

Lane County
**Metropolitan Wastewater
Service District**

FY 2009-2010 Approved Budget

**LANE COUNTY
METROPOLITAN WASTEWATER SERVICE DISTRICT**

2009-2010 BUDGET CALENDAR

May 17, 2009	First Notice of Budget Hearing Published
May 24, 2009	Second Notice of Budget Hearing Published
June 3, 2009	Budget Committee Public Hearing; Review And Approve Budget; Set tax Levy (Additional Review Scheduled as Necessary)
June 14, 2009	Budget Summary; Third Notice of Budget Hearing Published
June 24, 2009	Service District Public Hearing and Budget Adoption

SERVICE DISTRICT BUDGET COMMITTEE MEMBERS

District Elected Officials

Bill Dwyer
Rob Handy
Bill Fleenor
Peter Sorenson
Faye Stewart

Citizen Members

Scott Bartlett
Rose Wilde
Doug Keeler
Alice Kaseberg
Hilary Loud

Budget Officer

Jeff Spartz, County Administrator

Contact Person

Lane County

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Lane County
METROPOLITAN WASTEWATER SERVICE DISTRICT
APPROVED BUDGET FOR FISCAL YEAR 2009-2010

Historical Background

The Lane County Metropolitan Wastewater Service District (MWSD) was formed by the Lane County Board of Commissioners on December 28, 1977, under Oregon Revised Statutes Chapter 451. The MWSD is a separate legal entity from Lane County and is funded through a separate budget. The Board of County Commissioners serves as the policy board of the MWSD, and the Lane County Administrator serves as the Budget officer. The MWSD contracts with the Metropolitan Wastewater Management Commission (MWMC), an intergovernmental organization formed under ORS 190 by Lane County, the City of Eugene, and the City of Springfield, for design, construction, grants administration, operation and maintenance of the regional wastewater facility. The completed facility cost approximately \$105 million.

The Lane County Metropolitan Wastewater Service District received voter authorization on May 23, 1978, to sell \$29.5 million in general obligation bonds to finance the local share of the regional wastewater treatment construction program. Federal Environmental Protection Agency (EPA) grants provided the balance of the funding. The grants have been administered directly by the MWMC and have not been a part of the county service district budget.

A seven-member policy board of the MWMC has and continues to establish design and construction priorities. Construction of the regional sewerage facility was phased-in over a 20-year period to accommodate the availability of federal grant funds appropriated under the Sewerage Works Construction Grants Program and distributed in Oregon in accordance with the Department of Environmental Quality Grant Priority List. Start-up of the regional facility took place on April 2, 1984.

Various projects have been completed over the years. These include the East Springfield Interceptor, treatment plant projects including the Pretreatment Process Building Upgrade, sludge thickening equipment, enclosing the Fillmore Pump Station, and increasing the space in the Operation Building. Biosolids Plastic Removal was incorporated into the Pretreatment Improvements project and an Air Drying Beds Rehabilitation Project were also completed. The design and construction of a laboratory expansion and remodel at the regional Water Pollution Control Facility (WPCF) was the first of a three to five year project to increase processing capacity at the Biosolids Management Facility (BMF) and the first of a two-year study to develop a Wet Weather Flow Management Plan (WWFMP), and improvements to the Dredge Movement System at the BMF. Work was also completed on a mechanical dewatering facility at the Eugene-Springfield Biosolids Management Facility to increase the amount of liquid biosolids that could be dried and land applied on an annual basis. Two other aspects of the Biosolids management strategy also were completed:

- 1) A feasibility and cost study of transitioning from "Class B" to "Class A" biosolids; and
- 2) A land acquisition analysis to determine whether there are suitable lands in the vicinity of the BMF to acquire for a dedicated biosolids land application site, using poplar plantations.

The Biosolids project essentially used the remaining county service district bond proceeds in 2000. An additional payment of \$130,000 was made to the MWMC in FY 04-05 from cash carryover and \$24,000 was made from all prior years property taxes received in FY 06-07.

