwood Yield (dry tons) Low and High Estimate		Projected Hogfuel Yield (dry tons)
MU1S	77	17,072	2026	10	2027	2,922	3,214	1,023
MU1N	79	17,560	2028	12	2029	3,955	4,351	1,384
MU2S	56	12,521	2029	10	2031	2,143	2,358	750
MU2N	66	14,563	2031	12	2032	3,280	3,608	1,148
MU3S	57	12,610	2033	10	2034	2,158	2,374	755
MU3N	60	13,209	2035	12	2036	2,975	3,273	1,041
Total	**394**	**87,535**				**17,434**	**19,177**	**6,102**

LEARN MORE

Information about the MWMC Biocycle Farm, including a video on past harvest and replanting activities, is available on the MWMC website at the following links:

- https://mwmcpartners.org/facilities/biocycle-farm/poplarharvest/
- bit.ly/MWMC-Biocycle

HOW TO RESPOND

Complete the attached RFI Response Form in either PDF via email, hard copy via US Mail, or online at https://www.surveymonkey.com/r/PoplarRFI or use the QR Code below. The MWMC will base its contracting procurement on responses received by **September 15, 2025**. The MWMC invites and will continue to accept RFI responses after that date. All respondents will be notified of any advertisement of procurement and be placed on an interested parties list.

Submit Reponses to:	**Complete Responses at:**
Mr. Bryan Robinson, Environmental Management Analyst City of Springfield – Public Works Department Environmental Services Division 225 Fifth Street, Springfield, OR 97477 brobinson@springfield-or.gov	https://www.surveymonkey.com/r/PoplarRFI

Tree Harvest

Log Shipment

Slash Processing

Field Restoration

Crop Replanting

Metropolitan Wastewater
MANAGEMENT COMMISSION

partners in wastewater management

Poplar – Request for Interest (RFI)

Please complete the following questionnaire and submit it according to the instructions in the Request for Interest background information sheet.

*Note that all MWMC contracts are government contracts falling under the State of Oregon and MWMC procurement rules. Contractors are required to be registered for business in Oregon by the Oregon Secretary of State, have financial capacity to be bonded for certain services, and have a minimum of $3 million of liability, umbrella, and loggers broad form insurance, as applicable, plus other indemnification requirements.

RESPONDENT INFORMATION			**Date:**
Please provide your contact information. This will help the MWMC better respond to your interests and match our project needs to the qualified respondents.			
Name of Respondent (company or organization):			
Name of Contact Person:		**Contact Phone No.:**	**Contact E-mail:**
Mailing Address:	**City:**	**State:**	**Zip Code:**

Experience and Interest:

Please review these service type descriptions to answer question #1.

General Contractor / Project Manager · Oversee all aspects and phases of services. · Provide or subcontract requisite professional services. · Coordinate and manage project implementation and outcomes for best efficiency and cost-effectiveness for the MWMC.

Field Coordinator · Oversee and coordinate field activities for implementation efficiency, responsiveness, and effectiveness. · MWMC contracts out services for harvest, restoration, and replanting.

Field Services · Provide one or more suites of services to fulfill harvest, restoration, and/or replanting needs. · MWMC provides project management, either in-house or through a third-party contractor.

Q1: Based on the above descriptions, please select any or all of the service types you would be capable of performing and have interest in doing so.

- ☐ General Contractor/Project Manager
- ☐ Field Coordinator
- ☐ Field Services Provider

Contract Duration:
Please answer question #2 based on the contract duration types outlined in the Request for Interest background information sheet.

Q2: Please select all potential contract duration types that would be of interest to you.

- ☐ MU1S only - 2026 to 2027 duration
- ☐ MU1S and MU1N only - 2026 to 2029 duration
- ☐ All units MU1, MU2, and MU3 - 2026 to 2036 duration

Contract Procurement:
Please review the following procurement type descriptions to answer question #3.

Request for Proposal (RFP) · Present your proposed approach to project management to provide efficient delivery of services, including what scope and suite of services you will provide, and total cost of services. This provides the best opportunity for flexibility and alternative project delivery approaches.

Invitation to Bid (ITB) · Present a firm cost bid on a fixed scope of work outlined by the MWMC. This provides the best certainty and scope commitment for project delivery.

Q3: Please select the type of procurement method you have interest and time to respond to.

- ☐ Request for Proposal (RFP) will work best for me
- ☐ Invitation to Bid (ITB) will work best for me
- ☐ Either type will work for me as I don't have preference

Contract Services Capability:
Within each of the following contract service categories, please check type of service that you can directly provide or can provide through a subcontractor.

Q4: Logging and Sales Services:

- ☐ Pre-harvest stand assessment
- ☐ Tree felling and processing
- ☐ Log decking and sorting

- ☐ Chip processing
- ☐ Trucking
- ☐ Mill sales - logs and/or chips

Q5: Field Restoration:

- ☐ Slash management and cleanup
- ☐ Hog Fuel processing
- ☐ Biochar production from slash
- ☐ Stump grinding at a minimum 3-inch below grade
- ☐ Soil raking, tilling, and discing
- ☐ Soil amendment and mixing with hog fuel and/or biochar
- ☐ Grass seeding
- ☐ Pre-emergent herbicide application in the fall

Q6: Replanting:

- ☐ Tree row surveying, staking and GIS mapping
- ☐ Planting stock procurement; self-collected or nursery sourced
- ☐ Planting stock cold storage on- or off-site
- ☐ Replanting cutting stock on 14-foot centers
- ☐ Weed control around new trees; mechanical or chemical
- ☐ Pruning and singling of new trees
- ☐ Regrowth verification and health assessment of new trees

Thank you for completing this Request for Interest survey.

Metropolitan Wastewater
MANAGEMENT COMMISSION

partners in wastewater management

MEMORANDUM

DATE:	December 4, 2025
TO:	MWMC Board
FROM:	Jeremy Cleversey, MWMC Management Analyst
SUBJECT:	MWMC Financial Plan – Policy Discussion #3
ACTION REQUESTED:	Information and Discussion

ISSUE

Staff is updating the MWMC Financial Plan, which was last updated in 2019. As part of this effort, staff is reviewing the plan's current objectives and policies. Discussions with the MWMC Board (Board) are underway to gather feedback and identify updates as needed. At the December 12, 2025 MWMC meeting, staff will review the last remaining policy section for discussion: Capital Planning and Financing ('C') policies. These policies are included as Attachment 1 to this memo.

BACKGROUND

The MWMC Intergovernmental Agreement (IGA) requires the MWMC to update the Financial Plan from time to time 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 has been leading the Board through an iterative process over several months to engage the Board in feedback on focal sections of the plan.

In August 2025, staff began discussions with the Board about the need to refresh and update the 2019 Financial Plan. In October, staff presented on the Financial Forecasting and Budgeting ('F') policies, with particular focus on the Reserves Policy ('F5'). The presentation included options for potential changes to gather input and feedback from the Board.

On November 14, staff continued the Financial Plan review with a presentation covering the 'I' policies (Investment of Liquid Assets), the 'R' policies (Sewer User Rates and System Development Charges), and a partial presentation of the 'A' policies (Asset Management). The remaining 'A' policies are scheduled to return in February to align with real-time examples from the annual budget cycle.

In December, staff will lead a discussion on the Capital Planning and Financing policies, the "C" policies. As part of this effort, staff is considering options for updating the Summary of Capital Financing Options referenced within the "C" policies.

Throughout this process, Board 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

Staff have been reviewing all financial plan policies, including the Capital Planning and Financing 'C' policies with the goals of:

- Addressing points of confusion, reducing redundancy and improving overall clarity
- Proposing policy opportunities in areas where staff would appreciate Board guidance
- Identifying opportunities to better align with Board objectives

The 'C' policy objectives to be discussed at the December 2025 MWMC meeting are summarized below and Attachment 1 includes highlighted areas that staff have flagged for discussion with the Board.

The 'C' Policies:

Capital planning and financing policies direct that those necessary future capital improvements be identified together with the financial resources needed to complete them. These policies also direct that major capital costs be spread over time to stabilize user rates and to provide equity among current and future ratepayers for long-lived capital improvements.

Staff have flagged Policy 'C1' for Board discussion, as it is identical to Policy 'F4', and the two policies reference each other. The only differences lie in the additional discussion that follow each policy. Staff believe there is an opportunity to succinctly highlight the Board's intent without duplicating content.

Policy 'C2' states that the Commission shall establish and maintain a list of approved finance mechanisms. The Board's Summary of Capital Financing Options (Attachment 2), originally prepared by a consultant, is still considered accurate by staff. However, staff recommend a review by an external subject matter expert to ensure the lists completeness, relevance and accuracy.

In FY 03-04, the MWMC transitioned from project budgeting on an annual basis to budgeting for the full project amount regardless of the duration of the project. While this approach accommodates multi-year

projects, it has also led to inflated budget figures that need to be balanced by a reduction to the capital reserve and/or by budgeting additional revenue in the form of debt issuance. Policy 'C5' specifies that long-term debt shall be structured to maximize cost-effectiveness. As the Board considers financing for the 20-Year MWMC Facilities Plan, staff suggest evaluating whether a return to annual budgeting could improve cost effectiveness.

Capital outlay expenditures less than $200,000 are currently budgeted in the Eugene Operations budget and capitalized once billed to Springfield, leading to accounting discrepancies and confusion between the two cities. This issue stems from a process, not a policy, and staff recommends a procedural change to improve clarity and consistency in future budget reporting. While this has not previously been addressed at the policy level, staff suggest the Board consider whether it should be formalized.

