

# Metropolitan Wastewater MANAGEMENT COMMISSION



partners in wastewater management

## MWMC MEETING AGENDA

Friday, March 13, 2026 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 Jesse Maine Room, remotely or via phone.

**To attend virtually, registration is required:** Webinar ID: **839 8428 5166**

Zoom Link: [https://us06web.zoom.us/webinar/register/WN\\_zV5q94URSEueuvFNJSDxkQ](https://us06web.zoom.us/webinar/register/WN_zV5q94URSEueuvFNJSDxkQ)

To join the meeting by phone dial: **1.877.853.5247**

- 7:30 – 7:35     **I.     ROLL CALL:** Commissioner Farr, Commissioner Hazen, Commissioner Keeler, Commissioner Lesley, Commissioner Stout, Commissioner Yeh
- 7:35 – 7:40     **II.     CONSENT CALENDAR**  
a.    MWMC 02/13/26 Minutes  
**Action Requested:** By motion, approve the Consent Calendar
- 7:40 – 7:45     **III.     PUBLIC COMMENT:** Public comment can be submitted by email to [minman@springfield-or.gov](mailto:minman@springfield-or.gov) or by phone 541-726-3694 by 5 PM March 12th, 2026 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 – 7:50     **IV.     ELECTION OF OFFICERS** .....Matt Stouder  
**Action Requested:** Approve, by motion
- 7:50 – 8:05     **V.     BIOSOLIDS PROCESS IMPROVEMENTS STUDY** .....Bryan Robinson  
**Action Requested:** Approve by Resolution 26-02
- 8:05 – 8:55     **VI.     PRELIMINARY FY 26-27 RWP BUDGET** .....Matt Stouder, Michelle Miranda and Jeremy Cleversey  
**Action Requested:** Informational and Discussion
- 8:55 – 9:15     **VII.     MOBILE WASTE HAULER RATE.** .....James McClendon  
**Action Requested:** Informational and Discussion
- 9:15 – 9:30     **VIII.     BUSINESS FROM COMMISSION, GENERAL MANAGER, & WASTEWATER DIRECTOR**
- 9:30             **IX.     ADJOURNMENT**

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

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

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



# Metropolitan Wastewater MANAGEMENT COMMISSION



*partners in wastewater management*

## MWMC MEETING MINUTES

Friday, February 13, 2026, at 7:30 a.m.

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

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

### **ROLL CALL**

*Commissioner Present In-Person:* Christopher Hazen, Doug Keeler, Dawn Lesley, Alan Stout, and Jennifer Yeh

*Commissioner Remote:* Pat Farr

*Staff Present In-Person:* Jeremy Cleversey, Zach Foster, Misty Inman, Shawn Krueger, Troy McAllister, James McClendon, Todd Miller, Michelle Miranda, Brooke Mossefin, Trevor Polivka, Amelia Remington, Bryan Robinson, Matt Stouder, Kevin Vanderwall, Valerie Warner, and Greg Watkins

### **CONSENT CALENDAR**

a. MWMC 01/09/26 Minutes

MOTION: IT WAS MOVED BY COMMISSIONER **LESLEY** WITH A SECOND BY COMMISSIONER **STOUT** TO APPROVE THE CONSENT CALENDAR. THE **MOTION PASSED** UNANIMOUSLY 6/0.

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

### **PUBLIC COMMENT**

There was no public comment.

### **FY24-25 AUDITED FINANCIAL STATEMENTS & REPORT**

Josh Quinn, Senior Audit Manager with REDW, presented the annual financial audit process and results for the MWMC in the Regional Wastewater Program Annual Financial Report (Attachment 1) and Management Report (Attachment 2). The Board received an unmodified (clean) opinion with no material findings, no internal control issues, and substantial compliance with Oregon Minimum Standards. No audit difficulties or disagreements were reported. Financial highlights include total assets increasing to \$270 million (M), liabilities decreasing to \$25 M, and net position rising to \$245 M. Operating revenues increased slightly (0.7%), while Operations & Maintenance expenses rose to \$20.6 M due to personnel and Eugene operations costs. Non-operating revenues declined due to

lower capital contributions. Construction in progress nearly doubled from \$11 M to \$22 M, reflecting ongoing capital project work. Overall, the audit process went smoothly, with strong cooperation from management and finance staff. He commended the MWMC’s finance team for another successful audit year.

Commissioner **Lesley** complimented staff for keeping finances boring and having the report be clean and clear. There is a lot in this report, and that a third-party auditor can have a clean assessment is very impressive.

MOTION: IT WAS MOVED BY COMMISSIONER **STOUT** WITH A SECOND BY COMMISSIONER **LESLEY** TO APPROVE THE FY 24-25 AUDITED ANNUAL FINANCIAL STATEMENTS & REPORT. THE **MOTION PASSED UNANIMOUSLY 6/0.**

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

**DRAFT RWP CAPITAL BUDGET & 5-YEAR CAPITAL PLAN**

Troy McAllister, MWMC Managing Engineer, and Greg Watkins, City of Eugene, Wastewater Deputy Director, presented the draft FY26-27 Regional Wastewater Program (RWP) Capital budget (Attachment 1) and the proposed 5-year Capital Plan and the Asset Management Capital Program (AMCP). Mr. McAllister reviewed active and carryover projects ending in FY 25-26, and new proposed projects. Resiliency improvements remain a priority, including seismic retrofits, flood preparation, and staff safety/shelter considerations. Updated priorities are informed by the 20-year Facilities Plan and integrated wastewater planning efforts.

Mr. Watkins reviewed the AMCP, which consists of three elements: equipment replacement over \$10,000, major rehabilitation, and major capital outlay (new assets).

Commission Discussion:

- Maintaining real-time energy monitoring and reducing energy use.
- Staff safety in case of an emergency, including sheltering in place.
- Terminology around “new funding” to avoid confusion and emphasize the importance of transparency and minimizing surprises.
- Regional planning efforts in industrial symbiosis, circular water economy, and regional planning/collaboration.
- Concept of return on assets.
- Waste heat as a resource.
- Key performance indicators for upgrades and performance.
- Update to the Preventive Maintenance Plan.

**FINANCIAL PLAN DISCUSSION**

Jeremy Cleversey, Management Analyst, and Kevin Vanderwall, MWMC Accountant, presented proposed updates to the Financial Plan focused on asset management (Attachment 1: Asset Management (‘A’) Policies) and reserve funding.

Key changes include:

- Revising the insurance policy to cover only critical assets, allowing flexibility for non-essential assets.

- Combining the Equipment Replacement and Major Rehabilitation Reserves into a single Asset Management Reserve to reduce budget fluctuations.
- Removing the fixed 2% maintenance spending target in favor of data-driven decisions using an IBM asset management database (Maximo) and leveraging employee experience.
- Removing policies that could later conflict with Generally Accepted Accounting Principles (GAAP) and require lifecycle analysis before equipment replacement.

The main discussion centered on Policy A3, defining “fully funded” for the Replacement Reserve. Staff recommended a 5-year funding model, which would adjust annually based on projected needs. Staff’s recommendation is the 5,15,40,25,15 funding model which is tied to scenarios with supply-chain issues or installation delays like MWMC has experienced in recent years. A financial consultant will review the plan before Board adoption.

Commissioner Discussion:

- Process to rename the Equipment Replacement Reserve to the Asset Management Reserve and to relocate Major Rehabilitation from the Capital Reserve into the new reserve
- The Preventive Maintenance Plan and the Maximo data inform the recommendations to staff.

Commissioners supported the 5-year funding model approach.

**BUSINESS FROM THE COMMISSION**

Commissioner **Farr** announced that last week, County Administrator Steve Mokrohisky brought up Junction City's request to be considered for inclusion in MWMC's coverage area and asked for approval to move forward with exploring the Metro Plan Amendment.

**BUSINESS FROM MWMC EXECUTIVE DIRECTOR**

Matt Stouder thanked staff for their work on the Financial Plan update. He reported progress on regional coordination efforts, including discussions with the Springfield and Eugene City Councils regarding a potential Metro Plan Amendment. Staff are analyzing system capacity needs, infrastructure costs, and potential benefits to ratepayers if additional entities connect to MWMC.

The Intergovernmental Agreement (IGA) updates have been approved by partner agencies and are awaiting final signatures. Any information related to his contractual authority will be provided in a communication packet.

Mr. Stouder shared updates from Water Day at the Capitol, where staff met with legislators in Salem and presented on recycled water and biosolids reuse. He sat in on a few hearings, and water professional's week will be formally recognized at the state level with more information coming. Upcoming outreach includes a staff presentation to the Eugene Metro Rotary club.

The Board position vacated by Commissioner Inge is being advertised, and recruitment has been extended for an additional month through Lane County. The County Board will make the appointment for the MWMC position once the application process is complete.

Mr. Stouder noted that the Operating Budget presented in March will highlight concerns about declining revenues despite previous year rate increases. Reduced household water use, more efficient fixtures, and lower average household size are contributing to slower revenue growth than anticipated. Additional details will be provided at the March meeting.

Lastly, he is excited to have Amelia Remington join the team. She came to us from the Springfield Chamber of Commerce, has a background in environmental studies, and has done environmental work in Bend. She is replacing Thomas Gray and reporting to Lorilyn.

Commission Discussion:

- Potential changes in Per-and polyfluoroalkyl (PFAS) regulations.

**BUSINESS FROM WASTEWATER DIVISION DIRECTOR**

Ms. Miranda reported that the December 2025 Department of Environmental Quality (DEQ) follow-up inspection was largely positive. The MWMC received a warning letter, the DEQ's lowest level of enforcement, for two effluent limit violations (Total Suspended Solids (TSS) maximum load and pH) and five Sanitary Sewer Overflows (SSOs), three in Eugene and two in Springfield. The DEQ noted MWMC's strong overall compliance record and effective operations.

Mr. Stouder added that receiving a formal response is helpful from a legal and liability standpoint, as it documents regulatory oversight and supports MWMC's compliance history.

Mr. Miller reported that the MWMC is a member of the Oregon Association of Clean Water Agencies (ACWA) and noted that its new executive director, Geoff Rabinowitz, recently joined the organization after previously working at the DEQ. He shared that he would be meeting with him and touring the WPCF and biosolids facility to strengthen the relationship, emphasizing ACWA's important role in advancing MWMC's positions with the DEQ and state legislators.

Commissioner **Keeler** adjourned the meeting at 9:26 am.

# Metropolitan Wastewater MANAGEMENT COMMISSION



*partners in wastewater management*

---

## MEMORANDUM

**DATE:** March 5, 2026

**TO:** MWMC Board

**FROM:** Matt Stouder, Executive Director

**SUBJECT:** Election of Officers

**ACTION REQUESTED:** Nominate and elect a Commission President and Vice President to serve through March 2027

---

### **ISSUE**

Pursuant to the MWMC Bylaws, the Board elects new officers in March for one-year terms. At the March 13, 2026 meeting, the Board will be requested to elect a President and Vice President to serve for the term of March 2026 through March 2027.

### **DISCUSSION**

Traditionally, the Board has employed a practice of rotating the officer positions among the three jurisdictions on an annual basis and rotates the Commissioner serving as Vice President to President. However, there are no formalized guidelines in the MWMC Bylaws regarding the rotation of officers among the jurisdictions, nor any restrictions on the number of consecutive years a Commissioner can serve in any particular office.

From March 2025 through February 2026, Pat Farr, a Lane County Commissioner, served as MWMC President. Doug Keeler, a Springfield citizen member, served as MWMC Vice President. If the Board chooses to follow its traditional practice, Doug Keeler would move into the role of President, and the new Vice-President would be a representative from the City of Eugene.

### **ACTION REQUESTED**

The Board is requested to nominate and elect from among its members a Board President and Vice President to serve through March 2027.



# Metropolitan Wastewater MANAGEMENT COMMISSION



*partners in wastewater management*

## MEMORANDUM

**DATE:** March 5, 2026

**TO:** MWMC Board

**FROM:** Bryan Robinson, Environmental Services Supervisor

**SUBJECT:** Biosolids Improvements Study Contract Authorization (P80122)

**ACTION REQUESTED:** Approval of Resolution 26-02

### **ISSUE**

At the MWMC Board meeting on March 13, 2026, staff will request authorization, through Resolution 26-02 (Attachment 1), to amend the current West Yost Associates on-call services contract to include work for the Biosolids Improvements Study.

### **BACKGROUND**

The West Yost contract became effective April 6, 2021, with a Not-to-Exceed (NTE) limit of \$150,000. Amendment #1 (Task Order #1), dated July 1, 2024, authorized \$99,610 in project work. Two additional amendments adjusted the project scope and extended the contract end date to March 31, 2031, without changing the authorized contract budget.

At the MWMC Board meetings on June 13, 2025, and October 10, 2025, staff reported biosolids overloading issues affecting operations at the Biosolids Management Facility (BMF). Updates from the Comprehensive Facility Plan Update (P80101) project underscored the need for an immediate study of loading conditions and operational performance within the BMF's Facultative Sludge Lagoons (FSLs).

Following further evaluation of the identified loading and processing challenges, the updates also recommended implementing a Biosolids Improvement Study project in three phases:

- Phase 1: FSL liquid composition analysis and solids volume assessment
- Phase 2: Biosolids management (including processing and end use) analysis
- Phase 3: Project recommendation(s) for targeted management strategies and facility upgrades

After reviewing study requirements, sampling needs, available solids assessment technologies, consultant availability, and contract budget, staff determined that amending the existing West Yost Associates agreement would be the most efficient and cost-effective approach. This action complies

with MWMC Procurement Rule 137-048-0320.

### **DISCUSSION**

On September 12, 2025, the Commission approved Supplemental Budget #1, which included \$350,000 in funding for the Biosolids Improvements Study. Contract Amendment #4 with West Yost was executed on February 20, 2026, authorizing Task Order #2 in the amount of \$201,975 for Phase 1 liquid composition analysis and solids volume assessment. A spending limit of \$50,000 and a work stop date of March 16, 2026, were included as Notice-to-Proceed conditions to ensure the existing contract budget is not exceeded.

Staff have tasked West Yost Associates to the full extent of the P80109 On-Call Engineering Services and Disaster Mitigation current budget authorization. At the March 13, 2026, Board meeting, staff will request an increase in contract authority—using SB1 funds—to fully implement Phase 1 of the Biosolids Improvements Study. The total requested authority is \$530,000, including contingency.

### **ACTION REQUESTED**

Staff requests for approval of Resolution 26-02.

### **ATTACHMENTS**

- 1) Resolution 26-02 is attached.

# Metropolitan Wastewater MANAGEMENT COMMISSION



*partners in wastewater management*

---

## METROPOLITAN WASTEWATER MANAGEMENT COMMISSION

**RESOLUTION 26-02** ) **IN THE MATTER CONTRACT**  
) **AMENDMENT AUTHORITY FOR**  
) **MWMC PROJECT - BIOSOLIDS**  
) **IMPROVEMENTS STUDY**

**WHEREAS**, on April 6, 2021, the Metropolitan Wastewater Management Commission (MWMC) Board approved a contract for On-Call Engineering Services and Disaster Mitigation (2021-2026) services with West Yost Associates (West Yost) with a not-to-exceed value (NTE) of \$150,000 and \$30,000 in amendment authority pursuant to Resolution 21-01;

**WHEREAS**, on June 27, 2024, the MWMC Board issued West Yost Task Order #1 for P80101 Comprehensive Facilities Plan Update work with a NTE value of \$99,610, within the \$150,000 overall contract NTE;

**WHEREAS**, on September 12, 2025, the MWMC Board approved Supplemental Budget 1, which included \$350,000 for needed P80122 Biosolids Improvement Study work;

**WHEREAS**, on December 31, 2025, MWMC executed an amendment extending the contract term to March 31, 2031;

**WHEREAS**, on February 20, 2026, staff issued West Yost Task Order #2 to begin Biosolids Improvement Study work under P80122 with a NTE price of \$50,000, drawn from the remaining contract authority of \$50,390;

**WHEREAS**, the West Yost Task Order #2 (P80122) Scope of Work includes up to \$201,975 of additional, uninitiated Biosolids Improvement Study needs and future optional Biosolids Improvement Study tasks estimated to be less than \$100,000 in value for a total additional project NTE of \$300,000;

**WHEREAS**, no further contract amendment authority is required for this amendment;

**WHEREAS**, the West Yost Task Order #2 work totals an NTE of \$350,000 for the Biosolids Improvement Study project; and

**METROPOLITAN WASTEWATER MANAGEMENT COMMISSION**

**Resolution 26-02**

**WHEREAS**, the proposed amendment complies with the requirements of MWMC Procurement Rule 137-048-0320, in that the amendment is within the scope of the solicitation document for this contract and would not materially affect the field of competition for the services described in the original procurement document.

**NOW, THEREFORE, BE IT RESOLVED BY THE METROPOLITAN WASTEWATER MANAGEMENT COMMISSION:**

The duly authorized Executive Officer of the MWMC, or his/her authorized designee, is hereby authorized to: negotiate and execute amendment(s) adding \$350,000 with West Yost Associates for the On-Call Engineering Services and Disaster Mitigation (2021–2026) original agreement dated April 6, 2021, for a total NTE value (inclusive of contract amendment authority) of \$530,000.

**ADOPTED BY THE GOVERNING BODY OF THE METROPOLITAN WASTEWATER MANAGEMENT COMMISSION BOARD ACTING IN ITS CAPACITY AS LOCAL PUBLIC CONTRACT REVIEW AUTHORITY ON THE 13TH DAY OF MARCH 2026.**

Digital Signature:

\_\_\_\_\_  
MWMC President

Digital Signature:

Approved as to form: \_\_\_\_\_  
Kristen Denmark, MWMC Legal Counsel

Digital Signature:

Attest: \_\_\_\_\_  
Misty Inman, MWMC Secretary

# Metropolitan Wastewater MANAGEMENT COMMISSION



partners in wastewater management

## MEMORANDUM

**DATE:** March 5, 2026

**TO:** MWMC Board

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

**SUBJECT:** Preliminary FY 2026-27 Regional Wastewater Program Budget

**ACTION REQUESTED:** Provide comments and direction to staff for finalization of the Regional Wastewater Program Budget for FY 2026-27

### **ISSUE**

The Preliminary Regional Wastewater Program (RWP) Budget and Capital Program for fiscal year 2026-27 (FY 26-27) is attached for the MWMC Board review (Attachment 1). At the March 13, 2026, meeting, staff will present the proposed operating budget along with scenarios for FY 26-27 user rates. The Board will be asked to provide input and direction on the Preliminary RWP Budget and proposed user rates to support finalizing the budget document ahead of the public hearing on April 10, 2026.

### **BACKGROUND AND DISCUSSION**

At the January 9, 2026 MWMC Board meeting, the Board reviewed the proposed Key Outcomes and Performance Indicators as part of the annual budget kick-off. At the February 13, 2026 MWMC Board meeting, the Board reviewed the proposed Capital Budget and 5-Year Capital Plan.

Proposed Capital Program Budget - The overall budget proposed for FY 26-27 is \$42,259,000, of which 93.3% totaling to \$39,430,000 is dedicated towards capital projects and 6.7% amounting to \$2,829,000 is dedicated to asset management including equipment replacement, major rehabilitation and major capital outlay. Approximately \$30,680,000 of the capital budget is carryover funding from FY 25-26 for projects that span multiple years and/or may continue into FY 26-27. Projects include: the Electrical Switchgear and Transformers Replacement, Administration Building Improvements, Water Quality Trading Program, Aeration System Upgrades, Glenwood Pump Station Upgrades, Comprehensive Facility Plan Update, Resiliency Follow-Up, and WPCF Stormwater Infrastructure. The 5-year Capital Plan total is \$181,870,000 as displayed in Exhibit 13, on page 52 of Attachment 1.

Proposed Operating Program Budget - The total proposed FY 26-27 operating program budget is \$29,594,362, a 7.2% increase totaling \$1,995,037 when compared to the adopted FY 25-26 budget. Exhibit 3, on page 16 of Attachment 1, summarizes the RWP operating budget by program area.

- Operations and Maintenance (O&M) - The proposed O&M budget for Eugene is \$22,751,580, reflecting an overall increase of 7.4% amounting to \$1,566,953 when compared to the adopted FY 25-26 budget. The O&M staffing level is proposed to increase by 0.50 full-time equivalent (FTE), from 84.66 to 85.16 FTE. The personnel services component of the budget reflects \$13,480,680 in employee related benefits and regular wages. The materials and services budget is proposed at \$9,270,900, with a combined total budget increase of 4.0% amounting to \$355,908. As presented at the February 2026 meeting, a change in practice for this year's budget is shifting of O&M capital outlay into the Regional Capital Program Budget, as reflected in Exhibit 12. Exhibit 11, on page 39 of Attachment 1, displays the Eugene operations and maintenance line-item budget summary.
- Administration - The proposed administration budget for Springfield is \$6,842,782, reflecting an overall net increase of 6.7% totaling \$428,084 when compared to the adopted FY 25-26 budget. A substantial portion of this increase is due to the EWEB billing and collection expense, which will be discussed further at the March 13 meeting. The Administration staffing is proposed to increase by 0.25 FTE, from 18.61 to 18.86 FTE. The personnel services component of the budget reflects a 1.1% increase totaling to \$3,153,741 in employee related benefits and regular wages. The materials and services budget increased by 14.7% amounting to \$3,688,541. Exhibit 9, on page 32 of Attachment 1, displays the Springfield administration line-item budget summary.

Proposed User Fee Rate Change - In consideration of increased revenues required to maintain an equitable and sustainable budget sufficient to meet the MWMC's FY 26-27 budget needs, staff proposes a 5.5% user fee rate increase effective July 1, 2026.

- Fiscal Impact to a Residential Monthly Bill - The proposed 5.5% rate adjustment to the regional wastewater component would result in \$1.84 monthly increase from \$33.50 to \$35.34 for a residential customer based on 5,000 gallons of wastewater treated.

With a proposed 5.5% rate adjustment, the anticipated FY 26-27 user fee revenue is approximately \$43.2 million. In addition to the monthly user fees, the Renewable Natural Gas (RNG) brown gas sales and the sale of the environmental attributes associated with the gas (the Renewable Identification Numbers or RINs) are currently estimated at \$1.015 million in FY 26-27.

With a 5.5% user fee rate adjustment, sufficient revenues will be generated to fund daily operations, planned capital projects and debt service obligations while maintaining positive cash flow and capital reserves for investments in capital improvements associated with the MWMC's current National Pollution Discharge Elimination System (NPDES) permit.

For MWMC Board consideration of rate adoption, staff will discuss the implications of rate scenarios during the March 13th meeting.

### **ACTION REQUESTED**

The Commission is requested to provide comments and direction for finalization of the Regional Wastewater Program Budget and Capital Program for FY 26-27.

### **ATTACHMENTS**

- 1) Preliminary FY 26-27 Regional Wastewater Program Budget

# Regional Wastewater Program Budget and Capital Improvements Program



Metropolitan Wastewater  
MANAGEMENT COMMISSION



partners in wastewater management

Preliminary  
Fiscal Year 2026-2027



---

# **REGIONAL WASTEWATER PROGRAM BUDGET and CAPITAL IMPROVEMENTS PROGRAM**

## **Fiscal Year 2026-27 *Preliminary***

---

The Metropolitan Wastewater Management Commission is scheduled to adopt the Operating Budget and Capital Improvements Program (CIP) for FY 26-27 on April 10, 2026. The Budget and CIP is scheduled to be ratified by the Springfield City Council on May 18, 2026, the Eugene City Council on May 11, 2026, and the Lane County Board of Commissioners on May 19, 2026. The Commission will give final ratification of the Budget and CIP on June 12, 2026.

