



**North Santiam
Sewer Authority**

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P.O. Box 256
444 S 1st Ave
Mill City, OR 97360

**NSSA Monthly Board Meeting Agenda
Oct 2, 2023, at 6p.m. at Mill City City Hall**

HYBRID

In-Person Location: Mill City, City Hall 444 S 1st Ave, Mill City, Or

Virtual: <https://zoom.us/j/93414748822?pwd=MjJkM3VyY21YS1BDK2doVEplZ25uUT09>

Meeting ID: 934 1474 8822

Passcode: 454959

- A. Roll Call and Declarations of Conflicts of Interest
- B. Announcements
- C. Public Comment and Questions (please limit Public Comments to 3 minutes each)

Action Agenda

- A.** September Summary Notes (Motion Needed)
- B.** Treasurer's Report (Evans) (Motion Needed)
- C.** September 28th COG Legislative Breakfast debrief (for those that attend)
- D.** COG Staff Report (Conroy/Dadson)
- E.** County Update (Einmo)
 - a. Contractor Introduction (Wall et al)
 - b. Keller Presentation (Olsen)
 - c. FCS Presentation (Wilson)
 - d. Commercial Septic in Gates (Gander)
- F.** Staffing (Evans/Woodward)
- G.** Operation Plan (Evans)

Upcoming Events:

Date	Event	Location
October 2 nd , 6-8 pm	NSSA Board Meeting	Mill City, City Hall
October 16 th , 6-8 pm	NSSA Work Session	Mill City, City Hall
November 6 th , 6-8 pm	NSSA Board Meeting	TBD
November 20 th , 6-8 pm	NSSA Work Meeting	TBD
December 4 th , 6-8 pm	NSSA Board Meeting	TBD



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Board Meeting

Summary Notes

September 11, at 6:00 PM

<https://zoom.us/j/93414748822?pwd=MjJkM3VyY21YS1BDK2doVEplZ25uUT09>

Meeting ID: 934 1474 8822

Passcode: 454959

Called to order 6:03 p.m.

Adjourn 8:00pm.

A. Roll Call and Declarations of Conflicts of Interest

Present: Kirsch, Evans, Nielsen, Zeyen-Hall, Gander

Absent: None

Zoom: Morones, Woodward

B. Announcements

None

C. Public Comment

D. Action:

1. August Summary Notes were approved. Denny Nielsen moved to accept. Tony Morones Seconded. Motion passed unanimously.
2. The county presented information about the project activities including FCS presentation on an updated rare study. Discussion occurred about the FCS study.
3. COG staff presentation. Staff explained that Local Government Law Group had advised NSSA obtain separate representation to assist with interim operating agreement and related work. LGLG is willing to continue to provide general representation to NSSA. Motion for COG to create scope of work and process to procure an attorney firm to assist with interim operating agreements and related work to prepare to receive sewer system assets. Motion by Brian Gander. Second by Denny Nielsen. Motion passed unanimously

Upcoming Events:

Date	Event	Location
September 18 th , 6-8 pm	NSSA Board Work Session	Gates Fire Hall
October 2 nd , 6-8 pm	NSSA Board Meeting	Mill City
October 16 th , 6-8 pm	NSSA Board Work Session	Mill City
November 6 th , 6-8 pm	NSSA Board Meeting	TBD
November 20 th , 6-8 pm	NSSA Board Work Session	TBD
December 4 th , 6-8 pm	NSSA Board Meeting	TBD



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Date: September 29, 2023

To: NSSA Board

From: Scott Dadson, Executive Director
Laura Conroy, Project Manager

Subject: October Staff Report

This memo provides an overview of staff activities for September in support of the NSSA.

Legal Services

Following direction given at the 9/11 regular work session and 9/18 work session COG staff confirmed that LGLG had declined representation to craft the interim operating agreements that NSSA would need to have in place to address a plethora of issues including; asset ownership, rate setting, employer and employee, insurance for the system, grant and forgivable loan applications. Further, that Cable Huston had expressed an interest in the work. COG staff followed up with LGLG and confirmed that LGLG would review and advise NSSA on documents created by CH. The county continued to confirm that it would allocate funding to cover the crafting of agreements by CH and review and advisement by LGLG. Marion County will amend its agreement with NSSA to allow for this additional work and compensation.

