

NOTES
North Santiam Joint Sewer Project Meeting #40
March 5, 2020 at 6pm
City Hall in Mill City, Oregon

Members: Dan Tucker, Dale Weise, Jeff Yohe, Tim Kirsch, Jeff Smith, Danielle Gonzalez
Janet Zeyen-Hall, Jim Trett, Ken Woodward

Absent: Shelley Engle

Guests: Nelleke Knarr, Dean Hutchison, Deb Hutchison, Jerry Mar (Gates), Deb Kay (Gates), Ron Carmickle (Gates), John McCormick

A. Introductions and Announcements (0:09)

- Introduced Nelleke Knarr, new staff member at Marion County Community Services and recording transcriber for these meetings.
- Danielle presented Tuesday at Oregon House Water Comm. on a panel about unique partnerships. They are interested esp. in regard to unique permitting and are rooting for you! Oregon Water Resources Dept. has this project on their website.

B. Public Comment and Questions (04:23)

Q: Is increasing tourism & recreation a driving factor for this project? Referenced findings of 2017 North Santiam Canyon Regional Land Inventory Study. (04:32)

Response: Tourism decisions are up to each local community, emphasis is on economic viability.

Q: Is the county driving development in this area to increase revenue? Referenced 2015 Distressed Communities Event (07:38)

Response: Feasibility studies were completed for Detroit in '09 and '15. The city didn't & doesn't have the approx. \$8.6 million to do it. They asked the county for assistance in 2015. Tourism is already here; the businesses that are here can't grow without this system. The county knows that none of our cities can afford to do this and they want to help. The numbers don't make sense, given how many years it would take for the county to recoup its investment via property taxes.

Q: Is the IGA fair, given difference in number of vacation & rental properties, and incomes? (16:28)

Response: Not everyone who has a 2nd property rents it.

This has been being considered since at least the early 90s, when the NS Canyon Economic Development Corp. was formed.

Mill City put theirs in, because about 25% of theirs (septic) were failing; Gates is getting close to that. Good infrastructure is a key to economic prosperity anywhere.

Property tax revenues are not an ulterior motive, but downstream water quality is and prevention of bigger problems in the future

Two of the biggest businesses in Gates are already for sale; their viability depends on getting a sewer system.

Right now, many property owners can't meet the requirements to permit their septic systems. Even if they can, many cannot afford the monthly cost of a loan to replace even their filters. This is cheaper.

Proximity to river makes septic a poor option.

Q: Re: the influent water coming from Gates to Mill City. Isn't Mill City at capacity? How is it feasible to send waste from Gates to Mill City? (25:37)

Response: In the feasibility study, the reverse was proposed, i.e. building a new facility in Gates. Danielle encouraged engineers to look at worst case scenario, which was \$60 million, without Lyons & Mehama, to make it clear this was a big ask.

Having Idanha as part of this IGA helps lower the median for everyone. Gates income level was the highest on the census; they were able to do a new survey to correct the info.

One option is for Mill City to have a significant upgrade, to handle Gate's (sewage).

Q: How much growth are you planning on this re-engineering? (30:31)

Response: There will be extra capacity planned in.

Mill City had excess capacity built in and has not hit that yet. They will have to upgrade in the very near future. It currently runs on Windows XP, some has to be controlled manually, some parts are no longer made, and the filter medium needs to be excavated. This will be at least \$2 million, while they are still paying the last 10 years of the existing system. The intent is for the sewer authority to take over the existing debt.

The IGA only commits us to assigning 2 representatives to find out how much money we can get. The state wants to pay for the majority of this and has a max monthly cost (per resident) of \$40-50.

Q: What's to keep them from raising this down the road? (35:34)

Response: Anticipate a .5% increase per year in rates for inflation. This is still cheaper over 20 yrs. than the cost of the lowest level, \$7K septic system.

Q: What if the most affordable plan the engineers can come up with is going to cost \$125/month? (36:33)

Response: Federal and state governments will only contribute funds if it's considered affordable; defined as 1.2 – 1.4% of median household income.

Danielle is trying to sell this project from the county level up and there is strong interest.

Bonding agencies also won't lend unless it meets this level. The 4 communities will stay in control of this project, not Marion County.

Each city can decide how they select their representatives; can be elected. There will be 8 members, with a quorum at 5. The county is here to support, but only as long as they are wanted.