### COMMISSION MEMBERS:

Pat Farr, President (Lane County Councilor)  
Doug Keeler, Vice President (Springfield Citizen)  
Christopher Hazen, (Eugene Citizen)  
Vacant, (Lane County Citizen)  
Dawn Lesley, (Eugene Citizen)  
Alan Stout, (Springfield City Councilor)  
Jennifer Yeh, (Eugene City Councilor)

### STAFF:

Matthew Stouder, MWMC Executive Director  
Michelle Miranda, City of Eugene Wastewater Division Director  
Nathan Bell, MWMC Finance Director



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



# **TABLE OF CONTENTS**



METROPOLITAN WASTEWATER MANAGEMENT COMMISSION
FY 2026-27 BUDGET AND CAPITAL IMPROVEMENTS PROGRAM
for the
REGIONAL WASTEWATER PROGRAM

TABLE OF CONTENTS

PROGRAM OVERVIEW

Introduction... 1
Budget Message... 3
Regional Wastewater Program Overview... 5
Exhibit 1: Interagency Coordination Structure... 13

BUDGET SUMMARY

Regional Wastewater Program Budget and Program Summary... 14
Exhibit 2: Regional Operating Budget Summary ... 14
Exhibit 3: Line Item Summary by Program Area ... 16
Exhibit 4: Budget Summary and Comparison... 17

RESERVE FUNDS

Regional Wastewater Program Reserve Funds... 21
Exhibit 5: Operating Reserves Line Item Budget... 22

OPERATING PROGRAMS

Regional Wastewater Program Staffing... 25
Exhibit 6: Regional Wastewater Program Organizational Chart ... 25
Exhibit 7: Regional Wastewater Program Position Summary ... 26
Springfield Program and Budget Detail ... 28
Exhibit 8: Springfield Administration Program Budget Summary ... 31
Exhibit 9: Springfield Administration Line Item Summary ... 32
Eugene Program and Budget Detail... 33
Exhibit 10: Eugene Operations & Maintenance Program Budget Summary ... 38
Exhibit 11: Eugene Operations & Maintenance Line Item Summary ... 39

CAPITAL PROGRAM

Regional Wastewater Capital Improvements Program ... 40
Exhibit 12: Capital Program Budget Summary ... 43
Exhibit 13: Capital Program 5-Year Plan ... 52

CAPITAL PROJECT DETAIL

Capital Program Project Detail Sheets ... 53

REFERENCES

Acronyms and Explanations ... 67



# **INTRODUCTION**



## INTRODUCTION

The MWMC was formed by the cities of Eugene, Springfield, and Lane County through an intergovernmental agreement (IGA) in 1977 to provide wastewater collection and treatment services for the Eugene-Springfield metropolitan area. The seven-member Commission, appointed by the City Councils of Eugene and Springfield and the Lane County Board of Commissioners, is responsible for oversight of the Regional Wastewater Program. Since 1983, the Commission has contracted with the cities of Springfield and Eugene to provide all staffing and services necessary to maintain and support the Regional Wastewater Program.

The MWMC has been providing high-quality wastewater services to the metropolitan area for 49 years. The service area for the MWMC consists of approximately 270,000 customers, including 82,000 residential and commercial accounts. The MWMC is committed to clean water, the community's health, the local environment, and to providing high quality services in a manner that will achieve, sustain, and promote balance between community, environmental, and economic needs.

**Mission:** To protect our community's health and the environment by providing high-quality wastewater services to the Eugene-Springfield metropolitan area in partnership with Eugene, Springfield, and Lane County.

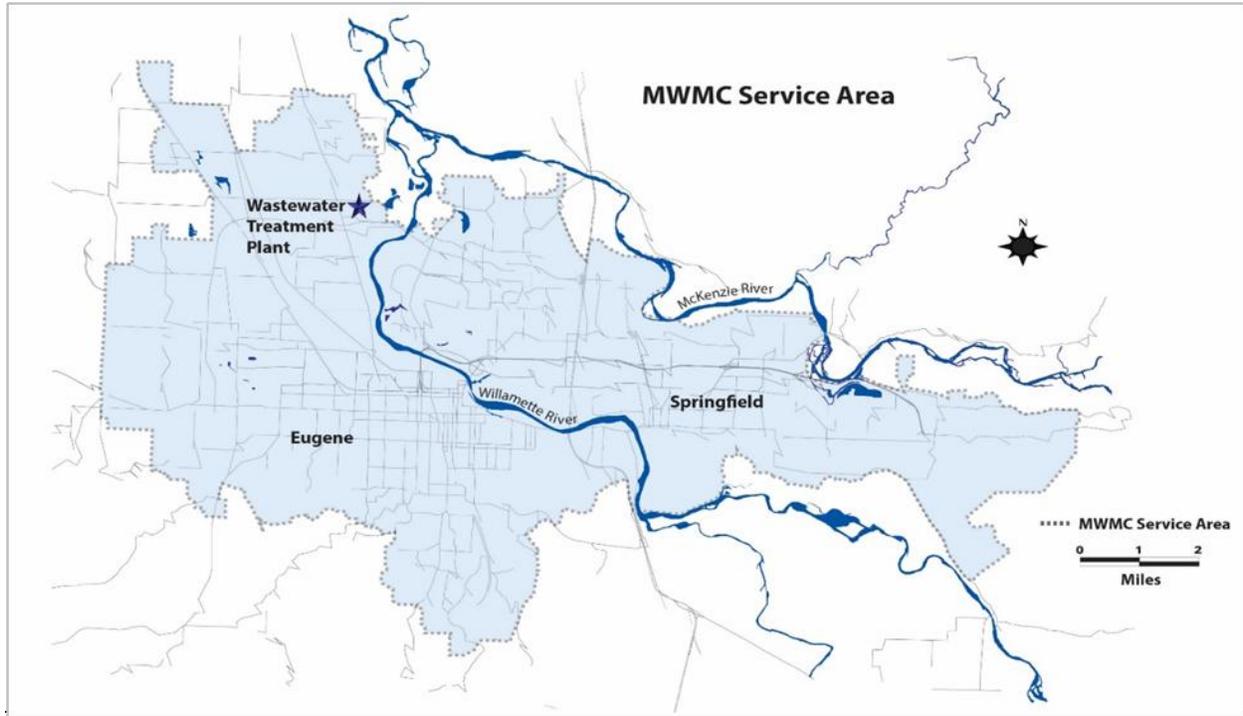
**Vision:** The MWMC will be recognized as a leader in protecting water quality through sustainable and fiscally responsible practices.

**Values Statement:** The MWMC strives to provide high-quality services that achieve, sustain, and promote balance between community, environmental and economic needs while meeting customer service expectations.

**Values:**

- Clean Water
- Protecting Community Health
- Providing Excellent Customer Service
- Sustain Environmental Stewardship
- Collaboration with Partners

**Regulatory Permit Status** - The MWMC's renewed NPDES permit was issued in October 2022, and will expire on September 30, 2027. As we continue efforts to renew our Facilities Master Plan, we are preparing for more stringent requirements from the new permit. The MWMC continues to reduce debt obligations, while planning financially to be positioned for the NPDES permit requirements.



# **BUDGET MESSAGE**



---

## BUDGET MESSAGE

### **Members of the Metropolitan Wastewater Management Commission (MWMC), MWMC Customers and Partnering Agencies**

It is my pleasure to present the Metropolitan Wastewater Management Commission's (MWMC) budget for fiscal year 2026-27. This budget funds operations, administration, and capital projects planned for the Regional Wastewater Program in the coming year. In compliance with Oregon Budget Law, this budget is balanced, with revenues and expenditures being equal.

#### ***Budget Development Process***

The MWMC's budget development schedule begins in January, with a budget kick-off to review key outcomes the MWMC Board strives to achieve, with associated performance indicators that measure results of annual workplans over time. In February, staff provides a presentation of the draft Capital Improvement Program (CIP) budget and five-year capital plan and discusses anticipated impacts. The operating budget programs are presented in March, along with user fee rate scenarios to provide an overall look at anticipated revenues and expenditures.

In April, the MWMC Board holds public hearings on the Preliminary Regional Wastewater Program (RWP) Budget and CIP, as well as regional wastewater user rates. In May, the RWP budget is forwarded to Springfield, Eugene and Lane County for their review, input and ratification. The RWP Budget and CIP returns to the MWMC in June for final approval, with budget implementation occurring July 1.

As outlined in the MWMC's intergovernmental agreement, administration and CIP components are reflected in the City of Springfield's RWP budget, while operations, maintenance, equipment replacement, major rehabilitation, and major capital outlay components are reflected in the City of Eugene's RWP budget. Both cities' Industrial Pretreatment Programs are managed locally in compliance with the MWMC Model Ordinance and are also included in the RWP budget.

#### ***Fiscal Year 2026-27 Budget***

The upcoming fiscal year will present opportunities and challenges for the Regional Wastewater Program. The FY 2026-27 budget is balanced with resources equal to or greater than expenditures. The budget is based on a 7.2% increase over FY 2025-26. Primary drivers of increased expenditures include rising costs associated with utility charges, billing collection, construction activities, and contractual service needs at the Biosolids Management Facility (BMF) for poplar tree harvest. Compliance with meeting obligations in the MWMC's National Pollution Discharge Elimination System (NPDES) Permit continue to cause budgetary pressures, as do aging infrastructure needs associated with aging assets.

User fee revenues are projected at \$43.2 million, with additional revenue sources from septage haulers, renewable natural gas sales, Systems Development Charges, property leases and other sources estimated at \$7.2 million. Operating expenditures are projected at \$29.6 million, while the FY 2026-27 CIP includes approximately \$39.4 million dedicated to facilities planning efforts, conveyance system upgrades and plant performance improvements. Another \$2.8 million is proposed for equipment replacement, major rehabilitation, and major capital outlay.

**Accomplishments**

Every year, staff working on behalf of the MWMC demonstrate incredible professionalism and commitment to our community, while providing a vital service that runs 24 hours a day, 365 days a year. Significant accomplishments from this past year include:

- Staff working at the WPCF oversaw the successful treatment of nearly 13 billion gallons of wastewater, ensuring continued protection of our community's public health and safety, as well as that of the local environment and the Willamette River.
- Two foundational intergovernmental agreements that were over 20-years old and which lay the framework for how the MWMC functions as an intergovernmental entity were updated in partnership with the cities of Eugene, Springfield and Lane County.
- Work is nearly complete, and staff expects to complete a new MWMC Facilities Plan prior to FY 26-27. This plan outlines how the MWMC will provide service and meet operational and capital needs for a growing community over the next 20-year period, at a cost of approximately \$350 million. Implementing the new Facilities Plan will enable the MWMC to meet increasing environmental requirements, while continuing to protect public health and the Willamette River.
- The MWMC was recognized by the National Association of Clean Water Agencies at their winter conference in Miami, FL with a *National Environmental Achievement Award* for our "One Water Video and Digital Education Campaign". This effort highlighted the interconnectivity of the different water systems in our region, including drinking water, stormwater, wastewater and the natural water cycle, with the key messaging that all water is connected and everyone working with water has the same goal – providing access to safe, clean water for all.

In summary, the FY 2026-27 budget will implement the Board's adopted Financial Plan policies, fund operations and administration sufficiently to maintain service levels, and meet the environmental performance necessary for compliance with the MWMC's NPDES permit.

Development of the RWP budget is a significant effort and would not be possible without the dedicated commitment from staff working on behalf of the MWMC. I would like to thank Jeremy Cleversey, Valerie Warner, Kevin Vanderwall, Troy McAllister, and James McClendon for their contributions in developing the MWMC's FY 26-27 RWP budget.

Respectfully submitted,



Matt Stouder  
MWMC Executive Director

# **PROGRAM OVERVIEW**



## REGIONAL WASTEWATER PROGRAM OVERVIEW

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

The Metropolitan Wastewater Management Commission (MWWC) was formed by Eugene, Springfield, and Lane County through an intergovernmental agreement (IGA) in 1977 to provide wastewater collection and treatment services for the Eugene-Springfield metropolitan area. The seven-member Board is composed of members appointed by the City Councils of Eugene (3 representatives), Springfield (2 representatives) and the Lane County Board of Commissioners (2 representatives). Since its inception, the Board, in accordance with the IGA, has been responsible for oversight of the Regional Wastewater Program (RWP) including: construction, maintenance, and operation of the regional sewerage facilities; adoption of financing plans; adoption of budgets, user fees and connection fees; adoption of minimum standards for industrial pretreatment and local sewage collection systems; and recommendations for the expansion of regional facilities to meet future community growth. Staffing and services have been provided in various ways over the 49 years of MWWC's existence. Since 1983, the MWWC has contracted with the Cities of Springfield and Eugene for all staffing and services necessary to maintain and support the RWP. Lane County's partnership has involved participation on the Board and authority for wastewater services and support for customers that are served by the MWWC in the Santa Clara unincorporated area.

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

The purpose of the RWP is to protect public health and safety and the environment by providing high quality wastewater management services to the Eugene-Springfield metropolitan area. The MWWC and the regional partners are committed to providing these services in a manner that will achieve, sustain, and promote balance between community, environmental, and economic needs while meeting customer service expectations. Since the mid-1990s, the Board and RWP staff have worked together to identify key outcome areas within which to focus annual work plan and budget priorities. The FY 26-27 RWP work plans and budget reflect a focus on the following key outcomes or goals. In carrying out the daily activities of managing the regional wastewater system, we will strive to achieve and maintain:

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

The MWWC believes that these outcomes, if achieved in the long term, will demonstrate success of the RWP in carrying out its purpose. In order to help determine whether we are successful, indicators of performance and targets have been identified for each key outcome. Tracking performance relative to identified targets over time assists in managing the RWP to achieve desired results. The following indicators and performance targets provide an important framework for the development of the FY 26-27 RWP Operating Budget, Capital Improvements Program, and associated work plans.

**Outcome 1: Achieve and maintain high environmental indicators while prioritizing staff safety.**

Indicators:	Performance:		
	FY 24-25 Actual	FY 25-26 Estimated Actual	FY 26-27 Target
<ul style="list-style-type: none"> <li>Optimize RNG Runtime Performance</li> </ul>	62% Runtime	60% Runtime	70% Runtime *contract with expert
<ul style="list-style-type: none"> <li>Optimize heat-loop efficiency</li> </ul>	Completed heat-loop optimization study	Evaluate and consider study recommendations	Implement Study Recommendations
<ul style="list-style-type: none"> <li>Exceed the average removal efficiency of carbonaceous biochemical oxygen demand (CBOD) and total suspended solids (TSS) (permit limit 85%)</li> </ul>	Achieved 97%	Achieved 97%	Achieve >95%
<ul style="list-style-type: none"> <li>Produce high quality biosolids (pollutant concentrations less than 50% of EPA exceptional quality criteria)</li> </ul>	Arsenic 24% Cadmium 6.8% Copper 34% Lead 9.8% Mercury 5.6% Nickel 4.8% Selenium 11% Zinc 38%	Arsenic 25% Cadmium 20% Copper 35% Lead 20% Mercury 10% Nickel 10% Selenium 20% Zinc 40%	Arsenic <50% Cadmium <50% Copper <50% Lead <50% Mercury <50% Nickel <50% Selenium <50% Zinc <50%
<ul style="list-style-type: none"> <li>Achieve ongoing third party certification of the ISO14001 Environmental Management System – Continual Improvement of Environmental Performance requirements</li> </ul>	All objectives were met and no major non-conformities; Conducted a Heat Loop Optimization Study	All objectives met with no major non-conformities	All objectives met with no major non-conformities
<ul style="list-style-type: none"> <li>Maintain a Lost Time Injury Rate (LTIR) below 2.1, which is the industry average as reported by the Bureau of Labor Statistics</li> </ul>	2.09	2.06	<2.1

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

Indicators:	Performance:		
	FY 24-25 Actual	FY 25-26 Estimated Actual	FY 26-27 Target
• Align annual budget and rates with the MWMC Financial Plan	Policies were met	Policies met	Evaluate rate model cost allocations
• Achieve clean annual audited financial statements	Clean audit	Clean audit	Clean audit
• Maintain robust uninsured bond rating	AA	AA	AA
• Operating reserves funding at target levels	Yes	Yes	Yes
• Update MWMC Financial Plan	Yes	Update completed	Policies met
• Ensure rates and rate changes are planned, moderate and incremental	5.5% Increase	5.5% Increase	<=6% Increase
• Pursue Grant opportunities aligned with MWMC funding needs	Secured CWSRF Forgivable Loan and WaterSMART Grant	Awarded Grant Agreements for recycled water (declined)  Submitted for ODOT grant (not funded)	Identify at least 1 MWMC aligned grant for submittal

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

Indicators:	Performance:		
	FY 24-25 Actual	FY 25-26 Estimated Actual	FY 26-27 Target
<ul style="list-style-type: none"> <li>Update MWMC Facilities Plan (Project P80101)</li> </ul>	Project P80101 work began	Draft Facilities Plan and associated work products	Final Facilities Plan deliverables complete
<ul style="list-style-type: none"> <li>Maintain Intergovernmental Agreements that are current and conform to overarching federal, state and local laws</li> </ul>	Initiate updates to the MWMC's IGA & OM&A	IGA & OM&A updates adopted by Governing Bodies	Complete update to the MWMC's Bylaws
<ul style="list-style-type: none"> <li>Conduct a partnership assessment</li> </ul>	Scope assessment tool options; present concepts/options for Board consideration; Create RFP and select consultant	Begin data collection; report first round results to Board	Begin implementation of approved recommendations as next steps
<ul style="list-style-type: none"> <li>Present jointly regarding the MWMC partnership, services and outcomes</li> </ul>	Three presentations delivered by staff	Four presentations delivered by staff	Two presentations delivered by staff

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

Indicators:	Performance:		
	FY 24-25 Actual	FY 25-26 Estimated Actual	FY 26-27 Target
<ul style="list-style-type: none"> <li>Complete preventive maintenance on time (best practices benchmark is 90%)</li> </ul>	96% (Completed 7,797 PMs)	94%	90%
<ul style="list-style-type: none"> <li>Benchmark preventive maintenance to the corrective maintenance ratio (4:1-6:1)</li> </ul>	5.3:1 (Completed 7,874 PMs: 1,483 CMs)	5.7:1	5:1
<ul style="list-style-type: none"> <li>Execute required emergency maintenance (best practices benchmark is less than 2% of labor hours)</li> </ul>	0.4% (Completed 111 hours of 30,285 hrs)	0.8%	< 2%
<ul style="list-style-type: none"> <li>Improve asset management practices employed</li> </ul>	Completed condition assessment of facility structures and piping	Include improvements in Facility Plan projects	Continue to implement improvements
	Completed cybersecurity assessment of control systems	Implement cybersecurity improvements	Reassess cybersecurity vulnerability

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

Indicators:	Performance:		
	FY 24-25 Actual	FY 25-26 Estimated Actual	FY 26-27 Target
<ul style="list-style-type: none"> <li>Advance the Communications Plan</li> </ul>	Updated Plan to 2025	Began implementing 2025 Plan	Continue implementing 2025 Plan
<ul style="list-style-type: none"> <li>Promote MWMC's social media channels &amp; website</li> </ul>	Facebook followers to 1,500, X to 225, and Instagram to 1,200; website visitors to 11,000 with 15,000 pageviews	Facebook followers to 1,600, "X" to 250, and Instagram to 1400; website visitors to 12,000 with 16,000 pageviews	Facebook followers to 1,700, "X" to 275, and Instagram to 1,500; maintain website visitors at 12,000 with 16,000 pageviews
<ul style="list-style-type: none"> <li>Create and distribute MWMC e-newsletters</li> </ul>	Distributed monthly; increased distribution to 750 subscribers with an open rate of 40% and a click-through rate of 3.25%	Distribute monthly; increase distribution to 800 subscribers with an open rate of 43% and a click-through rate of 6%	Distribute monthly; increase distribution to 850 subscribers with an open rate of 45% and a click-through rate of 8%
<ul style="list-style-type: none"> <li>Advance Pollution Prevention Campaigns (including Mercury Minimization Outreach) &amp; Sponsorships</li> </ul>	Completed 2 campaigns, 5 sponsorships, reaching +40% of residents in the service area	Complete 2 campaigns, 5 sponsorships, reaching +50% of residents in the service area	Complete 2 campaigns, 5 sponsorships, reaching +60% of residents in the service area
<ul style="list-style-type: none"> <li>Promote Clean Water University</li> </ul>	Reached >35% of 5 <sup>th</sup> Graders in the service area	Reach >35% of 5 <sup>th</sup> Graders in the service area	Reach >40% of 5 <sup>th</sup> Graders in the service area

### **Roles and Responsibilities**

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

#### City of Eugene

The City of Eugene supports the RWP through representation on the Board, provision of operation and maintenance services, and active participation on interagency project teams and committees. Three of the seven MWMC Board members represent Eugene – two citizens and one City Councilor. Pursuant to the Intergovernmental Agreement (IGA), the Eugene Wastewater Division operates and maintains the Regional Water Pollution Control Facility (WPCF), the Biosolids Management Facility (BMF) and associated residuals and reclaimed water activities, along with regional wastewater pumping stations and transmission sewers. In support of the RWP, the Division also provides technical services for wastewater treatment; management of equipment replacement and infrastructure rehabilitation; biosolids treatment and recycling; industrial source control (in conjunction with Springfield staff); and regional laboratory services for wastewater and water quality analyses. These services are provided under contract with the MWMC through the regional funding of 81.68 full-time equivalent (FTE) employees in FY25-26.

#### City of Springfield

The City of Springfield supports the RWP through representation on the Board, provision of MWMC administration services, and active coordination of and participation on interagency project teams and committees. Two MWMC Board members represent Springfield – one citizen and one City Councilor. Pursuant to the IGA, the Springfield Development and Public Works Department, provides staff to serve as the MWMC Executive Director / General Manager, respectively. The Environmental Services Division and Finance Department staff provide ongoing staff support to the Board and administration of the RWP in the following areas: legal and risk management services; financial management and accounting; coordination and management of public policy; regulatory and permit compliance issues; coordination between the Board and the governing bodies; long-range capital project planning, design, and construction management; coordination of public information, education, and citizen involvement programs; and coordination and development of regional budgets, rate proposals, and revenue projections. Springfield staff also provides local implementation of the Industrial Pretreatment Program, as well as billing coordination and customer service. These services are provided under contract with the MWMC through the regional funding of 17.95 FTE of Development and Public Works Department staff and .88 FTE of Finance Department staff, and .03 FTE of City Manager's Office for a total 18.86 FTE.

#### Lane County

Lane County supports the RWP through representation on the Board, including two Board members that represent Lane County – one citizen and one County Commissioner. Lane County's partnership initially included providing support to manage the proceeds and repayment of the RWP general obligation bonds to finance the local share of the RWP facilities construction. These bonds were paid in full in 2002. The County, while not presently providing sewerage, has the authority under its charter to do so. The Urban Growth Boundary includes the two Cities (urban lands) and certain unincorporated areas surrounding the Cities which lies entirely within the County. Federal funding policy requires sewage treatment and disposal within the Urban Growth Boundary to be provided on a unified, metropolitan basis.