County coordination meetings

Staff continue to attend the County's bi-weekly project management meetings. These meetings focus on the technical aspect of engineering and permitting. COG staff attend to advise engineers on when updates to the NSSA board and cities are recommended. Dates for council presentations and open houses are anticipated to be set for mid and late October – see County slides for specific dates and locations.

The County is also working to identify additional funds to support NSSA operations beyond 12/2024.

Funding Research and Advocacy

Staff shared the opportunity for NSSA board members to attend the 9/28 Legislative Breakfast as an opportunity for NSSA board members to advocate for funding for the sewer systems. Scott Dadson and McRae Carmichael attended and advocated for funding during conversations with representatives.

Laura Conroy, later joined by McRae Carmichael who also attended the legislative breakfast, attended the Oregon Infrastructure Summit to learn more about state and federal funding opportunities for wastewater, drinking water, and public infrastructure. Staff is exploring options related to forgivable loans with DEQ and USDA Rural Development to address funding needs.



North Santiam Canyon Sewer Financial Plan – Next Steps



October 2, 2023



- Where are we so far?
 - Last month – updated business plan analysis for Phase 1, Phase 2, and combined
 - Projected monthly rates based on cost and EDU assumptions, with many outside funding scenarios
- Result – Feasibility is a narrow balance between State support for capital funding and local willingness to connect
 - High rates even with high percentage contribution from the State

Monthly Cost per EDU - Findings

- Finding #1: If rates are not blended across all four cities, Phase 2 is not feasible
- Finding #2: Even with blended rates, there is a very narrow window of feasibility; depends on 95% State funding for both Phase 1 and 2, and \$104/month per EDU



North Santiam
Sewer Authority

North Santiam Canyon Sewer Project - Business Case Analysis					October 2, 2023 Update
Summary of Scenarios - Average Monthly Cost per EDU					
<i>Ignores Ramp-up in Connections</i>		Funding of Phase 1 Capital Cost Gap			
Percentage of Remaining Gap		Scenario 1: 0% Grants	Scenario 2: 40% Grants	Scenario 3: 82% Grants	Scenario 4: 100% Grants
<i>Implied Percentage of Total Phase 1 Capital Costs</i>		<i>72% Grants</i>	<i>83% Grants</i>	<i>95% Grants</i>	<i>100% Grants</i>
A. Phase 1 Only - Mill City/Gates Basin					
Percentage of Remaining Gap		\$123	\$102	\$81	\$71
After Phase 2 Construction:					
	Funding of Phase 2 Capital Cost				
B. Blended Rates for All Four Cities	0% Grants	\$309	\$295	\$280	\$273
C. Blended Rates for All Four Cities	95% Grants	\$133	\$119	\$104	\$97
D. Blended Rates for All Four Cities	100% Grants	\$124	\$109	\$94	\$88
		Funding of Phase 2 Capital Cost			
		0% Grants	40% Grants	95% Grants	100% Grants
E. Detroit/Idanha Basin Only - Area-Specific Rates		\$721	\$478	\$146	\$115



- Business Plan methodology
 - “Snapshot” at a point in time
 - Assumed all existing development is connected after sewer is available
 - Did not assume any new development
 - We have exhausted the usefulness of that approach
- Next step is to create a financial plan that addresses the implementation process
 - We are currently building a year-by-year forecast model for that purpose
- Why? The number of EDUs and the timing of their connection are important variables in the level of monthly rates
 - Assumptions about potential for new development
 - Policy choices made by local officials to achieve connections from existing properties with septic systems

- October 16 work session – Connection strategies and choices
 - Particularly relevant for Gates, Detroit and Idanha
 - We will seek feedback from you about what connection strategies and assumptions are most realistic for your community
- November 20 – Draft financial forecast
 - Incorporates guidance from local communities
 - Develop scenarios across two dimensions
 - Level of outside funding
 - Number and timing of connections
 - Present year-by-year analysis of costs and revenues
 - Present updated rate forecast





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NSSA OPERATIONAL PLAN

DRAFT

DISCLAIMER:

THIS DOCUMENT IS NOT A PROPOSAL.

