

City of Springfield
Work Session Meeting

MINUTES OF THE WORK SESSION MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
MONDAY, NOVEMBER 21, 2005

The City of Springfield Council met in a work session in the Jesse Maine Room, 225 Fifth Street, Springfield, Oregon, on Monday, November 21, 2005 at 5:43 p.m., with Mayor Leiken presiding.

ATTENDANCE

Present were Mayor Leiken and Councilors Ballew, Fitch, Ralston, Lundberg, and Woodrow. Also present were City Manager Mike Kelly, Assistant City Manager Cynthia Pappas, City Attorney Joe Leahy, City Recorder Amy Sowa and members of the staff.

Councilor Pishioneri was absent (excused).

1. Coburg Request to Connect to the Metropolitan Wastewater Management Commission (MWMC) Wastewater Facilities.

Mayor Leiken introduced Mayor Judy Volta from the City of Coburg.

Mayor Volta thanked the Mayor and council for the opportunity to sit in on the council meeting. She introduced Scott Olson, Coburg City Engineer; Don Schuessler, City Administrator for Coburg; Jack Dietweiler with Kennedy Jenks Engineers; and Milo Mecham from Lane Council of Governments (LCOG) who served as Coburg's legal representation and worked with MWMC. She said these people made up Coburg's Wastewater Consortium (WC).

Environmental Services Manager Susie Smith introduced Peter Ruffier, her counterpart from Eugene and Gary Colwell, retired Springfield employee, who had returned to the city to do some of the work on this item. She also introduced Faye Stewart, Lane County Commissioner and MWMC commissioner. She referred to a memo from Councilor Ballew that had been distributed to the council members.

Mayor Leiken noted that he had invited Mayor Volta and the other Coburg folks to attend tonight's meeting to answer any questions the Springfield Council may have of them.

Ms. Smith presented the staff report on this item. The City of Coburg has requested to connect to the MWMC system, and has proposed a level of payment and time frames for completing the approval processes (see Attachment 3 included in the agenda packet). In response to Coburg's request for a timely response to its proposal, the joint elected officials (JEO) of Eugene, Springfield, and Lane County agreed at their October 11th JEO meeting to convene work sessions prior to their holiday recesses.

The Springfield Council has indicated its support for proceeding with work leading to a potential Coburg connection under the expectation that Coburg would pay the associated up-front costs and connection fees based on full cost-recovery. The purpose of the November 21st work session is to review the components of a connection charge that would result in full cost recovery. The estimated scope of work, time frame and costs of the necessary work leading up to a Coburg connection also will be reviewed.

The Springfield City Council has indicated its general support for moving forward with a process potentially leading to extension of regional wastewater services outside the urban growth boundary (UGB) to serve Coburg under the following assumptions and expectations: 1) the precursor work would be paid for by Coburg; and 2) Coburg would pay a connection fee that recovers the full costs associated with its use of the MWMC system and capacity (i.e., current and future Springfield and Eugene taxpayers/ratepayers would not subsidize the extension of wastewater treatment services to Coburg). Attachment 1 is included in the agenda packet to identify the possible components and the range of expected costs associated with a "full cost recovery" policy. Attachment 2, included in the agenda packet, depicts the estimated time frame and labor costs associated with the work needed to implement a connection.

Current estimated amounts Coburg would be expected to pay if connecting in 2008 under the full cost-recovery policy range from \$7,269,000 to \$12,610,000. These estimates include: 1) the full cost of precursor work, ranging from \$500,000 to \$800,000 (in current dollars because the work would be completed up front); 2) a local (Eugene) system development charge (SDC) estimated at \$1,262,000 (in 2008 dollars) because Coburg would connect to the Eugene wastewater collection system; 3) a MWMC connection charge ranging from \$5,507,000 to \$10,548,000 (in 2008 dollars) using MWMC's 2004 SDC methodology in one of two possible scenarios that were presented to the JEO as a model to approximate full cost-recovery, and assuming the payment for the full amount of capacity allocated to Coburg would occur in 2008.

The Eugene City Council and Lane County Commissioners reviewed this matter on October 26th. The Board of Commissioners voted unanimously to support Coburg's request, approved Coburg's proposed intergovernmental agreement (see Attachment 3) in concept, and requested an expeditious process. The Eugene Council voted five to three to proceed to develop a model for making decisions as to whether Coburg's or other similar extraterritorial communities' requests for wastewater services could be approved, with the assumption of full cost recovery.