The rules aren't written yet. The intent is that no one will be required to hookup and that there will not be a hookup fee, unless someone hooks up later. This is part of Gate's Position statement, which Dan read. Mill City's implementation was similar. Mill City got CDBG grant and HUD loan for 40 years, on a 25 year system, to keep the payments low. The value to the city is the network of pipes, not the plant.

The discharge from a sewer plant is 10-20% cleaner than the most sophisticated septic system. There are also increasingly expensive restrictions on septic.

The Oregon Association of Water Utilities is saying that everyone is talking about and wants to fund this project!

The IGA is just a stepping stone to find out what's possible and to start the real work. The IGA does not commit anyone to build a sewer system. There are mechanisms to dissolve the IGA, if it doesn't work out.

The Watershed Council is involved and bringing resources from the OR Watershed Enhancement Board, which is unusual for an infrastructure project.

Q: Clarification re: 1.4% is on what: sewer, water, utilities? (49:30)

Response: That is on sewer side only. \$120 is about what most people pay for water & sewer combined. Sewer helps with water. Gates should be most concerned about downstream quality. Clean water is also important for fish, economy. Study was done on economic value of water in N. Santiam River; it is \$170 million / year, including ag, residential use, business, food processing, etc. We're trying to protect this asset.

C. Action: Review and Approval of Meeting Notes #38 from January 2nd meeting (52:21)

Tabled; Janet will help Nelleke fill in highlighted blanks

D. Action: Review and Approval of Meeting Notes #39 from February 6th meeting (53:15)

Motion: Tim, 2nd: Dan, Approval: unanimous, except 1.

E. Action: Bills to review and authorize payment, if any (54:35)

Tabled. Missing 1 invoice from attorney; Danielle to follow-up with Vicky

F. Old Business

1. Gates Work Session (57:36)

(Corrected from Town Hall to Work Session) Dan reported that it went pretty well.

Representatives from each city were there, including all 4 mayors. It was well-attended with lots of questions. Businesses were there, too.

2. Vote in Gates & Mill City (59:08)

- Gates was supposed to vote at last council meeting; was tabled due to some things in flux. Will vote on 3/19. Have had a couple of individuals taking flyers around. First reading was 1/23. Danielle needs ordinance # after it's assigned
- Mill City had 1st reading on 2/25 & passed unanimously. 2nd reading on 3/10.
- Gates: a survey was sent to residents. Tally from first day of responses was: 39 in favor, 3 opposed.
- Detroit was effective immediately on Jan. 25 with no opposition.
- Idanha was effective immediately on Jan. 8 with no opposition.

3. Where we are by the numbers (1:05:57)

See below

G. New Business

1. Further Meetings? (1:07:34)

- Danielle reports that she is stuck, as far as more staffing (work) on the project.
 - She has a tour on March 18 with Sen. Merkley and his appropriations staff; a little concerned what to tell them. They're starting to work on requests for '21-'22 fiscal year.
 - She cannot use any of the \$400K approved by the Board of Commissioners until the IGA is formed.
 - Can Gates call a special session to vote? Probably not.
 - April 2 mtg. is in question. Will leave on schedule for now and cancel if need be.
- There is a Town Hall with Marion County Commissioners at Gates Rural Fire Protection District on April 8 from 6:00 – 8:00 pm. Each of these 4 cities is receiving a \$30K "big check" for CPI funds; this is \$15K more than other cities, due to GROW Economic Development Corporation going defunct.

H. Adjourn ()

At 7:18. Motion: Jeff Yohe, 2nd: Dan Tucker. Unanimous.

Upcoming Dates: Sewer Meeting First Thursday of the month

Date	Event	Where
April 2, 2020 6-8 pm	Potential-North Santiam Joint Sewer Project Meeting	City Hall in Mill City
May 7, 2020 6-8 pm	Potential-North Santiam Joint Sewer Project Meeting	City Hall in Mill City
June 4, 2020 6-8 pm	Potential-North Santiam Joint Sewer Project Meeting	City Hall in Mill City
July-NO MEETING		

By the numbers:

40 Sewer Meetings

12 Newspaper articles

2 Radio Interviews and a 7x rebroadcasted Public Town Hall

8 Statewide Public Presentations

11 City Council Meeting Presentations

4 Legislator Meetings

18 Agency Official Meetings

1 Website live since January 2018

1311 Hits to the website

800+ Volunteer Hours

County allocated funds to date: \$128,894 plus \$400,000 allocated next step (not including staffing)

Business Oregon funds to date: \$119,370