**Interagency Coordination**

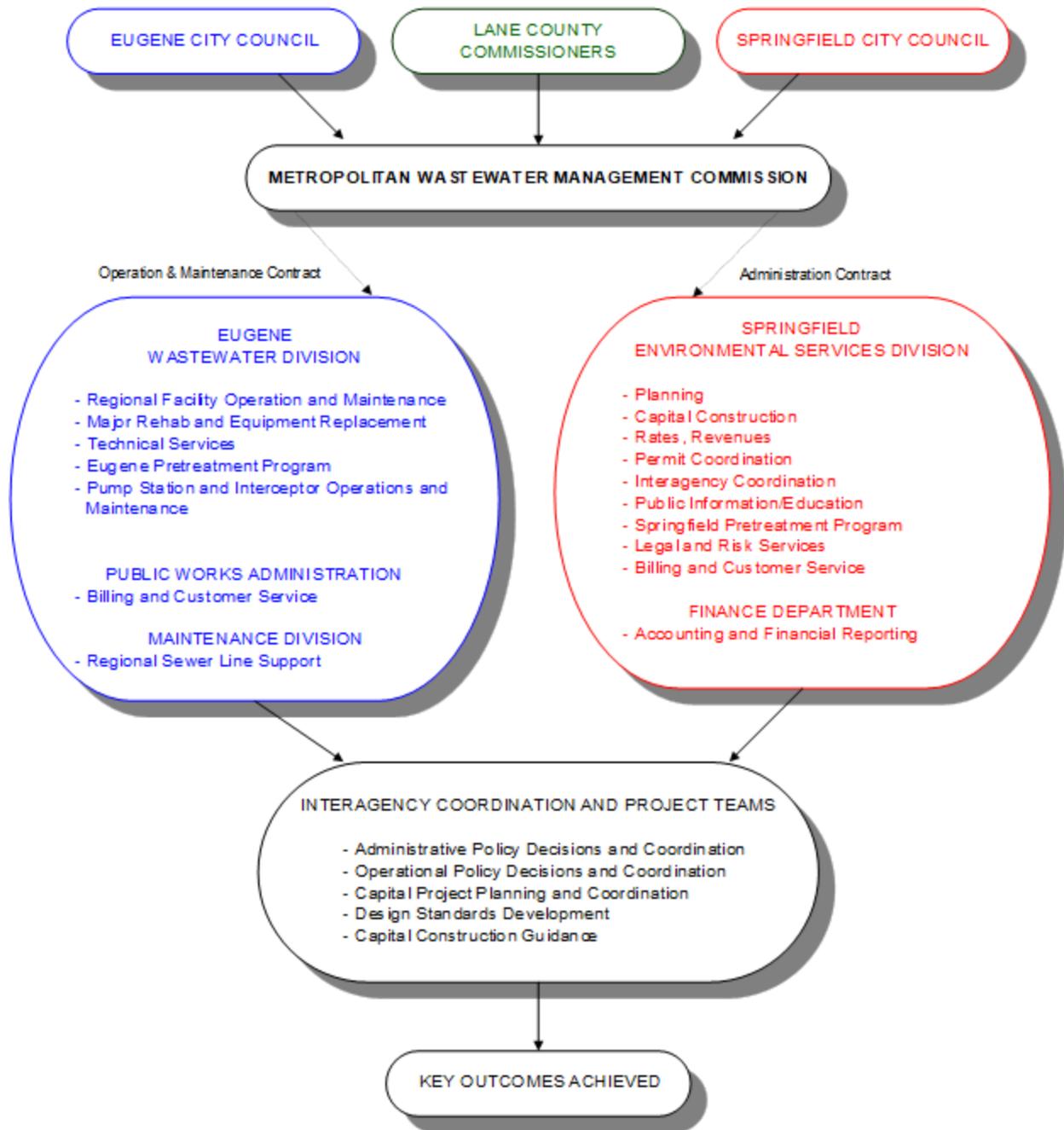
The effectiveness of the MWMC and the RWP depends on extensive coordination, especially between Springfield and Eugene staff, who provide ongoing program support. This coordination occurs in several ways. The Springfield MWMC Executive Director / MWMC General Manager, together with the Eugene Wastewater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

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

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

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

**EXHIBIT 1**  
REGIONAL WASTE WATER PROGRAM  
INTERAGENCY COORDINATION STRUCTURE





# **BUDGET SUMMARY**



**REGIONAL WASTEWATER PROGRAM  
FY 26-27 BUDGET**

The MWMC's RWP Operating Budget provides the Commission and governing bodies with an integrated view of the RWP elements. Exhibit 2 provides a summary of the overall Operating Budget. Separate Springfield and Eugene agency budgets and staffing also are presented within this budget document. Major program areas supported by Springfield and Eugene are described in the pages that follow and are summarized in Exhibit 3 on page 16. Finally, Exhibit 4 on page 17 combines revenues, expenditures, and reserves to illustrate how funding for all aspects of the RWP is provided. It should also be noted that the "Amended Budget FY 25-26" column in all budget tables represents the updated FY 25-26 RWP budget as of February 8, 2026, which reconciled actual beginning balances at July 1, 2025, and approved budget transfers and supplemental requests.

**EXHIBIT 2**

REGIONAL OPERATING BUDGET SUMMARY  
INCLUDING RESERVE CONTRIBUTIONS

	ADOPTED BUDGET FY 25-26	AMENDED BUDGET FY 25-26	PROPOSED BUDGET FY 26-27	CHANGE (1) INCR/(DECR)	
Full-Time Equivalent Staffing Level	103.27	103.27	104.02	0.75	0.7%
Personnel Services (2)	\$15,267,616	\$15,267,616	\$16,634,421	\$1,366,805	9.0%
Materials & Services (2)	12,130,709	12,927,988	12,959,941	829,232	6.8%
Capital Outlay (2, 3)	201,000	830,420	-	(201,000)	NA
Equip Replacement Contributions (4)	1,350,000	1,350,000	-	(1,350,000)	NA
Capital Contributions (5)	13,000,000	13,000,000	12,100,000	(900,000)	6.9%
Debt Service (6)	4,104,250	4,104,250	713,770	(3,390,480)	-82.6%
Working Capital Reserve (7)	900,000	900,000	700,000	(200,000)	-22%
Rate Stability Reserve (8)	2,000,000	2,000,000		-	0%
Contingency Reserve (8)			2,000,000		
Insurance Reserve (9)	1,500,000	1,500,000	1,500,000	-	0%
Operating Reserve (10)	5,302,501	2,618,019	5,944,470	641,969	12.1%
Bond Rate Stabilization Reserve (11)	2,000,000	2,000,000	2,000,000	-	0%
SRF Loan Reserve (12)	50,000	50,000	50,000	-	0%
<b>Budget Summary</b>	<b>\$57,806,076</b>	<b>\$56,548,293</b>	<b>\$54,602,602</b>	<b>(\$3,203,474)</b>	<b>-5.5%</b>

Notes:

1. The Change column and Percent Change column compares the Proposed FY 26-27 Budget with the originally Adopted FY 25-26 Budget column.
2. Personnel Services, Materials and Services, and Capital Outlay budget amounts represent combined Springfield and Eugene Operating Budgets that support the RWP.
3. Capital Outlay does not include CIP, Equipment Replacement, Major Capital Outlay, or Major Rehabilitation, which are capital programs.

4. The Equipment Replacement Contribution is a budgeted transfer of operating revenues to reserves for scheduled future equipment replacement, including all fleet equipment and other equipment, with an original cost over \$10,000, and with a useful life expectancy greater than one year. See table on page 23 for year-end balance.
5. The Capital Reserve Contribution is a budgeted transfer of operating revenues to reserves. Capital is passed through the Springfield Administration Budget. See table on page 24 for year-end balance.
6. The Debt Service line item is the sum of annual interest and principal payments on the Revenue Bonds and Clean Water State Revolving Fund (SRF) loans made from the Operating Budget (derived from user rates). The total amount of Debt Service budgeted in FY 26-27 is \$713,770.
7. The Working Capital Reserve acts as a revolving account which is drawn down and replenished on a monthly basis to fund Eugene's and Springfield's cash flow needs.
8. The Rate Stability Reserve has been used to set aside revenues available at year-end after the budgeted Operating Reserve target is met. Internal policy has established a level of \$2 million for the Rate Stability Reserve. This reserve is being renamed to the Contingency Reserve for the FY 26-27 Proposed Budget due to the Contingency Reserve offering additional flexibility to address Supplemental Budget needs. See Exhibit 5 on page 22 for year-end balance.
9. The Insurance Reserve was established to set aside funds to cover the insurance deductible amount for property and liability insurance coverage, for losses per occurrence. The Insurance Reserve is set at \$1.5 million.
10. The Operating Reserve is used to account for the accumulated operating revenues net of operations expenditures. The Commission's adopted policy provides minimum guidelines to establish the Operating Reserve balance at approximately two months operating expenses of the adopted Operating Budget.
11. The Bond Rate Stabilization Reserve contains funds to be used at any point in the future when net revenues are insufficient to meet the bond covenant coverage requirements. The Commission shall maintain the Bond Rate Stabilization Reserve account of \$2 million will be retired in October 2026 when the 2016 bond is paid off.
12. The Clean Water SRF loan reserve is budgeted as required per loan agreements.

EXHIBIT 3

REGIONAL WASTEWATER PROGRAM OPERATING BUDGET  
LINE ITEM SUMMARY BY PROGRAM AREA

<u>SPRINGFIELD</u>	ACTUALS	ADOPTED	AMENDED	PROPOSED	CHANGE	
<b>MWMC ADMINISTRATION</b>	FY 24-25	FY 25-26	FY 25-26	FY 26-27	INCR/(DECR)	
Personnel Services	\$1,976,102	\$2,462,616	\$2,462,616	\$2,491,068	\$28,452	1.2%
Materials & Services	2,528,246	2,975,098	3,062,951	3,466,324	491,226	16.5%
Capital Outlay	-	50,000	50,000	-	(50,000)	N/A
<b>TOTAL</b>	<b>\$4,504,348</b>	<b>\$5,487,714</b>	<b>\$5,575,566</b>	<b>\$5,957,392</b>	<b>\$469,678</b>	<b>8.6%</b>
<b>INDUSTRIAL PRETREATMENT</b>						
Personnel Services	\$412,397	\$501,535	\$501,535	\$503,713	\$2,178	0.4%
Materials & Services	153,929	188,410	238,410	175,955	(12,455)	-6.6%
Capital Outlay	-	28,000	28,000	-	(28,000)	N/A
<b>TOTAL</b>	<b>\$566,326</b>	<b>\$717,945</b>	<b>\$767,945</b>	<b>\$679,668</b>	<b>(\$38,277)</b>	<b>-5.3%</b>
<b>ACCOUNTING</b>						
Personnel Services	\$144,096	\$153,830	\$153,830	\$158,960	\$5,130	3.3%
Materials & Services	39,135	52,209	52,209	46,762	(5,447)	-10.4%
Capital Outlay	-	3,000	3,000	-	(3,000)	N/A
<b>TOTAL</b>	<b>\$183,231</b>	<b>\$209,039</b>	<b>\$209,039</b>	<b>\$205,722</b>	<b>(\$3,317)</b>	<b>-1.6%</b>
<b>TOTAL SPRINGFIELD</b>						
Personnel Services	\$2,532,595	\$3,117,981	\$3,117,981	\$3,153,741	\$35,760	1.1%
Materials & Services	2,721,310	3,215,717	3,353,570	3,689,041	473,233	14.7%
Capital Outlay	-	81,000	81,000	-	(81,000)	N/A
<b>TOTAL</b>	<b>\$5,253,905</b>	<b>\$6,414,698</b>	<b>\$6,552,551</b>	<b>\$6,842,782</b>	<b>\$427,993</b>	<b>6.7%</b>
<b>EUGENE</b>						
<b>ADMINISTRATIVE SERVICES</b>						
Personnel Services	\$2,868,534	\$2,925,710	\$2,925,710	\$2,972,002	\$46,292	1.6%
Materials & Services	1,135,274	1,169,578	1,169,578	1,191,006	21,428	1.8%
<b>TOTAL</b>	<b>\$4,003,808</b>	<b>\$4,095,288</b>	<b>\$4,095,288</b>	<b>\$4,163,008</b>	<b>\$67,720</b>	<b>1.7%</b>
<b>BENEFICIAL REUSE SITE</b>						
Personnel Services	\$368,698	\$376,047	\$376,047	\$381,997	\$5,950	1.6%
Materials & Services	113,228	116,649	116,649	118,786	2,137	1.8%
<b>TOTAL</b>	<b>\$481,926</b>	<b>\$492,696</b>	<b>\$492,696</b>	<b>\$500,783</b>	<b>\$8,087</b>	<b>1.6%</b>
<b>BIOCYCLE FARM</b>						
Personnel Services	\$344,957	\$0	\$0	\$423,345	\$423,345	N/A
Materials & Services	367,764	-	0	1,312,199	1,312,199	N/A
<b>TOTAL</b>	<b>\$712,721</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,735,544</b>	<b>\$1,735,544</b>	<b>N/A</b>
<b>BIOSOLIDS MANAGEMENT</b>						
Personnel Services	\$1,255,558	\$1,652,841	\$1,652,841	\$1,678,993	\$26,152	1.6%
Materials & Services	1,113,489	1,496,803	1,856,803	1,524,227	27,424	1.8%
<b>TOTAL</b>	<b>\$2,369,047</b>	<b>\$3,149,644</b>	<b>\$3,509,644</b>	<b>\$3,203,220</b>	<b>\$53,576</b>	<b>1.7%</b>
<b>EWEB ADMINISTRATION</b>						
Materials & Services	844,662	946,180	946,180	-	(946,180)	N/A
<b>TOTAL</b>	<b>\$844,662</b>	<b>\$946,180</b>	<b>\$946,180</b>	<b>\$0</b>	<b>(\$946,180)</b>	<b>N/A</b>
<b>INDUSTRIAL PRETREATMENT</b>						
Personnel Services	\$765,553	\$780,812	\$780,812	\$793,166	\$12,354	1.6%
Materials & Services	252,522	260,152	260,152	264,918	4,766	1.8%
<b>TOTAL</b>	<b>\$1,018,075</b>	<b>\$1,040,964</b>	<b>\$1,040,964</b>	<b>\$1,058,084</b>	<b>\$17,120</b>	<b>1.6%</b>
<b>REGIONAL PUMP STATIONS</b>						
Personnel Services	\$324,380	\$330,846	\$330,846	\$336,081	\$5,235	1.6%
Materials & Services	367,337	378,437	378,437	385,371	6,934	1.8%
<b>TOTAL</b>	<b>\$691,718</b>	<b>\$709,283</b>	<b>\$709,283</b>	<b>\$721,452</b>	<b>\$12,169</b>	<b>1.7%</b>
<b>RENEWABLE NATURAL GAS</b>						
Personnel Services	\$137,089	\$0	\$0	\$168,132	\$168,132	N/A
Materials & Services	389,938	-	0	392,565	392,565	N/A
<b>TOTAL</b>	<b>\$527,027</b>	<b>\$0</b>	<b>\$0</b>	<b>\$560,697</b>	<b>\$560,697</b>	<b>N/A</b>
<b>TREATMENT PLANT</b>						
Personnel Services	\$5,793,562	\$6,083,379	\$6,083,379	\$6,726,964	\$643,585	10.6%
Materials & Services	4,011,934	4,547,193	4,846,619	4,081,828	(465,365)	-10.2%
Capital Outlay	613,197	120,000	749,420	-	(120,000)	N/A
<b>TOTAL</b>	<b>\$10,418,693</b>	<b>\$10,750,572</b>	<b>\$11,679,418</b>	<b>\$10,808,792</b>	<b>\$58,220</b>	<b>0.5%</b>
<b>TOTAL EUGENE</b>						
Personnel Services	\$11,858,332	\$12,149,635	\$12,149,635	\$13,480,680	\$1,331,045	11.0%
Materials & Services	8,596,149	8,914,992	9,574,418	9,270,900	355,908	4.0%
Capital Outlay	613,197	120,000	749,420	-	(120,000)	N/A
<b>TOTAL</b>	<b>\$21,067,678</b>	<b>\$21,184,627</b>	<b>\$22,473,473</b>	<b>\$22,751,580</b>	<b>\$1,566,953</b>	<b>7.4%</b>
<b>TOTAL REGIONAL BUDGET</b>	<b>\$26,321,583</b>	<b>\$27,599,325</b>	<b>\$29,026,024</b>	<b>\$29,594,362</b>	<b>\$1,995,037</b>	<b>7.2%</b>

NOTE: Does not include Major Rehabilitation, Equipment Replacement or Major Capital Outlay

## EXHIBIT 4

REGIONAL WASTEWATER PROGRAM  
BUDGET SUMMARY AND COMPARISON

	ADOPTED BUDGET FY 25-26	AMENDED BUDGET FY 25-26	PROPOSED BUDGET FY 26-27	CHANGE* INC(DEC)
<b>OPERATING BUDGET</b>				
Administration	\$6,414,698	\$6,552,551	\$6,842,782	\$428,084
Operations	21,184,627	22,473,473	22,751,580	1,566,953
Capital Contribution & Transfers	13,000,000	13,000,000	12,100,000	(900,000)
Equipment Replacement - Contribution	1,350,000	1,350,000	0	(1,350,000)
Operating & Revenue Bond Reserve	11,752,501	9,068,019	12,194,470	441,969
Debt Service	4,104,250	4,104,250	713,770	(3,390,480)
<b>Total Operating Budget</b>	<b>\$57,806,076</b>	<b>\$56,548,293</b>	<b>\$54,602,602</b>	<b>(\$3,203,474)</b>
<b>Funding:</b>				
Beginning Balance	\$11,197,488	\$7,585,871	\$7,919,479	(\$3,278,009)
User Fees & Septage	43,398,656	45,752,490	44,105,000	706,344
Other	3,209,932	3,209,932	2,578,123	(631,809)
<b>Total Operating Budget Funding</b>	<b>\$57,806,076</b>	<b>\$56,548,293</b>	<b>\$54,602,602</b>	<b>(\$3,203,474)</b>
<b>CAPITAL PROGRAM BUDGET</b>				
Glenwood Pump Station Upgrades	1,700,000	1,755,682	600,000	(1,100,000)
Waste Activated Sludge Thicken	6,250,000	6,500,000	-	(6,250,000)
Poplar Harvest Mgmt Services	-	-	-	-
Increase Digestion Capacity	-	-	-	-
Operations Maint Building Improvement	-	-	-	-
Facilty Pln Eng Svc 2015-2018	-	-	-	-
Decommission WPCF Onste Lagoon	-	-	-	-
Renewable Natural Gas Upgrades	-	-	-	-
Resiliency Planning	-	-	-	-
Class A Disinfection Facilitie	8,800,000	600,000	-	(8,800,000)
Recycled Water Demonstration	235,000	262,169	-	(235,000)
Aeration Basin Improvemnts-Phase 2	-	-	-	-
Comprehensive Facilities Plan	300,000	702,024	-	(300,000)
Tertiary Filtration - Phase 2	-	-	-	-
Admin Building Improvements	16,800,000	21,046,529	3,000,000	(13,800,000)
Resiliency Follow-up	500,000	678,080	2,000,000	1,500,000
Facility Plan Engineering Services	300,000	600,000	300,000	-
WPCF Stormwater Infrastructure	540,000	600,000	480,000	(60,000)
Water Quality Trading Program	9,300,000	9,843,109	2,100,000	(7,200,000)
Aeration Basin Upgrade 2023-26	35,300,000	36,202,723	13,000,000	(22,300,000)
Switchgear Transformer Replace	14,900,000	15,375,786	7,400,000	(7,500,000)
Owosso Bridge Upgrades	-	-	1,100,000	1,100,000
Repair Clarifiers Final Treatment	3,500,000	3,733,026	3,600,000	100,000
WPCF Boiler Upgrades	-	450,000	1,000,000	1,000,000
Biosolids Improvements Study	-	350,000	3,500,000	3,500,000
WPCF Storage	-	-	900,000	900,000
WPCF Thickening Upgrades	-	-	450,000	450,000
<b>Asset Management Expense:</b>				
Equipment Replacement Purchases	1,225,000	2,111,479	619,000	(606,000)
Major Rehab	1,030,000	1,445,775	1,230,000	200,000
Major Capital Outlay	-	207,730	980,000	980,000
<b>Total Capital Projects</b>	<b>100,680,000</b>	<b>102,464,112</b>	<b>\$ 42,259,000</b>	<b>(\$58,421,000)</b>
<b>Asset Management Funding:</b>				
Equipment Replacement	1,225,000	2,111,479	619,000	(606,000)
SDC Improvement Reserve	6,530,135	5,484,091	847,200	(5,682,935)
SDC Reimbursement Reserve	-	-	3,000,000	3,000,000
Capital Reserve	92,924,865	94,868,542	37,792,800	(55,132,065)
<b>Total Capital Projects Funding</b>	<b>\$100,680,000</b>	<b>102,464,112</b>	<b>\$ 42,259,000</b>	<b>(\$58,421,000)</b>

Note: \* The Change compares the proposed FY 26-27 budget to the originally adopted FY 25-26 budget column.

### **BUDGET AND RATE HISTORY**

The graphs on page 19 show the regional residential wastewater service costs over a 5-year period, and a 5-year Regional Operating Budget Comparison. Because the Equipment Replacement, Major Infrastructure Rehabilitation and Major Capital Outlay programs are managed in the Eugene Operating Budget, based on the size, type and budget amount of the project these programs are incorporated into either the 5-year Regional Operating Budget Comparison graph or the 5-Year Capital Programs graph on page 19. The Regional Wastewater Capital Improvement Programs graph on page 20 shows the expenditures over the recent five years in the MWMC's Capital Program and including Asset Management projects. A list of capital projects is located in Exhibit 13 on page 52.

As shown on the Regional Residential Sewer Rate graph on page 19, regional sewer user charges have incrementally increased to meet the revenue requirements necessary to fund facility improvements as identified in the 2004 MWMC Facilities Plan. This Plan and the subsequent 2014 Partial Facilities Plan Update demonstrated the need for a significant capital investment in new and expanded facilities to meet environmental performance requirements and capacity to serve the community.

On November 1, 2022, the Department of Environmental Quality (DEQ) issued a National Pollutant Discharge Elimination System Permit (NPDES). Although a portion of these capital improvements can be funded through system development charges (SDCs), much of the funding for capital improvements over the approximately 5-year period will come from user charges. This has become a major driver of the MWMC's need to increase sewer user rates, moderately and incremental on an annual basis.

The National Association of Clean Water Agency (NACWA) publishes an annual Cost of Clean Water Index, which indicates the national average charges for wastewater services. The index includes average wastewater charges by Environmental Protection Agency (EPA) regions. Of the EPA regions, Region 10, which includes Oregon, Washington, Idaho and Alaska, reflects the second highest wastewater expenses nationwide, based on demographics, geography, regulatory requirements, and a range of other issues. Within Region 10, the annual change in the cost of clean water index reflected a 4.4% average increase over the past 4 years.

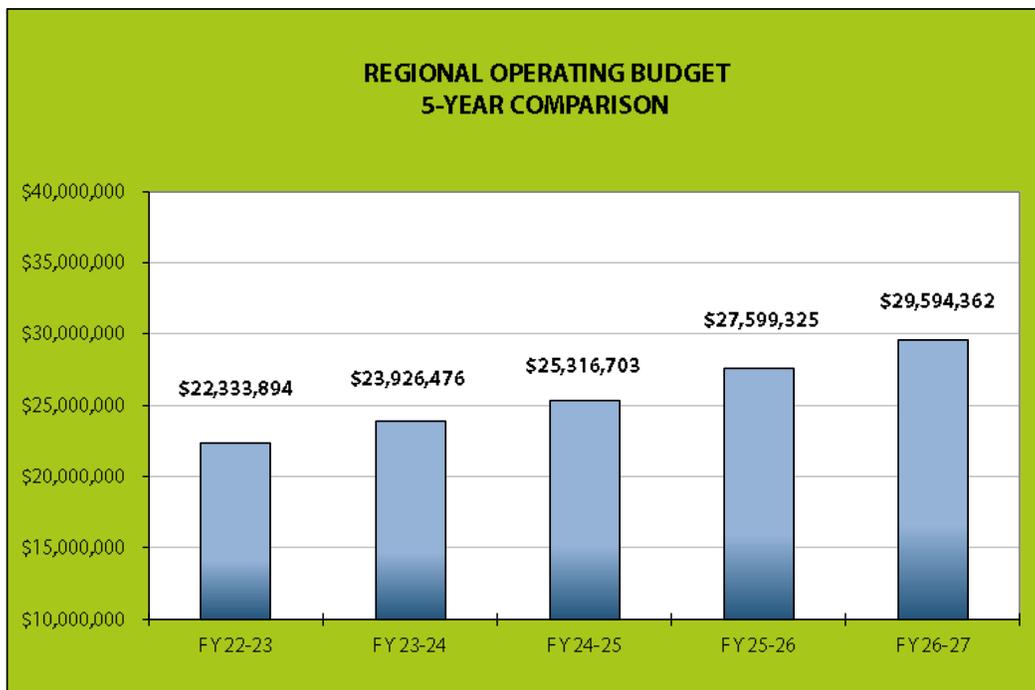
In FY 25-26 the MWMC regional user rates increased by 5% over the prior year rates. The FY 26-27 Budget is based on a 5.5% user rate increase over the FY 25-26 rates. This increase will provide for Operations, Administration, Capital programs, reserves and debt service, continuing to meet capital and operating requirements and supporting the Commission's Financial Plan policies, as well as financially positioning for future investments in capital assets.