Ms. Smith referred to Attachment 3 included in the agenda packet, which outlined Coburg's proposal for their view of a fair share connection cost and a proposal for additional costs Coburg would pay. She said Springfield had a significantly different bottom line of what full cost recovery would include. She referred to Attachment 1 included in the agenda packet, which was a Conceptual Model for Full Cost Recovery. She discussed the Total Assets for Full Cost Recovery which included original assets, current assets, future assets and residual federally funded assets that had not been replaced or extended through the Capital Improvement Program (CIP). She discussed how these figures might be included to determine what existing users had already paid into the facility. She said the federal grant funding had been subtracted back out. What remained were the assets that Eugene and Springfield had paid in taxes, user rates and property tax payments.

Ms. Smith discussed ways to determine how much would be required to add capacity to the facility for a user outside the urban growth boundary (UGB). The System Development Charge (SDC) methodology was determined by state rules and was developed after much public input.

Mayor Leiken asked about the timeline and if that included any possible appeals.

Ms. Smith said it did not, but was the projected date that Coburg originally had in mind. She continued with her report and noted that council had directed staff to determine full cost recovery and that was what the chart was designed to show. She discussed the chart. She said what was

not included in the future assets was any additional projects that would have to be built to serve the additional capacity outside the UGB. The SDC methodology was not complete cost recovery, but was a close approximation. She said some of the bricks and mortar that had not been included in the SDC methodology were added. She said the SDC methodology gave a credit, or reduced the SDC, by the amount anticipated to be paid through user rates for the capital assets. There was no double charging.

Ms. Smith said the SDC methodology was applied in two different ways and that resulted in the range between \$5.5M and \$10.5M. She referred to Attachment 2 included in the agenda packet, Coburg Wastewater Services: Estimated Cost and Timeline, which had been presented to the elected officials during the October 10, Joint Elected Officials (JEO) meeting. She said the chart did not include any work to do a big picture, regional decision model showing how a template might be created for making decisions regarding hooking up outside communities. She said it also did not address the comparative, environmental public health safety issues. She said the Eugene City Council action was to look at the bigger picture of this issue. If that was the direction the three jurisdictions were going, that work would need to be factored in, the amount of time it would take and who would do the work. She pointed out that this chart would be a low-end range, using only staff time. She referred to the legal counsel that would be utilized in this process. She gave the example of the review of the MWMC IGA and the legal costs associated with that issue. She said it would appear it could be more streamlined, but reality was that the four jurisdictions involved needed to come together to review the process. She said the timeframes included minimum timeframes, actual permit charges and other minimums. The timeframe did not account for public appeals or other issues that could arise.

Ms. Smith said Coburg had asked for a timely response on this issue. Coburg had presented a cost they felt they could afford and the city had calculated a cost recovery amount. Staff needed direction from council on how they would like staff to proceed and what range they would like to consider. Lane County voted to move forward and approved Coburg's request in concept. Eugene voted 5-3 vote to move forward with cost recovery study.

Councilor Ralston asked what Coburg had proposed.

Ms. Smith said it was listed in Attachment 3, included in the agenda packet. She discussed the proposal by Coburg which included an MWMC SDC of \$1,748,000 and an additional cost of \$175,000 totaling approximately \$2.9M. The range Springfield estimated would be between \$7.2M and \$12.6M.

Councilor Ballew noted that the amount proposed by Coburg actually totaled closer to \$1.9M rather than \$2.9M. She referred to the memo she had written that was distributed to council and audience members. She said she felt the agreement drafted by Coburg was very flawed. She explained why. She said if council chose to move forward, it would not be for anything close to \$2M or \$3M. She discussed hook-up costs and continuing costs in using the Eugene system.

Mayor Volta said she appreciated the work Ms. Smith and her team had done. She said there was a disparity between what MWMC and Coburg believed it would take for this connection. She discussed the increase of adding Coburg which would be about 1-3 percent. She said Coburg would like to become a user of MWMC. She said if it was not affordable, Coburg could not afford it either. She said Coburg felt it was a legitimate request, and was not a huge issue because of the low impact Coburg would have on the facility. She said precedent had been set by

Turner/Salem. She said she appreciated the technical complexity of this issue. The figures Mr. Mecham came up with were about \$4.4M plus four percent. Coburg was willing to pay its fair share and more. Mayor Volta asked Ms. Smith if there was a dollar figure of the grants that were backed out of the total asset figures.

Ms. Smith said the federal grants were backed out in the SDC methodology.

Councilor Ballew said initially, the grants totaled about \$80M to \$85M.

Ms. Volta said Coburg was very small, but was willing to pay the cost of connection. Lane County had agreed to pay for study costs. Coburg employed 3000 Eugene/Springfield workers. She said Coburg had to build a treatment plant because they were still on septic. They would like to build it in cooperation as a user of MWMC. She said the \$12M and the \$800,000, four-year study figures, were not something Coburg could live with.