ACTION REQUESTED

There are no actions required; this is for informational purposes only.

ATTACHMENTS

1) 2019 Financial Plan – Capital Planning and Financing ('C') Policies
2) 2019 Financial Plan – Summary of Capital Financing Options

Capital Planning and Financing

Capital planning and financing policies direct those necessary future capital improvements be identified together with the financial resources needed to complete them. These policies also direct that major capital costs be spread over time to stabilize user rates and to provide equity among current and future ratepayers for long-lived capital improvements.

Policy C1 The Commission shall maintain a capital planning and financing system for use in preparing a multi-year CIP for consideration and adoption by MWMC and ratification by the partner agencies' governing bodies as a part of the Commission's budget process. This system shall include preparation of a rolling CIP and a Capital Financing Plan (described in Policy F4).

Discussion – Each year, staff will prepare a 5-year CIP made up of new capital projects, major rehabilitation projects, and equipment replacement. The MWMC 2004 Facilities Planned 20-Year Project List, as updated from time to time, shall be a primary tool for long-range capital planning, along with the long-term list of major rehabilitation and equipment replacement needs, which are updated annually.

The CIP shall contain a comprehensive description of the capital projects, ~~sources of funds~~, the timing of capital projects and the amount expected to be expended in each year for future ~~operating and~~ capital budgets.

Policy C2 The Commission shall establish and maintain a list of approved finance mechanisms.

Discussion – Appendix II contains the listing and discussion of approved financing mechanisms.

Policy C3 The Commission shall rely on the advice of its independent financial advisor and bond counsel, as well as GFOA guidance, to structure bond covenants.

Policy C4 Commission debt should be structured to match the expected useful life of the assets to be funded, preferably not to exceed 20 years, however recognizing there may be some instances where a longer period is warranted.

Policy C5 Long-term ~~bonding~~ debt shall be structured to maximize its cost effectiveness.

Policy C6 Before seeking to incur new debt, all available grant programs shall be evaluated for their potential to offset targeted program costs

Policy C7 Consideration shall be given to the overall level of debt financing that can be sustained over the long-term given the size of the future capital programs, potential impacts on credit ratings, and other relevant factors such as intergenerational rate equity, overlapping debt, and the types of projects appropriately financed with long-term debt.

Policy C8 The Commission shall annually target at least 2% of the RWP asset value for capital reinvestment. This includes the amounts to be budgeted for major rehabilitation and equipment replacement, and includes regularly scheduled maintenance and CIP.

Discussion – This will allow the target for annual infrastructure maintenance to increase as the size of the asset base increases

Policy C9 The maximum bonded debt burden shall be determined by comparing the debt service to the user rate revenues. Budgeted debt service shall not exceed 25% of budgeted user rate revenue

APPENDIX II

SUMMARY OF CAPITAL FINANCING OPTIONS

Introduction

This summary of capital financing options available to the Metropolitan Wastewater Management Commission (MWMC) has been prepared as part of this update to the 2005 MWMC Financial Plan. This summary includes the following:

1. Identification of capital financing options available to MWMC,
2. Summary of the prevailing capital financing options use in the industry, and
3. A general description of the advantages and disadvantages of each capital financing option.

Overview of Major Mechanisms for Capital Financing

There are two major categories of capital financing mechanisms:

1.) Debt Financing – Bonds/Loans

a. Bonds

A bond is a legally enforceable contract to repay borrowed money on a definite schedule at a specified rate of interest for the life of the bond, usually 15 to 30 years. State and local governments can repay this debt with taxes, fees, or other sources of governmental revenue. It is the source of repayment, or the type of collateral used, that defines the type of bond (e.g., general obligation bonds or revenue bonds). General obligation ("GO") bonds require voter approval and are payable from a new, excess property tax levy outside typical constitutional and statutory limitations. They are not commonly used by municipal utilities. Revenue bonds, as described further below, are payable from net revenues of an enterprise such as a wastewater utility, and are much more common among municipal utilities in Oregon and nationwide.

The tax-exempt nature of many government bonds attracts bondholders who are generally willing to accept a correspondingly lower rate of return on their investment than they would expect on a comparable commercial bond. As a result, bond financing can often provide state and local governments with low-interest capital.

Some State and local governments are required by statute to seek voter approval for certain types of bond issues (e.g. general obligation bonds). If achieving voter approval is difficult or time-consuming, state and local governments may consider issuing other types of bonds that do not require voter approval, or exploring other options for capital financing, even though

interest costs may be higher. Some State and local governments have statutory limitations on the dollar amount and/or number of bonds that can be issued. Issuing bonds is a costly and time-consuming process, and requires sound legal and financial advice.

b. Loans

A loan is similar to a bond issue, and loans are generally treated as "bonds" under Oregon Revised Statutes. A "loan" typically refers to credit extended by a commercial or governmental lender, whereas "bonds" are sold to a variety of investors in the public capital markets.

Commercial loans are typically made by banks and other financial institutions. Commercial loans generally will have higher interest costs than tax-exempt bonds, but may provide more flexibility and/or lower up-front costs.

Like grants, *government loans* are made with very specific goals in mind, often are accompanied by specific mandates, may be less than 100% of total project costs, and depend on legislative appropriation. Government loans often are made available at subsidized (lower than market) interest rates for projects that meet eligibility criteria, or may be interest-free (e.g., some state revolving fund, or SRF, loans). Many government loan programs are targeted to small, economically distressed, and/or rural areas, which need the most assistance in acquiring project capital.

The SRF program is the largest government environmental infrastructure loan program available today, far surpassing other state loan programs. While the SRF program is funded by a Federal capitalization grant (like a block grant), it effectively operates as a state loan program.

Loans involve fewer and lower transaction costs than bonds, and may be acquired without voter approval. In addition, grants and loans from different sources may be commingled. Government loans are subject to the availability of funds, and competition among borrowers can impact project timing. Such loans may carry governmental requirements, such as the prevailing wage provisions from the Davis-Bacon Act. Most Federal loans have complicated application procedures and deadlines.

2.) Non-Debt Financing

Other than grant funding, the primary non-debt financing mechanisms applicable to MWMC are user rate revenue and SDC revenue. Non-debt financing can come from current revenues or revenues which have been accumulated over time in reserves.

Historically, wastewater agencies have utilized a variety of mechanisms to finance capital improvements. During the late 1970s and 1980s, significant Federal grant funds were available to support wastewater capital projects. Since then, grant funding has been dramatically reduced and currently is not generally a viable option for capital financing. The Federal grant program has been replaced by the State Revolving Fund (SRF) loans.

The current MWMC facilities were primarily constructed with $80 million in Federal grants and $29.5 million in voter approved general obligation bonds. The last significant Federal grants were received in the late 1980s. In recent years, the Commission has funded capital improvements using "pay-as-you-go" sources, such as user rates and SDCs.

Each form of capital financing serves distinct purposes and has certain limitations. The sections below provide a general overview of various financing tools. It should be noted that this review is not meant to eliminate other mechanisms (e.g., general obligation bonds) from consideration for specific uses.

Debt Financing

1. Revenue Bonds and Variations
2. State Revolving Funds - Clean Water Loans
3. Short-Term Financing
4. Internal Borrowing

Non-Debt Financing

5. Systems Development Charges
6. User Fees (aka: pay-as-you-go)
7. Grants

Debt Financing Instruments

Revenue Bonds

Description: A revenue bond is issued by a government to finance a specific project (or projects) and is supported (repaid) by the revenue generated by the project (or the utility system as a whole), or from other non-property tax sources. Revenue bonds are secured by the net revenues of an enterprise system, a debt service reserve funds, and additional covenants. Net revenues are generally defined as gross revenues of the system less operating expenses.

In Oregon, issuers, upon adoption of a resolution or a non-emergency ordinance authorizing the issuance of bonds in accordance with ORS 287A.150, may issue revenue bonds. While revenue bonds do not require voter approval, they are subject to referendum.

Advantages: Revenue bonds can be issued fairly rapidly, and debt can be specifically structured to meet project needs. Level annual debt payments ensure that future as well as present users of the new facilities will pay, thus enhancing equity. Revenue bonds are commonly used by utilities, as they are free from the requirements of general obligation bonds which must be approved by voters.

Limitations: Revenue bonds generally require covenants and ongoing reporting requirements associated with those covenants, including debt service coverage. Revenue bonds may also require a reserve fund, increasing the size of the bond issue.

Applicability: *This is the most appropriate financing tool for MWMC. With the exception of "pay-as-you-go" financing, general obligation bonds or subsidized state/Federal loans, revenue bonds generally offer the lowest interest rate. If the project being funded is popular and/or necessary, the risk of a referendum is low. Staff is also familiar and experienced with the administrative tasks common to revenue bonds.* ~~*MWMC's only outstanding debt consists of revenue bonds, originally issued in 2006/2008 and refinanced in 2016.*~~

Variation: Revenue "Obligations." Borrowers may instead choose to rely on ORS 271.390, which authorizes Oregon governmental units to enter into contracts for the financing of real or personal property. These contracts may be called various names such as full faith and credit obligations, certificates of participation, financing agreements, revenue obligations, or other names that would describe the security provided. Unlike revenue bonds, such "obligations" are not subject to a referendum. However, they require more complex documentation, and certain investors are unwilling to purchase "obligations" in lieu of "bonds," even with a similar (or identical) revenue pledge.