IT IS INTENDED TO PRESENT SOME IDEAS THAT MAY OR MAY NOT HAVE MERIT. IT IS INTENDED TO START A DIALOG AND DEVELOPE SOME SOLUTIONS.

PREPARED BY:

Ronald V. Evans NSSA

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NSSA OPERATIONAL PLAN DRAFT

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NSSA OPERATIONAL PLAN DRAFT

SUMMARY

The purpose of this document is to begin a dialog about the structure of a NSSA Operational plan for the assumption of the administration, operation, and maintenance of the Mill City – Gates sewer system initially, and the Detroit – Idana sewer system in the future.

The assumption is that the future Detroit – Idahna temporary septic solution will not be integrated into the initial system organization. The sewer system is currently planned for future implementation/integration.

At this time there is no consideration given to the finances of the project. Currently Marion Co. – Keller – FCS Group are coordinating to produce and update to the Aug. 2021 analysis of the system. At that time it may be possible to integrate their information into the Operations Plan.

Currently the situation is that the NSSA cannot receive and hold assets. This means that when construction and commissioning is complete, there is no authority available for Marion Co. to transfer the system assets to.

The solution is for the NSSA to establish a new Authority capable of holding assets.

There are three solutions being considered at this time. First is to expand the authority of the current NSSA through Joint venture agreements between the participating cities to create a mechanism to hold assets. Second is to create an ORS 450 (REF: Attachment B) authority comprising the four participants Three is for the NSSA to establish a relationship with Mill City that will allow them to be the owner/operator of Phase 1 assets.

MWVCOG is preparing a proposal addressing the first solution for consideration by the NSSA members.

This document will look the potential for a relationship with Mill City with the potential for a future ORS 450 solution.

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PHASE I (Lower canyon)

ESTABLISHING A NEW SEWER AUTHORITY

Sept. 18 there was a meeting with the MWVCOG, Marion Co., FCS, and Keller to review the options and select a way forward. First it was determined that the NSSA was required to have the Operations Plan completed by 31 Dec. 2023. The options will require legal advice so the MWVCOG will procure the services of a legal group to provide guidance.

The options currently being considered are:

- Establish Mill City as the owner operator
- Establish Mill City – Gates as the owner, Mill City as operator
- ORS 190 expanded to include joint venture agreements
- RS 450

ESTABLISH THE OWNER(S)/OPERATOR

OPTION 1, MILL CITY OWNS AND OPERATES THE SYSTEM

The first option is for the NSSA to designate Mill City as the owner/operator of the Phase 1 system.

This could be the easiest to implement however it would require Gates to accept Mill City as the owner of the infrastructure installed there.

With this option, Mill City could control the overall operations and set rates as well.

Having an agreement with Mill City would have some immediate benefits:

They have an existing organization

NSSA would not be required to purchase the Mill City assets

NSSA would not be required to pay off Mill City's existing loan just assume payments

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OPTION 2, MILL CITY – GATES OWNS SYSTEM, MILL CITY OPERATES THE SYSTEM, NSSA MAINTAINS OVERSITE

The second option is for the NSSA to designate Mill City and Gates as the owners of the infrastructure installed in their cities. Gates would designate Mill City as the operator of the Phase 1 system. The Gates Septic Commissioner would monitor this activity and coordinate with the NSSA concerning ongoing operations, administration, and maintenance activities.

NSSA maintains oversight of the Phase 1 system as well as pursuing the completion of the Phase 2 system. NSSA oversight would include maintaining control over all aspects of the rate structure.

This implementation would require action by Gates to accept Mill City as the operator of the infrastructure installed there.

With this option, Mill City could control the overall operations however the NSSA would have the final say on aspects that could affect the rates.

