

**ADMINISTRATIVE ORDER NO. 58-21-06-F**  
**of the**  
**City Manager of the City of Eugene**

**SETTING WASTEWATER USER FEES AND SUPERSEDING THE FEE  
SCHEDULE ADOPTED BY ADMINISTRATIVE ORDER NO. 58-19-02-F.**

**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.

**B.** Pursuant to the above authority, on May 24, 2019, Administrative Order No. 58-19-02-F was issued making the most recent changes to the wastewater user fees and adopting an updated Wastewater User Fee Schedule.

**C.** On March 15, 2021, I issued Administrative Order No. 58-21-06, ordering that notice be given of the opportunity to submit written comments on my proposal to set new wastewater user fees. The Notice specified that comments on the proposed rates for local (City of Eugene) wastewater service could be submitted orally at the public hearing which would be held remotely on March 31, 2021, at noon using virtual meeting technology, and that written comments could otherwise be submitted to the City's Public Works Financial Manager until 5 p.m. on March 31, 2021. The Notice further provided that comments on the proposed rates for regional (MWMC) wastewater service could be submitted at the Metropolitan Wastewater Management Commission virtual meeting on Friday, April 9, 2021, at 7:30 a.m., and that written comments could otherwise be submitted to the MWMC Secretary until 9 a.m. on April 9, 2021. One comment was submitted which is addressed in the City Manager's Findings attached as Exhibit B to this Order.

**D.** Based on my investigation of the revenue needs of the City in providing wastewater services using the criteria in EC 6.411(2), and after considering the comment that was submitted, I find that the wastewater user fees should be amended as proposed. (See Exhibit B)

**E.** The unamended wastewater user fees adopted by Administrative Order No. 58-19-02-F are incorporated into the Fee Schedule attached as Exhibit A to this Order.

**On the basis of these findings, I order that:**

**1.** A copy of this Order shall be promptly forwarded to the Mayor and City Councilors. Unless reviewed by the Council pursuant to EC 6.411(1)(f), this Order shall become final on the 11th day after the date it is rendered.

2. Notwithstanding the effective date of this Order as set forth above, the Wastewater User Fee Schedule attached as Exhibit A to this Order is the schedule of fees to be charged for the described services, effective for all bills issued on or after July 1, 2021.

3. The Fee Schedule attached to Administrative Order No. 58-19-02-F is superseded by the Wastewater User Fee Schedule attached as Exhibit A to this Order, effective for all bills issued on or after July 1, 2021.

**Dated this 17th day of May, 2021.**

  
Mitt Rodrigues (May 13, 2021 12:48 PDT)

---

**Sarah Medary**  
**City Manager**

**Unless reviewed by Council pursuant to EC 6.411(1)(f), this Order becomes final on May 28, 2021.**

**WASTEWATER USER FEE SCHEDULE**  
(Effective for all bills issued on or after July 1, 2021)

<b><u>RATE COMPONENT</u></b>	<b><u>Rate</u></b>
<b>RESIDENTIAL:</b>	
<u>Per Account Fee:</u>	
City of Eugene .....	No charge
MWMC.....	\$14.02
<u>Sanitary Sewer Flow-Based Charge per 1,000 Gallons of Water Used:</u>	
City of Eugene .....	\$2.543
MWMC.....	\$2.788
Total flow-based charge per 1,000 gallons of water used .....	\$5.331
<b>TYPICAL RESIDENTIAL BILLING:</b> .....	\$40.68
(Per Account charge + 5 times the total flow based charge)	
<b>COMMERCIAL/INDUSTRIAL:</b>	
<u>Per Account Fee, All Commercial/Industrial Classes:</u>	
City of Eugene .....	No Charge
MWMC.....	\$14.02
<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 .....	\$2.543
MWMC.....	\$3.749
Total flow-base charge per 1,000 gallons of water used .....	\$6.292
<u>Medium Strength Customer:</u>	
City of Eugene .....	\$2.543
MWMC.....	\$5.461
Total flow-base charge per 1,000 gallons of water used .....	\$8.004

Exhibit A to  
Administrative Order No. 58-21-06-F

<b><u>RATE COMPONENT</u></b>	<b><u>Rate</u></b>
High Strength Customer:	
City of Eugene .....	\$2.543
MWMC.....	\$7.749
Total flow-base charge per 1,000 gallons of water used .....	\$10.292
Very High Strength Customer:	
City of Eugene .....	\$2.543
MWMC.....	\$10.043
Total flow-base charge per 1,000 gallons of water used .....	\$12.586
Super High Strength Customer:	
City of Eugene .....	\$2.543
MWMC.....	\$12.333
Total flow-base charge per 1,000 gallons of water used .....	\$14.876
<b>SEPTAGE HAULERS/HAULED WASTE (NON-SEPTAGE):</b>	
City of Eugene .....	No charge
MWMC Septage: flow rate/1,000 gallons .....	\$132.00
MWMC Hauled Waste (non-septage): flow rate/1,000 gallons .....	\$132.00

**CITY MANAGER’S FINDINGS**

Investigation of Wastewater Service Revenue Needs Pursuant to EC 6.411(2)  
and Response to the Public Comment Regarding 2021 Wastewater User Fee 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 the local wastewater user fee by 4%, effective July 1, 2021. The increased revenue will help stabilize programs after needing to temporarily reduce service levels to offset the lost revenue during the pandemic; a result of holding user fees flat for a year.

