

ADMINISTRATIVE ORDER NO. 58-25-04
of the
City Manager of the City of Eugene

**REGARDING THE OPPORTUNITY TO COMMENT ON A PROPOSAL TO
AMEND THE WASTEWATER USER FEE SCHEDULE.**

The City Manager of the City of Eugene finds as follows:

A. Section 6.411 of the Eugene, Code, 1971 (EC), authorizes the City Manager to determine and set fees and charges to be imposed by the City for wastewater service, regional wastewater service, and stormwater service. Pursuant to that authority, on May 13, 2024, I issued Administrative Order No. 58-24-03-F amending the Wastewater User Fee Schedule.

B. In accordance with EC 6.411(1), I have conducted an investigation of the revenue needs of the City in providing wastewater services and have considered the following criteria: (1) the amount charged for the services in the past; (2) the fee increase proposal currently being considered by the Metropolitan Wastewater Management Commission (MWMC); (3) applicable federal and state regulations; (4) amounts charged by the City of Springfield and other such service providers for comparable services; (5) the revenue needed to pay the City's costs and debt obligations related to wastewater facilities, the expected need for financial reserves and contingencies, and other sources of revenue; (6) other relevant adopted policies of the council; (7) the terms of any applicable intergovernmental agreement relating to wastewater; (8) obtaining equity between different classes of ratepayers; and (9) the value of the use and occupancy of the City's right-of-way by the City wastewater system. (See Exhibit B)

C. Based on my investigation and consideration, I propose to amend the stormwater user fees as set forth in the Notice attached as Exhibit A to this Order to be implemented and effective for all bills issued on or after July 1, 2025.

On the basis of these findings, I order that:

1. The City of Eugene shall conduct a public hearing on the proposed local (City of Eugene) wastewater rates. Pursuant to EC 6.411(1)(d), the Metropolitan Wastewater Management Commission is hereby authorized to conduct a public hearing on the proposed regional (MWMC) wastewater rates.

2. A Notice substantially conforming to the Notice attached as Exhibit A shall be:

a. Provided to the Mayor and City Councilors, the news media, any person who has requested notice, interested governmental agencies (including the United States Environmental Protection Agency, the Department of Environmental Quality, the

Metropolitan Wastewater Management Commission, and the Eugene Water & Electric Board);

- b. Posted at two locations at City Hall; and
- c. Published on two separate occasions in the Register Guard Newspaper.

Dated this 26th day of March, 2025.

Richard T. Hoey
Richard T. Hoey (Mar 25, 2025 15:55 PDT)
Matt Rodrigues
Matt Rodrigues (Mar 26, 2025 02:30 PDT)



Sarah Medary
City Manager

NOTICE OF OPPORTUNITY TO COMMENT ON PROPOSED CHANGES TO THE WASTEWATER USER FEES.

To continue providing wastewater services at the same level of service through fiscal year 2026, the City of Eugene is proposing increases in Stormwater User fees effective on bills issued on or after July 1, 2025. Documentation supporting this proposal may be reviewed at <https://www.eugene-or.gov/450/Wastewater-Fees>. The current monthly fees and the proposed fees to be charged are set out below.

<u>RATE COMPONENT</u>	<u>Current Rate</u>	<u>Proposed Rate</u>
RESIDENTIAL:		
<u>Per Account Fee:</u>		
City of Eugene	No charge	No charge
MWMC.....	\$15.99	\$16.79
<u>Sanitary Sewer Flow-Based Charge per 1,000 Gallons of Water Used:</u>		
City of Eugene	\$3.201	\$3.361
MWMC.....	\$3.182	\$3.341
Total flow-based charge per 1,000 gallons of water used.....	\$6.383	\$6.702
TYPICAL RESIDENTIAL BILLING:	\$47.88	\$50.31
(Per Account charge + 5 times the total flow-based charge)		
COMMERCIAL/INDUSTRIAL:		
<u>Per Account Fee, All Commercial/Industrial Classes:</u>		
City of Eugene	No charge	No charge
MWMC.....	\$15.99	\$16.79
<u>Sanitary Sewer Flow-Base Charge Per 1,000 Gallons of Water Used by Customer Class:</u>		
<u>Low Strength Customer:</u>		
City of Eugene	\$3.201	\$3.361
MWMC.....	\$4.278	\$4.492

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<u>RATE COMPONENT</u>	<u>Current Rate</u>	<u>Proposed Rate</u>
Total flow-base charge per 1,000 gallons of water used	\$7.479	\$7.853
Medium Strength Customer:		
City of Eugene	\$3.201	\$3.361
MWMC.....	\$6.231	\$6.543
Total flow-base charge per 1,000 gallons of water used	\$9.432	\$9.904
High Strength Customer:		
City of Eugene	\$3.201	\$3.361
MWMC.....	\$8.842	\$9.284
Total flow-base charge per 1,000 gallons of water used	\$12.043	\$12.645
Very High Strength Customer:		
City of Eugene	\$3.201	\$3.361
MWMC.....	\$11.460	\$12.033
Total flow-base charge per 1,000 gallons of water used	\$14.661	\$15.394
Super High Strength Customer:		
City of Eugene	\$3.201	\$3.361
MWMC.....	\$14.073	\$14.777
Total flow-base charge per 1,000 gallons of water used	\$17.274	\$18.138
SEPTAGE HAULERS/HAULED WASTE (NON-SEPTAGE):		
City of Eugene	No charge	No charge
MWMC Septage: flow rate/1,000 gallons	\$148.00	\$152.00
MWMC Hauled Waste (non-septage): flow rate/1,000 gallons.....	\$148.00	\$152.00