Variation: Revenue-secured Loans/Leases. Under either ORS 287A.150 or 271.390, the MWMC may choose to work directly with a single lender (i.e., a commercial bank or equipment vendor). Although commercial loans are not a separate type of debt in terms of security or treatment under state law, they may provide greater flexibility than publicly-offered revenue bonds or obligations. Commercial loans or equipment leases may also offer less onerous ongoing disclosure requirements than would be required under the securities laws applicable to public bond issues.

Variation: WIFIA Program. In 2014, Congress passed the *Water Infrastructure Finance and Innovation Act*, authorizing the US Environmental Protection Agency (EPA) to provide long-term, low-interest loans to water and wastewater projects throughout the country. The program was first funded in 2017. Borrowers are selected through a competitive application process. The WIFIA loan program is currently being utilized by several borrowers in Oregon; such loans are similar to revenue bonds, albeit with a single investor (the EPA). If funding continues to be appropriated, MWMC may consider such a program as a means of reducing interest costs for a project that would otherwise utilize revenue bonds sold on the public bond market.

Short-term Municipal Notes

Description: Short-term municipal notes are generally considered "bridge financing," providing short-term cash until a larger source of committed funds is received. They are often known by their acronyms, such as Bond Anticipation Notes (BANs), Grant Anticipation Notes (GANs), and Revenue Anticipation Notes (RANs.) These instruments generally have maturities ranging from a few months to a few years, may have fixed or variable interest rates, and are issued in anticipation of a bond issue, grant proceeds, or revenue/tax collections.

Actual Use: State and local governments issue billions of dollars a year in short-term notes of all types, to meet immediate capital needs for design and initial construction while waiting for long-term funding revenues. Short-term financing may be used for housing and urban renewal, water and wastewater project startups, transportation projects, school district

operations, and temporary agency operating deficits caused by seasonal variations in tax collections.

Potential Use: Short-term notes can be used to meet short-term gaps in project finance and operations when they occur, and until the final sources of funds become available.

Advantages: Short-term notes provide issuers with immediate funds for capital and operating needs.

Limitations: Short-term notes generally require a take-out financing which results in higher financing costs and funding is temporary.

Applicability: Short term notes could be an appropriate tool for MWMC under certain circumstances; however internal borrowing would generally be a preferable method for short-term financing. As with long-term revenue bonds, MWMC could structure short-term notes as a public offering or work directly with a single investor (financial institution such as a bank).

State Revolving Funds - Clean Water Loans

(General program descriptions are followed by *italicized descriptions of the specific State of Oregon CWSRF program*. Substantial additional detailed information on the Oregon program is available upon request. Although SRF loans are similar in some respects to revenue bonds/loans described above, they are unique enough to warrant additional discussion.)

Description: Under Title 6 of the 1987 Clean Water Act, states receive Federal monies to capitalize Clean Water State Revolving Loan Fund (CWSRF) programs. States must provide a 20 percent match to the Federal funds. CWSRFs are authorized to make loans to localities to finance wastewater treatment facilities, nonpoint source pollution control activities and estuary program activities. Loans are made at low interest rates (zero percent to market rate) for up to 20 years. States can use loan funds to refinance previously executed debt obligations, guarantee local debt obligations, buy bond insurance for local debt obligations, or guarantee bonds issued by municipal and inter-municipal revolving funds. States may use up to four percent of the Federal funds for administrative costs. States may set the criteria for determining which municipalities can access the loans and other fund uses each year.

The CWSRF Loan Program offers below market interest rate loans to public agencies for planning, design and construction of three kinds of water pollution abatement projects:

1) Wastewater collection, treatment, water reuse and disposal systems,
2) Nonpoint source water pollution control projects, and
3) Development and implementation of management plans for federally designated estuaries.

Specific project types that may be eligible for CWSRF funds include:

- Wastewater system facility plans and studies
- Secondary treatment facilities
- Advanced wastewater treatment facilities

- Sludge disposal and management
- Interceptors, force mains and pumping stations
- Infiltration and inflow correction
- Major sewer replacement and rehabilitation
- Combined sewer overflow correction
- Collector sewers
- Stormwater control
- Estuary management
- Nonpoint source control

Loans are available at rates based on the municipal bond rate with an annual fee of 0.5% paid during a repayment period of up to twenty years. Interest rates charged on specific loans depend on the repayment term, and range from 25% of the average bond rate for a five year loan to 65% of the bond rate for a twenty year loan. To assist communities through the planning stages of a project, planning loans are offered at the lowest interest rate, with a five-year repayment period, and are not charged the annual fee. Communities must pledge loan security adequate to satisfy the CWSRF Loan Program, such as general obligation bonds, other general obligation pledges, or user charges.

LONG TERM PROGRAM GOALS

Goal #1: To protect public health and the waters of the state by offering financial assistance for water pollution control projects.
Goal #2: To provide financial support for water quality improvements to all waters of the State.
Goal #3: To administer the CWSRF to ensure its financial integrity, viability and perpetuity as a source of financial assistance.

SHORT TERM PROGRAM GOALS

Goal #1: To continue to maintain the revolving nature of the Fund and to maintain an active pace of disbursements in conjunction with the receipt of new funds and loan repayments.
Goal #2: To provide funding to local communities to the maximum extent possible within the constraints of sound financial management, law and regulation.
Goal #3: To increase the number of loans for both non-point source and estuary management projects.
Goal #4: To make the CWSRF loan program more accessible to a wider range of water quality projects statewide.
Goal #5: To continue our participation with other State and Federal programs in providing financial assistance to Oregon communities.

Projects that are ready to proceed are funded in priority order. Although allocating funds only to projects that are ready to proceed does result in some projects being funded ahead of higher priority projects, the high level of demand has continued to make the process competitive. All funded projects have been critical to the protection or restoration of water quality in Oregon.

Actual Use: All states have CWSRFs, and they increasingly are making loans for non-traditional wastewater projects. By mid-1997, fifteen states were funding nonpoint source pollution projects (including direct loans to farmers), six were funding stormwater projects, nine were funding landfill projects, five were funding septic system rehabilitation and replacement, six were funding estuary wetlands, stream restoration, and wellhead protection, many were funding sludge projects, and over half were funding combined sewer overflow projects. Some states have already used their own funds to finance revolving programs to assist localities with various capital projects. At least two states have made loans to acquire land or conservation easements to protect source water.

Potential Use: States are starting to apply the revolving loan fund concept to other needs, such as biosolids reuse.

Advantages: The CWSRFs are able to provide localities with extremely low-interest loans at favorable terms. They can be considerably more flexible than commercial banks, as states can adjust interest rates and other loan terms to suit localities' ability to pay.

Limitations: The competition among applicants for access to revolving loan funds is intense in some states. Project costs can be increased, due to Federal "cross-cutting" requirements that apply in using CWSRF monies. Some small communities may not be able to afford any loan. Loan terms are currently limited to 20 years, although there have been legislative proposals to extend them to 30 years.

Applicability: This could be an appropriate financing tool for MWMC because it would be simpler to administer than a revenue bond and there would not be the requirements of a bond indenture to monitor. Availability of funds on a timely basis would be the biggest concern.

Internal Borrowing

Description: Internal borrowing occurs when funds are borrowed from a reserve account in another fund, department or agency of the local utility or government.

Potential Use: Internal fund borrowing is a viable option only if an analysis of the affected fund indicates sufficient funds are available and the use of these funds will not impact the fund's operations in the short term. Given those conditions, internal fund borrowing may be implemented for a variety of purposes.

Advantages:

1. Better financing rates are often obtained through internal borrowing, compared to borrowing from outside the organization or having third parties borrow on behalf of the utility.
2. Internal funds can be made available at low or no interest. They involve fewer transaction costs.
3. Funds are usually available when needed.
4. All savings are returned to the entity.
5. The entity can choose to do as much or as little external financing as required.

6. Riskier projects, or those that have lower rates of return, can still be funded from capital budgets.
7. With internal support and recognition for the work that needs to be done, it can be much easier to secure commitment, resources and support for internally funded work.

Limitations:

1. Using internal funds may delay or defer implementation of other projects.
2. Internal funds could be invested in financial vehicles that may provide a better rate of return.
3. Monitoring and verification of the savings and repayment schedule are needed.
4. Bond rating agencies may downgrade an entity's bond rating due to the presence of an "internal deficit."

Applicability: MWMC will make use of internal borrowing to provide interim financing for projects and allow the Commission to sell bonds at the optimum time, considering the current economic environment, interest rate and issue size.

Non-Debt Financing Instruments

Systems Development Charges

Description: SDCs, also known as Impact Fees, are fees collected by local governments to offset the costs of public improvements associated with new development. SDCs are not a tax. They are one-time fees collected for a specific purpose and, in Oregon, may only be used for capital improvements.

Actual Use: Under Oregon law, SDCs can be charged for capital improvements associated with a) water supply, treatment and distribution; b) wastewater collection, transmission, treatment and disposal; c) drainage and flood control; d) transportation; e) parks and recreation. Certain SDC revenues may only be expended on capacity-increasing capital improvements, while other SDC revenues may be used for capital improvements in general. An administrative fee may also be collected with SDCs and expended on the administration and accounting of the SDC program.

Advantages: New users of services purchase an increment of existing and new capacity. This results in enhanced equity between current and new users. It also reduces the cost burden on current users.