Having an agreement with Mill City would have some immediate benefits:

- They have an existing organization

- NSSA would not be required to purchase the Mill City assets

- NSSA would not be required to pay off Mill City's existing loan just assume payments

OPTION 3, ESTABLISH A 4 CITY JOINT VENTURE THAT OWNS THE SYSTEMS, MILL CITY OPERATES THE SYSTEM, NSSA MAINTAINS OVERSITE

The third option is to establish a four city joint venture that assumes ownership of all assets. Mill City would be the operator of the Phase 1 system. The Gates Septic Commissioner would monitor this activity and coordinate with the NSSA concerning ongoing operations, administration, and maintenance activities.

The NSSA joint venture maintains oversight of the Phase 1 system as well as pursuing the completion of the Phase 2 system. The joint venture oversight would include maintaining control over all aspects of the rate structure.

This implementation would require action by the Joint Venture to accept Mill City as the operator of the infrastructure installed.

With this option, Mill City could control the overall operations however the Joint Venture would have the final say on aspects that could affect the rates.

With this agreement there would be some additional costs:

- The Joint Venture would be required to purchase the Mill City assets

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The Joint Venture would be required to pay off Mill City's existing loan.

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DEVELOP A LEGAL MECHANISM

Move forward with an effort to identify a legal solution including establishing a joint venture. The legal implications are currently being investigated by the MWVCOG. The results will have an impact on the decisions made. See Attachment A for an example.

NSSA IMPLEMENTS THE DECISION

From 1 Jan. 2024 through June 2024 NSSA will need to complete all legal and organizational recements so that in June NSSA will have the ability to assume dept and asset ownership. This is required my Marion Co. to proceed with the effort to apply for additional funding.

Based on the current available information, this organization needs to be in place before NSSA can apply for or receive additional Grants to complete Phase I and apply for funding for Phase II.

This means it is important that NSSA gets a solution in place as soon as is practical.

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THE ORS 190 JOINT VENTURE

ESTABLISH OBJECTIVES

This solution is being developed by the MWVCOG staff and will be presented to the NSSA when complete.

DEFINE EQUITY POSSIBILITIES

An idea to establish equity would be to establish an equity unit based on the total cost of the system divided by total users. This would become a basic Public User Unit (PUU).

To establish the equity, for a JV member, they would multiply the number of Public User Units in the City by the Base PUU. This would establish a Public User Unit Equity (PUUE) value for each member of the JV.

A condition of this, would be that each JV member would agree that the JV organization would have total control of the operation, maintenance, billing and financial control of the installed infrastructure.

An example would be:

PROJECT "A" EXAMPLE

Total cost of system	=	\$ 55,680,000.00
Initial user base (Mill City + Gates)	=	1039
Base PUU	=	\$ 53,590.00
Mill Cities total Public Utility Unit Equity (PUUE)	=	\$ 44,962,000.00
Gates Public Utility Unit Equity (PUUE)	=	\$ 10,718,000.00

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PROJECT "B" EXAMPLE

Total cost of system	=	\$ 125,000,000.00
Initial user base Mill City	=	839
Initial user base Gates	=	200
Initial user base Detroit	=	494
Initial user base Idana	=	85
Base PUU	=	\$ 77,303.00
Mill Cities total Public Utility Unit Equity (PUUE)	=	\$ 64,857,761.00
Gates Public Utility Unit Equity (PUUE)	=	\$ 15,460,729.00
Detroit Public Utility Unit Equity (PUUE)	=	\$ 38,188,002.00
Idana Public Utility Unit Equity (PUUE)	=	\$ 6,570,810.00

DEFINE LIABILITY

The idea is to structure the enterprise so that the JV is the owner of record of the infrastructure assets and NSSA is designated as the operator / administrator of the assets. In this case operational liability would fall on NSSA and the JV partners would be protected from exposer.

This would be similar to the relationship to the owner and operator under an S Corp. arrangement. The possible exception may be the distribution of operating profits at the end of the year from the S Corp..

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THE ORS 450 OPTION

As an option we can consider how an ORS 450 (REF: Attachment B) authority might be implemented.

One solution would be for the NSSA to establish a standalone ORS 450 authority which would be in addition to the existing ORS 190.