The following chart displays the regional component of a residential monthly bill when applying the base and flow rates to 5,000 gallons of wastewater treated, which includes a 5.5% or about \$1.84 increase effective July 1, 2026.

The graph below displays the regional component of a residential monthly bill, when applied to 5,000 gallons of wastewater treated for the recent 5-year period.



The graph below displays the Regional Operating Budget amounts for the recent 5-year period.



The graph below displays the Regional Wastewater Capital Improvement Program Budget amounts for the recent 5-year period.





# **RESERVE FUNDS**



---

**REGIONAL WASTEWATER PROGRAM  
RESERVES**

The RWP maintains reserve funds for the dedicated purpose to sustain stable rates while fully funding operating and capital needs. Commission policies and guidance, which direct the amount of reserves appropriated on an annual basis, are found in the MWMC Financial Plan. Further details on the FY 26-27 reserves are provided below.

**OPERATING RESERVES**

The MWMC Operating Budget includes six separate reserves: the Working Capital Reserve, Contingency Reserve (historically called the Rate Stability Reserve), Bond Rate Stabilization Reserve, State Revolving Fund (SRF) Reserve, Insurance Reserve and the Operating Reserve. Revenues are appropriated across the reserves in accordance with Commission policy and expenditure needs. Each reserve is explained in detail below.

**WORKING CAPITAL RESERVE**

The Working Capital Reserve acts as a revolving account that is drawn down and replenished on a monthly basis to provide funds for payment of Springfield Administration and Eugene Operations costs prior to the receipt of user fees from the Springfield Utility Board and Eugene Water and Electric Board. The Working Capital Reserve is set at \$700,000 for FY 26-27. Springfield Finance granted permission to close out the \$200,000 for the Springfield portion of the Working Capital Reserve.

**CONTINGENCY RESERVE (RATE STABILITY RESERVE)**

The Rate Stability Reserve was established to implement the Commission's objective of maintaining stable rates. It is intended to hold revenues in excess of the current year's operating and capital requirements for use in future years, in order to avoid potential rate spikes. The amount budgeted on an annual basis has been set at \$2 million, with any additional net revenues being transferred to the capital reserve for future projects. This reserve is being renamed to the Contingency Reserve for the FY 26-27 Proposed Budget due to the Contingency Reserve offering additional flexibility to address Supplemental Budget needs.

**BOND RATE STABILIZATION RESERVE**

The Bond Rate Stabilization Reserve contains funds to be used at any point in the future when net revenues are insufficient to meet the bond covenant coverage requirement. The Commission shall maintain the Bond Rate Stabilization account as long as bonds are outstanding. In FY 26-27 no additional contribution to this reserve is budgeted and the balance at June 30, 2026, will remain at \$2 million.

**CLEAN WATER STATE REVOLVING FUND (SRF) RESERVE**

The Clean Water SRF Reserve was established to meet revenue coverage requirements for SRF loans. The SRF Reserve is set at \$50,000 for FY 26-27.

## INSURANCE RESERVE

The Insurance Reserve was established to set aside funds to cover the insurance deductible amount for property and liability insurance coverage, for losses per occurrence. The Insurance Reserve is set at \$1.5 million for FY 26-27.

## OPERATING RESERVE

The Operating Reserve is used to account for accumulated operating revenues net of operating expenditures (including other reserves). The Commission's adopted policy provides guidelines to establish the Operating Reserve at a minimum target of two months expenses. For FY 26-27, the Operating Reserve is budgeted at \$5,944,470, which includes approximately two months of total Personnel Services, Materials and Services, and Capital Outlay in accordance with Commission policy.

**EXHIBIT 5**

	<b>ADOPTED BUDGET FY 25-26</b>	<b>AMENDED BUDGET FY 25-26</b>	<b>PROPOSED BUDGET FY 26-27</b>
<b>OPERATING FUND</b>			
<b>Resources</b>			
Beginning Balance	\$ 11,197,488	\$ 7,585,871	\$ 7,919,479
User Fee Revenue	42,651,000	45,004,834	43,200,000
Septage Revenue	747,656	747,656	905,000
Other Revenue	1,248,772	1,248,772	1,201,156
Interest	330,000	330,000	335,000
RNG & RINS Credits Revenue	1,604,502	1,604,502	1,015,000
Transfer from Reimbursement SDCs	26,658	26,658	26,967
Transfer from Bond Capital			
<b>Requirements</b>			
Personnel Services	15,267,616	15,267,616	16,634,421
Materials & Services	12,211,709	12,927,988	12,959,941
Capital Outlay	120,000	830,420	-
Interfund Transfers	14,350,000	14,350,000	12,100,000
Debt Service - SRF Loan	102,250	102,250	101,760
Debt Service - 2016 Revenue Bond	4,002,000	4,002,000	612,010
Working Capital	900,000	900,000	700,000
Insurance Reserve	1,500,000	1,500,000	1,500,000
SRF Loan Reserve	50,000	50,000	50,000
Contingency, formerly Rate Stability Reserve	2,000,000	2,000,000	2,000,000
Bond Rate Stabilization Reserve	2,000,000	2,000,000	2,000,000
Operating Reserve	5,302,501	2,618,019	5,944,470

**CAPITAL RESERVES**

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

**ASSET MANAGEMENT RESERVE**

The Equipment Replacement Reserve is being renamed as the Asset Management Reserve and accumulates replacement funding for the following types of equipment: 1) major/stationary equipment items with an original cost over \$10,000, or federal grant threshold, whichever is greater with life expectancy greater than one year; 2) fleet vehicles maintained by the Eugene Wastewater Division; 3) computer servers that serve the Eugene Wastewater Division; and 4) Major Rehabilitation work. There will be no contributions to the Asset Management Reserve in the FY 26-27, additional budget details are provided below.

The Asset Management Reserve is intended to accumulate funds necessary to provide for the timely replacement or rehabilitation of equipment, and may also be borrowed against to provide short-term financing of capital improvements. An annual analysis is performed on the Asset Management Reserve. Estimates used in the analysis include replacement costs, and projected useful lives for the equipment. A new methodology for calculating the Asset Management Reserve was developed for the FY 26-27 budget that accounts for procurement delay tolerance as well as a five-year weighted distribution.

	<b>ADOPTED BUDGET FY 25-26</b>	<b>AMENDED BUDGET FY 25-26</b>	<b>PROPOSED BUDGET FY 26-27</b>
<b>ASSET MANAGEMENT RESERVE</b>			
Beginning Balance	\$14,695,938	\$14,885,148	\$14,678,053
Annual Equipment Contribution	1,350,000	1,350,000	-
Interest	601,085	601,085	229,550
Equipment Purchases	(1,225,000)	(2,111,479)	(619,000)
Funding For Major Rehabilitation			(1,230,000)
<b>Equipment Replacement Reserve</b>	<b>15,422,023</b>	<b>\$14,724,754</b>	<b>13,058,603</b>

**SYSTEM DEVELOPMENT CHARGE (SDC) RESERVES**

SDCs are required as part of the MWMC IGA. They are connection fees charged to new users to recover the costs related to system capacity, and are limited to funding Capital Programs. The purpose of the SDC Reserves is to collect and account for SDC revenues separately from other revenue sources, in accordance with Oregon statutes. The Commission's SDC structure includes a combination of "Reimbursement" and "Improvement" fee components. Estimated SDC revenues for FY 26-27 are approximately \$2,265,000. The projected beginning SDC Reserve balance on July 1, 2026 is \$15,117,575.

	<b>ADOPTED BUDGET FY 25-26</b>	<b>AMENDED BUDGET FY 25-26</b>	<b>PROPOSED BUDGET FY 26-27</b>
<b>REIMBURSEMENT SDC RESERVE</b>			
Beginning Balance	\$2,942,064	\$2,844,177	\$3,200,698
Reimbursement SDCs Collected	270,000	270,000	265,000
Interest	121,727	121,727	50,056
SDC Compliance Charge	7,000	7,000	7,000
Transfer to Fund 612	(26,658)	(26,658)	(26,967)
Materials & Services	(4,000)	(4,000)	(4,000)
Funding for Capital Improvement Projects	-	-	(3,000,000)
<b>Reimbursement SDC Reserve</b>	<b>\$3,310,133</b>	<b>\$3,212,246</b>	<b>\$491,787</b>

	<b>ADOPTED BUDGET FY 25-26</b>	<b>AMENDED BUDGET FY 25-26</b>	<b>PROPOSED BUDGET FY 26-27</b>
<b>IMPROVEMENT SDC RESERVE</b>			
Beginning Balance	\$12,909,736	\$13,715,170	\$11,916,877
Improvement SDCs Collected	2,500,000	2,500,000	2,000,000
Interest	432,527	432,527	186,368
Materials & Services	(10,000)	(10,000)	(10,000)
Funding for Capital Improvement Projects	(6,530,135)	(5,484,091)	(847,200)
<b>Improvement SDC Reserve</b>	<b>\$9,302,128</b>	<b>\$11,153,606</b>	<b>\$13,246,045</b>

## CAPITAL RESERVE

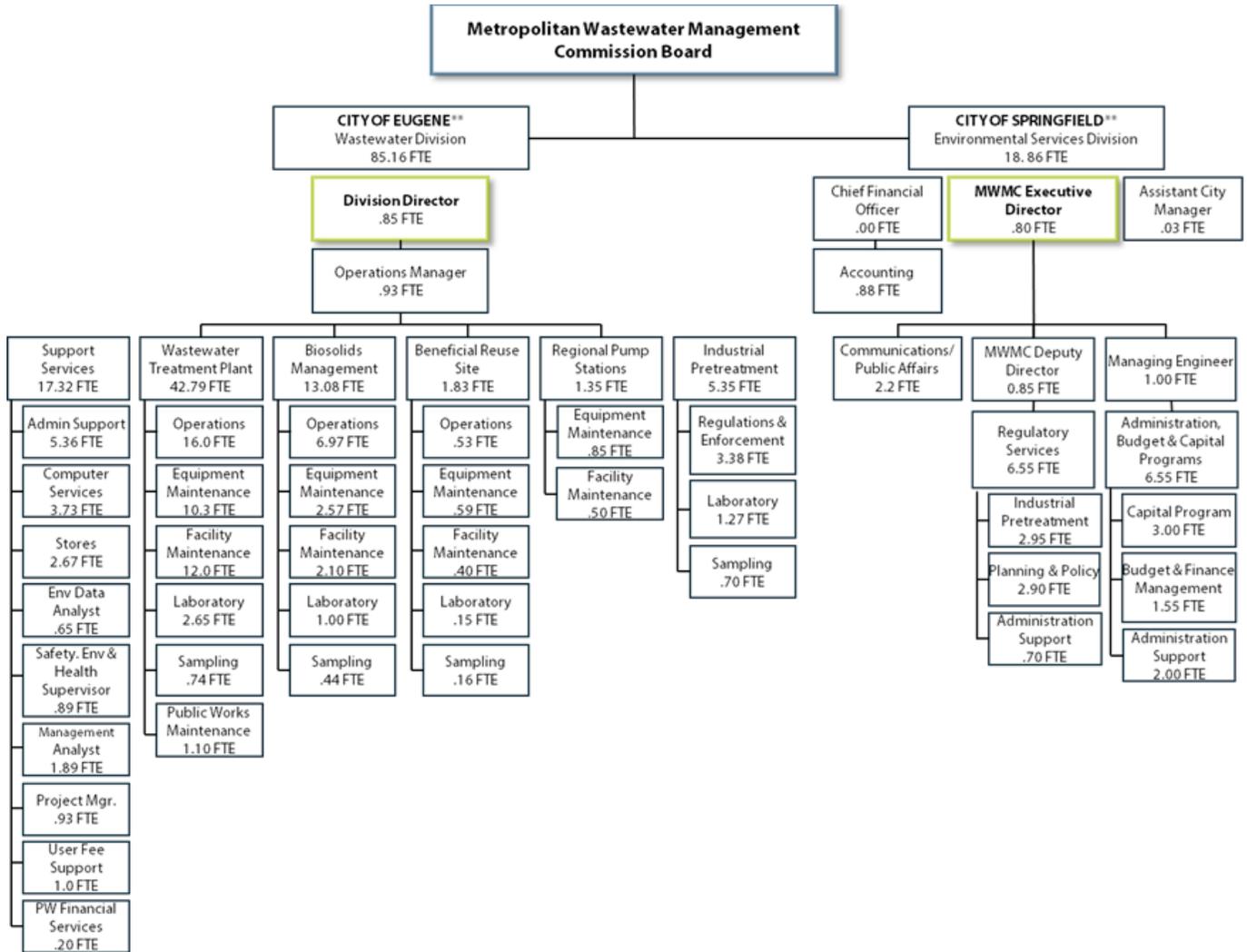
The Capital Reserve accumulates funds transferred from the Operating Reserve for the purpose of funding the CIP and Major Capital Outlay costs. The intent is to collect sufficient funds over time to construct a portion of planned capital projects with cash in an appropriate balance with projects that are funded with debt financing. The FY 26-27 Budget includes a contribution from the Operating Reserve of \$12,100,000. The beginning balance on July 1, 2026, is projected to be \$66,118,277. Additional budget detail on the CIP, Major Capital Outlay and Major Rehabilitation Program reserves is provided below.

	<b>ADOPTED BUDGET FY 25-26</b>	<b>AMENDED BUDGET FY 25-26</b>	<b>PROPOSED BUDGET FY 26-27</b>
<b>CAPITAL RESERVES</b>			
Beginning Balance	\$81,369,780	\$90,123,734	\$66,118,277
Transfer from Operating Reserve	13,000,000	13,000,000	12,100,000
Interest	1,644,661	1,644,661	1,034,025
Other Income	100	100	100
Funding For Capital Improvement Projects	(91,894,865)	(93,215,037)	(35,582,800)
Funding For Major Rehabilitation	(1,030,000)	(1,445,775)	-
Funding For Major Capital Outlay	-	(207,730)	(980,000)
<b>Capital Projects Reserve</b>	<b>\$3,089,676</b>	<b>\$9,899,953</b>	<b>\$42,689,602</b>

# **STAFFING**



**EXHIBIT 6**  
REGIONAL WASTEWATER PROGRAM\*  
ORGANIZATION CHART FY 26-27



Notes:

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

## EXHIBIT 7

REGIONAL WASTEWATER PROGRAM  
POSITION SUMMARY

CLASSIFICATION	ADOPTED	AMENDED	PROPOSED	FTE CHANGE
	BUDGET FY 25-26	BUDGET FY 25-26	BUDGET FY 26-27	
<b>SPRINGFIELD ENVIRONMENTAL SERVICES &amp; FINANCE</b>				
Accountant	0.80	0.80	0.80	-
Accounting Manager	0.08	0.08	0.08	-
Administrative Specialist	2.70	2.70	2.70	-
Assistant City Manager	0.03	0.03	0.03	-
Civil Engineer	2.00	2.00	2.00	-
Design & Construction Coordinator	1.00	1.00	1.00	-
Deputy Division Director	0.80	0.80	0.85	0.05
Environmental Analyst	1.00	1.00	1.00	-
Environmental Management Analyst	0.90	0.90	0.90	-
Environmental Services Program Manager	0.80	0.80	0.80	-
Environmental Services Supervisor	1.95	1.95	1.95	-
Environmental Services Technician	2.00	2.00	2.00	-
ESD Division Director/MWMC Executive Officer	0.80	0.80	0.80	-
Management Analyst	0.75	0.75	0.75	-
MWMC Managing Engineer	1.00	1.00	1.00	-
Public Information & Education Analyst	2.00	2.00	2.00	-
Public Information & Education Intern	0.00	0.00	0.20	0.20
<b>TOTAL SPRINGFIELD</b>	<b>18.61</b>	<b>18.61</b>	<b>18.86</b>	<b>0.25</b>

REGIONAL WASTEWATER PROGRAM  
POSITION SUMMARY

CLASSIFICATION	ADOPTED BUDGET FY 25-26	AMENDED BUDGET FY 25-26	PROPOSED BUDGET FY 26-27	FTE CHANGE
<b>EUGENE WASTEWATER DIVISION &amp; OTHER PW</b>				
Administrative Specialist	0.95	0.95	0.95	-
Administrative Specialist, Sr	1.78	1.78	1.78	-
Application Support Technician, Sr	0.95	0.95	0.95	-
Application Systems Analyst 2	2.28	2.28	2.78	0.50
Custodian	2.00	2.00	2.00	-
Division Director	0.85	0.85	0.85	-
Environmental Compliance Specialist	4.64	4.64	4.64	-
Environmental Svs Supervisor (Lab, Sampling, ISC)	1.71	1.71	1.71	-
Facilities Project Manager	0.65	0.65	0.65	-
Finance & Administrative Manager	0.89	0.89	0.89	-
Laboratory Assistant	0.82	0.82	0.82	-
Laboratory Specialist	2.47	2.47	2.47	-
Laboratory Specialist, Sr	1.72	1.72	1.72	-
Maintenance Manager	0.93	0.93	0.93	-
Maintenance Mechanic	8.20	8.20	8.20	-
Maintenance Supervisor	2.88	2.88	2.88	-
Maintenance Worker	14.05	14.05	14.05	-
Management Analyst	2.67	2.67	2.67	-
Management Analyst, Sr	1.50	1.50	1.50	-
Operations Manager	0.93	0.93	0.93	-
Operations Supervisor (Plant and Residuals)	2.00	2.00	2.00	-
Operator (Plant and Residuals)	20.00	20.00	20.00	-
Operator, Process Controls Specialist	1.00	1.00	1.00	-
PW Engineering Associate	0.35	0.35	0.35	-
PW Heavy Equipment and CDL Trainer	0.18	0.18	0.18	-
PW Financial Services Manager	0.20	0.20	0.20	-
PW Utility Billing Coordinator	1.00	1.00	1.00	-
Supply Specialist	1.78	1.78	1.78	-
Systems Electrician	5.28	5.28	5.28	-
<b>TOTAL EUGENE</b>	<b>84.66</b>	<b>84.66</b>	<b>85.16</b>	<b>0.50</b>
<b>GRAND TOTAL</b>	<b>103.27</b>	<b>103.27</b>	<b>104.02</b>	<b>0.75</b>



# **BUDGET DETAIL**



**CITY OF SPRINGFIELD  
REGIONAL WASTEWATER PROGRAM RESPONSIBILITIES**

The City of Springfield manages administration services for the RWP under the Intergovernmental Agreement for the Metropolitan Wastewater Management Commission (MWWC). The programs maintained by Springfield to support the RWP are summarized below and are followed by Springfield's regional wastewater budget summaries. Activities, and therefore program budgets, for the MWWC administration vary from year to year depending upon the major construction projects and special initiatives underway. A list of the capital projects Springfield staff will support in FY 26-27 is provided in Exhibit 12 on page 43.

**Program Responsibilities**

- Administration & Management
- Financial Planning & Management
- Long-Range Capital Project Planning
- Project and Construction Management
- Coordination between the Commission and governing bodies
- Coordination and Management of:
  - Risk Management & Legal Services
  - Public Policy Issues
  - Regulatory and Permit Compliance
- Public Information, Education and Outreach
- Industrial Pretreatment Source Control
- Customer Service

**MWWC ADMINISTRATION**

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

**INDUSTRIAL PRETREATMENT (SOURCE CONTROL) PROGRAM**

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

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

ACCOUNTING AND FINANCIAL REPORTING

Accounting and financial reporting services for the RWP are provided by the Accounting division in the Springfield Finance Department, in coordination with ESD. Springfield Accounting staff provides oversight of financial control systems, ensures compliance with all local, state and federal accounting requirements for MWMC including debt management and treasury management services. This division also assists ESD with preparation of the MWMC budget, capital financing documents, sewer user rates, and financial policies and procedures.

**PROGRAMS AND SIGNIFICANT SERVICE/EXPENDITURE CHANGES**

In FY 26-27, the City of Springfield will support the following major regional initiatives in addition to ongoing Commission administration and industrial pretreatment activities:

- Continue public information, education and outreach activities focused on the MWMC's Key Outcomes and Communication Plan objectives to increase awareness of the MWMC's ongoing efforts in maintaining water quality and a sustainable environment.
- Formulate Capital Financing strategies necessary to meet current debt obligations, prepare for additional debt financing, and ensure sufficient revenues in accordance with the MWMC Financial Plan.
- The MWMC's updated 20-year facilities plan is expected to be complete near the end of FY 25-26. This effort will inform the regional wastewater program's Capital Improvement Plan for the next several years and includes approximately \$350 million of work to meet regulatory requirements, maintain and replace existing assets, and build new facilities.
- Protect the Regional Wastewater Program (RWP) interests through participation in Association of Clean Water Agencies activities.
- Coordinate temperature Total Maximum Daily Load (TMDL) compliance through continued development and implementation of the thermal load mitigation strategy, including but not limited to a recycled water program.
- Continue participation with the Association of Clean Water Agencies and the Department of Environmental Quality on regulatory permitting strategies and the development of water quality trading rules.
- Implement resiliency planning to ensure protection of public health and safety following natural disasters such as earthquakes and floods.
- Planning operationally and financially to begin the MWMC's NPDES permit requirements, the DEQ permit was issued on November 1, 2022 and will expire on September 30, 2027.

---

**BUDGET CHANGES FOR FY 26-27**

The budget for Springfield Personnel Services, Materials and Services for FY 26-27 totals \$6,842,782 representing an overall increase of \$428,084 or 6.7% from the adopted FY 25-26 budget, as displayed in Exhibit 8 on page 31.

**Personnel Services**

Personnel Services totaling \$3,153,741 represents a FY 26-27 increase of \$35,760 or 1.1% above the originally adopted FY 25-26 budget. The notable changes are summarized below:

**Staffing**

The FY 26-27 staffing budget is proposed to increase by 0.25 Full Time Equivalents (FTE), from 18.61 FTE to 18.86 FTE in Springfield.

**Regular Salaries and Overtime - \$2,020,508, an increase of \$14,214 or 1.4%**

Salaries are based upon the negotiated management/labor contracts as approved by the Springfield City Council, and staffing levels.

**Employee Benefits - \$748,270 an increase of \$2,481 or 0.3%**

The employee benefits consist mainly of PERS/OPSRP retirement system costs, FICA and Medicare contributions.

**Health Insurance - \$384,963, an increase of \$4,851 or 1.3%**

The small increase is based on group claims experience and cost projections. Costs are calculated based on the number of employees.