Ms. Smith described common sense checks she made regarding the figures included. She discussed the four major aspects of capacity and noted that MWMC was out of peak wet-weather flow, had nearly reached temperature capacity and was nearly out of capacity for thermal load. She said the incremental cost of new capacity for new users would be higher because it cost more today than when it was originally built.

Councilor Ralston asked what it would cost if Coburg built their own facility.

Mr. Dietweiler said Coburg's estimated it would cost nearly \$17M to build their own plant, which, including a collection system, was \$17M. He said it seemed strange to think it would cost as much or more to connect to MWMC.

Mayor Leiken compared it to redeveloping rather than building new development and how it could sometimes be cheaper to build new.

Mayor Volta asked if Coburg connecting to MWMC was being compared to redevelopment.

Mayor Leiken said he was just using that as an example. He said the cost was not the overriding issue. If Coburg built their own plant, they would have a new plant and perhaps less or no opposition.

Ms. Smith said MWMC had expensive assets that Coburg would not need. Those additional assets caused this to be more expensive than Coburg building their own.

Mayor Leiken said land use was the law. He said it was different because of the large Recreational Vehicle (RV) cluster in Coburg. He said those were important jobs for the area. He said council's decision needed to be based on whether or not Coburg could feasibly join with MWMC or build something on their own. He said Coburg was up against a timeline so decisions needed to be made. Council needed to be looking out for Springfield's taxpayers as the number one issue.

Councilor Fitch said if Coburg built their own facility, they would have a new facility. MWMC was a used facility and Coburg would need to increase capacity to make it run. She discussed the fairness issue and compromises that needed to be made. She said it would not be a short easy

study. She discussed the issue of dealing with the federal government and the issue of crossing the river and cautioned Coburg to be very careful. She said this was a complicated issue. She said she was fine moving forward, but noted that it would not be for \$2M. She said if Coburg couldn't wait four years for the study and had money to go forward on their own, she would suggest they do so. This would need to be done correctly. She said Springfield liked to move things along, but some things required in depth analysis.

Councilor Ballew said Eugene and Springfield had also provided jobs for people in Coburg. She asked how much of the \$17M was for collection.

Mr. Dietweiler said approximately \$5M.

Mr. Schuessler said the \$4M noted on the sheet for SDC's was very close to the \$6M it would cost Coburg to build their own plant. For Coburg to connect with MWMC there would be a \$2M charge to hook to the pump station and pipelines into Eugene. He said looking at the present worth comparison of the two alternatives, Coburg building their own plant was equivalent to Coburg's proposal to hook up to MWMC. If Coburg couldn't come to MWMC at a cost similar to what MWMC would charge other new growth, with up to a ten percent surcharge, the cost would become cost prohibitive. Coburg was looking at a regional solution because the federal agencies wanted them to look at a regional solution, in part because of the concern of discharge into the McKenzie River, not as a way to save money.

Councilor Ballew said she appreciated that and noted that Coburg was doing due diligence. She said Coburg's cost estimates were not the same as MWMC's.

Mr. Schuessler said those figures were actually from MWMC last year. He said the first scenario by MWMC was basic SDC rates.

Ms. Smith said Coburg's basic proposal was to be treated like they were in the UGB. That was where the figures had come in. She said that was why she had shown the investments over time from the current users to have the capacity allocated for this city limits plus the expansion. MWMC hadn't planned for the capacity of that plus an additional amount. She said another issue with the Coburg proposal was that it was not to pay a City of Eugene local collection fee. She said that figure was approximately \$1.2M.

Ms. Volta said they had adjusted their proposal to include that.

Ms. Smith said another difference between Coburg's proposal and MWMC's model, was that Coburg would be using the existing wastewater profile that included X number of homes and X industries. Coburg was calculating it to hook up with what's there stating that "when future growth in Coburg occurs, we'll collect more and pay more". She said that was the same scenario of property within the Eugene/Springfield area. The difference was that the capacity was not planned for, and would have to be planned to finance and construct a facility that would hold that increment. If there was no security to finance that plan and build the facility and the growth did not occur in Coburg, Eugene and Springfield ratepayers would be paying for that extra.

Councilor Ralston asked if Coburg were going to pay \$12M to build their own facility. He said he supported helping a regional partner, but did not want to subsidize. He said the MWMC

estimate of \$7M - \$10M was accurate, and he would support going forward with this proposal under those assumptions, but not for less.

