

PASSED

BOARD OF DIRECTORS  
LANE COUNTY METROPOLITAN WASTEWATER SERVICE DISTRICT

RESOLUTION AND ) IN THE MATTER OF ADOPTING THE FY  
ORDER ) 2008-2009 METROPOLITAN  
08-6-25-1 ) WASTEWATER SERVICE DISTRICT  
) BUDGET, MAKING APPROPRIATIONS  
) AND LEVYING TAXES

**WHEREAS**, the Metropolitan Wastewater Service District Budget Committee reviewed and approved the 2008-2009 fiscal year budget for the Lane County Metropolitan Wastewater Service District on June 11, 2008; and

**WHEREAS**, after due notice, a public hearing was held June 25, 2008 on the 2008-2009 fiscal year budget at 9:00 a.m. in the Board of Commissioner's Conference Room, Lane County Public Service Building; and

**WHEREAS**, the Board, having fully considered the Service District Budget Committee's recommendations, and the matters discussed at the public hearing; and

**WHEREAS**, the Bond Retirement Fund fulfilled its purpose by retiring all bonded debt and the fund has since been closed out so no further tax levy is required; now, therefore

**IT IS HEREBY ORDERED**, that the 2008-2009 fiscal year budget for the Lane County Metropolitan Wastewater Service District in the sum of \$27,900 as set forth below is hereby adopted; and

**BE IT FURTHER ORDERED**, that the amounts for the fiscal year beginning July 1, 2008, and for the purposes shown below are hereby appropriated as follows;

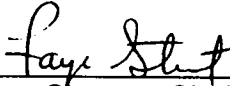
**WASTEWATER ADMINISTRATION AND CONSTRUCTION FUND 282**

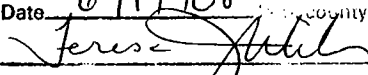
|                      |          |
|----------------------|----------|
| Materials & Services | \$27,900 |
| Total Requirements   | \$27,900 |

**AND, BE IT FURTHER ORDERED** that taxes provided for in the adopted budget in the aggregate amount of \$0 be levied by the Lane County Metropolitan Wastewater Service District for bonded debt and be assessed upon all taxable property within the district as of 1:00 a.m. July 1, 2008. The following allocation and categorization for the tax subject to the limits of section 11b, Article XI of the Oregon Constitution make up the above aggregate levy:

|                                 | <u>General Government<br/>Limitation</u> | <u>Excluded From<br/>the Limitation</u> |
|---------------------------------|--|---|
| Wastewater Admin. & Const. Fund | \$0                                      | \$0                                     |

Adopted by the Lane County Metropolitan Wastewater Service District Board of Directors this 25<sup>th</sup> day of June 2008.

  
 \_\_\_\_\_  
 Faye Stewart, Chair  
 Metropolitan Wastewater Service District  
 Board of Directors

APPROVED AS TO FORM  
 Date 6/17/08 \_\_\_\_\_ county  
  
 \_\_\_\_\_  
 OFFICE OF LEG. COUNSEL

**IN THE MATTER OF ADOPTING THE FY 2008-2009 METROPOLITAN WASTEWATER SERVICE DISTRICT BUDGET, MAKING APPROPRIATIONS AND LEVYING TAXES**

Lane County  
**Metropolitan Wastewater  
Service District**

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FY 2008-2009 Approved Budget

**LANE COUNTY  
METROPOLITAN WASTEWATER SERVICE DISTRICT**

**2008-2009 BUDGET CALENDAR**

|               |   |
|---------------|---|
| May 20, 2008  | Submit Legal Notices to The Register-Guard  |
| May 25, 2008  | First Notice of Budget Hearing Published  |
| June 1, 2008  | Second Notice of Budget Hearing Published   |
| June 11, 2008 | Budget Committee Public Hearing; Review<br>And Approve Budget; Set tax Levy<br>(Additional Review Scheduled as Necessary) |
| June 15, 2008 | Budget Summary; Third Notice of Budget Hearing Published  |
| June 25, 2008 | Service District Public Hearing and Budget Adoption   |

**SERVICE DISTRICT BUDGET COMMITTEE MEMBERS**

**District Elected Officials**

Bill Dwyer  
Bobby Green, Sr.  
Bill Fleenor  
Peter Sorenson  
Faye Stewart

**Citizen Members**

Scott Bartlett  
Tony McCown  
Doug Keeler  
Alice Kaseberg  
Hilary Loud

**Budget Officer**

Jeff Spartz, County Administrator

**Contact Person, Lane County**

David Garnick, Budget/Financial Planning Mgr., County Administration  
682-3694

**Contact person, Metropolitan Wastewater Management Commission (MWMC)**

Susie Smith, Environmental Services/MWMC Manager, City of Springfield  
726-3697

Peter Ruffier, Div. Director, Public Works Wastewater Div., City of Eugene  
682-8606

**Lane County**  
**METROPOLITAN WASTEWATER SERVICE DISTRICT**  
APPROVED BUDGET FOR FISCAL YEAR 2008-2009

**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 2008-2009 BUDGET

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

|                                      | FY 07-08<br><u>Budget</u> | FY 08-09<br><u>Approved</u> | Chg From<br><u>FY 07-08</u> | Percent<br><u>Change</u> |
|--------------------------------------|---------------------------|-----------------------------|-----------------------------|--------------------------|
| Bond Retirement Fund                 | \$0                       | \$0                         | \$0                         | 0%                       |
| Administration and Construction Fund | <u>36,900</u>             | <u>27,900</u>               | <u>(9,000)</u>              | <u>(24.4%)</u>           |
| <b>TOTAL DISTRICT FUNDS</b>          | <b>\$36,900</b>           | <b>\$27,900</b>             | <b>(9,000)</b>              | <b>(24.4%)</b>           |

## 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. \$25,000 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. The decline in cash balance for FY 08-09 is due to tax refunds from prior years totaling over \$8,600 along with a loss of investment revenue.

### Administration and Construction Fund (Fund 282)

|                              | 2005-06<br><u>Actual</u> | 2006-07<br><u>Actual</u> | 2007-08<br><u>Budget</u> | 2008-09<br><u>Approved</u> |
|------------------------------|--------------------------|--------------------------|--------------------------|----------------------------|
| <b><u>Resources</u></b>      |                          |                          |                          |                            |
| Current Year Prop. Taxes     | (\$450)                  | (\$832)                  | \$0                      | \$0                        |
| Prior Year Property Taxes    | 2,688                    | 1,350                    | 500                      | 500                        |
| Investments                  | (3,590)                  | 1,073                    | 400                      | 400                        |
| Transfer in from Bond Fund   | 0                        | 0                        | 0                        | 0                          |
| Fund balance                 | <u>65,633</u>            | <u>62,364</u>            | <u>36,000</u>            | <u>27,000</u>              |
| <b>Total</b>                 | <b>64,281</b>            | <b>63,955</b>            | <b>36,900</b>            | <b>27,900</b>              |
| <b><u>Expenditures</u></b>   |                          |                          |                          |                            |
| Materials & Services         | 1,777                    | 3,880                    | 17,315                   | 27,900                     |
| Transfer Payments<br>to MWMC | 0                        | 24,000                   | 0                        | 0                          |
| Operational Contingency      | <u>0</u>                 | <u>0</u>                 | <u>19,585</u>            | <u>0</u>                   |
| <b>Total</b>                 | <b>\$1,777</b>           | <b>\$27,880</b>          | <b>\$36,900</b>          | <b>\$27,900</b>            |

## **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.