To help offset these losses, staff have already begun to reduce expenditures by an estimated \$1.4 million over two years. However, much work still needs to be done to maintain the wastewater system. The Wastewater Master Plan estimates 29 percent of the system is older than 50 years. Without repair, more clean water will get into our pipes and unnecessarily be cleaned. There is also a chance that more localized backups could occur, causing sewage to overflow into a street.

The City of Eugene held the user fees flat in FY21 due to the impacts of COVID-19. Staff utilized fund savings to offset an original proposed increase. There are not enough savings to hold the user fees flat for another year.

**What has been charged in the past?**

<b><u>RATE COMPONENT</u></b>	<b><u>FY19</u></b>	<b><u>FY20</u></b>	<b><u>Current Rate FY21</u></b>	<b><u>Proposed Rate FY22</u></b>
<b>RESIDENTIAL:</b>				
<u>Per Account Fee:</u>				
City of Eugene .....	No Charge	No Charge	No Charge	<b>No Charge</b>
MWMC.....	\$13.28	\$13.55	\$13.55	<b>\$14.02</b>
<u>Sanitary Sewer Flow-Based Charge per 1,000 Gallons of Water Used:</u>				
City of Eugene .....	\$2.351	\$2.445	\$2.445	<b>\$2.543</b>
MWMC.....	\$2.641	\$2.694	\$2.694	<b>\$2.788</b>
Total flow-based charge per 1,000 gallons of water used .....	\$4.992	\$5.139	\$5.139	<b>\$5.331</b>
<b>TYPICAL RESIDENTIAL BILLING:.....</b> (Per Account charge + 5 times the total flow-based charge)	\$38.24	\$39.25	\$39.25	<b>\$40.68</b>
<b>COMMERCIAL/INDUSTRIAL:</b>				
<u>Per Account Fee, All Commercial/Industrial Classes:</u>				

Exhibit B  
to Administrative Order No. 58-21-06-F

<b><u>RATE COMPONENT</u></b>	<b><u>FY19</u></b>	<b><u>FY20</u></b>	<b><u>Current Rate FY21</u></b>	<b><u>Proposed Rate FY22</u></b>
City of Eugene .....	No Charge	No Charge	No Charge	<b>No Charge</b>
MWMC.....	\$13.28	\$13.55	\$13.55	<b>\$14.02</b>
<b><u>Sanitary Sewer Flow-Base Charge Per 1,000 Gallons of Water Used by Customer Class:</u></b>				
<b>Low Strength Customer:</b>				
City of Eugene .....	\$2.351	\$2.445	\$2.445	<b>\$2.543</b>
MWMC.....	\$3.551	\$3.622	\$3.622	<b>\$3.749</b>
Total flow-base charge per 1,000 gallons of water used.....	\$5.902	\$6.067	\$6.067	<b>\$6.292</b>
<b>Medium Strength Customer:</b>				
City of Eugene .....	\$2.351	\$2.445	\$2.445	<b>\$2.543</b>
MWMC.....	\$5.173	\$5.276	\$5.276	<b>\$5.461</b>
Total flow-base charge per 1,000 gallons of water used.....	\$7.524	\$7.721	\$7.721	<b>\$8.004</b>
<b>High Strength Customer:</b>				
City of Eugene .....	\$2.351	\$2.445	\$2.445	<b>\$2.543</b>
MWMC.....	\$7.340	\$7.487	\$7.487	<b>\$7.749</b>
Total flow-base charge per 1,000 gallons of water used.....	\$9.422	\$9.932	\$9.932	<b>\$10.292</b>
<b>Very High Strength Customer:</b>				
City of Eugene .....	\$2.351	\$2.445	\$2.445	<b>\$2.543</b>
MWMC.....	\$9.281	\$9.703	\$9.703	<b>\$10.043</b>
Total flow-base charge per 1,000 gallons of water used.....	\$11.864	\$12.148	\$12.148	<b>\$12.586</b>
<b>Super High Strength Customer:</b>				
City of Eugene .....	\$2.351	\$2.445	\$2.445	<b>\$2.543</b>
MWMC.....	\$11.682	\$11.916	\$11.916	<b>\$12.333</b>
Total flow-base charge per 1,000 gallons of water used.....	\$14.033	\$14.033	\$14.361	<b>\$14.876</b>
<b><u>SEPTAGE HAULERS/HAULED WASTE (NON-SEPTAGE):</u></b>				
City of Eugene .....	No Charge	No Charge	No Charge	<b>No Charge</b>
MWMC Septage: flow rate/1,000 gallons.....	\$127.00	\$127.00	\$132.00	<b>\$132.00</b>
MWMC Hauled Waste (non-septage): flow rate/1,000 gallons.....	\$127.00	\$127.00	\$132.00	<b>\$132.00</b>