The new authority would be established and approved by the four cities involved. An election would be held to select the board and create a functioning authority. After being established this authority would need to get a grant to assemble, equip, and train a staff to participate in the commissioning of the system. The billing system would need to be set up and customer data entered and working prior to the start of commissioning so as customers are transitioned from the current Mill City system or from new construction, the ORS 450 authority would be able to immediately manage their accounts.

At the completion of the commissioning of the current Project A system, the NSSA 450 authority would commence the O&M and administration functions.

The current NSSA 190 organization would continue overseeing the completion of Project B, the final solution for Detroit and Idana. Upon completion of the commissioning of Project B, the system would be transferred to the NSSA 450 authority and at that time the NSSA 190 organization would be dissolved.

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DEVELOP AN OPERATIONAL STRUCTURE

SAMPLE ORGANIZATION

NSSA			
NSSA JV OR 450			
GENERAL / O&M MANAGER			
ADMINISTRATOR / RECORDER	FININCE		O&M ENGINEER
SECRETARY	TREASURER		O&M ENGINEER

ESTABLISH FUNDING REQUIREMENTS AND SOURCES

DEFINING GPOALS FOR THE NEW AUTHORITY

This will be a joint task between MWVCOG and NSSA

A BEST CASE SENERIO (GOAL TO WORK TOWARD)

- NSSA (JV) to own and operate the new system
- NSSA creates a new JV to own and operate the Mill City – Gates system and the Detroit – Idana system when it is implemented.
- Mill City maintains ownership of its existing infrastructure and assumes a prorated ownership of the new systems as they are commissioned.
- The JV assumes the existing Mill City debt.
- The JV becomes the O&M and billing agency for the infrastructure.
- Get the decommissioning costs for the existing Mill City plant covered by the Govt.
- All construction and commissioning/decommissioning cost covered by the Govt.
- NSSA creates an ORS 450 Authority and transfers all assets to the new authority to operate and maintain.
- NSSA dissolves as an organization.

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OPERATIONS TIMELINE FOR PROJECT “A” USING JOINT VENTURE (S)

This timeline will be updated / modified as the details determine. This establishes a sequence to be followed.

NSSA OPERATIONS																
	2024				2025				2026				2027			
TASK	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
ESTABLISH ORGANIZATION	NSSA															
OBTAIN FUNDING					ORG.											
SETUP ORGANIZATION							ORG.									
COMMISSIONING										ORG.						
SYSTEM O&m													ORG.			

OPERATIONS TIMELINE FOR PROJECT “A” USING AN ORS 450 AUTHORITY

This timeline will be updated / modified as the details determine. This establishes a sequence to be followed.

NSSA OPERATIONS																
	2024				2025				2026				2027			
TASK	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
NSSA ORG. SYSTEM OVERSITE	NSSA															
ESTABLISH ORS 450 AUTHORITY	NSSA															
OBTAIN FUNDING					NSSA450											
SETUP ORGANIZATION							NSSA450									
COMMISSIONING										NSSA450						
SYSTEM O&m													NSSA450			

The authority (NSSA450), under this scenario, would be established and funded. Then they would acquire staff and facilities to be able to begin operations on day one of the Project A commissioning. At the completion of the commissioning program the authority would assume owner ship of the installed assets and begin O&M and system administration.

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The NSSA organization would continue to provide oversight for the funding and completion of Project B. As project B is commissioned the assets would be transferred to the NSSA450 Authority. When all assets are controlled by NSSA450 and they have initiated all O&M and administrative functions. The current NSSA 190 organization will be dissolved.