Limitations: SDCs do not provide capital much in advance of development. Capital improvements often add capacity that will be consumed over an extended period of years. SDC revenue is dependent on the rate of development which can be highly dependent on many factors and tends to fluctuate from year to year. SDCs are criticized for deterring development and increasing new housing costs, and resulting in interjurisdictional competition. Developers may pass on SDCs to residents. Communities may change their policy preferences depending on economic and political conditions, for example,

implementing or discontinuing SDC exemptions/credits to stimulate or discourage development.

Applicability: SDC revenue is an important financing tool. Reimbursement SDC revenues may be expended for capital improvements in general. Improvement SDC revenues may be used on capacity-increasing capital improvements only.

User Fee Financing

Description: User Fee Financing is also known as "pay-as-you-go" financing. As the name implies, current revenues and reserves are used to fund the capital program, either in whole or in part.

Actual Use: This method has been the preferred mechanism for funding MWMC capital projects in the past.

Potential Use: User fee revenue can be used for virtually any legitimate MWMC purpose, including funding of operating expenses, capital expenses and debt service as allowed by law.

Advantages: Funding capital projects from user fee revenue avoids the cost, risk, and administrative complexity of debt financing. Current users directly support required infrastructure, creating no impact on future users or Commissions.

Limitations: Capital projects funded from user fee revenue must either be relatively small, or staged in small increments to avoid large spikes in user rates. Alternatively, reserves can be accumulated to fund a large project in the future.

Applicability: User fee financing will continue to be an important financing tool for MWMC; however, to be most effective, it must be one of several options available to the Commission and used strategically.

Grants

Description: Grants are financial resources made available to utilities (or others) to fund specific desired activities or outcomes. Depending on the program, grants can be created to support operating or capital programs, or both. Wastewater grants are usually generated by State or Federal programs. Most require an application process, and some require a level of matching local funding.

Actual Use: MWMC relied heavily on Federal grants to build the current treatment plant and other facilities.

Potential Use: When funding is available, grants can be powerful tools in the hands of the granting agency. Grants can be used to provide incentives to local utilities to meet governmental standards or goals.

Advantages: Grants often provide the opportunity to leverage substantial capital resources with minimal local investment. When available, grants enable utilities to complete specific

capital projects earlier than would otherwise be possible, leaving reserves and local funds for other ventures.

Limitations: Grants for wastewater-related projects have become appreciably less common in recent years. Grant funding can be unpredictable and requires significant administrative and reporting coordination. There can be strong competition among agencies for limited grant funds.

Applicability: Grant opportunities will be accessed whenever feasible. Grants are an important mechanism for MWMC to finance specific projects.

Summary

As discussed above, there are a variety of options available in the market to finance capital projects. The type of financing a utility would use in a given set of circumstances depends on the type of project, the size of the project, any statutory requirements and the financial health of the utility. MWMC will work with its advisors to determine the most appropriate financing mechanisms for a given project in light of the project timeline, purpose, and goals, and in the broader context of MWMC's overall financial policies and health.

Metropolitan Wastewater
MANAGEMENT COMMISSION

partners in wastewater management

M E M O R A N D U M

DATE:	December 4, 2025
TO:	MWMC Board
FROM:	James McClendon, WW Finance and Administrative Manager
SUBJECT:	Greenhouse Gas Inventory Report for FY 2024-2025
ACTION REQUESTED:	No action, this item is informational

ISSUE

In October 2025, staff completed a Greenhouse Gas (GHG) emissions inventory on MWMC Facilities for FY 2024-2025 (Attachment 1). The inventory includes data gathering and analysis of the emissions from activity at MWMC owned facilities, and explains the key findings from the FY 2024-2025 GHG emissions inventory.

BACKGROUND

Staff conduct GHG emissions inventories every other year (biennially) and report on the findings to the Board in the intervening years. The last GHG emissions report was for FY 2022-2023 and presented to the Board in December 2023. Fiscal years are used for GHG emissions accounting, as that timeframe aligns with data from the financial reporting year, which is key to the accounting for supply-chain, utilities, and other emissions calculations based on actual expenses.

This GHG emissions report includes two full reporting years with the Renewable Natural Gas (RNG) facility in service (i.e., inventories with RNG data from FY 2022-23 and FY 2024-25), which is informative about the impact of the RNG operations since startup in November 2021. As in the prior report, an accounting for the community benefit from producing RNG, the renewable fuel which is injected into NW Natural Gas's pipeline connection at the treatment plant and marketed to consumers, is also provided.

As in all prior inventories, the GHG emissions from the treatment of wastewater, management of residual biosolids, and consumption of conventional ('fossil') natural gas at MWMC facilities account for the largest volume of GHG emissions by category (Scope 1), followed by supply chain and related emissions (Scope 3), and to a much lesser extent the emissions from electricity usage (Scope 2).

In general, the purpose of conducting the biennial GHG inventory and preparing the report for the

MWMC Board is to provide a baseline reference for

- Assessing environmental performance at MWMC facilities
- Identifying opportunities to reduce GHG emissions
- Project planning discussions that could incorporate GHG emissions reduction strategies
- Staff and Board commitment toward *"achieving and maintaining high environmental standards"* (Key Outcome #1 in the MWMC budget document)

DISCUSSION

The GHG Emissions Inventory Report on MWMC facilities in FY 2024-2025 provides the following:

- Comparisons of current emissions to the emissions reported in previous inventory years
- The offset of GHG emissions (benefits) from displaced fossil natural gas for the community, displaced fossil gas for process heating (i.e., the boiler and engine generator), carbon sequestration by poplar trees, and smaller volume benefits from other MWMC activities
- Recent and upcoming community involvement in GHG emissions reduction action items
- An appendix including detailed explanations on the data gathering and methodology used in the accounting for the GHG inventory report

The grand total FY 2024-25 GHG emissions from all activity at MWMC facilities was 12,510 MT CO_2e which is approximately 31% higher than the FY 2022-23 total volume of 9,518 MT CO_2e. Below is a brief summary of the results from the FY 2024-25 inventory:

- The largest overall source of GHG emissions in FY 2024-25 was from wastewater treatment and biosolids management processes (i.e., direct emissions, or Scope 1). Total Scope 1 emissions increased from the prior reporting year by 30%, largely due to more process activity for wastewater treatment and biosolids management, and an increase in the biogenic GHG emissions released at the facultative sludge lagoons (FSLs) at the Biosolids Management Facility (BMF) and biosolids land application. In contrast, the GHG emissions from the RNG facility increased by 2% from FY 2022-23 to FY 2024-25, which is marginal when compared to the significant increase in direct emissions from wastewater treatment and biosolids management.

  The sludge held in the FSLs and biosolids processing contribute the largest volume of methane and nitrous oxide emissions at MWMC facilities, two of the most potent greenhouse gases. For FY 2024-2025, the total volume of digested solids pumped from the treatment plant to the BMF was consistent with that of prior years at ~6,332 tons, and the volume of solids in the lagoons has accumulated and been retained longer (approx. 3 years), which will off-gas more methane. Similarly, due to full lagoons in recent years, the greater volume of biosolids that were processed and land applied in FY 2024-2025 contributed to a greater volume of nitrous oxide than in the prior reporting period. Simply put, greater volume of sludge and biosolids processing resulted in greater volumes of GHG emissions.

- The greatest benefit from MWMC activity regarding GHG emissions reduction was at the Biocycle Farm, as growth in the biomass of poplar trees sequestered -18,335 MT CO_2e. The second greatest reduction activity was from the RNG facility and the assumed community benefit of purchasing renewable natural gas marketed by NW Natural. The assumed benefit is the displacement of fossil

natural gas that would have been used by consumers, amounting to -2,356 MT CO_2e in FY 2024-25, is roughly equivalent to eliminating 1,300 tons of coal burned for one year.

The next GHG emissions inventory for MWMC facilities is scheduled to be completed in summer-fall 2027 and will be conducted for the FY 2026-2027 timeframe once the data become available.

ACTION REQUESTED

No formal action is required.

ATTACHMENT

1) Greenhouse Gas Inventory Report for FY 2024-2025

Metropolitan Wastewater Management Commission

partners in wastewater management

Greenhouse Gas Inventory Report for FY 2024-2025

October 2025

Attachment 1

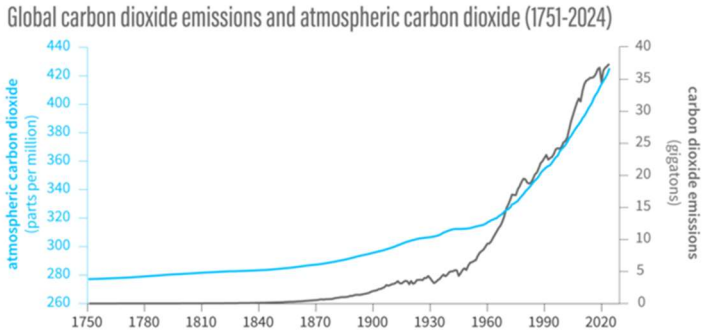
Introduction

This report presents the results of an inventory conducted to quantify the Greenhouse Gas (GHG) emissions for fiscal year 2024-2025 from the regional wastewater treatment plant, Biosolids Management Facility (BMF), and regional pump stations serving the Eugene-Springfield Metro Area in Lane County, Oregon — facilities that are operated and managed through partnership in the MWMC. The inventory also includes emissions data for wastewater pump stations that are owned independently by the cities of Eugene and Springfield.