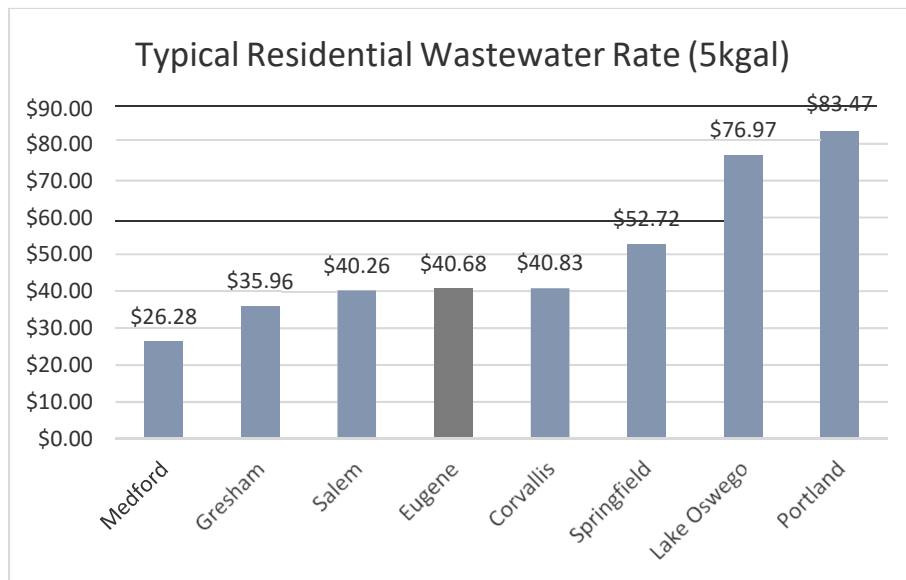
**What is MWMC’s Recommendation for FY22?**

MWMC is providing various rate scenario options to the MWMC Board, ranging from 3% to 4% increase in regional wastewater rates over the current rates. For the purposes of this analysis, a 3.5% increase is been used. On April 9, 2021, MWMC is holding a public hearing on that proposal. Its recommendation will follow.

**What are the Federal and State regulations impacting FY22’s proposed rate increase?**

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 100980) for the Eugene/Springfield Water Pollution Control Facility. The permit describes conditions and limitations to ensure public health and safety and protection of the environment. The FY22 proposed budget for the wastewater program will provide funding for the City to carry out operation and maintenance activities and services necessary under the NPDES permit.

**How does the City of Eugene’s proposed rate compare to other similar service providers?**



**What is the revenue needed to pay for service proposed in the FY22 budget?**

Exhibit B  
to Administrative Order No. 58-21-06-F

**Sources of Funds:**

Beginning Working Capital	\$1,416,897
Current Rate Revenue	\$10,909,600
Rate Increase Revenue	\$436,400
Other Revenue	<u>\$337,132</u>
Total Resources	<u><u>\$13,100,029</u></u>

**Uses of Funds:**

Operations & Maintenance	\$6,941,620
Capital Projects	\$2,140,000
Administration	\$1,839,850
Utility Right of Way Fee	\$676,000
Utility Administration	\$484,786
Ending Working Capital	<u>\$1,017,773</u>
	<u><u>\$13,100,029</u></u>

Rate Increase - Proposed 4.0%

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

**Are there other relevant policies adopted by the City Council impacting the FY22 proposed rates?**

There are no other relevant policies adopted by the City Council that will impact the FY22 proposed rates.

**Are any IGAs impacting the FY22 proposed rates?**

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.

**Do the rates establish an equity between different classes of rate payers?**

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.

**Is the wastewater program paying an appropriate value for the use and occupancy of the City's right-of-way system?**

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.



Exhibit B  
to Administrative Order No. 58-21-06-F

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

Cable	5%
EWEB	6%
Internet	7%
NW Natural Gas	5%
COE Stormwater	6%
COE Wastewater	6%

**PUBLIC HEARING COMMENTS AND RESPONSES**

In response to the notice of the proposed amendments, one person submitted a written comment regarding local rates at the public hearing held on March 31, 2021. No testimony was submitted at the public hearing held for regional rates by MWMC on April 9, 2021. The comment and the City's response to the comment are as follows:

**Comment:** Dick Beers submitted the following comment by email:

“Because on the lower income, the storm water fees should be lowered also. Apparently the bioswales are collecting the street run off, so there should not be any storm water fees. Less is better.

Dick Beers..

Ps we don't need worker raises in a stressful economy.”

**Response:** This comment does not contain a substantive objection to the proposed fees. No change is being made to the fee schedule as a result of the comment.