



**North Santiam  
Sewer Authority**

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**NSSA Work Session Agenda  
October 16, at 6 PM  
Hybrid  
Mill City Hall  
444 S 1<sup>st</sup> Ave., Mill City, OR 97360**

<https://zoom.us/j/934>

[14748822?pwd=MjJkM3VyY21YS1BDK2doVEpIZ25uUT09](https://zoom.us/j/93414748822?pwd=MjJkM3VyY21YS1BDK2doVEpIZ25uUT09)

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)
- D. Work Session:
  - a. FCS financial discussion
  - b. Additional Funding Proposal for Marion County

**Upcoming Events:**

Date	Event	Location
10/30	Work Session: Operational Plan	TBD
11/6	Regular Board Meeting	Virtual only



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## 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



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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>		<b>Funding of Phase 1 Capital Cost Gap</b>				
		<b>Scenario 1: 0% Grants</b>	<b>Scenario 2: 40% Grants</b>	<b>Scenario 3: 82% Grants</b>	<b>Scenario 4: 100% Grants</b>	
<b>Percentage of Remaining Gap</b>		<b>72% Grants</b>	<b>83% Grants</b>	<b>95% Grants</b>	<b>100% Grants</b>	
<i>Implied Percentage of Total Phase 1 Capital Costs</i>						
A. Phase 1 Only - Mill City/Gates Basin						
Percentage of Remaining Gap		\$123	\$102	\$81	\$71	
<b>After Phase 2 Construction:</b>						
	<b>Funding of Phase 2 Capital Cost</b>					
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	
		<b>Funding of Phase 2 Capital Cost</b>				
		<b>0% Grants</b>	<b>40% Grants</b>	<b>95% Grants</b>	<b>100% Grants</b>	
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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**DRAFT**  
**Proposal for Funding for NSSA through December 31, 2026**

Introduction

NSSA has identified a need for additional funding through December 31, 2026. Marion County has identified funding sources to support NSSA through December 31, 2026 and requested a draft proposal of estimated funds needed by NSSA through December 31, 2026. This draft proposal was prepared and is presented to the NSSA board for review and comment prior to submittal to Marion County for consideration. Total estimated funds requested are \$196,720 for COG, \$80,000 for legal and \$360,000 for commissioning and six months of operations.

Assumptions

The COG staff cost estimates are based on the COG hourly rates for positions and estimated time needed for the project. COG hourly rates do not represent wage rates for staff. Rather, they represent the rate established annually by the COG Board to recover cost of service.

This proposal estimates the addition of financial services to support the NSSA treasurer either via COG or another financial services provider. For purposes of estimation the COG Board rate for the finance director and five hours of work on average is assumed. The financial services estimate does not include the cost of a billing staff or billing systems for the lower basin.

The 2024-2025 fiscal year COG cost estimate does not assume the use of anticipated remaining balance or reserve from the NSSA FY23-24 adopted budget.

The legal cost estimates are based on information gathered through conversation with legal firms in response to the description of services needed.

The administrator, operator, and technician costs are included at the request of Mayor Kirsch and Board Member Evans. The administrator cost is an estimated .5 FTE and is based on a review of small city administrator salaries and benefits. The operator cost is an estimated 1FTE and is based on a review of small city public works supervisor salaries and benefits. The technician costs are an estimate 1FTE and are based on a review of small city public works technician salaries and benefits.

Fiscal Year Estimates

The proposal includes an estimate of cost by fiscal year to indicate when funding is anticipated to serve NSSA needs. Funding for 2023-24 COG staff is not included in FY23-24 as the NSSA has existing funds and has allocated those funds through the 23-24 budget process and adoption.

