

ADMINISTRATIVE ORDER NO. 58-26-07
of the
City Manager of the City of Eugene

**REGARDING THE OPPORTUNITY TO COMMENT ON A PROPOSAL TO
AMEND THE LOCAL AND REGIONAL 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 29, 2025, Administrative Order No. 58-25-04-F was issued 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 criteria at EC 6.411(2). (See Exhibit B)

C. Based on my investigation and consideration, I propose to amend the wastewater 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, 2026.

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 conducted a public hearing on the proposed regional (MWMC) wastewater rates on April 10, 2026.

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 24 day of April, 2026.

LR
LR (Apr 27, 2026 15:13:25 PDT)

MR
MR (Apr 24, 2026 12:15:36 PDT)

Jenny Haruyama

Jenny Haruyama (Apr 24, 2026 12:15:36 PDT)

Jennifer D. Haruyama
City Manager

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

To continue providing local wastewater services at the same level of service through fiscal year 2027, the City of Eugene is proposing increases in local Wastewater User fees effective on bills issued on or after July 1, 2026. 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. MWMC’s proposed fee increases for the regional wastewater system are provided for context.

<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.....	\$16.79	\$17.71
<u>Sanitary Sewer Flow-Based Charge per 1,000 Gallons of Water Used:</u>		
City of Eugene	\$3.361	\$3.529
MWMC.....	\$3.341	\$3.525
Total flow-based charge per 1,000 gallons of water used.....	\$6.702	\$7.054
TYPICAL RESIDENTIAL BILLING:	\$50.31	\$52.98
(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.....	\$16.79	\$17.71
<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	\$3.361	\$3.529
MWMC.....	\$4.492	\$4.739

Exhibit A
to Administrative Order No. 58-26-07

<u>RATE COMPONENT</u>	<u>Current Rate</u>	<u>Proposed Rate</u>
Total flow-base charge per 1,000 gallons of water used	\$7.853	\$8.268
Medium Strength Customer:		
City of Eugene	\$3.361	\$3.529
MWMC.....	\$6.543	\$6.903
Total flow-base charge per 1,000 gallons of water used	\$9.904	\$10.432
High Strength Customer:		
City of Eugene	\$3.361	\$3.529
MWMC.....	\$9.284	\$9.795
Total flow-base charge per 1,000 gallons of water used	\$12.645	\$13.324
Very High Strength Customer:		
City of Eugene	\$3.361	\$3.529
MWMC.....	\$12.033	\$12.695
Total flow-base charge per 1,000 gallons of water used	\$15.394	\$16.224
Super High Strength Customer:		
City of Eugene	\$3.361	\$3.529
MWMC.....	\$14.777	\$15.590
Total flow-base charge per 1,000 gallons of water used	\$18.138	\$19.119
SEPTAGE HAULERS/HAULED WASTE (NON-SEPTAGE):		
City of Eugene	No charge	No charge
MWMC Septage: flow rate/1,000 gallons	\$152.00	\$160.00
MWMC Hauled Waste (non-septage): flow rate/1,000 gallons.....	\$152.00	\$160.00

Comments on the proposed changes may be submitted orally at a public hearing which will be held using virtual meeting technology on May 14, 2026, at 12:00 p.m., or via email to utilityadmin@eugene-or.gov or in writing to Susan Weixelman, AIC Public Works Administration Division Manager, 99 W. 10th, Suite 370, Eugene, OR 97401. To be considered, written and email

comments must be received by 5 p.m. on May 14, 2026. Information about options for participation in the virtual public hearing will be available by 5 p.m. on May 13, 2026, 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 May 13, 2026.

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, 2026. This rate increase is necessary to balance revenues and expenditures 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. Personnel expenses continue to rise as inflation increases wages and PERS retirement costs, placing significant pressure on the budget. Inflation is also driving up the cost of goods and services, further straining service delivery. Contractual services and repair work, in particular, are increasing at rates above overall inflation.

This user fee increase also reflects the addition of a portion of a new strategic position within the Public Works Department. Due to workload growth, employee turnover, increasing complexity and regulatory requirements for road, stormwater, and wastewater infrastructure, 0.20 FTE for an Assistant Director in the Maintenance Division is included in the rate structure. The remaining portions of this FTE will be funded by the Road Fund and the Stormwater Fund.

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:		
<u>Per Account Fee:</u>		
City of Eugene	No charge	No charge
MWMC	\$16.79	\$17.71
<u>Sanitary Sewer Flow-Based Charge per 1,000 Gallons of Water Used:</u>		
City of Eugene	\$3.361	\$3.529
MWMC	\$3.341	\$3.525

Exhibit B
to Administrative Order No. 58-26-07

TYPICAL RESIDENTIAL BILLING:	\$50.31	\$52.98
(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	\$16.79	\$17.71
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2) For regional wastewater treatment services, the recommendation, if any, of the Metropolitan Wastewater Management Commission, or any successor agency.