**Materials and Services**

The Materials and Services budget total is \$3,689,041 in FY 26-27, representing an increase of \$473,324 or 6.7% above the adopted FY 25-26 budget. The notable changes are summarized below:

**Billing & Collection Expense - \$1,359,000, an increase of \$432.00 or 46.6%**

This expense includes contracted billing services for Eugene and Springfield utility billing services combined, as funded through the Springfield portion of the regional budget. The billing services provided by the Eugene Water and Electric Board (EWEB) increased significantly last year and represent most of the overall cost increase. To provide better transparency, Exhibit 9 has been updated to show Eugene and Springfield billing costs separately.

**Property & Liability Insurance - \$626,000, an increase of \$42,800 or 7.3%**

The \$42,800 increase reflects insurance on newly constructed infrastructure, the addition of a new cyber liability insurance policy and maintaining incremental increases on existing assets for property insurance coverage. Including services provided by the MWMC Agent of Record for property/liability coverage.

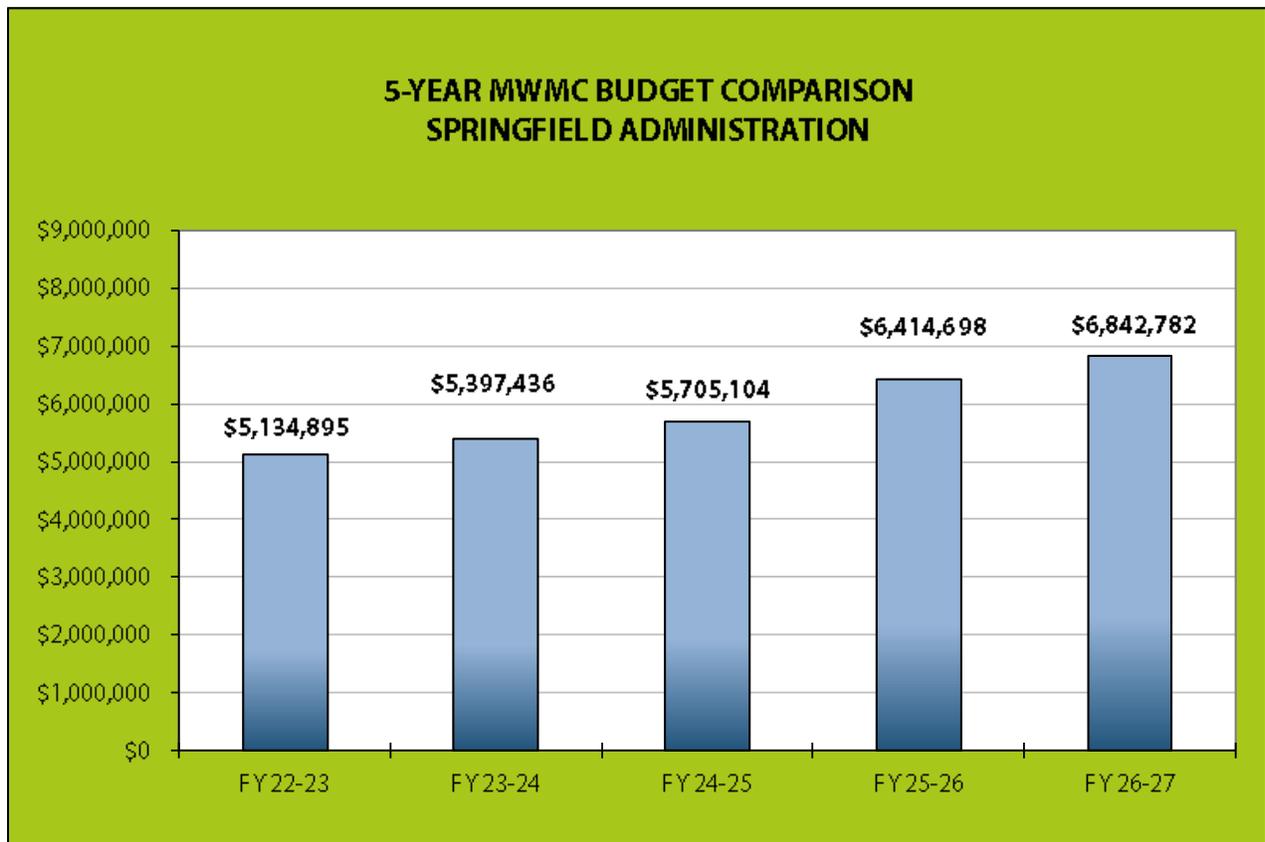
**Internal & Indirect Charges Combined - \$663,917, a decrease of \$88,536 or 11.8%**

The \$88,536 decrease is based on changes in overhead costs as programmed in the FY 26-27 budget, when compared FY 25-26. Internal charges are determined by the City of Springfield, and indirect costs are based on a methodology approved by the federal government, which is outlined in the MWMC Intergovernmental Agreement.

**EXHIBIT 8**

SPRINGFIELD ADMINISTRATION PROGRAM  
PROPOSED FY 26-27  
BUDGET SUMMARY

	ACTUALS FY 24-25	ADOPTED BUDGET FY 25-26	AMENDED BUDGET FY 25-26	PROPOSED BUDGET FY 26-27	CHANGE * INCR/(DECR)	
Personnel Services	\$2,532,592	\$3,117,981	\$3,117,981	\$3,153,741	\$35,760	1.1%
Materials & Services	2,721,472	3,215,717	3,353,570	3,689,041	473,324	14.7%
Capital Outlay	0	81,000	81,000	0	(81,000)	N/A
<b>Budget Summary</b>	<b>\$5,254,064</b>	<b>\$6,414,698</b>	<b>\$6,552,551</b>	<b>\$6,842,782</b>	<b>\$428,084</b>	<b>6.7%</b>



Note: \* Change column compares the adopted FY 26-27 Budget to the adopted FY 25-26 Budget.

## EXHIBIT 9

SPRINGFIELD ADMINISTRATION  
LINE ITEM BUDGET SUMMARY

	ACTUALS FY 24-25	ADOPTED BUDGET FY 25-26	AMENDED BUDGET FY 25-26	PROPOSED BUDGET FY 26-27	CHANGE * INCR/(DECR)	
<b><u>PERSONNEL SERVICES</u></b>						
Regular Salaries	\$1,622,760	\$1,985,988	\$1,985,988	\$2,014,392	\$28,404	1.4%
Overtime	0	6,092	6,092	6,116	24	0.4%
Employee Benefits	572,835	745,789	745,789	748,270	2,481	0.3%
Health Insurance	336,997	380,112	380,112	384,963	4,851	1.3%
<b>Total Personnel Services</b>	<b>\$2,532,592</b>	<b>\$3,117,981</b>	<b>\$3,117,981</b>	<b>\$3,153,741</b>	<b>\$35,760</b>	<b>1.1%</b>
FTE	17.81	18.61	18.61	18.86	0.25	1.3%
<b><u>MATERIALS &amp; SERVICES</u></b>						
Billing & Collection Expense EWEB	\$0	\$0	\$0	\$1,157,000	\$1,157,000	46.6%
Billing & Collection Expense SUB	\$825,888	\$927,000	\$927,000	\$202,000	-\$725,000	
Property & Liability Insurance	625,082	583,200	611,200	626,000	42,800	7.3%
Contractual Services	128,588	297,993	347,993	278,850	-19,143	-6.4%
Attorney Fees and Legal Expense	84,356	190,372	190,372	190,000	-372	-0.2%
WPCF/NPDES Permits	190,344	194,361	194,361	196,700	2,339	1.2%
Materials & Program Expense	154,172	186,938	246,791	279,572	92,634	49.6%
Computer Software & Licenses	28,124	20,407	20,407	26,032	5,625	27.6%
Employee Development	16,912	29,039	29,039	34,800	5,761	19.8%
Travel & Meeting Expense	19,450	33,954	33,954	34,170	216	0.6%
Internal Charges	236,693	276,123	276,123	293,679	17,556	-11.8%
Indirect Costs	411,863	476,330	476,330	370,238	-106,092	
<b>Total Materials &amp; Services</b>	<b>\$2,721,472</b>	<b>\$3,215,717</b>	<b>\$3,353,570</b>	<b>\$3,689,041</b>	<b>\$473,324</b>	<b>14.7%</b>
<b><u>CAPITAL OUTLAY</u></b>						
Total Capital Outlay	\$0	\$81,000	\$81,000	\$0	-\$81,000	NA
<b>TOTAL</b>	<b>\$5,254,064</b>	<b>\$6,414,698</b>	<b>\$6,552,551</b>	<b>\$6,842,782</b>	<b>\$428,084</b>	<b>6.7%</b>



**CITY OF EUGENE  
REGIONAL WASTEWATER PROGRAM RESPONSIBILITIES**

The Wastewater Division for the City of Eugene manages all regional wastewater pollution control facilities serving the areas inside the Eugene and Springfield Urban Growth Boundaries under the Intergovernmental Agreement for the Metropolitan Wastewater Management Commission (MWMC). These regional facilities include the Eugene/Springfield Regional Water Pollution Control Facility (WPCF), the Biosolids Management Facility, the Beneficial Reuse Site, the Biocycle Farm Site, and regional wastewater pumping stations and transmission sewers.

**Program Responsibilities**

- Facility Operations
- Facility Maintenance
- Biosolids Management
- Environmental Services
- Management Information Services
- Administration and Management

In support of the water pollution control program, the division provides technical services for wastewater treatment, management of equipment replacement and infrastructure rehabilitation, biosolids land application, regional laboratory services, resource recovery operations, and regulatory services\* (regional pretreatment) in collaboration with environmental services staff at City of Springfield.

\*Regulatory Services was formerly referred to as Industrial Source Control (ISC).

**REGIONAL WASTEWATER TREATMENT - FACILITY OPERATIONS**

The Wastewater Division operates the WPCF to treat residential, commercial, and industrial wastes to achieve an effluent quality that protects the beneficial uses of the Willamette River. The operations section optimizes wastewater treatment processes to ensure effluent quality requirements are met in an efficient and cost effective manner. In addition, the operations section provides continuous monitoring of the alarm functions for all plant processes, regional and local pump stations, the Biosolids Management Facility (BMF), and the Beneficial Reuse Site (BRS).

**REGIONAL WASTEWATER TREATMENT - FACILITY MAINTENANCE**

The mechanical, electrical, and facilities maintenance sections of the Wastewater Division are responsible for preservation of the multi-million-dollar investment in the equipment and infrastructure of the WPCF, regional pump stations, pressure sewers, as well as the BMF, BRS, and Biocycle Farm. These sections provide a preventative maintenance program to maximize equipment life and reliability; a corrective maintenance program to repair unanticipated failures; and a facility maintenance program to maintain the buildings, treatment structures, and grounds.

**BIOSOLIDS AND RECYCLED WATER MANAGEMENT**

The Residuals Management section of the Wastewater Division operates the BMF and Biocycle Farm to process and land apply biological solids (biosolids) produced as a result of the activated sludge treatment of wastewater. After further processing the biosolids from the WPCF, the dried material is applied to approved agricultural land. Biosolids are also applied on poplar trees at the Biocycle Farm as a beneficial nutrient and soil conditioner. In addition, the residuals section utilizes recycled water for the processing of biosolids and for irrigation. This section also operates the BRS, which formerly served to treat wastewater from food processing operations.

ENVIRONMENTAL SERVICES

Environmental Services is comprised of Regulatory Services\* (Pretreatment), Analytical Services, and Sampling Team.

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

This responsibility is fulfilled through the use of a permit and discharge authorization system for industrial and commercial users of the wastewater collection system. This permit system, common to both Eugene and Springfield, implements necessary prohibitions and limitations on waste characteristics and establishes inspection, monitoring, and reporting requirements for documenting waste quality and quantity controls. The staff is also responsible for locating new industrial and commercial discharges in Eugene and evaluating the impact of their discharges on the WPCF. The regulatory services section also has responsibilities related to environmental spill response activities.

\*Regulatory Services was formerly referred to as Industrial Source Control (ISC).

Analytical Services - The Analytical Services group provides laboratory work and analysis in support of wastewater treatment, residuals management, industrial source control, stormwater monitoring, and special project activities of the Wastewater Division. The laboratory's services include sample handling and analyses of influent sewage, treated wastewater, biosolids, industrial wastes, stormwater, surface water, and groundwater. Information from the laboratory is used to evaluate the performance of the treatment processes, make treatment process control decisions, document compliance with regulatory requirements, demonstrate environmental protection, and ensure worker health and safety.

Sampling Team - The Sampling Team is responsible for sampling and field monitoring activities related to regional wastewater program functions. These include the Eugene pretreatment program, wastewater treatment process control, effluent and ambient water quality, groundwater quality, facultative sludge lagoons, biosolids, application site soils, stormwater samples, and natural gas quality samples.

MANAGEMENT INFORMATION SERVICES (MIS)

The MIS section provides services for electronic data gathering, analysis, and reporting in compliance with regulatory requirements and management functions. This section also maintains the business network communication linkages with the City of Eugene and supplies technical expertise and assistance in the selection, operation, and modification of computer systems (e.g., hardware, software, and firmware) within the division. This section fully supports the expanding operational network, capital improvement project (CIP) design, review, and implementation, and the expanding technology needs of the division.

### ADMINISTRATIVE AND MANAGEMENT SERVICES

Administrative Services provides administrative, management, and office support to the Wastewater Division and Regional Wastewater Program (RWP). This support includes the general planning, directing, and managing of the activities of the division; development and coordination of budgets; administration of personnel records; and processing of payroll, accounts payable, and accounts receivable. This section also provides tracking and monitoring of all assets for the regional wastewater treatment facilities and support for reception, customer service, and other administrative needs. The administrative services include oversight and coordination of the division's Environmental Management System (EMS), safety, and training programs, and an inventory storeroom section that purchases and stocks parts and supplies and assists with professional services contracting. The administrative services section also collaborates and coordinates with partner agencies on the local and regional billing and rate activities.

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

In FY 26-27, Eugene staff will support the following major regional initiatives in addition to ongoing operations and maintenance activities.

- Manage the Operations & Maintenance (O&M) responsibilities of the NPDES wastewater discharge permit for the treatment of wastewater and the Lane Regional Air Protection Agency (LRAPA) air emissions permit for the regional wastewater treatment plant.
- Manage the O&M responsibilities of the Renewable Natural Gas (RNG) facility to maximize production of renewable fuel and the associated renewable fuel standard credits.
- Provide technical input and O&M assessments related to proposed/newly adopted environmental regulations, renewable energy objectives, and operational resiliency. This includes impact evaluations of the regulatory actions upon operational responsibilities such as the federal sanitary sewer overflows (SSO), blending policy development, Willamette River TMDLs implementation, and any newly adopted state water quality standards.
- Complete scheduled equipment replacement, major rehabilitation, and other asset management capital projects (AMCP) in an efficient and timely manner.
- Work cooperatively on CIP elements and effectively integrate capital project work with ongoing O&M activities with an emphasis on maintaining effective CIP coordination and management with Springfield staff.
- Manage the O&M aspects of the BMF and the Biocycle Farm, continuing biosolids land application practices and poplar tree management.

### **SIGNIFICANT CHANGES IN THE O&M BUDGET FOR FY 26-27**

The FY 26-27 budget for Operations and Maintenance of the regional facilities totals \$22,751,580. The amount represents a grand total increase of \$1,566,953 or 7.4% over the adopted FY 25-26 operating budget. In each fiscal year the most significant cost centers for the Eugene O&M budget include regular wages and employee benefits, health insurance, utilities, materials and program expenses, chemicals, and contractual services. The significant changes for FY 26-27 are described in detail below.

**Personnel Services**

Personnel Services totaling \$13,480,680 represents an FY 26-27 increase of \$1,331,045 or 11%. The staffing level for Eugene O&M increased from 84.66 Full Time Equivalent (FTE) positions to 85.16 FTE at the start of FY 25-26 (July 1, 2025). The notable changes to Personnel Services are in the following line items:

**Regular Salaries – \$8,006,207, a net increase of \$1,219,632 or 18%**

Over the past three fiscal years, MWMC Board approved a total of 5.0 FTE, and staff had concurrently targeted cost reductions to the Personnel Services line items anticipating employee turnover, recruitment challenges, and an imperative to sustain only incremental increases to user fees during a period of new operating costs and higher inflation. To ensure that all FTE positions are fully budgeted, irrespective of employee turnover, the FY 26-27 budget includes full position funding for the added 5.0 FTE as approved.

**Assumed Underspending – targeted reduction of -\$336,000**

Cost savings due to vacant positions from employee turnover are anticipated to continue into spring 2027.

**Employee Benefits – \$3,909,538, a net increase of \$290,338 or 8%**

Realignment of employee benefits expense from the targeted reductions during the past three fiscal years for the approved 5.0 FTE positions. The employee benefits line item includes FICA, Medicare, PERS/OPSRP, deferred compensation, long-term disability, and life insurance.

**Health Insurance – \$1,667,042, an increase of \$140,942 or 9.2%**

Realignment of the planned health insurance expense for the 5.0 FTE positions added over the past three fiscal years.

**0.50 FTE – \$82,500 for Application Systems Analyst 2**

The 0.5 FTE for the ASA2 position was requested in the FY 2024-25 MWMC budget, as City of Eugene had planned for a greater technical support need from the Wastewater Division staff specific to systems administration for regional wastewater user fees. Due to ongoing complications with technical coordination between EWEB and City of Eugene for customer billing administration, this position has remained un-filled (vacant). Additionally, to reduce the impact on regional wastewater rate payers in FY 24-25 and FY 25-26, the funding for this position was intentionally omitted and is now fully included for FY 26-27.

**Materials and Services**

The Materials and Services (M&S) budget totaling \$9,270,900 represents an FY 26-27 increase of \$355,908 or 4%. In prior years, field management of the Biocycle Farm (aka Poplar Tree Farm) was included within the Capital Improvements Program (CIP) budget, which was transferred into Eugene O&M activity in FY 25-26. The most significant cost increase for FY 26-27 in the operating budget is for contracting specific to Biocycle Farm management. Other significant changes for M&S are described as follows:

**Utilities – \$1,868,000, a net increase of \$175,860 or 10.4%**

EWEB implemented rate changes for commercial users in February 2026, including 2.3% increase for electricity and 6.7% increase for water. Northwest Natural Gas implemented 5.4% rate increase in November 2025 and has planned for a significant 22.8% increase (subject to approval) for August 1, 2026. MWMC facilities are anticipated to consume more EWEB service in FY 26-27 due to several CIP construction projects at the WPCF and not realizing efficiencies from the projects until subsequent fiscal years. Natural gas usage is anticipated to remain on trend until the Boiler CIP project is completed (See P80121).

**Contractual Services – \$1,461,200, a net increase of \$593,000 or 68.3%**

This line item includes \$900,000 for Biocycle Farm management contracting, specifically for a scheduled poplar harvest from Management Unit #1 (MU1-South) at 76.9 acres, including harvest, field restoration, herbicide application, and replanting. Weather dependent, the harvest of MU1-North (at 79.1 acres) could also possibly occur within the FY 26-27 period as part of the 10-12 year contract for comprehensive farm management. All other costs for contractual services at MWMC facilities are planned to align with inflation.

**Materials & Program Expense – \$1,250,400, a net increase of \$296,000 or 31%**

Twenty-nine separate Eugene accounts comprise the Materials and Program Expense line item for routine O&M costs such as safety supplies, laboratory supplies, parts and services for the RNG system and the Engine Generator (800 KW CoGen), stock inventory, and other consumables. City of Eugene's monthly overhead charges for postage, printing, copiers, City-procured hardware and software are also aggregated into Materials and Program Expense. Supplemental budgets were approved in FY 24-25 and FY 25-26 predominantly to fund operating expenses for the RNG system and the landfilling of excess BMF sludge and struvite, and the planned increase for FY 26-27 is to align this line-item to actual expenses.

**Administrative Charges EWEB – \$0, a net decrease of \$798,000 or -100%**

Staff determined that this line item should not be included in the Eugene O&M budget, as the monthly charges are paid directly from the regional user-fee revenue passed through from City of Eugene to MWMC. EWEB Administrative Charges are programmed into the City of Springfield/MWMC financial system as a revenue transaction.

**Risk Insurance-Employee Liability – \$109,000, a net increase of \$37,312 or 52%**

This line item was previously targeted for underspending irrespective of City of Eugene Risk Services staff planning for an increase in premium expense for the 2527 Biennium (2-year budget). The increase for FY 26-27 is to align the budget to planned expenses.

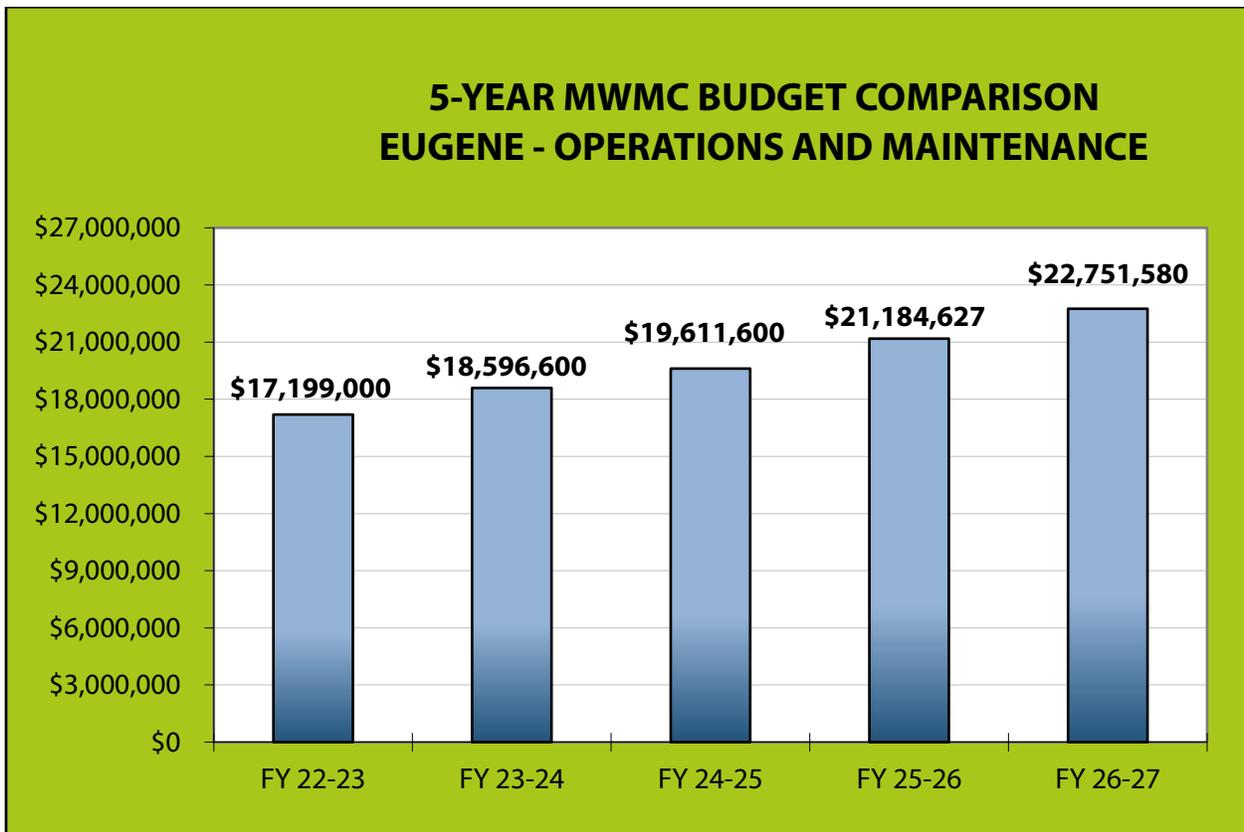
**Computer Equipment – \$693,800, a net decrease of \$52,030 or -7%**

Direct charges from City of Eugene's Information Services Division (ISD) billed monthly for the fiber-optic network service and support, PeopleSoft financial system, payroll processing, Microsoft Enterprise software, network security services, copier network service, and related ISD costs. Planned expenses have decreased in Eugene's 2527 Biennium (2-year budget) resulting in a decrease to this line item in FY 26-27 for Wastewater Division.