The data gathering and analytical framework applied by staff to produce this report quantifies the GHG emissions resulting from MWMC activities in FY 2024-2025 that contribute to increasing global CO_2 levels and other GHGs such as methane and nitrous oxide. The framework also quantifies the MWMC activities that are beneficial to our environment—those which reduce, sequester, or offset GHG emissions.

Page 5 of the report outlines MWMC's contribution of information towards community action planning for local and regional GHG emissions reduction. The Appendix to the report describes the GHG methodology, illustrates the GHG emissions totals, and provides more detailed support to explain the FY 2024-2025 results.

Recorded Change in Global CO_2 Levels



Global CO_2 Measurement: ~427ppm (May 2024)

Source: National Oceanic and Atmospheric Administration, NOAA Climate.gov image, based on Mauna Loa monthly mean data from NOAA Global Monitoring Lab.

Observations recorded at Mauna Loa Observatory in Hawaii showing monthly average carbon dioxide measurements since 1958 in parts per million (ppm). The highest monthly value recorded each year at the station occurs in May, which hit just under 427 ppm in 2024, a new record.

To date, the MWMC Board has not established GHG emissions reduction targets; therefore, this report only provides a general overview, or inventory, of the GHG emissions generated in FY 2024-2025 at MWMC facilities and not an evaluation of progress toward reducing GHG emissions.

Significant Changes in the FY 2024-2025 Report

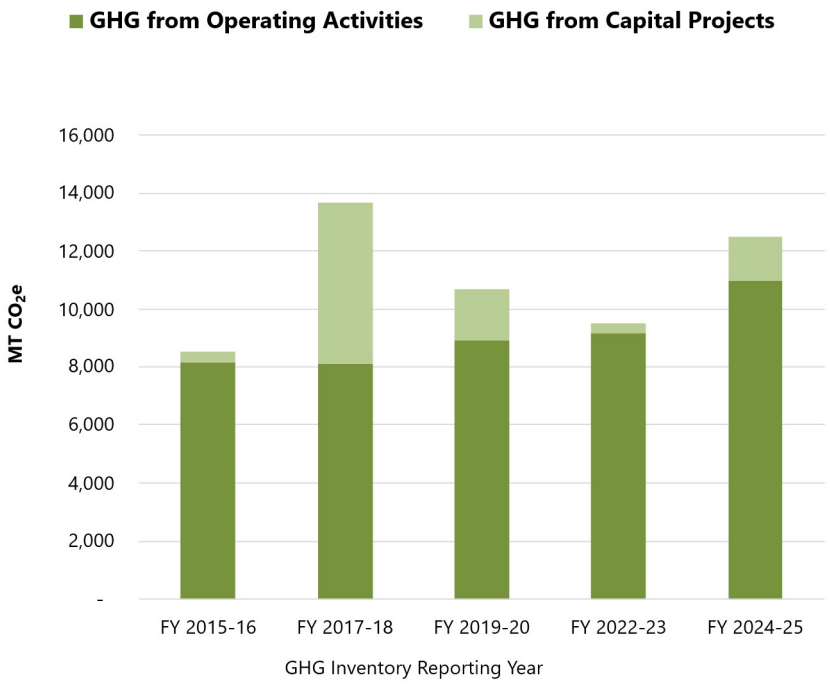
The initial GHG emissions report for MWMC facilities was prepared and presented to commissioners in 2012, which included data gathered for calendar year 2010. Since that time, GHG emissions inventories have been prepared in every other fiscal year (biennially) and presented to the MWMC Board in the intervening years. The previous GHG emissions inventory reported on data from FY 2022-2023 and was presented to the board in December 2023.

Included in this report is an accounting of the biogas produced at the treatment plant, conditioned as Renewable Natural Gas (RNG), and marketed and sold through partnership with NW Natural, to show the environmental benefit of commodifying the biologically produced methane from the anaerobic digesters.

GHG Emissions Inventory Summary

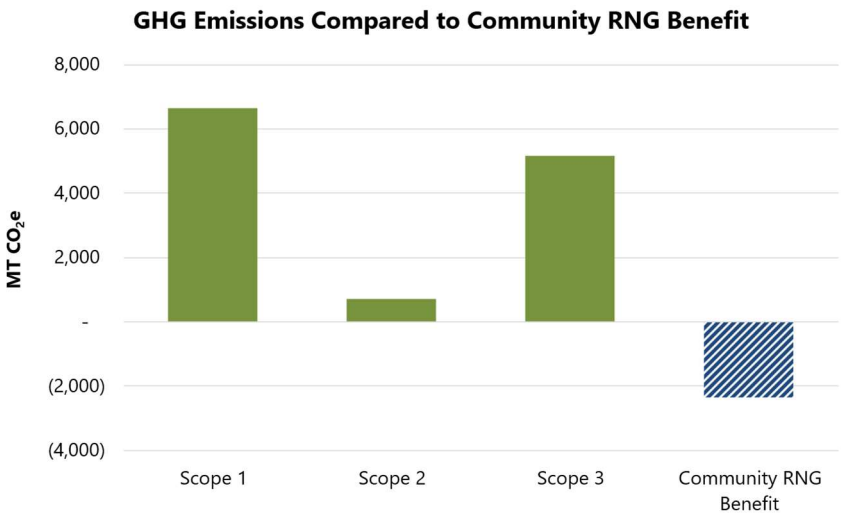
A summary of the GHG emissions from operational activity in FY 2024-2025 is illustrated in Figure 1 below. The benefits from activity during the same timeframe are illustrated in Figures 2 and 3.

Figure 1 – Grand Total GHG Emissions[1]



FY 2024-2025 grand total emissions were 12,510 MT CO_2e, the third highest volume of GHG emissions since reporting began in 2012. Compared to prior inventory results, emissions from capital projects (mostly construction related) were 359% higher, while emissions specific to operations and maintenance (O&M) were 20% higher than in the prior reporting period. The operating increase was largely driven by an uptick in emissions from treatment and biosolids processing and supply-chain related emissions (See Scope 1 and Scope 3 on the following pages).

Figure 2 – Community Benefit of RNG



By applying the emissions factor for compressed natural gas (CNG), the closest comparable emissions factor for Renewable Natural Gas (RNG), the assumed benefit from the community purchasing RNG marketed by NW Natural was -2,356 MT CO_2e.

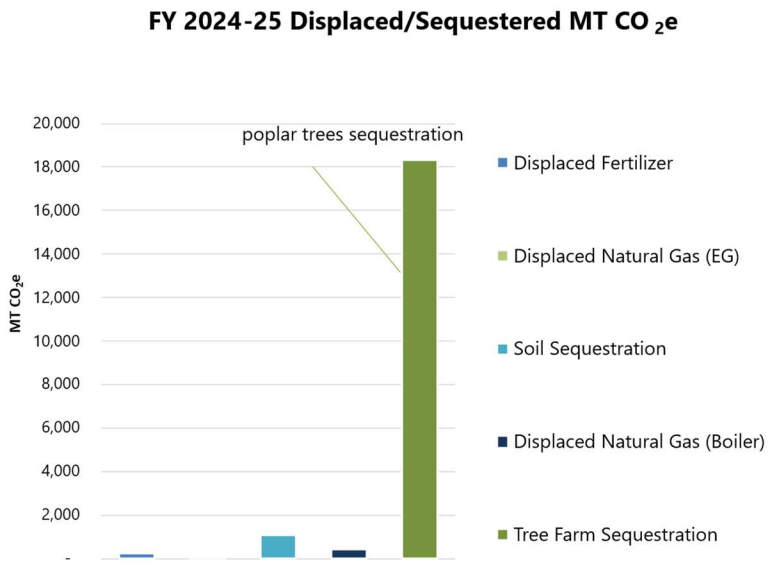
Referring then to the federal EPA equivalencies calculator, -2,356 MT CO_2e is roughly equal to the elimination of 2.6 million pounds of coal burned for one year.

[1] Emissions data and methodology detail provided in the Appendix.

Figure 3 – Environmental Benefits at Biocycle Farm

Carbon sequestration is the process of capturing and storing atmospheric carbon dioxide (CO_2) in a variety of natural and engineered locations, such as in the soil, forests, wetlands, and oceans, or injected into depleted underground reservoirs, mines, aquifers, geologic cavities, or in storage facilities at industrial carbon capture sites.

Carbon displacement refers to activities that totally replace or greatly reduce the need for fossil fuels such as coal, oil, and gas with alternatives that produce little or no greenhouse gas emissions.



The benefits from MWMC activities as either CO_2 sequestration or displacement were a total of -20,091 MT CO_2e in FY 2024-2025, which is a large increase over FY 2022-2023. The Biocycle Farm gained poplar tree biomass due to the replanting of Management Unit 3 (MU3) and tree growth nearing maturity on MU1 and MU2. Total carbon sequestration from all trees at the Biocycle Farm was -18,335 MT CO_2e for FY 2024-2025, which is nearing the optimal sequestration potential.

CLIMATE BENEFITS FROM MWMC ACTIVITIES

While wastewater treatment activities generally contribute to GHG emissions, some activities have reduced GHG emissions at MWMC facilities for the community. The activities at MWMC facilities with less environmental impact were from the processing and commodification of RNG, emissions displacement *(*e.g., less need for conventional fertilizer at Biocycle Farm, displaced need for conventional natural gas), and carbon sequestration (e.g., CO_2 captured by the soil and poplar trees at the Biocycle Farm).

The following benefits of MWMC operational activities are explained for reference only.