Councilor Woodrow said he agreed. Looking at the numbers, he was not sure there could be a point where it would be beneficial for Coburg to join MWMC. The Springfield council had to be cognizant of the Eugene/Springfield ratepayers. He discussed possible legal costs. He said he was willing to support going forward if Coburg thought the dollar amounts could work. If not, he asked how else Springfield might be able to help.

Councilor Lundberg said in the bigger picture she was supportive because she felt there should be a regional solution. She said regionally there would be other employment centers, but she was not in favor of including additional users. The numbers were there and it would be costly no matter which way they went. She said she was supportive of the MWMC numbers and cost recovery. She discussed the involvement of the federal government and said she supported the regional solution at the costs provided by MWMC.

Councilor Ballew asked where the McKenzie River ended.

Ms. Smith said the McKenzie River joined the Willamette River near Armitage Park.

Mr. Mecham said the point where the two rivers came together was about 4 miles from the discharge point.

Councilor Fitch said if Coburg was interested in this proposal, that they go forward with a Request for Proposal (RFP). If Coburg wanted an expedited process, they could pay more and put out an RFP.

Councilor Woodrow said the planning that MWMC had done over the last years regarding construction of the new treatment facility would all have to be changed.

Ms. Smith said if jurisdictions wanted to move forward, it would be City of Springfield and City of Eugene staff. Neither city had the budget for this work and that needed to be addressed. She said a way was needed to find funding to move forward. She said the consulting work would include land use planning professionals to prepare the Metro Plan Public Facilities and Services Plan (PFSP) amendments, write the findings and move that through the planning processes. That would be work the jurisdictions would be involved in because the councils would be initiating the plan amendments. She said in order to refine the cost estimates, it would take consultants to look at the numbers. She said the rest would be negotiation and legal review around intergovernmental agreements (IGA) which would be complicated and not work that could be supported by an independent consultant because of the liability to both the City of Eugene and the City of Springfield. She said moving forward might involve bringing it back to Springfield/Eugene/Lane County (SEL).

Councilor Fitch said she did not expect Eugene and Springfield to pay for all of that. She said if the federal government was asking Coburg to look at this as an option, the federal government should pay for the study to see if it was feasible.

Councilor Ballew said it would still take a lot of staff time to work with any consultants that were hired for a study.

Mr. Kelly gave an analogy of how this might relate to someone joining into a business without paying their fair share. He said this was similar. He said if council could find a way to make this work with Coburg using the low end of the cost provided by MWMC, it may be worth it to go forward with the studies. If council felt the full cost with no subsidy was at the high end of the range, it may be a waste of time and money.

Council consensus was that the higher figure provided by MWMC was the figure Coburg would be asked to pay.

Councilor Woodrow said if it was the high number and Coburg was willing to pay for the cost of the study to find that out, council could support going forward.

Mayor Volta said there were two issues for Coburg: the high cost and the process. She said Coburg would give it full consideration. She said she appreciated the feedback. She said Coburg was under pressure from the federal government because the federal government had given money to MWMC years ago and wanted Coburg to look into connecting to that system. She said it was better to have a clear answer.

2. I-5/Franklin Boulevard Interchange.

Transportation Manager Nick Arnis presented the staff report on this item. He introduced Tom Boyatt from ODOT and Sam Seskin from CH2M Hill. The work session is an update to council by city and Oregon Department of Transportation (ODOT) staffs before design concepts are presented to the public that seeks their input for whether the idea for an interchange at I-5/Franklin Boulevard should be listed in regional transportation plans.

City and ODOT staff met with council last May to discuss the current planning process for determining whether an I-5/Franklin Boulevard interchange should be amended and listed on the constrained financial project list in the Regional Transportation Plan (RTP) and listed in TransPlan for consistency with the RTP. In order for an interchange to be studied and eventually constructed at this location, ODOT has initiated a basic four stage linear process:

- Planning analysis and metro decision process to determine if an interchange should be listed in regional transportation plans --- “thumbs up or thumbs down” (we are at this stage)
Estimated completion time: Spring 06
- List a project in the plans and conduct a transportation refinement plan
Estimated completion time: one year process ending in 07-08
- Conduct the federal environmental process or what is called “NEPA”
Estimated time: Two year process ending in 09-10
- Construction begins after approved NEPA document and the project is funded

The project management team that includes city staff has created four categories of design concepts for a future interchange that will be presented and reviewed by the public in three open houses: December 1 at Springfield City Hall, and December 5 and 8 in Eugene. The concepts are not high level engineered designs. The concepts and planning analysis are intended to give elected officials and the public information about benefits, issues, costs and potential interchange

forms and locations in order to decide whether the idea for an interchange at I-5/Franklin Boulevard should be placed in regional transportation plans and studied further.