**EXHIBIT 10**

EUGENE - OPERATIONS AND MAINTENANCE PROGRAM  
 PROPOSED FY 26-27  
 BUDGET SUMMARY

	ACTUALS FY 24-25	ADOPTED BUDGET FY 25-26	AMENDED BUDGET FY 25-26	PROPOSED BUDGET FY 26-27	CHANGE * INCR/(DECR)	
Personnel Services	\$11,858,332	\$12,149,635	\$12,149,635	\$13,480,680	\$1,331,045	11.0%
Materials & Services	8,596,149	8,914,992	9,574,418	9,270,900	355,908	4.0%
Capital Outlay	613,197	120,000	749,420	0	(120,000)	N/A
<b>Budget Summary</b>	<b>\$21,067,678</b>	<b>\$21,184,627</b>	<b>\$22,473,473</b>	<b>\$22,751,580</b>	<b>\$1,566,953</b>	<b>7.4%</b>



NOTE: Does not include Major Rehabilitation or Equipment Replacement

## EXHIBIT 11

EUGENE - OPERATIONS & MAINTENANCE  
LINE ITEM BUDGET SUMMARY

	ACTUAL FY 24-25	ADOPTED BUDGET FY 25-26	AMENDED BUDGET FY 25-26	PROPOSED BUDGET FY 26-27	CHANGE INCR/(DECR)	
<b>PERSONNEL SERVICES</b>						
Regular Salaries	\$7,005,213	\$6,786,575	\$6,786,575	\$8,006,207	\$1,219,632	18.0%
Assumed Underspending - Vacanc	0	0	0	(336,000)	(\$336,000)	N/A
Overtime	74,830	78,000	78,000	78,000	-	0.0%
Employee Benefits	3,087,060	3,619,200	3,619,200	3,909,538	290,338	8.0%
Paid Family Med Leave Insurance	120	11,730	11,730	11,730	-	0.0%
Workers' Comp/Unemploy Ins	134,784	128,030	128,030	144,163	16,133	12.6%
Health Insurance	1,556,325	1,526,100	1,526,100	1,667,042	140,942	9.2%
<b>Total Personnel Services</b>	<b>\$11,858,332</b>	<b>\$12,149,635</b>	<b>\$12,149,635</b>	<b>\$13,480,680</b>	<b>\$1,331,045</b>	<b>11.0%</b>
FTE	83.86	84.66	84.66	85.16	0.50	0.6%
<b>MATERIALS &amp; SERVICES</b>						
Utilities	\$1,701,170	\$1,692,140	\$1,692,140	\$1,868,000	\$175,860	10.4%
Fleet Operating Charges	590,863	575,699	575,699	598,900	23,201	4.0%
Maintenance-Equip & Facilities	314,702	307,345	307,345	319,600	12,255	4.0%
Contractual Services	561,063	868,200	868,200	1,461,200	593,000	68.3%
Materials & Program Expense	1,243,037	954,400	1,314,400	1,250,400	296,000	31.0%
Administrative Charges - EWEB	680,345	798,000	798,000	0	(798,000)	-100.0%
Chemicals	1,027,303	1,045,190	1,045,190	1,087,500	42,310	4.0%
Parts & Components	672,612	650,000	949,426	676,000	26,000	4.0%
Risk Insurance - Employee Liabilit	104,124	71,688	71,688	109,000	37,312	52.0%
Computer Equip, Supplies, Maint	657,148	745,830	745,830	693,800	(52,030)	-7.0%
Indirects	1,043,784	1,206,500	1,206,500	1,206,500	-	0.0%
<b>Total Materials &amp; Services</b>	<b>\$8,596,149</b>	<b>\$8,914,992</b>	<b>\$9,574,418</b>	<b>\$9,270,900</b>	<b>\$355,908</b>	<b>4.0%</b>
<b>CAPITAL OUTLAY</b>						
Capital Outlay - Other	\$613,197	\$120,000	\$749,420	\$0	(\$120,000)	N/A
<b>Total Capital Outlay</b>	<b>\$613,197</b>	<b>\$120,000</b>	<b>\$749,420</b>	<b>\$0</b>	<b>(\$120,000)</b>	<b>N/A</b>
<b>TOTAL</b>	<b>\$21,067,677</b>	<b>\$21,184,627</b>	<b>\$22,473,473</b>	<b>\$22,751,580</b>	<b>\$1,566,953</b>	<b>7.4%</b>



# **CAPITAL PROGRAM**



## REGIONAL WASTEWATER PROGRAM CAPITAL PROGRAMS

### Overview

The Regional Wastewater Program (RWP) includes two components: the Capital Improvement Program (CIP) and the Asset Management Capital Program (AMCP). The FY 26-27 CIP Budget, the FY 26-27 AMCP Budget, and the associated 5-Year Capital Plan are based on the following: 2004 MWMC Facilities Plan, 2014 Partial Facilities Plan Update, Resiliency Planning Study (Disaster Mitigation & Recovery Plan – March 2020), 2023 infrastructure evaluation, and 2025 information from project P80101 Facilities Planning work in progress.

The CIP is administered by the City of Springfield for the MWMC. The AMCP implements the projects and activities necessary to maintain functionality, lifespan, and effectiveness of the MWMC facility assets on an ongoing basis. The AMCP is administered by the City of Eugene and consists of three sub-categories:

- Equipment Replacement
- Major Rehabilitation
- Major Capital Outlay

The MWMC has established these capital programs to achieve the following RWP objectives:

- Compliance with applicable local, state, and federal laws and regulations
- Protection of the health and safety of people and property from exposure to hazardous conditions such as untreated or inadequately treated wastewater
- Provision of adequate capacity to facilitate community growth in the Eugene-Springfield metropolitan area consistent with adopted land use
- Construction, operation, maintenance, and management of MWMC facilities in a manner that is cost-effective, efficient, and affordable to the community in the short and long term

### **Capital Program Funding and Financial Planning Methods and Policies**

This annual budget document presents the FY 26-27 CIP Budget, the FY 26-27 AMCP Budget, and 5-Year Capital Plan which includes the CIP and AMCP. The MWMC CIP financial planning and funding methods are in accordance with the financial management policies put forth in the MWMC 2019 Financial Plan.

Each of the two RWP capital programs relies on funding mechanisms to achieve the objectives described above. The CIP is funded primarily through Capital Reserves, which may include proceeds from revenue bond sales, financing through the State of Oregon DEQ Clean Water State Revolving Fund (SRF) loan program, grants, System Development Charges (SDC), user fee revenue, and transfers from the Operating Fund to Capital Reserves.

The RWP's Operating Fund is maintained to pay for operations, administration, debt service, equipment replacement contributions and capital contributions associated with the RWP. The Operating Fund derives most of its revenue from regional wastewater user fees that are collected by Eugene Water & Electric Board (EWEB) and the Springfield Utility Board (SUB) from their respective customers, passed through to the City of Eugene and City of Springfield, and ultimately to the MWMC. In accordance with the MWMC Financial Plan, funds remaining more than budgeted for operational expenditures can be transferred from the Operating Fund to the Capital Reserve. The Capital Reserve accumulates revenue to fund capital projects, including major rehabilitation, to reduce the amount of borrowing necessary to finance capital projects. In addition, the CIP is partially funded with System Development Charges for the projects that qualify.

The AMCP consists of three categories managed by the City of Eugene and funded through regional wastewater user fees. The *Equipment Replacement* account funds replacement of equipment valued at or over \$10,000 with a life expectancy greater than one year; the *Major Rehabilitation* account funds rehabilitation of the MWMC infrastructure such as roof replacements, structure coatings, etc.; and the *Major Capital Outlay* account is for the initial purchase of major equipment that will be placed on the equipment replacement list, or a one-time large capital expense. Some AMCP projects are scheduled in coordination with a CIP project due to the nature and complexity of the project scheduling. The MWMC assets are tracked throughout their lifecycle using asset maintenance management software. Based on this information, the AMCP annual budget is established and projected for the 5-Year Capital Plan.

For planning purposes, the MWMC considers market changes that drive capital project expenditures. Specifically, the MWMC capital plan reflects projected price changes over time that affect cost of materials, supply chain impacts, and services. In addition, City of Springfield staff and MWMC design consultants monitor construction trends in Oregon along with supply chain issues during the design phase.

## **Regional Wastewater Capital Program Status and Budget**

### **CIP Project Status and Budget**

The FY 26-27 CIP Budget is comprised of the individual budgets for each of the active (carryover) or starting (new) projects in the first year of the 5-Year Capital Plan. The total of these FY 26-27 project budgets is \$39,430,000. Each capital project represented in the FY 26-27 Budget is described in detail in a CIP project sheet that can be found at the end of this document. Each project sheet provides a description of the project, the project's purpose/driver (the reason for the project), the funding schedule for the project, and the project's estimated final cost and cash flow information. For those projects that are in progress, a short status report is included on the project sheet. In 2019, the MWMC Resiliency Planning consultant study focused on seismic (Cascadia magnitude 9.0 earthquake) and major flooding event(s) and recommended some infrastructure multi-year improvements for consideration during the CIP Budgeting process.

### **Completed Capital Projects**

The following capital projects were completed or on hold in FY 25-26:

- Comprehensive Facility Plan Update - P80101
- Class A Disinfection Facilities - P80098
- Recycled Water Demonstration Projects - P80099
- Waste Activated Sludge Thickening - P80078

### **Carryover Capital Projects**

All or a portion of remaining funding for active capital projects are carried forward to the MWMC FY 26-27 budget. The on-going carryover projects are:

- Aeration System Upgrades - P80113
- Administration/Operations Building Improvements - P80104
- Electrical Switchgear & Transformer Replacement - P80115
- Water Quality Trading Program - P80112
- Repair Clarifiers & Final Treatment - P80118
- Glenwood Pump Station Upgrade - P80064
- WPCF Stormwater Infrastructure - P80111
- Resiliency Follow-Up - P80109
- Facility Plan Engineering Services - P80110
- Biosolids Improvements Study – P80122
- WPCF Boiler Upgrades – P80121

Overall, the budgeting for these projects follows, and is consistent with, the estimated cost of the listed capital projects and new information gathered during the MWMC design development process.

**New Projects for FY 26-27**

- Owosso Bridge Upgrades – P80116
- WPCF Storage – P80123
- WPCF Thickening Upgrades – P80124

**FY 26-27 Capital Budget Summary (Exhibit 12)**

Exhibit 12 displays the adjusted budget and end-of-year expenditure estimates for FY 25-26, the amount of funding projected to be carried over to FY 26-27 and additional funding for existing and/or new projects in FY 26-27.

**EXHIBIT 12****Summary of FY 26-27 Regional Capital Program Budget**

	<b>FY 25-26 ADJUSTED BUDGET</b>	<b>FY 25-26 ESTIMATED ACTUALS</b>	<b>FY 25-26 CARRYOVER TO FY 26-27</b>	<b>NEW FUNDING FOR FY 26-27</b>	<b>TOTAL FY 26-27 BUDGET</b>
<b>Project to be Completed/Ended in FY 25-26</b>					
Waste Activated Sludge Thickening	\$6,500,000	\$0	\$0	\$0	\$0
Comprehensive Facilities Plan Update	702,024	400,000	0	0	0
Class A Disinfection Facilities	600,000	40,000	0	0	0
Recycled Water Demonstration Projects	262,169	30,000	0	0	0
<b>Projects to be Carried Over to FY 26-27</b>					
Aeration System Upgrades (2023 to 2026)	36,202,723	8,702,723	13,000,000	0	13,000,000
Electrical Switchgear & Transformer Replacement	15,375,786	5,875,786	7,400,000	0	7,400,000
Repair Clarifiers & Final Treatment	3,733,026	683,026	3,050,000	550,000	3,600,000
Biosolids Improvements Study	350,000	150,000	200,000	3,300,000	3,500,000
Admin Building Improvements	21,046,529	18,046,529	3,000,000	0	3,000,000
Water Quality Trading Program	9,843,109	2,443,109	2,100,000	0	2,100,000
Resiliency Follow-Up	678,080	378,080	300,000	1,700,000	2,000,000
WPCF Boiler Upgrades	450,000	200,000	250,000	750,000	1,000,000
Glenwood Pump Station Upgrade	1,755,682	1,155,682	600,000	0	600,000
WPCF Stormwater Infrastructure	600,000	120,000	480,000	0	480,000
Facility Plan Engineering Services	600,000	300,000	300,000	0	300,000
<b>New Projects in FY 26-27</b>					
Owosso Bridge Upgrades	0	0	0	1,100,000	1,100,000
WPCF Storage	0	0	0	900,000	900,000
WPCF Thickening Upgrades	0	0	0	450,000	450,000
<b>TOTAL Capital Projects</b>	<b>\$98,699,128</b>	<b>\$38,524,935</b>	<b>\$30,680,000</b>	<b>\$8,750,000</b>	<b>\$39,430,000</b>

**FY 26-27 Asset Management Capital Program and Budget**

The AMCP consists of the following accounts, listed by category:

**Summary of FY 26-27 MWMC Asset Management Budget**

	FY 25-26 AMENDED BUDGET	FY 25-26 ESTIMATED ACTUALS	FY 25-26 CARRYOVER TO FY 26-27	NEW FUNDING FOR FY 26-27	TOTAL FY 26-27 BUDGET
<b>Asset Management</b>					
Equipment Replacement	2,111,479	2,100,831	TBD	619,000	619,000
Major Rehabilitation	1,445,775	1,407,000	TBD	1,230,000	1,230,000
Major Capital Outlay	207,730	207,000	TBD	980,000	980,000
<b>TOTAL Asset Management</b>	<b>\$3,764,984</b>	<b>\$3,714,831</b>	<b>TBD</b>	<b>\$2,829,000</b>	<b>\$2,829,000</b>

The AMCP budget is described below by category.

**Equipment Replacement - Budget**

The FY 26-27 Capital Programs budget includes \$619,000 in Equipment Replacement purchases that are identified on the table below.

<b>Equipment Replacement</b>	
<b>Description</b>	<b>FY 26-27 Proposed Budget</b>
Waste Heat Radiator, Digester	\$100,000
Annual Equipment Allocation, Digester Cleaning Pump, Actuators (x8)	100,000
Pickup Truck, Replace Chevrolet 2WD, Maintenance	65,000
Dilution Water Pump, Digesters	60,000
Digester Cleaning Pump, Digesters	50,000
Variable Frequency Drives (x6), Digester Mixers, Digesters	45,000
Electric Cart, GEM-EXLD, Facilities	35,000
Electric Cart, GEM, Operations	35,000
Actuator, Primary Diversion Gate, Pretreatment	33,000
Thickened Sludge Pump, Gravity Thickener	30,000
Transmission and Clutch Replacement, 10yd Dump Truck, Biosolids Management Facility (BMF)	29,000
Variable Frequency Drive, Dilution Water Pump, Digesters	15,000
Variable Frequency Drives (x2), Thickened Waste Activated Sludge Pump, Gravity Belt Thickener (GBT)	12,000
Variable Frequency Drives (x2), Waste Activated Sludge Pump, GBT	10,000
<b>Total</b>	<b>\$619,000</b>

**Radiator, Digesters** – This radiator removes excess heat from the hot water loop. After 7 years of exposure to H<sub>2</sub>S gas, the heat exchanger has rusted and needs to be replaced. The other elements of the unit (i.e., frame, motor, fan) are still in good condition.

**Annual Equipment Allocation** – This allocation is for critical assets exposed to treatment conditions and high frequency usage that accelerate equipment wear. The digester cleaning pump needs to be replaced every 2-3 years due to the highly corrosive sludge and struvite pumped out of the digesters. The actuators at the Plant (x5) and BMF (x3) are obsolete, repair parts are unavailable, and the equipment will require immediate replacement upon failure.

**Pickup Truck 2WD, Maintenance** – This 20-year-old vehicle needs replacement given the multiple, reoccurring engine and accessory problems which Fleet Maintenance has been unable to repair.

**Dilution Water Pump, Digesters** – Installed in 1989, this pump is used to flush the digested sludge force main and slurry digester cleanings sent to BMF. It has been rebuilt multiple times and is now in need of full replacement.

**Digester Cleaning Pump, Digesters** – This pump is used to remove struvite, sand, and trash when cleaning a digester. It was previously rebuilt, and now both the rotor and stator need to be replaced.

**Variable Frequency Drives (x6), Digester Mixers** – These VFDs run the draft tube mixers on three of the four digesters. After 17 years of service, they have surpassed their service life.

**Electric Cart, Facilities** – This cart is used by Facility Maintenance staff at the treatment plant. It has operating control failures that make it unsafe to use.

**Electric Cart, Operations** – This cart is 9 years old and needs to be replaced with a model that better suits Operator needs when transporting samples and hand-held instruments.

**Actuator, Primary Diversion Gate, Pretreatment** – Installed in 2009, this actuator moves the large Primary Diversion Gate used during peak flow events. It has had multiple communication card failures which staff and the manufacturer have been unsuccessful in repairing.

**Thickened Sludge Pump, Gravity Thickener** – This pump transfers thickened sludge from the Gravity Thickener to the Digesters. It has required frequent, expensive rebuilds. After successfully working with a vendor on other pump replacements, staff intend to pilot test using a different style of pump.

**Transmission and Clutch Replacement, Dump Truck, BMF** – This dump truck is used at BMF to haul dewatered biosolids from the Dewatering Building to the Air Drying Beds. Rather than a complete replacement, just the transmission and clutch will be replaced.

**Variable Frequency Drives, Digesters** – Variable Frequency Drives (VFDs) associated with the dilution water pump.

**Variable Frequency Drives (x2), Thickened Waste Activated Sludge Pump, GBT** – These VFDs run the pump that transfers thickened waste activated sludge from the GBT to the Digesters. After 28 years of service, they have well exceeded their expected life, and parts have become difficult to find.

**Variable Frequency Drives (x2), Waste Activated Sludge Pump, GBT** – These VFDs operate the pumps that transfer waste activated sludge to the gravity belt thickener. These are similar in age to the VFDs for Thickened Waste Activated Sludge (TWAS) and parts are difficult to find.

**Major Rehabilitation - Budget**

The FY 26-27 Capital Programs budget includes \$1,230,000 for Major Rehabilitation projects that are identified on the table below.

<b>Major Rehabilitation Projects</b>	
<b>Description</b>	<b>FY 26-27 Proposed Budget</b>
Spot Repairs and Recoating, Clarifier Rake Arms (x2), Secondary Clarifiers	\$500,000
Waste Removal and Remediation, Brown Lane, BMF	250,000
Culvert Repair, Beneficial Reuse Site (BRS)	200,000
Culvert (New), BMF	120,000
Grout, Grit Collector/Head Cell Walls (x2), Pretreatment	110,000
Operations/Maintenance Building Improvements	50,000
Total	\$1,230,000

**Spot Repairs, Recoating, Clarifier Rake Arms (x2), Secondary** – After being in service for 20 years, the protective coating on the steel collector mechanism truss is failing and needing to be replaced.

**Waste Removal and Remediation, Brown Lane** – Brown Lane property has approximately 7,500 cubic yards of soil contaminated with hemlock, trash, and rock (up to 1-foot in size). Staff will solicit a neighbor willing to take the material or a local pit accepting excavation spoils. If landfilling is necessary, staff will re-evaluate and then potentially return to the Commission to request additional funding.

**Culvert Repair, BRS** – The Beneficial Reuse Site (BRS) has multiple culverts that pass stormwater across the borders of the property. Three of these have completely rusted and need to be replaced.

**Culvert, BMF** – Drainage of site stormwater is discharged to the north of the facility. Unfortunately, this flows across a main gravel road which becomes deeply flooded during the rainy season. This work would include regrading and installation of new culvert to safely convey stormwater under the gravel road.

**Grout, Grit Collector/Head Cell Walls (x2), Pretreatment** – The Head Cell collects grit screened from the wastewater as part of Pretreatment. Large portions of grout in the head cell walls directing flow through the units have failed and need to be replaced.

**Operations/Maintenance Building Improvements** – Allocation for small-scale facility improvements.

**Major Capital Outlay**

The FY 26-27 Capital Program budget includes \$980,000 for the Major Capital items listed below.

<b>Major Capital Outlay</b>	
<b>Description</b>	<b>FY 26-27 Proposed Budget</b>
Furniture, Media Equipment, Admin-Ops Building (upon P80104 completion)	\$365,000
Cathodic Protection Testing Well, Secondary Clarifiers	150,000
Generator, 180 kW, Regional	130,000
COD Analyzers (x2), Plant	80,000
Service Van (New), Electrical Maintenance	70,000
Moisture Analyzer, RNG	60,000
Wash Water Booster Tank System, Belt Filter Presses, BMF	50,000
Harmonic Filters, W2 Pumps, Final	45,000
Mobile Flood Lights w/Generator, Towed, Emergency Response	30,000
<b>Total</b>	<b>\$980,000</b>

**Furniture, Media Equipment, Admin-Ops Building** – Furnishings and media equipment for the larger building space and additional conference rooms once the Administration and Operations Building Project (P80104) is completed.

**Cathodic Protection Testing Well, Secondary Clarifiers** – A new testing well is needed to properly test the performance of the cathodic protection system on the secondary clarifiers. The well is used to obtain a reference conductivity of the surrounding soil.

**Towed Generator, 180 kW, Regional Facilities** – An additional regionally-owned generator sized to run almost all process areas in the plant and many of the pump stations.

**COD Analyzers (x2), Plant** – Carbonaceous Biochemical Oxygen Demand (CBOD is one of our NPDES permit parameters, but the test takes five days to return the result. Since Chemical Oxygen Demand (COD) is correlated with CBOD, a COD analyzer would provide real-time indication of likely CBOD values. This early notice would provide plant operators time to respond to any incoming constituent that may risk exceeding CBOD permit limits.

**Service Van (New), Electricians** – With the addition of FTE for electrical maintenance, a third service van is needed to allow staff to respond to multiple regional locations simultaneously (i.e., WPCF, BMF, pump stations).

**Moisture Analyzer, RNG System** – This analyzer is used to measure the moisture in the digester gas as it leaves the H<sub>2</sub>S filter vessels. The information is used to ensure there is sufficient water content in the filter media to maximize its life, thereby reducing downtime for media replacement.

**Wash Water Booster Tank System, Belt Filter Presses** – The current system design is prone to becoming air locked if not monitored closely. Installing a booster tank system would alert operators to make belt filter press adjustments early enough to prevent air locking.

**Harmonic Filters, W2 Pumps, Final** – The distance between the VFDs and W2 pumps is long, which results in harmonic frequencies that accelerate wear on the VFDs, conductors, and pump motors. The harmonic filters will remove this energy and prolong equipment life.

**Mobile Flood Lights, Towed, Emergency Response** – For use during power outages when other generators are deployed to keep the process equipment and pump stations operating, this enables staff to work more safely in the dark while restoring service.

#### Summary of FY 26-27 Asset Management Capital Program Budget

<u>Category of Capital Expense</u>	<b>FY 26-27 Proposed Budget</b>
Equipment Replacement	\$619,000
Major Rehabilitation	1,230,000
Major Capital Outlay	980,000
<b>TOTAL</b>	<b>\$2,829,000</b>

**FY 27-28 Asset Management Capital Program Budget Planning**

The AMCP consists of the following accounts, listed by category:

- Equipment Replacement
- Major Rehabilitation
- Major Capital Outlay

The AMCP budget planning (subject to change) is described below.