Displaced GHG Emissions

- **Displaced Community Consumption of Conventional Natural Gas (-2,356 MT CO_2e)**
  Total GHG emissions produced from MWMC activity in FY 2024-2025 was 12,510 MT CO_2e and it's important to note that the GHG emissions also included operational activity that resulted in the production of Renewable Natural Gas (RNG), which in turn provided a downstream community benefit. However, as pertaining to GHG emissions accounting protocol, since the RNG is marketed through NW Natural, the community RNG benefit cannot be applied to offset the emissions from

MWMC activity in FY 2024-2025. In short, the community benefit of RNG does not subtract from the GHG emissions accounting because MWMC is still consuming fossil natural gas, selling the conditioned biogas to NW Natural, and earning revenue from the sale of RIN credits (Renewable Identification Numbers).

- **Displaced Conventional Natural Gas for Process Heating from Boiler (-409 MT CO_2e)**
  The boiler is engineered to be fueled with either conventional natural gas or conditioned biogas (i.e., from the RNG) to reduce the need for flaring the valuable biogas at the waste-gas burner. For most of the year, the boiler is fueled with conventional natural gas, as the goal is for maximum uptime from the RNG facility while also sustaining optimal heating for the digesters. During times when the RNG facility is taken out of service and undergoing maintenance, the plant's boiler for heating the anaerobic digesters is run on biogas. Therefore, conventional (fossil) natural gas is displaced with renewable biogas to fuel the boiler when the RNG facility is offline.

- **Displaced Conventional Natural Gas for Supplementary Process Heating (-48 MT CO_2e)**
  The plant's 800KW engine generator (EG) is also sometimes brought into service when the RNG facility is offline, which thereby displaces the use of conventional natural gas with biogas from the anaerobic digesters. At those times, the EG is fueled with biogas and used to supplement the boiler to provide optimal digester heating.

  Another passive benefit of running the EG is the generation of some electricity, thereby displacing some of the need for purchased electricity from EWEB. For the FY 2024-2025 reporting period, by aggregating those short periods of runtime, the EG produced roughly 662,911 kilowatt hours (kWh) of electricity, which reduced the total electricity expenditure by $65,265.32 , which is a cost savings benefit when running the EG on biogas and a marginal GHG emissions reduction benefit since displacing some of the need for fossil natural gas.

- **Displaced Conventional Fertilizer (-229 MT CO_2e)**
  At the Biocycle Farm, the substitution of biosolids for conventional fertilizer as a soil amendment displaces the emissions that would have otherwise been created in the production, shipping, and storage of conventional fertilizers.

Carbon Sequestration

- **Carbon Sequestration by the Soil (-1,070 MT CO_2e)**
  When biosolids are applied to soil, a proportion of the organic carbon remains trapped and therefore increases the health and sequestration potential of the existing soil.

- **Carbon Sequestration by Biocycle Poplar Trees (-18,335 MT CO_2e)**
  The Biocycle farm has been in operation since 2004 when Management Unit #1 (MU1) was planted with 35,000 trees. Two subsequent units were planted for a total of 88,000 trees as of 2008. Comparing the three management units, MU3 is the largest in area and contains more trees than either MU1 or MU2.

  Accounting for all biomass on the farm in FY 2024-2025, the total sequestration by the growth of poplar trees was -18,335 MT CO_2e. Projecting out to the next reporting timeframe (i.e., the FY 2026-2027 report), it is likely that the total MT CO_2e sequestration from biomass at the Biocycle Farm will be less than presently, assuming that the trees on MU1 and MU2 will be harvested in

that timeframe. MU3 will begin to sequester more CO_2 as that unit grows into a larger biomass of trees, but probably not enough growth to compensate for the scheduled loss of biomass on MU1 and MU2 from harvesting.

RECENT AND UPCOMING GREENHOUSE GAS REDUCTION ACTION ITEMS

The following GHG emissions reduction related activities are currently underway or being discussed for future action.

MWMC is currently contributing innovative and significant climate action projects on a regional scale that align with the goals and intent of the regionwide sustainability efforts established by the governing bodies of partner agencies.

- Further implementation of the Renewable Natural Gas (RNG) Program. The goal is for the RNG facility to condition 100% of the biogas generated at the wastewater treatment plant for transmission and distribution by NW Natural, which would reduce the need for flaring.

Current operational activity in support of GHG reduction:

- Compliance with the ISO 14001 standard, Environmental Management System (EMS) at Eugene Wastewater Division. The stated goal of the EMS program is to reduce energy use, reduce the volume of solid waste, and rely less on non-renewable vehicle fuels. A significant objective met in FY 2024-2025 toward the goal included the diversion of 15.5 tons of reusable material from the landfill by coordinating with BRING Recycling during the cleanout of the former WPCF Operations Building in April 2025 as preparation for the MWMC's Administration Building Improvements project (P80104).

Community Partners: Lane County, City of Springfield, City of Eugene

MWMC's community partners have publicly stated their intent to reduce GHG emissions within their respective jurisdictions, have implemented the following directives, and are achieving some success:

- Incorporating energy efficient technologies and green building design into new capital construction and refurbishment of buildings.
- Purchasing from local service and material providers when possible.
- Reducing vehicle miles traveled by promoting teleconferencing (e.g., webinars, conference calls, online seminars) or utilizing bus, bike, or other low-carbon transportation options.
- Expanding urban tree canopy cover through new and replacement tree planting.
- Replacing end-of-life gasoline and diesel fleet vehicles with electric, hybrid-electric, and other low emission or zero emission fleet vehicles.
- Lane County's Climate Action Plan for Operations, including specific emissions reduction targets through purchase of Renewable Energy Credits (RECs) and other purchased carbon offsets, and a goal to reduce overall GHG emissions by 72% by 2040. In 2023, the county approved the CleanLane Resource Recovery Facility, which will divert 80,000 tons of landfill waste annually, produce biogas for beneficial reuse, and cut overall methane emissions.
- City of Springfield's comprehensive planning to implement the Climate Friendly and Equitable Communities (CFEC) administrative rules for land use, transportation, and community development, particularly for Glenwood Riverfront, Downtown Springfield, and Mohawk areas.

- City of Eugene's Climate Recovery Ordinance (CRO) with emissions reduction targets of 7.6% per year until year 2100. As of 2024 reporting, City of Eugene's operating GHG emissions have dropped by 24% and community-wide emissions have dropped by 11% since 2010.
- EWEB Rebate program has enabled over 1,200 homes to receive energy-efficient heat pump upgrades, and the SUB rebate and low-interest loan programs encourage energy-efficient upgrades in homes, including heat pumps, smart thermostats, electric vehicle chargers, improved insulation and weatherization, window upgrades, duct sealing, and more.

CONTACT INFORMATION & ADDITIONAL RESOURCES

City of Eugene staff James McClendon, Yashara Lund, and Tim Arciszewski conducted the FY 2024-25 inventory of MWMC's greenhouse gas emissions. Support on the preparation of the emissions inventory was provided by Sharon Olson (WW Technical Analyst, retd.) and Claudia Denton at Parametrix (previously Good Company), a leading provider of professional consultation and services for climate and sustainability planning in the public and private sectors.

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Appendix

GREENHOUSE GAS ACCOUNTING: EMISSIONS SCOPES

The main sources of emissions from MWMC facilities include wastewater treatment process emissions, conventional natural gas usage, electricity usage, and supply chain purchases.

GHG emissions are categorized into three Scopes according to the protocol, defined as follows:

- **Scope 1** emissions are direct emissions which originate from equipment and facilities owned and operated by MWMC, primarily from fossil fuel combustion and wastewater treatment processes.
- **Scope 2** emissions are indirect emissions from purchased energy, such as electricity.
- **Scope 3** emissions are all other indirect emissions that result from the activities at the MWMC facilities, in which the direct sources are controlled by other entities or service providers, such as construction contractors for capital projects, manufacture and transport of supply-chain related purchases, solid waste disposal, employee commute, business travel, and energy transmission and distribution losses (T&D).

GREENHOUSE GAS ACCOUNTING: METHODOLOGY

The inventory used for this FY 2024-2025 GHG report follows the Local Government Operations Protocol (LGOP), which was developed jointly by The Climate Registry and affiliated organizations.[2] The LGOP protocol only requires the reporting of emissions in Scopes 1 and 2 as defined by the World Resources Institute. This inventory has been expanded to include several additional Scope 1 process emission sources specific to biosolids management as well as shared emission categories from Scope 3. The use of these tools to measure additional emissions sources has enabled a more accurate inventory of GHG emissions from MWMC facilities.

The protocols and methods used to account for the additional Scope 1 and Scope 3 emissions sources are documented in Parametrix's Carbon Calculator (G3C) and the G3C-Wastewater module, which are used to calculate emissions specifically for this inventory. The additional Scope 1 emissions sources were estimated using either the LGOP (for emissions associated with denitrification and discharge of effluent) or the Canadian Ministers of the Environment's *Biosolids Emissions Assessment Model (BEAM)* for emissions associated with biosolids storage, drying and land application.

Displaced emissions from conventional natural gas are calculated to be the same as an equal quantity of natural gas purchased from NW Natural. BEAM was used to estimate benefits associated with displaced conventional fertilizer and soil carbon sequestration from land application of biosolids. Carbon sequestration by poplar trees at the Biocycle Farm was calculated using the methodology specified by the Climate Action Reserve's *Urban Forest Protocol*.[3]

[2] The Local Government Operations (LGO) Protocol was developed in collaboration among The Climate Registry (TCR), the California Air Resources Board (CARB), the California Climate Action Registry (CCAR, now the Climate Action Reserve), and ICLEI Local Governments for Sustainability. The LGO Protocol follows the same format as The Climate Registry's General Reporting Protocol (GRP).