The Future of the District

When the final debt service payment was made in September 2002, the service district fulfilled its original purpose. The future needs of the wastewater system will continue to be discussed at MWMC who now has the ability to seek their own financing. The future of the county service district will be discussed by its board at a future date.

In the meantime, the Wastewater Bond Retirement fund has been closed out and the remaining funds were transferred into the district's Wastewater Administration and Construction fund. The latter fund will be maintained indefinitely to receive all prior year taxes and minimal interest earnings. When the balance is sufficient in subsequent years, a final payment can be made to the MWMC if the Service District Budget Committee and Board so direct.

FISCAL YEAR 2009-2010 BUDGET

The Approved Budget for the Lane County Metropolitan Wastewater Service District is:

	<u>FY 08-09 Budget</u>	<u>FY 09-10 Approved</u>	<u>Chg From FY 08-09</u>	<u>Percent Change</u>
Administration and Construction Fund	<u>\$27,900</u>	<u>\$30,595</u>	<u>\$2,695</u>	<u>9.6%</u>
TOTAL DISTRICT FUNDS	\$27,900	\$30,595	\$2,695	9.6%

PROGRAM SUMMARY

Administration and Construction Fund

The Administration and Construction Fund previously accounted for revenues received from the general obligation bond sales, interest earned from investment of bond-sale proceeds and the expenditure of those funds via a transfer to the Metropolitan Wastewater Management Commission for the construction of the regional wastewater treatment facility. All bond proceeds have already been transferred to MWMC.

The cash balance from the district's bond retirement fund was transferred into the Administration and Construction Fund in FY 02-03 after approval by the district board. The remaining cash balance was carried forward into FY 05-06. The bulk of the remaining funds or \$130,000 was transferred to the MWMC in FY 04-05. In FY 06-07 another transfer of \$24,000 was made.

The remaining funds will be used to pay the district's audit and overhead costs, as well as, other incidental costs associated with legal notices and budget committee expenses. \$27,902 is budgeted in Land Management Services as a placeholder in the event the district board should decide to further examine the need for the district.

Administration and Construction Fund (Fund 282)

	<u>2006-07 Actual</u>	<u>2007-08 Actual</u>	<u>2008-09 Budget</u>	<u>2009-10 Approved</u>
<u>Resources</u>				
Current Year Prop. Taxes	(\$832)	\$515	\$0	0
Prior Year Property Taxes	1,350	(7,318)	500	200
Investments	1,073	5,025	400	200
Fund balance	<u>62,364</u>	<u>36,074</u>	<u>27,000</u>	<u>30,195</u>
Total	63,955	34,296	27,900	30,595
<u>Expenditures</u>				
Materials & Services	3,880	1,935	25,014	27,902
Transfer Payments to MWMC	24,000	0	2,886	2,693
Operational Contingency	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$1,777	\$1,935	\$27,900	\$30,595

PROGRAM SUMMARY

Wastewater Bond Retirement Fund

The Bond Retirement Fund was a non-operating fund that provided accounting control for the payment of interest and principal on the Service District's general obligation bonds.

The initial \$29.5 million bonds were sold in four issues between 1978 and 1982, at interest rates ranging from 4.86% to 8.86%. The Department of Environmental Quality (DEQ) purchased the majority of the bonds.

In September 1989, at the request of the governing body of the Metropolitan Wastewater Service District, Lane County completed an advance refunding of the Series 1980 and 1982 bonds that carried the highest interest rates. This resulted in savings to district taxpayers of \$940,000 over the life of the bonds.

In December 1992, Lane County completed a second advance refunding of the original Series 1979 bonds and the 1989 Refunding bonds. This action saved an additional \$454,000 and then carried interest rates of 4.85% to 5.03%.

In September 2002 the final bond payment was made. This final action fulfilled the purpose for the fund. In May 2003, the fund was closed and the remaining balance was transferred into the district's Administration and Construction Fund.

Tax Levy

The final debt service payment was made in September 2002. No further tax levies are required.