**Equipment Replacement – Budget Forecast**

The FY 27-28 Capital Programs budget includes \$1,230,000 in Equipment Replacement purchases that are identified in the table below.

<b>Equipment Replacement</b>	
<b>Description</b>	<b>FY 27-28 Proposed Budget</b>
Motor, HP300, Raw Sewage (x5), Willakenzie Pump Station (PS)	\$325,000
Motor Control Center, "A" and "B" Side (x2), Willakenzie PS	300,000
Irrigator, Center Pivot, BRS	200,000
Switchboard (x2), Willakenzie PS	200,000
Variable Frequency Drives (x2), Willakenzie PS	80,000
Trailer, 48' Lowboy, Facilities	65,000
Mercury Analyzer, MREX Low Level, ESB Metals Lab	40,000
Autoclave, Lab Wash, ESB	20,000
<b>Total</b>	<b>\$1,230,000</b>

**Motor, HP300, Raw Sewage Pumps, Willakenzie PS** – These motors power five pumps at Willakenzie pump station, which is the largest MWMC pump station, and conveys Springfield flow to the WPCF.

**Motor Control Center (x2), Willakenzie PS** – This is the original 1984 equipment that provides power to the pump motors.

**Irrigator, Center Pivot, BRS** – Damage from theft has resulted in the need to replace the wiring and controller.

**Switchboard (x2), Willakenzie PS** – This equipment switches between electrical power sources for the Willakenzie pump station.

**Variable Frequency Drives (x2), Willakenzie PS** – These are the two remaining VFDs that have been experiencing premature failure.

**Trailer, 48' Lowboy, Facilities** – This trailer is used to haul taller loads such as the dredge.

**Mercury Analyzer, MREX Low Level, ESB** – Mercury analyzer replacement is needed to keep analysis up to date with technology and technical support. Low level mercury analysis is required for the MWMC NPDES permit.

**Autoclave, Lab Wash, ESB** – Existing autoclave has recurring maintenance issues. Autoclave failure could possibly risk NPDES permit noncompliance. Autoclave sterilization is required for microbiological analysis, high level mercury digestion, and phosphorus digestion.

### **Major Rehabilitation – Budget Forecast**

The FY 27-28 Capital Programs budget includes \$880,000 for Major Rehabilitation projects that are identified in the table below.

<b>Major Rehabilitation Projects</b>	
<b>Description</b>	<b>FY 27-28 Proposed Budget</b>
Spot Repairs and Recoating, Clarifier Rake Arms (x2), Secondary Clarifiers	\$500,000
Dome Exterior Coatings (x2), Sludge Holding Tanks	300,000
Operations/Maintenance Building Improvements	50,000
MWMC Construction Trailer, Interior Rehab, Plant	30,000
Total	\$880,000

**Spot Repairs, Recoating, Clarifier Rake Arms (x2), Secondary** – Periodic spot repairs to the coatings are necessary to continue to protect the steel structure.

**Dome Exterior Coatings (x2), Sludge Holding Tanks** – The exterior coating on the Sludge Holding Tanks is showing significant wear and needs to be repaired.

**Operations/Maintenance Building Improvements** – Allocation for small-scale facility improvements.

**Interior Rehabilitation, MWMC Trailer, Plant** – After twenty years of use, the trailer for Springfield construction management staff needs interior refurbishment (i.e., carpet, cupboards, partitions, doors).

**Major Capital Outlay – Budget Forecast**

The FY 27-28 Capital Program budget includes \$0 for the Major Capital items listed below.

<b>Major Capital Outlay</b>	
<b>Description</b>	<b>FY 27-28 Proposed Budget</b>
Total	\$0

**Summary of FY 27-28 Asset Management Capital Program Budget Planning**

<b><u>Category of Capital Expense</u></b>	<b>FY 27-28 Proposed Budget</b>
Equipment Replacement	\$1,230,000
Major Rehabilitation	880,000
Major Capital Outlay	0
<b>TOTAL</b>	<b>\$2,110,000</b>

**5-Year Capital Plan (Exhibit 13)**

For each fiscal planning cycle, only the first year of budget authority is appropriated. The remaining four years of the CIP and AMCP are important and useful for fiscal and work planning purposes. However, it is important to note that the funds in the outer years of the Capital Plan are only planned and not appropriated. For these multi-year contracts, unspent funds from the first fiscal year will typically be carried over to the next fiscal year until the project is completed. Accordingly, the RWP Capital Plan presented herein is a subsequent extension of the plan presented in the adopted FY 25-26 Budget that has been carried forward by one year to FY 26-27. Changes to the 5-Year Plan typically occur from year to year as more information becomes available and evaluated.

Exhibit 13 displays the MWMC 5-Year Capital Plan programs budget, which includes \$171,300,000 in planned capital projects and \$10,570,000 planned asset management capital projects for an overall 5-Year Capital Plan Budget of \$181,870,000.

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

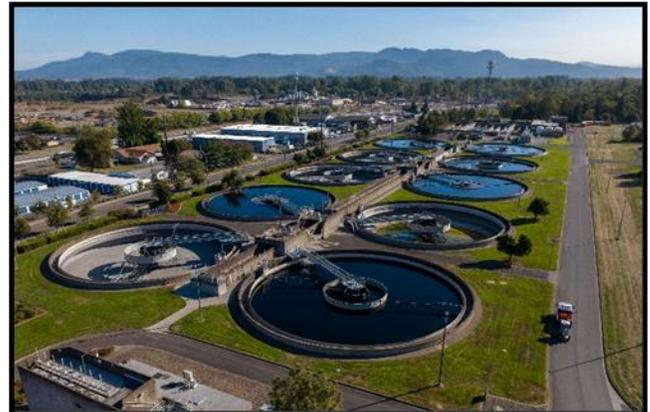
	<b>FY 26-27</b>	<b>FY 27-28</b>	<b>FY 28-29</b>	<b>FY 29-30</b>	<b>FY 30-31</b>	<b>TOTAL</b>
<b>MWMC CAPITAL PROJECTS</b>						
<b>Planning</b>						
Facility Plan Engineering Services	\$300,000	\$300,000	\$200,000	\$200,000	\$220,000	\$1,220,000
Partial Facility Plan Update (NPDES 9/2027)		400,000	300,000			700,000
<b>Conveyance Systems</b>						
Owosso Bridge Upgrades	1,100,000	3,800,000	1,800,000	300,000		7,000,000
Glenwood Pump Station Upgrade	600,000					600,000
East Bank Interceptor (EBI) Repairs		500,000	800,000	1,700,000	3,000,000	6,000,000
<b>Improvements at WPCF, BMF, etc.</b>						
Aeration System Upgrades (2023 to 2026)	13,000,000	12,000,000	2,500,000			27,500,000
Electrical Switchgear & Transformer Replacement	7,400,000	2,100,000				9,500,000
Repair Clarifiers & Final Treatment	3,600,000	8,000,000	7,700,000	3,000,000		22,300,000
Biosolids Improvements Study	3,500,000	6,000,000	7,600,000	10,500,000	13,200,000	40,800,000
Administration Building Improvements	3,000,000					3,000,000
Water Quality Trading Program	2,100,000	2,000,000	1,900,000	1,300,000	100,000	7,400,000
Resiliency Follow-Up	2,000,000	2,000,000	3,000,000	7,000,000	3,000,000	17,000,000
WPCF Boiler Upgrades	1,000,000	700,000	700,000	100,000		2,500,000
WPCF Storage	900,000	2,500,000	2,400,000			5,800,000
WPCF Stormwater Infrastructure	480,000					480,000
WPCF Thickening Upgrades	450,000	1,850,000	2,800,000	2,200,000		7,300,000
Asphalt Repairs		900,000	2,400,000	2,200,000		5,500,000
BMF Storage		700,000	3,300,000			4,000,000
Pretreat Screw Pump MCC Changes		250,000	250,000	200,000		700,000
Study WPCF Septage Station		200,000				200,000
Connections for Emergency Generator			250,000			250,000
Cell Tower Evaluation			100,000			100,000
Study Fat-Oil-Grease (FOG) Receiving Station				350,000	100,000	450,000
Repair Aeration, Clarifiers, Outfall Control Structure					1,000,000	1,000,000
<b>TOTAL CAPITAL PROJECTS</b>	<b>\$39,430,000</b>	<b>\$44,200,000</b>	<b>\$38,000,000</b>	<b>\$29,050,000</b>	<b>\$20,620,000</b>	<b>\$171,300,000</b>
<b>ASSET MANAGEMENT</b>						
Equipment Replacement	619,000	1,230,000	306,000	820,000	185,000	3,160,000
Major Rehabilitation	1,230,000	880,000	700,000	3,620,000		6,430,000
Major Capital Outlay	980,000					980,000
<b>TOTAL ASSET MANAGEMENT</b>	<b>\$2,829,000</b>	<b>\$2,110,000</b>	<b>\$1,006,000</b>	<b>\$4,440,000</b>	<b>\$185,000</b>	<b>\$10,570,000</b>
<b>MWMC TOTAL CAPITAL PROJECTS</b>	<b>\$42,259,000</b>	<b>\$46,310,000</b>	<b>\$39,006,000</b>	<b>\$33,490,000</b>	<b>\$20,805,000</b>	<b>\$181,870,000</b>



# **CAPITAL PROJECT DETAIL**



**FACILITY PLAN ENGINEERING SERVICES (P80110)**



**Description:** Engineering/technical/vendor services for analysis, project definition, cost estimating, design feedback, follow up approvals, and general consultation regarding the MWMC Facilities Plan follow up support. The related project P80090 for consultant services was closed out in FY 21-22.

**Status:** Pursuant to the issuance of the 2022 NPDES permit, MWMC representatives began updating the Facilities Plan under P80101 and will need follow up support via P80110 Facility Plan Engineering Services. As required by the NPDES permit #102486 (page 12 and 38) and before September 15, 2025, the MWMC completed the inspection of the treatment plant outfall system via P80110 funding.

**Justification:** Consultant services to provide ongoing technical and engineering services as needed after the MWMC Comprehensive Facilities Plan Update (P80101).

**Project Driver:** Ongoing engineering/technical/vendor services via P80110.

**Project Trigger:** Ongoing need.

**Estimated Project Cost:** \$1,520,000 (2025 to 2031)

**Estimated Cash Flow:** FY 25-26 = \$300,000; FY 26-27 = \$300,000; FY 27-28 = \$300,000; FY 28-29 = \$200,000; FY 29-30 = \$200,000; FY 30-31 = \$220,000

	Prior Years	2025-26 Est. Act.	2026-27	2027-28	2028-29	2029-30	2030-31	Total
<b>EXPENDITURE/CATEGORY:</b>								
Design/Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0	300,000	300,000	300,000	200,000	200,000	220,000	1,520,000
<b>Total Cost</b>	<b>\$0</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$220,000</b>	<b>\$1,520,000</b>

**OWOSSO BRIDGE SEISMIC UPGRADES (P80116)**



**Description:** This project was identified in the Disaster Mitigation and Recovery Plan (March 2020). The MWMC owns the Owosso Bridge (constructed in 1982) and has infrastructure attached to the bridge. This project would provide seismic upgrades to the bridge.

**Status:** Under the MWMC project P80109 work related to the Owosso Bridge, the MWMC received a geotechnical seismic analysis consultant report dated June 23, 2022. In August 2022, an engineering consultant provided updated cost estimates for Owosso Bridge seismic retrofits. The MWMC submitted for grant funding but was not successful in 2025 for the P80116 design and construction project.

**Justification:** The MWMC’s facilities and wastewater conveyance/treatment services are integral to protection of the community and public health following a major disaster such as the anticipated Cascadia Subduction Zone Earthquake.

**Project Driver:** Cost effectively ensure reasonable recovery of MWMC’s core facilities and services following major disaster impacts after earthquake and/or flooding.

**Project Trigger:** Ongoing effort to address level of service recommendations/improvements from the Disaster Mitigation and Recovery Plan dated March 2020 (older project P80096).

**Estimated Project Cost:** \$7,000,000 (evaluate cost estimating during design development)

**Estimated Cash Flow:** FY 26-27 = \$1,100,000; FY 27-28 = \$3,800,000; FY 28-29 = \$1,800,000; FY 29-30 = \$300,000

	Prior Years	2025-26 Est. Act.	2026-27	2027-28	2028-29	2029-30	2030-31	Total
<b>EXPENDITURE/CATEGORY:</b>								
Design/Construction	\$0	\$0	\$1,100,000	\$3,800,000	\$1,800,000	\$300,000	\$0	\$7,000,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,100,000</b>	<b>\$3,800,000</b>	<b>\$1,800,000</b>	<b>\$300,000</b>	<b>\$0</b>	<b>\$7,000,000</b>

**GLENWOOD PUMP STATION UPGRADE (P80064)**



**Description:** Expand Glenwood pump station capacity to accommodate growth and meet Oregon Department of Environmental Quality (DEQ) wastewater pump station design requirements. The pump station was designed with stalls for additional pumps. Two pumps were installed in 1995 with space for two additional pumps to be added when wastewater flow to the pump station increases with development of the Glenwood and Laurel Hill basins. In 2019, the P80096 Resiliency Planning study recommended onsite geotechnical evaluation and additional improvements.

**Status:** As of January 2026, the project is in the construction phase and the design consultant is reviewing construction submittals. P80064 construction completion is anticipated by October/November of 2026.

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

**Project Driver:** Oregon DEQ wastewater pump station redundancy requirements and 2019 Resiliency study recommendations.

**Project Trigger:** Information from 2023 onsite testing of existing pump/pipe system identified the need to upgrade the Glenwood pump station.

**Estimated Project Cost:** \$2,600,000

**Estimated Cash Flow:** FY 20-21 = \$1,426; FY 21-22 = \$43,259; FY 22-23 = \$106,469; FY 23-24 = \$155,812; FY 24-25 = \$537,352; FY 25-26 = \$1,155,682; FY 26-27 = \$600,000

	Prior Years	2025-26 Est. Act.	2026-27	2027-28	2028-29	2029-30	2030-31	Total
<b>EXPENDITURE/CATEGORY:</b>								
Design/Construction	\$844,318	\$1,155,682	\$600,000	\$0	\$0	\$0	\$0	\$2,600,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$844,318</b>	<b>\$1,155,682</b>	<b>\$600,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,600,000</b>

**AERATION SYSTEM UPGRADES [2023-2026] (P80113)**



**Description:** In 2020 and 2021, Brown and Caldwell evaluated the existing aeration systems and provided recommendations in January 2022 via project P80100. The P80113 project will implement the design and construction of additional upgrades/changes to the existing aeration systems by year 2028.

**Status:** As of January 2026, the construction notice to proceed was on June 24, 2025 and final completion is anticipated by end of 2028. Construction product/equipment submittals are being reviewed and processed back to the P80113 contractor (Pacific Excavation).

**Justification:** Update aging (1984) equipment/systems such as piping, electrical, communication technology, blowers, HVAC, and other components related to the aeration system which is part of the secondary treatment process.

**Project Driver:** Ongoing efforts to keep MWMC existing systems reliable and achieve required performance outcomes related to the National Pollution Discharge Elimination System (NPDES) permit #102486.

**Project Trigger:** Need to address aging aeration systems for reliability and performance upgrades.

**Estimated Project Cost:** \$40,000,000

**Estimated Cash Flow:** FY 22-23 = \$804,235; FY 23-24 = \$1,737,423; FY 24-25 = \$1,255,619; FY 25-26 = \$8,702,723; FY 26-27 = \$13,000,000; FY 27-28 = \$12,000,000; FY 28-29 = \$2,500,000

<b>EXPENDITURE/CATEGORY:</b>	Prior Years	2025-26 Est. Act.	2026-27	2027-28	2028-29	2029-30	2030-31	Total
Design/Construction	\$3,797,277	\$8,702,723	\$13,000,000	\$12,000,000	\$2,500,000	\$0	\$0	\$40,000,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$3,797,277</b>	<b>\$8,702,723</b>	<b>\$13,000,000</b>	<b>\$12,000,000</b>	<b>\$2,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$40,000,000</b>

**ELECTRICAL SWITCHGEAR & TRANSFORMER REPLACEMENT (P80115)**



**Description:** The main electrical switchgear at the Water Pollution Control Facility (WPCF) and Willakenzie Pump Station (WPS) were installed in 1983 during construction of the MWMC regional facilities. The purpose of the equipment is to take utility power and provide it to various process areas with the use of switches. Within the switchgear are medium voltage breakers to safely isolate the facility from the electricity provider (EWEB), as well as protect the utility from electrical faults at the site. This project will replace and upgrade the existing switchgears and medium voltage transformers.

**Status:** As of January 2026, the P80115 project is under construction with project completion anticipated by end of 2027. Two new transformers have been replaced.

**Justification:** The main electrical switchgear for the WPCF and the WPS have reached the end of their service life and need to be replaced. Several medium voltage (MV) transformers throughout both sites are in similar condition.

**Project Driver:** Main switchgear and MV transformers are of paramount importance to plant operations. Replacing switchgear is a major undertaking that involves large temporary power sources, specialized contractors, long equipment lead times, manufacturer field testing, and significant coordination to reduce disruption to plant operation.

**Project Trigger:** The September 2022 condition assessment, coupled with recent arcing events, has concluded the switchgear at the WPCF and WPS have reached the end of their useful life and need to be replaced, and it is anticipated that the MV transformers are not far behind.

**Estimated Project Cost:** \$17,000,000 (budget was reduced after construction bid received August 13, 2024)

**Estimated Cash Flow:** FY 22-23 = \$117,538; FY 23-24 = \$730,231; FY 24-25 = \$776,445; FY 25-26 = \$5,875,786; FY 26-27 = \$7,400,000; FY 27-28 = \$2,100,000

	Prior Years	2025-26 Est. Act.	2026-27	2027-28	2028-29	2029-30	2030-31	Total
<b>EXPENDITURE/CATEGORY:</b>								
Design/Construction	\$1,624,214	\$5,875,786	\$7,400,000	\$2,100,000	\$0	\$0	\$0	\$17,000,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$1,624,214</b>	<b>\$5,875,786</b>	<b>\$7,400,000</b>	<b>\$2,100,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,000,000</b>

**REPAIR CLARIFIERS & FINAL TREATMENT (P80118)**



**Description:** In 2023, condition assessment efforts found existing structures needing concrete rehabilitation and other repair work related to primary clarifiers #1 and #3 and the final treatment chlorine contact basins originally constructed in 1980 and 1983, respectively. This project will look for solutions to repair and/or replace existing concrete and other systems related to MWMC past construction contracts C2 (primary treatment) and C6 (final treatment).

**Status:** As of January 2026, the design consultant is creating the 90% design package for upcoming project team review and the design workshop is scheduled for February 12, 2026.

**Justification:** Need to continue fixing aging infrastructure based on existing conditions and risk.

**Project Driver:** Repair and/or replace existing infrastructure.

**Project Trigger:** Fix structural system issues before impacting the MWMC treatment plant process.

**Estimated Project Cost:** \$23,000,000 (evaluate cost estimates during design development)

**Estimated Cash Flow:** FY 24-25 = \$16,974; FY 25-26 = \$683,026; FY 26-27 = \$3,600,000; FY 27-28 = \$8,000,000; FY 28-29 = \$7,700,000; FY 29-30 = \$3,000,000

	Prior Years	2025-26 Est. Act.	2026-27	2027-28	2028-29	2029-30	2030-31	Total
<b>EXPENDITURE/CATEGORY:</b>								
Design/Construction	\$16,974	\$683,026	\$3,600,000	\$8,000,000	\$7,700,000	\$3,000,000	\$0	\$23,000,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$16,974</b>	<b>\$683,026</b>	<b>\$3,600,000</b>	<b>\$8,000,000</b>	<b>\$7,700,000</b>	<b>\$3,000,000</b>	<b>\$0</b>	<b>\$23,000,000</b>

**BIOSOLIDS IMPROVEMENTS STUDY (P80122)**



**Description:**

Biosolids are a valuable resource recovered during the processing of wastewater. The Biosolids Management Facility (BMF) is currently overloaded with solids in the four Facultative Sludge Lagoons (FSLs). Solids overloading in the FSLs is causing operating inefficiencies and stressing the land application program. This project will study solids loading addressing near-term capacity and identifying phased alternate analysis recommendations and implementation not limited to FSL expansion, Air Drying Bed (ADB) expansion, covered storage, new technologies, landfill disposal, and Class A biosolids production.

**Status:**

In 2026, the project team will be scoping the project priorities and seeking consultant services. The P80122 project is anticipated to recommend a phased approach of changes and upgrades.

**Justification:**

Solids overloading is currently causing FSL processing issues, dewatering inconsistencies, and complicating the loss of land available for land application of biosolids.

**Project Trigger:**

Processing constraints within the FSLs are jeopardizing the ability to achieve 100% beneficial use of biosolids. In 2025, the availability of land for biosolids application through the cooperative farm program significantly declined—from 4,000 acres to only 480 acres, posing a substantial challenge to sustainable biosolids management.

**Estimated Project Cost:** \$91,000,000 (ongoing evaluation about cost and solutions)

**Estimated Cash Flow:** FY 25-26 = \$150,000; FY 26-27 = \$3,500,000; FY 27-28 = \$6,000,000; FY 28-29 = \$7,600,000; FY 29-30 = \$10,500,000; FY 30-31 = \$13,200,000 and future cost to be determined based on solutions implemented

<b>EXPENDITURE/CATEGORY:</b>	Prior Years	2025-26 Est. Act.	2026-27	2027-28	2028-29	2029-30	2030-31	Total
Design/Construction	\$0	\$0	\$3,500,000	\$6,000,000	\$7,600,000	\$10,500,000	\$13,200,000	\$40,800,000
Other	0	150,000	0	0	0	0	0	150,000
<b>Total Cost</b>	<b>\$0</b>	<b>\$150,000</b>	<b>\$3,500,000</b>	<b>\$6,000,000</b>	<b>\$7,600,000</b>	<b>\$10,500,000</b>	<b>\$13,200,000</b>	<b>\$40,950,000</b>

**ADMINISTRATION BUILDING IMPROVEMENTS (P80104)**



**Description:** This project will address the Administration/Operations Building workspace needs at the Water Pollution Control Facility (WPCF). It is a follow up to the 2018-2019 construction of the P80085 new laboratory building and expansion of the existing maintenance building. In 2019, the P80096 Resiliency Planning study recommended: a) constructing a new building for immediate occupancy/use after a major natural disaster, or b) upgrade the existing building for immediate occupancy post-earthquake (magnitude 9.0 event).

**Status:** As of January 2026, the P80104 project is in the construction phase with most of the exterior structure and roof completed. Project completion is anticipated by late 2026.

**Justification:** The original design and construction of the Administration/Operations Building was completed February 1982 under older building codes. The redesign and reconstruction of the building would address daily work and level of service goals after a natural disaster (earthquake or flooding).

**Project Driver:** The need to update the existing Administration/Operations building is driven by the necessity to provide a safe and efficient work environment. The new building also addresses the P80096 recommended level of service goals to operate after a Cascadia Zone earthquake.

**Project Trigger:** Expansion and changes needed for functionality, safety, and natural disaster resiliency.

**Estimated Project Cost:** \$28,000,000

**Estimated Cash Flow:** FY 20-21 = \$17,937; FY 21-22 = \$209,786; FY 22-23 = \$1,317,424; FY 23-24 = \$941,342; FY 24-25 = \$4,466,982; FY 25-26 = \$18,046,529; FY 26-27 = \$3,000,000

	Prior Years	2025-26 Est. Act.	2026-27	2027-28	2028-29	2029-30	2030-31	Total
<b>EXPENDITURE/CATEGORY:</b>								
Design/Construction	\$6,953,471	\$18,046,529	\$3,000,000	\$0	\$0	\$0	\$0	\$28,000,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$6,953,471</b>	<b>\$18,046,529</b>	<b>\$3,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,000,000</b>

**WATER QUALITY TRADING PROGRAM (P80112)**



**Description:** The MWMC Water Quality Trading Program secures regulatory credits for meeting thermal load reduction through watershed restoration. The program fulfills the objectives of the Water Quality Trading Plan under the MWMC NPDES permit as approved November 2022, which defines the MWMC eligible trading area in the upper Willamette basin. The program is implemented via the MWMC’s contractor-provided Credit Program Manager services with support of the MWMC’s membership in the Pure Water Partners. Water quality trading credits comprise the MWMC’s primary strategy for thermal load limit compliance.