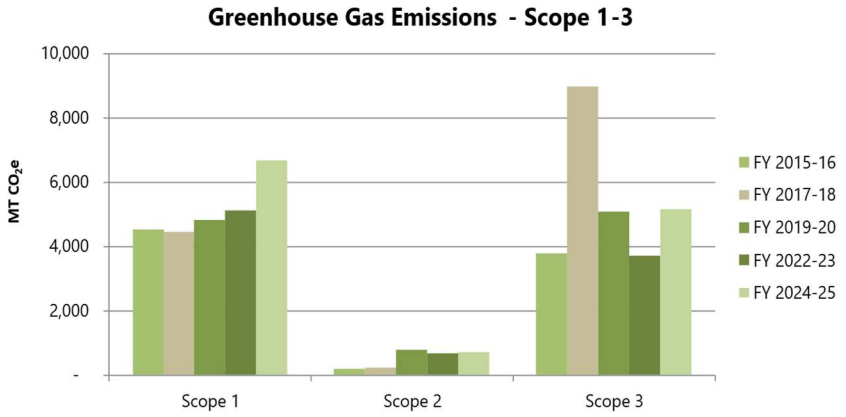
[3] Climate Action Reserve (CAR) Urban Forest Protocol can be found at http://www.climateactionreserve.org/how/protocols/urban-forest/

GREENHOUSE GAS ACCOUNTING: SUMMARY OF INVENTORY DETAILS

Scope 1 emissions include process related emissions from wastewater treatment and biosolids processing, which increased in FY 2024-2025 in comparison to the previous reporting years, amounting to 6,658 MT CO_2e or an increase of 30% as shown in Figure 1.

Scope 2 emissions are the result of consuming electricity and are the lowest of the three scopes for FY 2024-2025 and in all reporting years. Scope 2 emissions were 699 MT CO_2e, an increase of 3% from FY 2022-2023. Emissions from electricity are calculated according to the Market Based emissions factor for Scope 2 electricity (i.e., based on the local utilities providing the electricity) instead of the Location Based emissions factor (i.e., an average for the electric grid region of western North America known as the Northwest Power Pool).

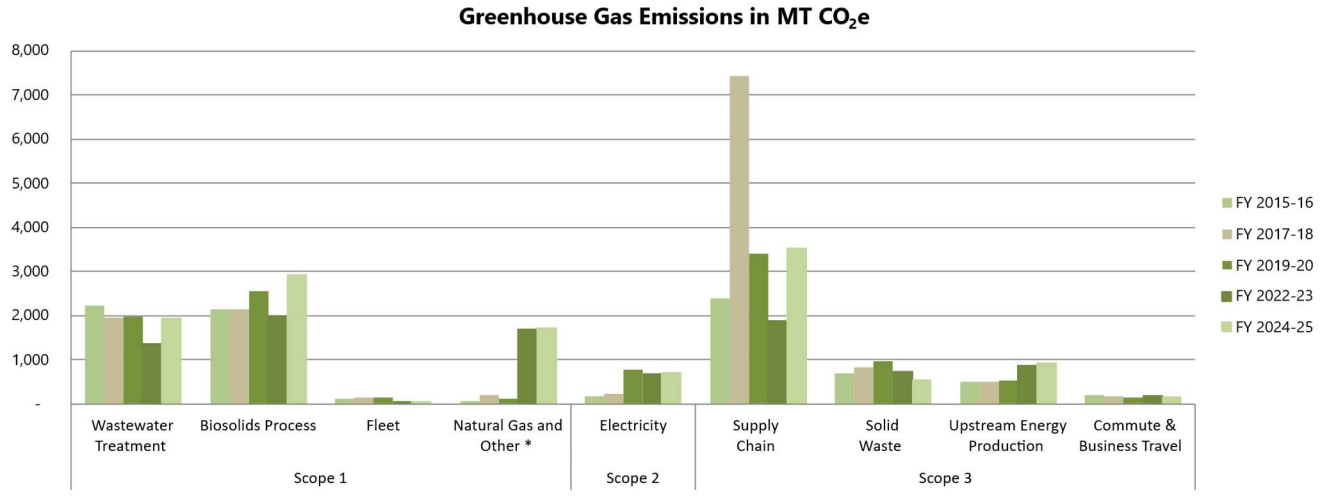
Figure 1 - MWMC Facilities Emissions by Scope



Scope 3 emissions result from the purchase of goods and services for operational activity, capital projects, travel, solid waste disposal, and upstream energy production. Scope 3 emissions were 5,153 MT CO_2e for FY 2024-2025, an increase of 39% from FY 2022-2023 but nearly the same as the Scope 3 emissions from the FY 2019-2020 reporting period (5,079 MT CO_2e), which is an indication of recent MWMC activity moving into a phase of more intensive asset rehabilitation and capital construction (e.g., Plant Switchgear project, Administrative and Operations Building project, RNG facility enhancements, AMCP projects).

For the FY 2024-2025 reporting timeframe, the Scope 3 category of activity is the second largest source of emissions at MWMC facilities after Scope 1. Wastewater treatment and the biosolids processes are currently and historically the greatest source of GHG emissions (Scope 1).

Figure 2 - Overview of the MWMC Facilities' Greenhouse Gas Emissions



* Other sub-category represents emissions from natural gas, refrigerants, and non-fleet fuels.

Scope 1 – Direct Emissions Details

Wastewater Treatment and Biosolids Process Emissions

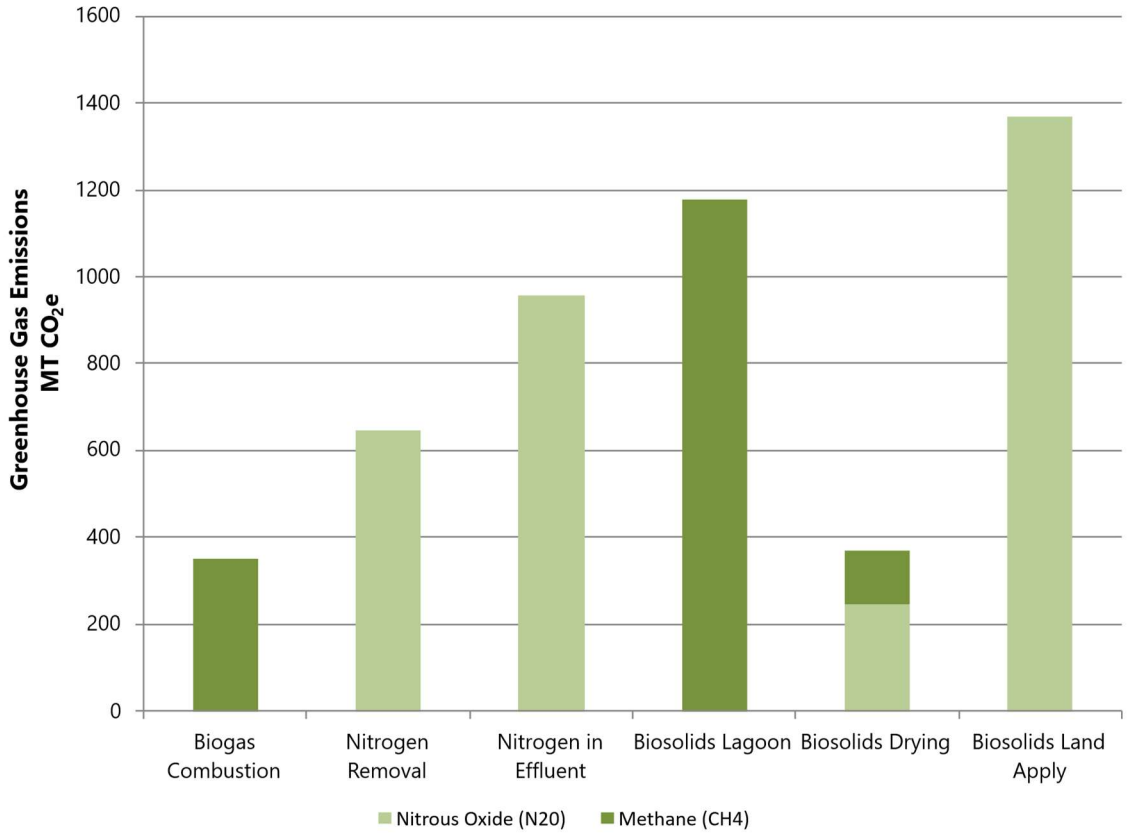
GHG inventory protocol for the accounting of greenhouse gas emissions distinguishes human-caused emissions (anthropogenic) from the greenhouse gases stemming from natural processes (biogenic).

Anthropogenic GHG emissions are associated with human activities dependent on the combustion of fossil fuels such as the burning of oil, coal, and gas, and process emissions from industrial activities resulting in methane and nitrous oxide released from the treatment of wastewater.

Biogenic emissions are part of the natural biogeochemical cycling of carbon. Biogenic emissions are carbon dioxide from the combustion of non-fossilized, biologically based materials such as biogas and biofuels (e.g., biodiesel) and natural processes such as the decomposition of organic materials.