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PROJECT “A” TIMELINE

Key Dates and Partner Updates

- North Santiam Septic Repair and Replacement Project launch - February 14, 2023
- NSSA completes the establishment of an operations authority 15 June 2024
- Marion County construction contract award – December 2024
- Marion County construction Phase I completed – December 2026[1]¹

CONTRACT AWARD

December 2024

INITIALIZE CONSTRUCTION

First Quarter 2025

COMMISSIONING COMPLETE

December 2026

NSSA JV ASSUMSES OWNERSHIP AND OPERATION

January 2027

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THE OPERATING ORGANIZATION/AUTHORITY

CURRENT PROJECTED PER USER MONTHLY

Based on the latest Keller projections, the O&M costs for the Mill City – Gates project will be:

\$ 837,000.00 per year

The current estimated users for Mill City – Gates is 1039

Based on these numbers the initial per user cost would be \$ 71.00

If the O&M costs could be reduced to:

\$ 500,000.00

The per user cost would be \$ 40.00

This assumes that the initial costs of the system is % 100 covered by grants.

The FCS projected rates for the entire system based on the above scenario is:

O&M costs = \$ 1,707,553.00 $((1617 * 88) * 12)$ this assumes an O&M cost of \$ 870,552.00 for phase 2

Total users = 1617

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Projected rate = \$ 88.00 per month

STAFFING

ADMINISTRATION

Initial staffing for administration will be one senior administrator. This person will handle the day to day administration duties as well as the billing and treasury duties.

OPERATION AND MAINTAINENCE

Initially two certified operation/maintenance supervisors will join the staff

One will join Jan. 2026

One will join Jan. 2027

SUPPORT

Investigating the use of the OAWU organization for support.

OFFICE AND EQUIPMENT

Requirements for a standalone office will be identified and all support requirements will be identified. This should start as of 1 Jan 2026 or before.

- Rent – Lease – Buy office space
- Office furniture
- Office equipment: computers, printers, fax
- Office utilities: power, telephone, internet

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OPERATION IMPLEMENTATION

The operations will start at least six months prior to the start of project commissioning. This will allow time for training, data input, and billing setup to be complete when the customer transition begins at the start of the commissioning program.

TRAINING

All staff receive training on policies and procedures. Administration staff trained on accounts payable and receivable procedures associated with the selected software package.

SOFTWARE

Evaluate the current system being used by Mill City to determine if it will work, or can be upgraded to work, for the system requirements.

Investigate new software systems.

Decide on software system.

Purchase the software package and complete administrator training first quarter 2026.

Identify customer base information and enter into the software package by second quarter 2026.

Begin customer transition from the existing Mill City system third quarter 2026.

Begin addition of new customers from Mill City and Gates by fourth quarter 2026

Complete customer acquisition and system operation by first quarter 2027

POLICIES AND PROCEDURES

Develop policies and procedures for the ongoing administration, operation, and maintenance prior to the JV assuming responsibility for the system/

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MAINTENANCE

TRAINING

The certified operator (hired Jan. 2026) will receive training on all on all distributes fracture components, all of the physical plant components, and the provided SCADA package which should include programming as well as utilization.

This should be completed prior to the commencement of the commissioning phase of the project.

CONSTRUCTION MONITORING

During the construction phase, the certified operator hired Jan 2026, will act as a monitor to become familiar with the installed infrastructure.

COMMISSIONING PARTISIPATION

The operations and maintenance staff will act as NSSA observers for the commissioning phase.

OPERATION

When the commissioning phase is complete, the JV staff will assume the administration, operation, and maintenance of the system.

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DETROIT – IDANA SYTEM

FUTURE

Obtain funding to complete the system based on the design package currently being developed.

CURRENT

There is an ongoing project to provide interim septic capability to the residents and businesses of Detroit and Idana.

There is an ongoing project to engineer the final solution for the system. This engineering package will be used to obtain funding for the final project.

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ATTACHMENTS

ATTACHMENT A

EXAMPLE AGREEMENT

POLICIES OF AGREEMENT

In March 1995, The City of Winston and the Green Sanitary District signed an agreement to receive into joint ownership, operate and maintain a wastewater treatment facility known as the Winston - Green Regional Treatment facility. Section two [2] states that the City of Winston will operate, maintain and upgrade the facility under policies jointly agreed upon by Winston and Green.

The following policies are to be attached to the agreement and become a part of said agreement.

