

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Ratification of the Metropolitan Wastewater Management Commission (MWMC) FY16 Regional Wastewater Program Budget and Capital Improvements Program

Meeting Date: May 11, 2015
Department: Public Works
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Agenda Item Number: 2C
Staff Contact: John Huberd
Contact Telephone Number: 541-682-8603

ISSUE STATEMENT

This agenda item relates to the ratification of the FY16 budget for the regional wastewater program serving the Eugene/Springfield metro area, as established under the 1977 Intergovernmental Agreement (IGA) between the City of Eugene, the City of Springfield, and Lane County. The regional wastewater program is managed by the Metropolitan Wastewater Management Commission (MWMC) pursuant to the provisions of the IGA. The regional wastewater budget provides funds for all regional operations, maintenance, administration, and capital project management and implementation for regional facilities. These include the Eugene/Springfield Water Pollution Control Facility, the Biosolids Management Facility, the Biocycle Farm, the Reclaimed Water Facility, and regional wastewater pump stations.

BACKGROUND

The purpose of the regional wastewater program 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.

The commission and the regional wastewater program staffs have worked together to identify the following key outcomes:

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

These key outcomes and goals are in direct alignment with the City of Eugene City Council goals.

Every year MWMC develops a budget that covers resource needs of the operations, maintenance, and capital improvement activities for the regional wastewater program. These activities are divided between Eugene and Springfield. The regional budget combines the portions of the City of Eugene and City of Springfield budgets that are dedicated to the regional wastewater program. The commission conducted a public hearing on the proposed draft budget for FY16 and subsequently adopted the budget on April 10, 2015. The commission's adopted budget is attached for council consideration (see Attachment A). The budget reflects the continuing focus on design and construction of capital improvements in the approved 2004 Facilities Plan, needed to ensure the operation of the Regional Wastewater Facilities meets increasing environmental regulations and the collection and treatment capacity will be available to provide for growth in the service area. The adopted budget includes the financial resources necessary to support the regional program. The personnel, operations and maintenance, and capital outlay budget increases by four percent from the FY15 budget.

During the April 10 meeting, the commission approved an overall two percent increase in the regional wastewater user rates to generate revenue for the proposed budget and, pursuant to the recommendations of the MWMC financial advisor, to address needs for future Capital Improvement Program (CIP) financing consistent with the commission's Financial Plan policies and net revenue objectives. The revenues generated by the user rate increase are consistent with the MWMC's approved financial plan to maintain an unenhanced credit rating of A and adequately fund operations, administration, capital financing, debt service, and reserves.

RELATED CITY POLICIES

This action item is related to the City Council goals of "Sustainable Development", "Effective, Accountable, Municipal Government" and "Fair, Stable and Adequate Financial Resources".

COUNCIL OPTIONS

1. Approve motion to ratify the FY16 MWMC budget.
2. Return the FY16 MWMC Regional Wastewater Program Budget and Capital Improvements Program to MWMC with specific requests for modification and reconsideration.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends ratification of the proposed FY16 MWMC Budget and Capital Improvements Program.

SUGGESTED MOTION

Move to ratify the FY16 MWMC Budget.

ATTACHMENTS

- A. Transmittal letter and MWMC FY16 Proposed Regional Wastewater Program Budget and

Capital Improvements Program

FOR MORE INFORMATION

Staff Contact: John Huberd, Finance and Administration Manager, Wastewater Division

Telephone: 541-682-8603

Staff E-Mail: john.c.huberd@ci.eugene.or.us