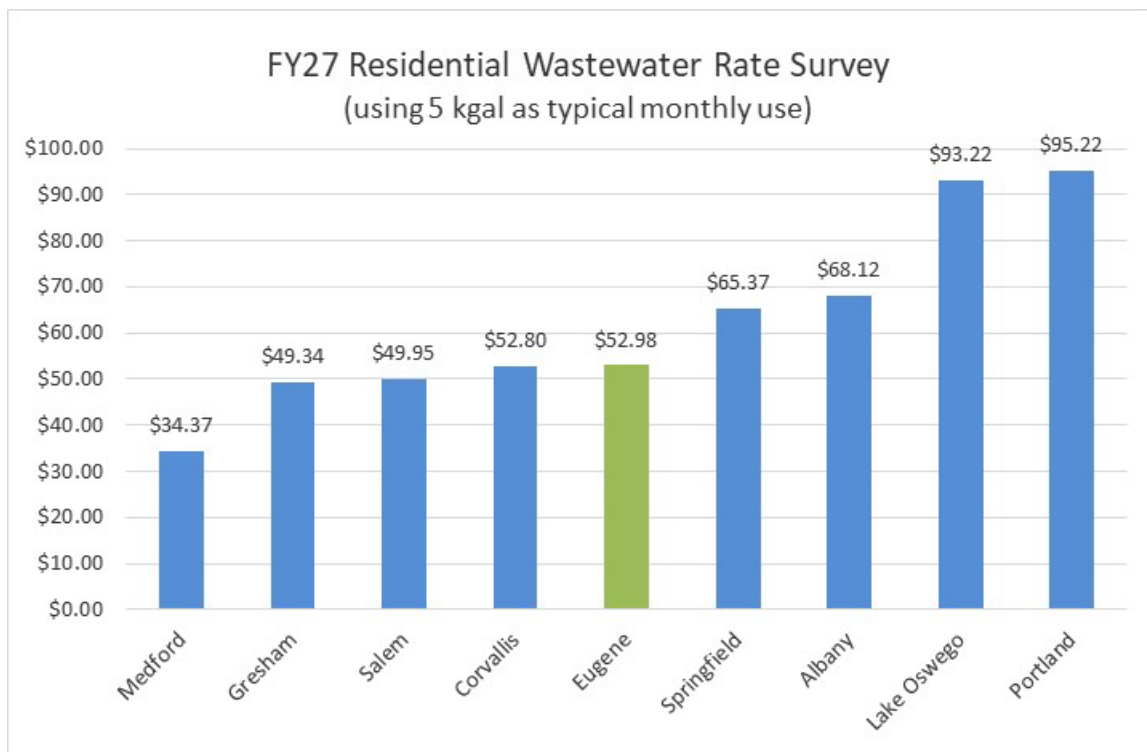
Findings: MWMC approved a 5.5% increase in regional wastewater rates over the current rate, and a 5.3% increase in the Septage Hauler/Hauled Waste fee over the current fee, effective July 1, 2026. MWMC held a public hearing specific to the proposal on April 10, 2026.

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

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 FY27 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.

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 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 March 13, 2026 meeting for MWMC at www.mwmcpartners.org/meetings/.

Findings:

	<u>FY27</u>
Sources of Funds:	
Beginning Working Capital	\$2,485,980
Current Rate Revenue	\$14,455,000
Rate Increase Revenue	\$723,000
Other Revenue	\$660,200
Total Resources	<u>\$18,324,180</u>
Uses of Funds:	
Operations & Maintenance	\$10,307,894
Capital Projects	\$2,380,000
Administration	\$2,353,391
Utility Right of Way Fee	\$911,000
Utility Administration	\$969,438
Ending Working Capital	\$1,402,457
Total Requirements	<u>\$18,324,180</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 FY27 proposed rates.

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

Findings: The intergovernmental agreement with EWEB for utility service charge collection services, updated November 1, 2025, includes an increase of \$167,000 in local wastewater related billing costs. This amount represents approximately 1.2% of the proposed wastewater rate increase. The IGA that created and governs MWMC requires MWMC to recommend regional wastewater fees to the City based on: (i) the rates and amounts that the MWMC reasonably determines are necessary to meet Bond covenants, and to achieve and maintain an unenhanced credit rating of A for the MWMC's Bonds from at least one nationally recognized rating agency; and (ii) such additional rates and amounts that the MWMC determines are appropriate to adequately fund the actions necessary to perform the MWMC's functions under this Agreement. The proposed regional wastewater fees are those recommended by MWMC in accordance with that IGA.

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.

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.