Mr. Boyatt discussed the memo he provided which was included in the agenda packet. He noted there were eight potential interchange concepts in four categories. The four categories were listed in the memo: Full Interchange at Franklin; Partial Interchange at Franklin; Split Interchange at Franklin and Glenwood; and Reconstructed Glenwood Interchange. He said the main findings were the high level planning costs. He said there were policy issues that needed to be identified. He distributed a document which described Major Improvements. He said the Open House in Springfield was scheduled for December 1 from 4:00-8:00pm in the Library Meeting Room at City Hall.

Councilor Ballew asked when the preferred configuration would be determined.

Mr. Boyatt said the direction from each jurisdiction was to identify the alternatives. ODOT would then get more details on the alternatives and try to come up with something adoptable by the Oregon Transportation Commission (OTC), Springfield, Eugene and Lane County.

Councilor Lundberg said she would be looking for impacts, basically in residential areas and regarding gas stations. She would also be looking at cost and the timeframe. She said she would choose the Glenwood option, in part because she would want to avoid as much Eugene impact as possible regarding displacement of people from their homes or taking out development.

Councilor Fitch asked about the timeline and what needed to be done to allow this to move forward.

Mr. Boyatt said the replacement bridge would go where the old bridge was located. That project was funded and programmed. He said the offramps would not come off the bridge. The commitment made for the new bridge was not to preclude the interchange.

Councilor Fitch said there were approvals that ODOT would want with the bridge alignment and there would be things Springfield would want with the interchanges. She asked how this could continue without getting bogged down.

Mr. Boyatt said the next time ODOT came before council it would be to ask for approval to move forward with a refinement plan, putting the project into the Transportation System Plan (TSP) and the Federal/Regional Transportation Plan. In order for these things to occur, council would need to support that. He said there was \$400,000 earmarked by Senator Smith for that study.

Councilor Fitch asked if the offramps would be in the same time frame as the new bridges if the approval was given.

Mr. Boyatt said there was only a small chance. He said the money would need to be provided for the project. According to the bond contract for Oregon Transportation Investment Act (OTIA), all the money had to be spent and fully accounted for by 2012. The target to finish the new bridges would be 2011. He said the environmental process for the bridges had been done already, and was an easier process than the Environmental Impact Study (EIS). He said ODOT would continue to try to move forward. He said it was unlikely that the ramps and bridge could

be built at the same time. That is why it was important to design the replacement structure that was adaptable or had made provision for ramps.

Councilor Ralston said he didn't think the Glenwood exit interchange would work. He said Eugene would be part of the decision and would be impacted. He said he preferred Option 1 (full interchange at Franklin) or Option 2 (partial interchange at Franklin). He said Glenwood would not be viable because it would become a freeway through that area. To mix traffic coming off the freeway onto that road was not viable.

Councilor Lundberg said she spoke with Jeff Shiek from the ODOT office in Salem about timing the bridges and offramps at the same time. He told her that if all jurisdictions could make the correct decisions in a timely fashion, they could hope to get the replacement bridge and design for offramps done together. She said it was on the shoulders of the elected officials to keep things moving along at a pace to allow that to happen.

Mr. Arnis said there was a policy process. He said it would be a metro decision. He discussed the Hwy 126 and Main project and other planning projects that were in the works.

Councilor Lundberg asked for the steps needed to move this forward, including action needed by all jurisdictions.

Mr. Arnis said he would work with Mr. Boyatt to put that together and include it in an upcoming Communication Packet.

Councilor Woodrow said he had received word from many constituents that they would be opposed to a roundabout at Hwy. 126 and Main or at Hwy. 126 and 52nd Street.

Mayor Leiken said there would be a lot of public input regarding the I-5/Franklin exit. The idea was to have some sort of planning mechanism in place to have an offramp designed. He discussed the issue of finding money for this project.

Mr. Kelly said the ramp interchange included a funding issue and inclusion in the Metro Plan. He said ODOT would have some sort of formal participation policy in these major streets that would be affected by any ramps. He discussed some of the rule making and administrative decisions that were being made regarding local projects. He said local match would be needed in the future of perhaps ten or twenty percent.

3. Justice Center Architect – Review of Contract. – moved to Regular Meeting

This item was moved to the Regular Meeting under Business from City Manager.

ADJOURNMENT

The meeting was adjourned at 7:02 pm.

Minutes Recorder – Amy Sowa

Sidney W. Leiken
Mayor

Attest:

Amy Sowa
City Recorder