Comments on the proposed changes may be submitted orally at a public hearing which will be held using virtual meeting technology on April 10, 2025, at noon, or via email to utilityadmin@eugene-or.gov or in writing to Susan Weixelman, Public Works Financial Services Manager, 99 W. 10th, Suite 370, Eugene, OR 97401. To be considered, written and email

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comments must be received by 5 p.m. on April 10, 2025. Information about options for participation in the virtual public hearing will be available by 5 p.m. on April 8, 2025, at <https://www.eugene-or.gov/1972/Public-Meetings-Calendar>.

To arrange for Spanish-language interpretation, materials in alternative formats, or an interpreter or assistive listening system for the deaf or hard of hearing at the City of Eugene's public hearing, telephone 541-682-4900 by noon on April 8th.

CITY MANAGER'S FINDINGS

Proposed Wastewater Fee Schedule Amendments

All properties connected to the public wastewater system pay wastewater fees. Eugene provides local wastewater collection services, and the Metropolitan Wastewater Management Commission (MWMC), a partnership of Lane County and the cities of Eugene and Springfield, operates the regional wastewater collection and treatment facilities.

The City of Eugene is proposing to increase local wastewater user fees by 5%, effective July 1, 2025. This rate increase is necessary to balance this fund and end the 6-year forecast window with a balance available that is at the City's two-month operating reserve target.

Inflationary pressures experienced by this industry are addressed within this rate increase, as well as the addition of 0.30 of a FTE in the Engineering Division for Capital Project Delivery: Housing and Development, 0.20 FTE at the Wastewater Treatment Plant for increased workload for operations and maintenance and one-third of the cost of a security contract at Roosevelt Yard.

Pursuant to Sections 6.411(1) and (2), the City Manager has conducted an investigation of the revenue needs of the City in conducting wastewater operations and has examined the following criteria in determining the proposed wastewater fees:

1) The amount charged for such service in the past.

Findings:

<u>RATE COMPONENT</u>	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>
RESIDENTIAL:		
Per Account Fee:		
City of Eugene	No charge	No charge
MWMC	\$15.99	\$16.79
<u>Sanitary Sewer Flow-Based Charge per 1,000 Gallons of Water Used:</u>		
City of Eugene	\$3.201	\$3.361
MWMC	\$3.182	\$3.341
TYPICAL RESIDENTIAL BILLING: (Per Account charge + 5 times the total flow-based charge)	\$47.91	\$50.31
COMMERCIAL/INDUSTRIAL:		

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<u>Per Account Fee, All Commercial/Industrial Classes:</u>		
City of Eugene	No charge	No charge
MWMC	\$15.99	\$16.79
<u>Sanitary Sewer Flow-Base Charge Per 1,000 Gallons of Water Used by Customer Class:</u>		
Low Strength Customer:		
City of Eugene	\$3.201	\$3.361
MWMC	\$4.278	\$4.492
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2) For regional wastewater treatment services, the recommendation, if any, of the Metropolitan Wastewater Management Commission, or any successor agency.

Findings: MWMC is proposing a 5% increase in regional wastewater rates over the current rate, and a 2.7% increase in the Septage Hauler/Hauled Waste fee over the current fee, effective July 1, 2025. MWMC is holding a public hearing specific to the proposal on April 11, 2025, and its recommendation will follow.

3) Applicable federal or state regulations or conditions imposed as part of a federal or state grant or financial assistance agreement.