FACILITY MANAGEMENT

The facility management shall be accomplished by a management committee consisting of one member appointed by the City and one member appointed by Green. This committee shall manage the facility according to the management goals and policies [see Exhibit A] signed by the City Council and the Green Board of Directors JW1e 30, 1997. This Exhibit A shall become a part of the agreement.

Resolution of any conflicts between committee members shall first be pursued by including the Mayor of Winston and the Chairman of the Green Sanitary District Board of Directors in the discussions.

In the event there is still conflict, a three member arbitration board will be established by the City appointing one member, the Board appointing one member and those two shall choose a third member. The arbitration board will resolve the conflict. That decision will be binding upon both parties.

Procedures for implementing the management goals and policies relating to the wastewater treatment plant [Exhibit B] shall become a part of the agreement.

FUNDING OF TREATMENT PLANT UPGRADE

A state revolving loan will be acquired jointly by Winston and Green. An equal amount of

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the loan repayment will be made by each party. Any other loans acquired to provide funding for the plant upgrade will be repaid in the same manner.

PLANT OPERATION

Employees shall be employees of the City of Winston and their employment shall be guided by the City of Winston's employee policies and by the management goals and policies agreed upon by both parties.

Operation of the treatment facility shall be accomplished by following the management goals and policies.

The City of Winston shall receive and pay all invoices relating to the cost of operation and shall present Green Sanitary District with the proportional cost based upon the proportional flow of wastewater from each agency's collection system as measured by the flow measurement devices in the influent pump station, plus a 6% administration fee, prior to the District's regular board meeting.

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DEQ REPORTS

DEQ report data shall be processed by the plant staff, reported to the management committee then finalized and reported to DEQ by the City of Winston.

PROJECT MANAGER

A project manager shall be employed or contracted to administer the budget, funding process, engineering and construction requirements of the proposed treatment plant upgrade during three fiscal year periods beginning approximately July 1, 1995. The salary and costs of the project manager shall be paid from the SRF loan proceeds.

CHANGES IN AGREEMENT

Any changes in the agreement shall be proposed by the interested party and considered at the next scheduled management committee meeting. Upon agreement by the management committee members the change shall be proposed by management committee to the city council and board of directors.

NSSA OPERATIONAL PLAN DRAFT

Exhibit A

MANAGEMENT GOALS

WINSTON - GREEN REGIONAL TREATMENT FACILITY

1. To operate the Regional Treatment Facility to the N.P.D.E.S. permit standards set by E.P.A. and D.E.Q.
2. To propose adequate budget and personnel to operate the plant reliably, efficiently and in a well maintained and attractive state.
3. To be a good neighbor within the community and operate the plant in as nearly odor free condition as possible.
4. To provide a healthy work climate for employees.
5. To provide training and continuing education to promote employee growth opportunities in the wastewater field.
6. To provide a safe work environment through employee participation in safety inspections, policies, training opportunities and regular meetings designed to reinforce safety practices and procedures.
7. To promote public education and awareness of wastewater treatment technology and industry practices.
8. To operate and maintain the facility in a manner which maximizes treatment at the least unit cost.
9. To recognize and reward employee excellence in work ethic and achievement.
10. To plan for facility needs prompted by change in regulatory controls and increases in service area and density.

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11. To protect the facility from detrimental wastes disposed of into the sewer collection systems.
12. To maintain awareness of legislative activities that affect the operation of the facility.

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Exhibit B

MANAGEMENT POLICIES

To implement management goals

GOAL 1

Policy -- Management will keep informed of existing and proposed air, water, soil and groundwater pollution discharge standards - both in place and proposed.

GOAL 2

Management will participate with staff to keep informed about plant workloads and process and maintenance costs.
--will periodically review staffing needs.
---will annually review budgetary requirements, and periodically set sewerage use rates to pay the necessary costs of operation.

GOAL 3

Management will keep records of public comments and complaints and will make an effort to resolve any conflicts amiably.
--- will keep Winston city council and the Green Sanitary District board informed of community concerns.

GOAL 4

Management will keep informed of treatment facility health - concerns and requirements and take action to avoid any unnecessary exposure to health hazards.
Safety (see goal 6)
--- will keep open communication opportunities for employees to express complaints or make comments relating to authority - responsibility issues and maintain a grievance procedure to resolve conflicts.