For FY 2024-2025, wastewater treatment and biosolids process emissions accounted for 73% of the total Scope 1 emissions at 4,871 MT CO_2e, comprised of 34% methane and 66% nitrous oxide. As shown in Figure 3, nitrous oxide emissions in FY 2024-2025 were comparatively greater in volume than methane in the MWMC lagoons, even though methane is widely considered the largest source of anthropogenic GHG emissions from the biosolids lagoon process in the United States[4].

Figure 3 - MWMC Facilities Anthropogenic Emissions for FY 2024-25



[4] Wastewater lagoons in the US are significant contributors of methane emissions, contributing approximately 2,300,000 metric tons per year. See Harper, L.A. "Methane emissions from an anaerobic swine lagoon." Journal of Atmospheric Environment. Retrieved 2 November 2011.

Scope 2 – Indirect Emissions Details, Electricity

Electricity Emissions

Scope 2 emissions resulting from the consumption of electricity increased by 3.3% between the FY 2022-2023 inventory and the FY 2024-2025 inventory period. The Market Based emissions factor has been applied to all inventories from 2010 to 2025 for the comparisons between reporting years.

The market-based emissions factor for this report is specifically for Eugene Water and Electric Board (EWEB), which distributes electricity primarily from the Bonneville Power Administration (BPA), whose electricity is mostly generated from low-carbon sources such as hydropower and wind. There are only two MWMC facilities using electricity purchased from Springfield Utility Board (SUB), which include Glenwood Pump Station and the old Springfield Treatment Plant Site (aka Springfield Pump Station, or Heron Park location), so for the FY 2024-2025 GHG emissions inventory, the EWEB emissions factor was used for clarity in the calculations and reporting. Both EWEB and SUB emissions factors are shown in Table 1 for comparison only.

Electricity Use Emission Factors

Which emissions factor is used to calculate GHG emissions from electricity use is a significant assumption in the accounting protocol. An emissions factor is a representation of the carbon intensity per unit of electricity (e.g., MT CO_2e per megawatt hour).

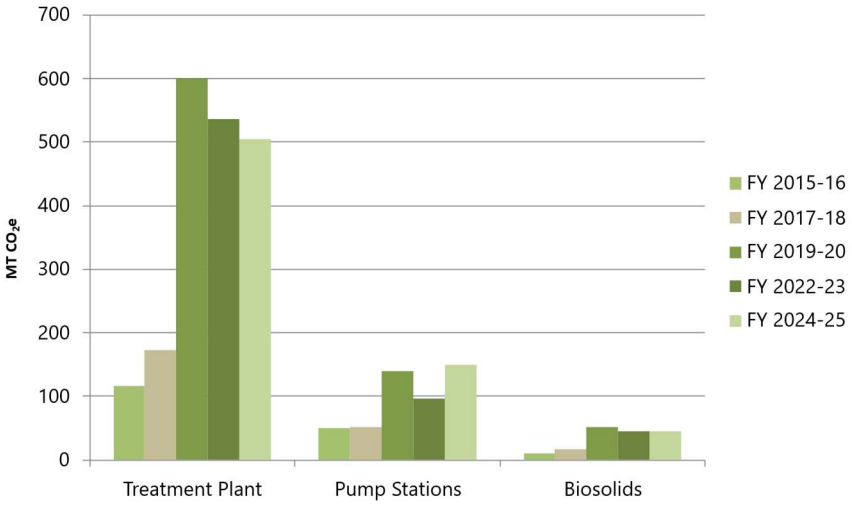
Emissions factors change from year to year because they are largely influenced by the water year and the amount of hydroelectricity available from Bonneville Power Administration and utility-owned generation resources. Emissions are also influenced by on-site electricity generation, any credit sales, and more complex protocol guiding emissions factors and calculations. Throughout FY 2024-2025, the MWMC facilities consumed 1,347 megawatt hours (MWh) more electricity than in the prior reporting period, and the GHG emissions from electricity consumed increased by 3.3% over FY 2022-2023, at 699 MT CO_2e compared to 677 MT CO_2e.

Table 1 – Market Based Emissions Factors for EWEB and SUB

	EWEB MT CO_2e / MWh	SUB MT CO_2e / MWh	MWMC Facilities Total Consumption in MWh
FY 15-16	0.010	0.012	17,122
FY 17-18	0.015	0.012	16,384
FY 19-20	0.055	0.020	15,557
FY 22-23	0.030	0.010	17,840
FY 24-25	0.036	0.017	19,187

As shown in Figure 4, the regional treatment plant location continues to be the largest source of Scope 2 emissions among all MWMC facilities, and electricity usage has been increasing year over year even though the emissions from electricity usage at the treatment plant have fallen over the past two reporting periods. Also important to note that the RNG facility came into service prior to the FY 2022-2023 emission inventory so there are now two full inventory periods of emissions data for the treatment plant with the RNG facility in service.

Figure 4 - Emissions from Electricity Consumption – Scope 2

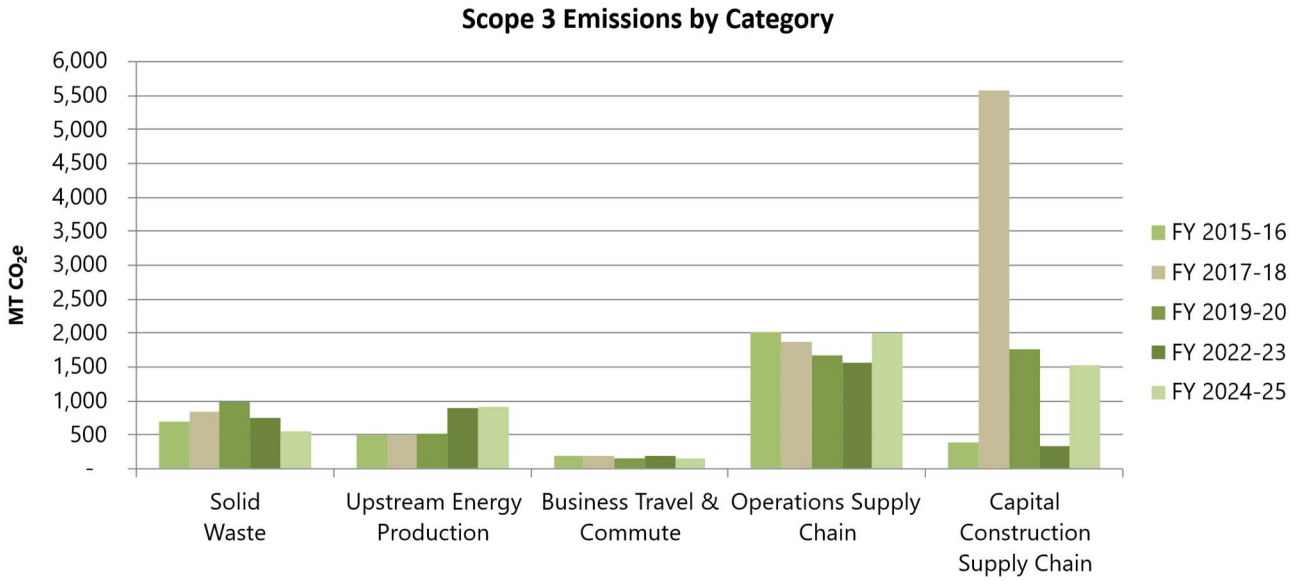


Scope 3 – Indirect Emissions Details, Supply Chain

Scope 3 emissions are from the purchase of goods and services for operating activity, capital construction, travel, solid waste disposal, and upstream energy production. Total Scope 3 emissions were 5,153 MT CO_2e in FY 2024-2025, an increase of 39% from FY 2022-2023.

The emissions sub-categories for Scope 3 are illustrated in Figure 5. These are the emissions resulting from the production, delivery, and use of construction materials, fuels and energy products, and all other supplied goods and services. Scope 3 emissions also include emissions from business travel in non-MWMC vehicles and the landfilling of solid waste, which for FY 2024-2025 decreased by 25%.

Figure 5 - Categories of Indirect Emissions – Scope 3



The increase in GHG emissions from operations (O&M) activity was largely due to Equipment Replacement, Major Rehabilitation, Major Capital, and other capital outlay projects managed by Eugene Wastewater staff. To a lesser extent, there were also higher supply-chain related GHG emissions indirectly caused by greater expenses for process chemicals, computer equipment and

software, fleet service, materials and supplies, and contractual services. Operations supply-chain emissions increased 27% in FY 2024-2025 over the prior reporting period.

The capital construction category includes all capital construction emissions during the reporting period FY 2024-2025. Construction activities that utilize concrete, steel, and other building materials create a substantial GHG emissions impact. Other emissions are produced mainly from purchases for capital construction and improvements to buildings and treatment facilities. Due to the scope and scale of CIP projects in progress during the FY 2024-2025 period, emissions from capital construction supply chain increased 359%.

Upstream energy production includes emissions from supply chain purchases of energy products consumed at MWMC facilities. Scope 1 and Scope 2 accounts for GHG emissions from combusting fossil fuels and electricity generation (i.e., tailpipe emissions). Scope 3 emissions from upstream energy result from the extraction, transportation, refinement, and distribution of energy products used in MWMC-owned equipment or used up- or downstream from the generation of electricity consumed by MWMC facilities and equipment. For example, methane leakage during natural gas extraction and transport falls under the category of upstream energy production within Scope 3. Upstream energy emissions in FY 2024-2025 increased 3% over the prior reporting period.