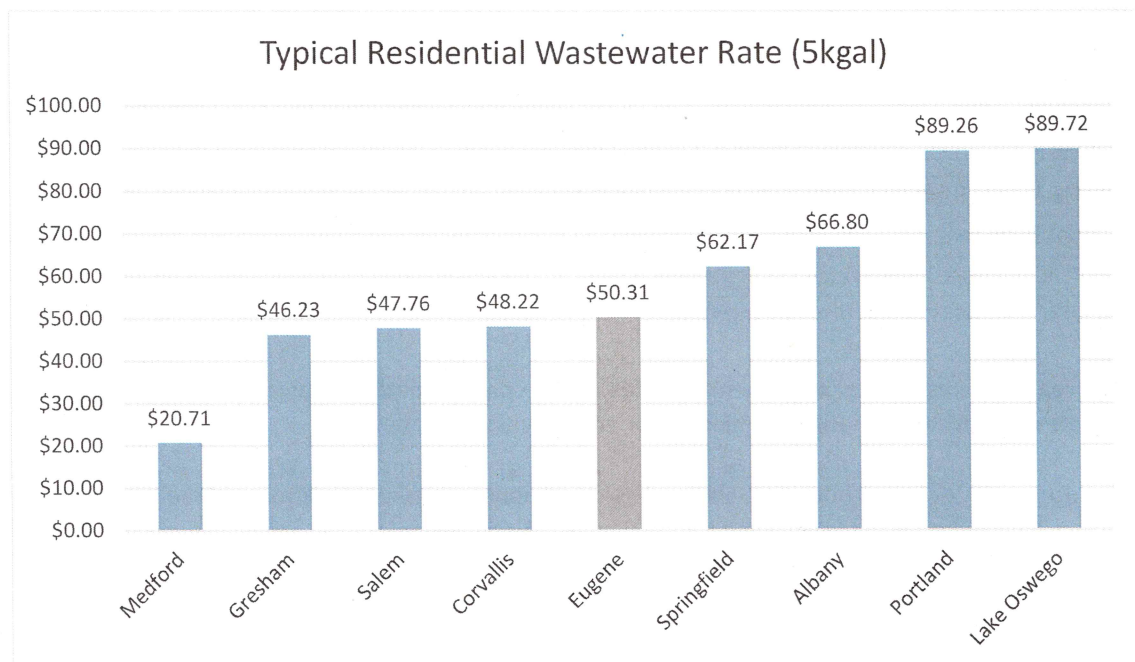
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Findings: The Oregon Department of Environmental Quality is charged with implementing state and federal rules governing the operation of wastewater treatment plants. As such, the DEQ has issued a National Pollutant Discharge Elimination System (NPDES) Permit (number 102486) for the Eugene/Springfield Water Pollution Control Facility (i.e., the regional treatment plant at 410 River Ave, Eugene). The permit describes conditions and limitations to ensure public health and safety and protection of the environment. The FY25 budget for the regional wastewater program will provide funding for the City to carry out operations and maintenance activities and services necessary under the NPDES permit.

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4) **The Amounts charged or proposed to be charged by the City of Springfield and other providers of wastewater services for comparable services.**

Findings:



5) **The revenue needed to pay for the direct and indirect expected costs of constructing, operating, maintaining, and replacing local and regional sewerage facilities based on the adopted budgets of**

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the city of Eugene and the Metropolitan Wastewater Management Commission or its successor, the debt obligations of the city or other entities for construction of the facilities, adopted capital improvement plans of the council, the expected need for financial reserves and contingencies, and other sources of revenue.

For an explanation of regional wastewater fee increases, which are set by the Metropolitan Wastewater Management Commission, please see the April 11, 2025 meeting for MWMC at www.mwmcpartners.org/meetings/.

Findings:

	<u>FY26</u>
<u>Sources of Funds:</u>	
Beginning Working Capital	\$1,963,833
Current Rate Revenue	\$14,190,000
Rate Increase Revenue	\$665,000
Other Revenue	\$660,200
Total Resources	<u>\$17,479,033</u>

<u>Uses of Funds:</u>	
Operations & Maintenance	\$9,977,572
Capital Projects	\$2,380,000
Administration	\$2,062,682
Utility Right of Way Fee	\$891,300
Utility Administration	\$701,516
Ending Working Capital	\$1,465,963
Total Requirements	<u>\$17,479,033</u>

Rate Increase - Proposed 5.0%

**The rate increase is included in the cost of the above programs.*

6) Other relevant adopted policies of the council.

Findings: There are no other relevant policies adopted by the City Council that will impact the FY26 proposed rates.

7) The terms of any applicable intergovernmental agreement relating to wastewater services or regional wastewater treatment service.

Findings: There are no new intergovernmental agreements between the City of Eugene and another entity that will have a new and material impact to the City's wastewater program.

8) The obtaining of equity between different classes of customers so that one class of customers does not pay more than its proportionate share of the expenses of providing sewer service.

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Findings: The wastewater fee schedule is a flow-based fee set up to charge customers whose residence or business use more water, and thus requires more wastewater to be treated, to pay a higher fee. There is one rate charged per thousand gallons of water used for residential customers and five different categories of rates for commercial customers depending upon the strength and characteristics of the wastewater discharged to the public sewer system.

- 9) **In addition to the forgoing considerations, in determining the amounts or rates to be charged for wastewater service, the city manager shall consider the value of the use and occupancy of the city's right-of-way by the city wastewater system.**

Findings: The City of Eugene wastewater program is paying a similar charge for the use and occupancy of the City of Eugene's right-of-way system, when compared to other utilities in the area.

Percentage of Revenue for Use in the Right-of-Way

Cable TV	5%
EWEB (CILT)*	6%
COE Stormwater	6%
COE Wastewater	6%
Telecommunications (including Internet access)	7%
NW Natural Gas**	5%

*As a public utility, EWEB pays the City a Contribution In Lieu of Taxes (CILT) as a percentage of electric retail sales revenue.

**The last franchise agreement with NW Natural expired in 2021. While the City and NW Natural work towards a new agreement, NW Natural continues to pay the City a Natural Gas Supplier Tax as a percentage of revenue.