**Status:** The MWMC has a DEQ-approved Water Quality Trading Plan for NPDES permit compliance. As of March 2019, the MWMC procured The Freshwater Trust ([www.thefreshwatertrust.org](http://www.thefreshwatertrust.org)) as the Credit Program Manager. As of November 2022, the MWMC has an agreement with The Freshwater Trust to implement the permit-compliance water quality trading program scope of work to meet the 5-year credit timeline of the NPDES permit Compliance Schedule through 2027. Credits established through 2027 are invoiced over 4-year installments as registered and continue to be monitored and maintained for a period of 20 years. As of December 2025, the MWMC recorded 106 Mkal/day of credits out of a 5-year target of 200 Mkal/day.

**Justification:** The Water Quality Trading Program will help provide cost-effective strategies for most of the thermal load compliance dates as required under the MWMC NPDES permit #102486 renewed in November 2022.

**Project Driver:** Implementation of thermal load limits in the MWMC’s 2022 NPDES permit.

**Project Trigger:** The NPDES permit renewal includes a 15-year Compliance Schedule with a 5-year milestone of 200 Mkal/day of credits due by October 2027.

**Estimated Project Cost:** \$13 million (timing estimate from 2022 to 2034)

**Estimated Cash Flow:** FY 22-23 = \$760,026; FY 23-24 = \$896,865; FY 24-25 = \$1,500,000; FY 25-26 = \$2,443,109; FY 26-27 = \$2,100,000; FY 27-28 = \$2,000,000; FY 28-29 = \$1,900,000; FY 29-30 = \$1,300,000; FY 30-31 = \$100,000

	Prior Years	2025-26 Est. Act.	2026-27	2027-28	2028-29	2029-30	2030-31	Total
<b>EXPENDITURE/CATEGORY:</b>								
Design/Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	3,156,891	2,443,109	2,100,000	2,000,000	1,900,000	1,300,000	100,000	13,000,000
<b>Total Cost</b>	<b>\$3,156,891</b>	<b>\$2,443,109</b>	<b>\$2,100,000</b>	<b>\$2,000,000</b>	<b>\$1,900,000</b>	<b>\$1,300,000</b>	<b>\$100,000</b>	<b>\$13,000,000</b>

**RESILIENCY FOLLOW-UP (P80109)**



**Description:** This project provides follow-up evaluation and some implementation of the P80096 Resiliency Study (Disaster Mitigation and Recovery Plan - dated March 2020). The 2019 study recommended seismic and flooding mitigation projects estimated at \$34.6 million to be coordinated with the MWMC ongoing infrastructure/facilities construction program. The main objective is to address “level of service” goals before a natural disaster such as a 9.0 magnitude earthquake or major flooding. Also, the MWMC should continue to communicate with the agencies that prepare for natural disasters that relate to the Eugene/Springfield community.

**Status:** As of January 2026, resiliency upgrades are in the construction phase for P80104 Operations Building, P80064 Glenwood Pump Station, and P80113 Aeration System.

**Justification:** The MWMC’s facilities and wastewater conveyance and treatment services are integral to protection of the community and public health following a major disaster such as the anticipated Cascadia Subduction Zone Earthquake and/or major flooding.

**Project Driver:** Cost effectively ensure reasonable recovery of MWMC’s core facilities and services following major disaster impacts after earthquake or flooding.

**Project Trigger:** Follow-up to the P80096 consultant recommendations dated March 2020.

**Estimated Project Cost:** Mitigation recommendations estimate: \$34.6 million (2019 dollars)

**Estimated Cash Flow:** FY 20-21 = \$4,092; FY 21-22 = \$173,133; FY 22-23 = \$13,408; FY 23-24 = \$1,920; FY 24-25 = \$0; FY 25-26 = \$378,080; FY 26-27 = \$2,000,000; FY 27-28 = \$2,000,000; FY 28-29 = \$3,000,000; FY 29-30 = \$7,000,000; FY 30-31 = \$3,000,000, & continue the mitigation work estimated over \$34 million

	Prior Years	2025-26 Est. Act.	2026-27	2027-28	2028-29	2029-30	2030-31	Total
<b>EXPENDITURE/CATEGORY:</b>								
Design/Construction	\$0	\$378,080	\$2,000,000	\$2,000,000	\$3,000,000	\$7,000,000	\$3,000,000	\$17,378,080
Other	192,553	0	0	0	0	0	0	192,553
<b>Total Cost</b>	<b>\$192,553</b>	<b>\$378,080</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$3,000,000</b>	<b>\$7,000,000</b>	<b>\$3,000,000</b>	<b>\$17,571,000</b>

**WPCF BOILER UPGRADES (P80121)**



**Description:** The boiler serves as the main source for Water Pollution Control Facility (WPCF) heat, including wastewater treatment processes, and the engine generator (EG) is used either for backup in the summer or to help with peak heat demand in the winter. This project will review existing heating plant study results and replace the EG with an additional boiler capable of 100% redundancy for meeting peak heating demand.

**Status:** As of January 2026, the MWMC project team issued a request for proposal (RFP) for consultant services and proposals are due on February 10, 2026. The P80121 budget in FY 25-26 is \$450,000 to startup the project.

**Justification:** The existing boiler and EG cannot provide total redundant heat at peak demand for the four digesters and WPCF heat load. Additionally, the existing boiler is not equipped with reliable sensors and communication devices.

**Project Driver:** Providing continuous and reliable heat is a primary concern for WPCF Operations and is required to meet NPDES permit conditions and DEQ reliability criteria. With the addition of digester #4, the process load on the system has the potential to exceed the capacity of the heating plant if the existing boiler becomes inoperable.

**Project Trigger:** During the Comprehensive Facilities Plan (P80101) project multiple significant deficiencies were documented. The WPCF boiler fuel control strategy requires an update to better manage the use of digester gas (DG) and natural gas (NG). Additionally, enhancements to the manual fuel selection override are needed to allow seamless switching between fuel sources. An upgrade to the hot water thermostat is also necessary, including the ability to set and adjust temperature setpoints. Finally, a manual boiler restart function should be implemented to ensure reliable operation.

**Estimated Project Cost:** \$2,700,000 (evaluate cost estimates during design development)

**Estimated Cash Flow:** FY 25-26 = \$200,000; FY 26-27 = \$1,000,000; FY 27-28 = \$700,000; FY 28-29 = \$700,000; FY 29-30 = \$100,000

	Prior Years	2025-26 Est. Act.	2026-27	2027-28	2028-29	2029-30	2030-31	Total
<b>EXPENDITURE/CATEGORY:</b>								
Design/Construction	\$0	\$200,000	\$1,000,000	\$700,000	\$700,000	\$100,000	\$0	\$2,700,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$0</b>	<b>\$200,000</b>	<b>\$1,000,000</b>	<b>\$700,000</b>	<b>\$700,000</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$2,700,000</b>

**WPCF STORAGE (P80123)**



**Description:** Covered storage space is limited, and existing facilities are operating at full capacity, resulting in inefficiencies in the storage of materials and equipment. This project will study and implement both increased covered storage and improve existing storage with options.

**Status:** Project funding proposed with FY 26-27 budget.

**Justification:** Current storage limitations and immediate needs include expanded covered storage for large equipment, dry storage for RNG media, and upgraded facilities for equipment and parts inventory.

**Project Driver:** Due to the lack of adequate covered storage, new materials and critical equipment are currently stored outdoors and exposed to environmental conditions.

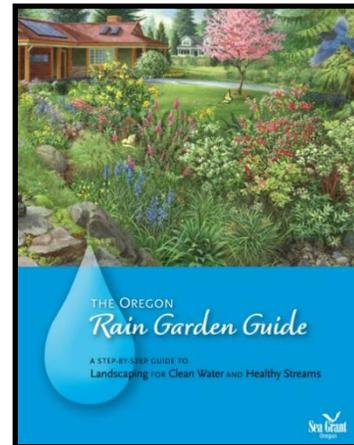
**Project Trigger:** During the Comprehensive Facilities Plan (P80101) project storage deficiencies were identified including the lack of covered outdoor storage at the WPCF. The Equipment Maintenance Building has reached maximum storage capacity, lacks proper truck docking and staging space, and items needed are not stored onsite and available due to space limitations. The electrical shop room requires more staff workspace. The Oil (and Flammable) Storage Building lacks secondary containment. Both the South Storage Building and the Final Treatment Building are at storage capacity. The MWMC permanent archive as required by State of Oregon record retention regulatory requirements is housed upstairs in the decommissioned Dewatering Centrifuge Facility.

**Estimated Project Cost:** \$5,800,000 (evaluate cost estimating during design development)

**Estimated Cash Flow:** FY 26-27 = \$900,000; FY 27-28 = \$2,500,000; FY 28-29 = \$2,400,000

	Prior Years	2025-26 Est. Act.	2026-27	2027-28	2028-29	2029-30	2030-31	Total
<b>EXPENDITURE/CATEGORY:</b>								
Design/Construction	\$0	\$0	\$900,000	\$2,500,000	\$2,400,000	\$0	\$0	\$5,800,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$0</b>	<b>\$0</b>	<b>\$900,000</b>	<b>\$2,500,000</b>	<b>\$2,400,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,800,000</b>

**WPCF STORMWATER INFRASTRUCTURE (P80111)**



**Description:** Retrofit and/or change existing stormwater infrastructure at the Water Pollution Control Facility (WPCF). Also, if needed, update the WPCF Conditional Use Permit (CUP) related to stormwater infrastructure planning for upcoming construction.

**Status:** As of January 2026, Jacobs staff provided a Stormwater Master Plan (SWMP) dated December 16, 2021, with consultant recommendations including the need to update the WPCF existing CUP related to stormwater systems. Staff continues to monitor the MWMC upcoming construction projects and P80101 facilities planning consultant recommendations.

**Justification:** WPCF existing stormwater and drainage systems need to be retrofitted and/or changed for upcoming construction permit approvals.

**Project Driver:** Maintain compliance with local and state stormwater requirements at the WPCF.

**Project Trigger:** Each infrastructure hard-surface change at the WPCF can trigger stormwater quality and quantity onsite controls related to project permit requirements.

**Estimated Project Cost:** \$600,000 (continue to evaluate cost of updating WPCF CUP if required for stormwater, retrofit existing three bioswales to rain gardens, add new rain gardens, and/or system changes)

**Estimated Cash Flow:** FY 25-26 = \$120,000; FY 26-27 = \$480,000

	Prior Years	2025-26 Est. Act.	2026-27	2027-28	2028-29	2029-30	2030-31	Total
<b>EXPENDITURE/CATEGORY:</b>								
Design/Construction	\$0	\$120,000	\$480,000	\$0	\$0	\$0	\$0	\$600,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$0</b>	<b>\$120,000</b>	<b>\$480,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$600,000</b>

**WPCF THICKENING UPGRADES (P80124)**



**Description:** The pumping of solids and sludge through pipes at the proper water content is critical to Water Pollution Control Facility (WPCF) operations and equipment. The sludge piped from the primary clarifiers to the digesters is not moving or materializing as designed and additional sub-performance is identified in multiple sludge pumping facilities. This project will perform a primary/gravity thickened sludge hydraulic analysis and provide WPCF equipment optimization recommendations.

**Status:** Begin the P80124 project in FY 26-27.

**Justification:** Multiple pump performance and configuration issues restricting solids pumping and management at the WPCF.

**Project Driver:** The primary treatment gravity thickener installed in 2014 is rarely used as cannot reliably exceed 5% solids sludge pumping required from primary clarifiers. Compaction is used to thicken sludge in the digesters with study results needed to determine optimal pumping configuration.

**Project Trigger:** During the Comprehensive Facilities Plan (P80101) project, solids handling deficiencies were documented including the Primary Sludge rotary lobe pump system upgrades needed to meet design capacity. The Return Activated Sludge (RAS) pump rates exceed maximum design flow and are generally suboptimal in addition to being wasteful. The Gravity Belt Thickener (GBT) pumps require corrective maintenance and need to be upsized to meet full capacity of feed lines and GBT capacity. At the end of the planning the capacity assessment predicts that the GBT solids loading rate will approach design maximum with one unit in service.

**Estimated Project Cost:** \$7,300,000

**Estimated Cash Flow:** FY 26-27 = \$450,000; FY 27-28 = \$1,850,000; FY 28-29 = \$2,800,000; FY 29-30 = \$2,200,000

	Prior Years	2025-26 Est. Act.	2026-27	2027-28	2028-29	2029-30	2030-31	Total
<b>EXPENDITURE/CATEGORY:</b>								
Design/Construction	\$0	\$0	\$450,000	\$1,850,000	\$2,800,000	\$2,200,000	\$0	\$7,300,000
Other	0	0	0	0	0	0	0	0
<b>Total Cost</b>	<b>\$0</b>	<b>\$0</b>	<b>\$450,000</b>	<b>\$1,850,000</b>	<b>\$2,800,000</b>	<b>\$2,200,000</b>	<b>\$0</b>	<b>\$7,300,000</b>

# **Acronyms and Explanations**



**ACRONYMS AND EXPLANATIONS**

**AMCP** – Asset Management Capital Program. The AMCP implements the projects and activities necessary to maintain functionality, lifespan, and effectiveness of the MWMC facility assets on an ongoing basis. The AMCP is administered by the City of Eugene for the MWMC.

**BMF** – Biosolids Management Facility. The Biosolids Management Facility is an important part of processing wastewater where biosolids generated from the treatment of wastewater are turned into nutrient rich, beneficial organic materials.

**BRS** – Beneficial Reuse Site. Formerly called the Seasonal Industrial Waste (SIW) facility, it includes a lagoon, control structure, and pipeline to the treatment plant. This location also includes pivot irrigators connected to a groundwater well. MWMC acquired the land and facilities in 1998 when Agripac ceased operations.

**CIP** – Capital Improvements Program. This program implements projects outlined in the 2004 Facilities Plan and includes projects that improve performance or expand treatment or hydraulic capacity of existing facilities.

**CMOM** – Capacity Management and Maintenance Program. The CMOM program addresses wet weather issues such as inflow and infiltration with the goal to eliminate sanitary sewer overflows to the extent possible and safeguard the hydraulic capacity of the regional wastewater treatment facility.

**CWSRF** – Clean Water State Revolving Fund. The Clean Water State Revolving Fund loan program is a federal program administered by the Oregon DEQ that provides low-cost loans for the planning, design and construction of various water pollution control activities. (DEQ)

**EBI** – East Bank Interceptor is designed to convey sewage with specific connections linking areas in Glenwood and Springfield across the Willamette River to the main treatment system.

**EMS** – Environmental Management System. An EMS is a framework to determine the environmental impacts of an organization’s business practices and develop strategies to address those impacts.

**ESD** – Environmental Services Division. The ESD is a division of the City of Springfield’s Development and Public Works Department that promotes and protects the community’s health, safety, and welfare by providing professional leadership in the protection of the local environment, responsive customer service, and effective administration for the Regional Wastewater Program.

**GBT** – The Gravity Belt Thickener is equipment used to reduce water content from activated sludge through gravity draining and then the addition of polymer to help flocculate the solids (i.e., improve water separation). The thickened sludge is then piped to the Sludge Holding Tanks (SHTs) and the anaerobic digesters for further processing.

**IGA** – Intergovernmental Agreement. Pursuant to ORS 190.010, ORS 190.080, and ORS 190.085, the IGA is an agreement between the cities of Eugene and Springfield and Lane County that created the MWMC as an entity with the authority to provide resources and support as defined in the IGA for the Regional Wastewater Program.

**MWMC** – Metropolitan Wastewater Management Commission. The MWMC is the Commission responsible for the oversight of the Regional Wastewater Program. In this role, the MWMC protects the health and safety of our local environment by providing high-quality management of wastewater conveyance and treatment to the Eugene-Springfield community. The Commission is responsible for the oversight of the Regional Wastewater Program.

**NPDES** – National Pollutant Discharge Elimination System permit. The NPDES permit program is administered by the Oregon Department of Environmental Quality (DEQ) in fulfillment of federal Clean Water Act requirements. The NPDES permit includes planning and technology requirements as well as numeric limits on effluent water quality.

**RNG** – Renewal Natural Gas Upgrades consisting of biogas purification facilities at the treatment plant and connection to the Northwest Natural utility grid. Together, the system allows the MWMC to sell the upgraded gas (RNG) as a renewable fuel through offtake agreements.

**RWP** – Regional Wastewater Program. Under the oversight of the MWMC, the purpose of the RWP is to protect public health and safety and the environment by providing high quality wastewater management services to the Eugene-Springfield metropolitan area. The MWMC and the regional partners are committed to providing these services in a manner that will achieve, sustain, and promote balance between community, environmental, and economic needs while meeting customer service expectations.

**SDC** – System Development Charge. SDCs are charges imposed on development so that government may recover the capital needed to provide sufficient capacity in infrastructure systems to accommodate the development.

**SRF** – Clean Water State Revolving Fund. The Clean Water State Revolving Fund loan program is a federal program administered by the Oregon DEQ that provides low-cost loans for the planning, design and construction of various water pollution control activities. (DEQ)

**SSO** – Sanitary Sewer Overflows. Discharges of raw sewage.

**TMDL** – Total Maximum Daily Load. The federal Clean Water Act defines *Total Maximum Daily Load* as the maximum amount of any pollutant that can be safely assimilated by a waterway in one day without significant degradation of water quality.

**TSS** – Total Suspended Solids. Organic and inorganic materials that are suspended in water.

**TWAS** – Thickened Waste Activated Sludge is the result of the thickening process to reduce the water content and increase the solids concentration. TWAS comes from the biological treatment stage (i.e., the aeration basins, secondary treatment) and then piped back to the digesters.

**WPCF** – Regional Water Pollution Control Facility. The WPCF is a state-of-the-art facility providing treatment of the wastewater coming from the Eugene/Springfield metropolitan area. The WPCF is located on River Avenue in Eugene. The treatment plant and 49 pump stations distributed across Eugene and Springfield operate 24 hours a day, 7 days a week, 365 days a year to collect and treat wastewater from homes, businesses and industries before returning the cleaned water, or effluent, to the Willamette River. Through advanced technology and processes, the facility cleans, on average, up to 30 million gallons of wastewater every day.

**WWFMP** – Wet Weather Flow Management Plan. This plan evaluated and determined the most cost-effective combination of collection system and treatment facility upgrades needed to manage excessive wet weather wastewater flows in the Eugene/Springfield metropolitan area.



# Metropolitan Wastewater MANAGEMENT COMMISSION



*partners in wastewater management*

---

## MEMORANDUM

**DATE:** March 5, 2026

**TO:** MWMC Board

**FROM:** James McClendon, WW Finance and Administrative Manager

**SUBJECT:** Mobile Waste Hauler Rate for FY 2026-27

**ACTION REQUESTED:** Provide direction regarding Mobile Waste Hauler rate

---

### **ISSUE**

The fee charged for receiving hauled septage is evaluated annually and adjusted according to Board direction. Staff recommends an increase of 5.3% for the fee charged to mobile waste haulers (MWH) based on an updated cost of service evaluation. The current MWH septage fee is 15.2 cents per gallon, and the proposed fee for FY 2026-27 is 16.0 cents per gallon, or \$160 per 1,000 gallons (kgal). This fee also applies to other hauled waste (non-septage) unloaded at the treatment plant headworks.

### **BACKGROUND**

The MWMC provides waste treatment for hauled septage as stipulated in the MWMC's Intergovernmental Agreement (IGA). A special permit under the City of Eugene's pretreatment program regulates septage hauling entities. Under the IGA, septage may be treated at the regional facility so long as there is capacity for such treatment over and above what is needed to serve the directly connected customers of the MWMC. Currently there are fifteen (15) active permitted MWH companies unloading regularly at the treatment plant's septage receiving station. Of the fifteen, one company by volume accounts for about 49% of all MWH revenue.

### **DISCUSSION**

The current mobile waste hauler fee of 15.2 cents per gallon is based on a cost of service analysis. The last MWH rate adjustment became effective on July 1, 2025 (FY 2025-26), which was a 2.7% increase over the previous rate of 14.8 cents per gallon. Due to increasing costs for operations and maintenance (O&M) activity in 2025-2026, the cost of service model has been reviewed and adjusted for the FY 2026-27 rate evaluation. The MWH rate model provides a costing methodology based on the relative volume and strength of septage waste to residential waste. The model takes into account administration, O&M costs, and additional equipment wear. A survey of septage receiving stations across the Oregon-Washington region has also been conducted to compare fees/rate changes for other septage receiving locations to what the MWMC currently charges and the recommended adjustment.

The current septage rate of \$0.152 per gallon will be insufficient to achieve full cost recovery in the coming fiscal year. The model's projection for FY 2026-27 indicates the cost of service will most likely be \$0.16 per gallon. Only a significant increase or decrease in expected volume would change the fee needed for full cost recovery.

**MWMC Fee Adjustment – Recommended for July 1, 2026**

<u>Fiscal Year</u>	<u>Reasoning for Rate Adjustment</u>	<u>Cost of Service</u>
FY 2025-26	current fee based on previous projected cost model	\$0.152 / gallon
FY 2026-27	projected cost if septage volume decreased by 25%	\$0.159 / gallon
FY 2026-27	projected cost at current volume based on 2025 data	\$0.160 / gallon
FY 2026-27	projected cost if septage volume increased by 25%	\$0.161 / gallon

**ACTION REQUESTED**

Staff is seeking input and direction from the Board regarding the recommended MWH/hailed septage rate adjustment. Staff requests the Board consider adopting a fee increase to \$0.16 per gallon, or \$160/kgal, for hailed septage and other hailed waste (non-septage) at a public hearing during the MWMC Board meeting on April 10, 2026.

**ATTACHMENTS**

- 1) 2025-2026 Survey of Hauled Septage Fees
- 2) 2025-2026 Estimated MWH Revenue Above Cost Recovery



### Survey of Hauled Septage Fees – January 2026

<i>Agency</i>	<i>Current Rate</i>	<i>Notes</i>
City of Salem	\$0.160 / gallon	effective 1/1/2026
City of McMinnville	\$0.150 / gallon	effective 7/1/2025
King County (WA)	\$0.175 / gallon	effective 1/1/2026
City of Woodburn	\$0.181 / gallon	effective 7/1/2025
Heard Farms	\$0.200 / gallon (avg.)	varies by distance and location
Clean Water Services	\$0.206 / gallon	effective 7/1/2025
City of Newport	\$0.250 / gallon	effective 7/1/2025
Rogue Valley Sewer Services	\$0.150 / Gallon	effective 7/1/2025

### MWMC Fee Adjustment - Recommended for July 1, 2026

<i>Fiscal Year</i>	<i>Reasoning for Rate Adjustment</i>	<i>Cost of Service</i>
FY 2025-26	current fee based on previous projected cost model	\$0.152 / gallon
FY 2026-27	projected cost if septage volume decreased by 25%	\$0.159 / gallon
FY 2026-27	projected cost at current volume based on 2025 data	\$0.160 / gallon
FY 2026-27	projected cost if septage volume increased by 25%	\$0.161 / gallon



## Estimated Septic Hauler Revenue - Above Cost Recovery