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GOAL 5

Management will encourage employees to attend training seminars and participate in wastewater field associations such as U.B.O.S. and to upgrade their certifications so far as budgets allow.

GOAL 6

Management will keep informed of safety issues and requirements.

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Exhibit B

GOAL 7

Management will participate with the education community to make students aware of issues involved in waste stream treatment, recycling and disposal.

GOAL 8

Management will continue to be informed of existing and innovative processes which might be applied to the treatment facility to reduce cost while achieving equal or better results.

GOAL 9

Management will encourage employees to seek awards given in recognition of employee excellence.

- will evaluate employees contribution to the wastewater treatment effort in the areas of process or maintenance innovations, cost savings, community education or personal recognition in water quality among his-her peers.
- will set a salary range whereby excellence may be rewarded with additional salary.

GOAL 10

Management will periodically review regulatory changes and population- industrial growth patterns which may require additions and or changes in process or facility.

GOAL 11

Management will periodically review collection system ordinances and will enforce their requirements to avoid unnecessary contaminants into the system.

GOAL 12

Goal and policy are equal.

INITIAL IDEAS

ATTACHMENT B

450.075 Powers of sanitary district.

A sanitary district may:

- (1) Have and use a common seal.
- (2) Sue and be sued in its name.
- (3) Acquire, construct, reconstruct, alter, enlarge, renew, replace, operate and maintain such sewage collection and disposal systems as in the judgment of the board are necessary and proper for the area of the district. In the performance of these functions, either in or out of the district, it may join with any other public body as defined in ORS 174.109, a federal agency or another state in the joint establishment, maintenance and operation of such works, and may contract therefor within the limits of authority conferred by ORS 450.005 to 450.245.
- (4) Permit the use, by lease or otherwise, of any property of the district by any other public body as defined in ORS 174.109, a federal agency or another state.
- (5) Acquire by purchase, gift, devise, condemnation proceedings or otherwise, such real and personal property and rights of way, either within or without the limits of the district, as in the judgment of the board are necessary or proper to the exercise of its powers, and to pay for and hold the same.
- (6) Make and accept contracts, deeds, releases and documents that, in the judgment of the board, are necessary or proper in the exercise of any of the powers of the district.
- (7) Issue bonds as provided in ORS 450.095 to 450.125.
- (8) Determine the rate of levy of taxes in the district, and fix sewer rentals, charges and assessments as provided in ORS 450.130 to 450.175.
- (9) Employ and pay necessary agents, employees and assistants.
- (10) Lay its sewers and drains in any public street or road in the county, and for this purpose enter upon it and make all necessary and proper excavations, restoring it to its proper condition. However, the consent of the proper city, county or state authorities, as the case may be, shall first be obtained and the conditions of such consent complied with.
- (11) Maintain and operate disposal sites and solid waste collection and disposal systems in compliance with ORS 459.005 to 459.437, 459.992 (1) and (2) and 466.995 (1).
- (12) Call all necessary elections.
- (13) Compel all residents and property owners in the district to connect their houses and structures requiring sewage or drainage disposal with adjacent street sewers, drains or other sewage disposal system of the district.
- (14) Do any act necessary or proper to the complete exercise and effect of any of its powers or for the purposes for which it was formed.
- (15) Make and enforce all necessary and proper regulations for:
 - (a) The cleanliness of roads and streets of the district.

(b) All other sanitary purposes not in conflict with the laws of this state.

(16) Make and enforce necessary and proper regulations governing the storage, collection, transportation and disposal of solid wastes where such regulations are supplemental to the requirements of the Environmental Quality Commission adopted pursuant to ORS 459.045 and are necessary to meet special local conditions. [Amended by 1967 c.428 §13; 1969 c.563 §12; 1969 c.593 §38; 1971 c.36 §6; 1971 c.647 §86; 1971 c.648 §25; 1983 c.350 §266; 2001 c.104 §187; 2003 c.802 §116]

INITIAL IDEAS