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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=MjJkM3Vyb21YS1BDK2doVEpIZ25uUT09

> 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						

## North Santiam Canyon Sewer Financial Plan





## North Santiam Canyon Sewer Financial Plan – Next Steps



October 2, 2023

## NSC Sewer Financial Plan – Next Steps 🚸 FCS GROUP KELLE





- 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 Mo	nthly Cost per E	DU								
Ignores Ramp-up in Connections	L		1	1 Capital Cost Gap						
Percentage of Remaining Gap Implied Percentage of Total Phase 1 Ca	Scenario 1: 0% Grants 72% Grants	Scenario 2: 40% Grants 83% Grants	Scenario 3: 82% Grants 95% Grants	Scenario 4: 100% Grants 100% Grants						
A. Phase 1 Only - Mill City/Gates Basin Percentage of Remaining Gap	\$123	\$102	\$81	\$71						
After Phase 2 Construction: Fund Ph										
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	\$124	\$109	\$94	\$88						
			Funding of Phas	se 2 Capital Cost						
		0% Grants	40% Grants	95% Grants	100% Grants					
E. Detroit/Idanha Basin Only - Area-Spe	\$721	\$478	\$146	\$115						

## NSC Sewer Financial Plan – Next Steps 🚸 FCS GROUP KELL





- 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



### NSC Sewer Financial Plan – Next Steps 🔅 FCS GROUP





- 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



- 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.

	DRAFT Hours and Cost Estimate for COG Staffing																		FY23-24	FY24-25	5 FY25-26
						Cost estimate>	\$	194	\$	228	\$ 228	\$	705	\$	282						
Cost	\$2725/WEEK		Estimated Ho	urs/Week by	Position			Hourly rates->	\$	97	\$	76	\$ 97	s	141	\$	141				
	TASKS		Grant	Admin Asst	Project Manager					Grant Specialist			Project Manager	: 1	Firance Director		m Dev				
Funding		H							\$	-	\$	-	\$ -	¢	-	s	-	\$ -			
1 unuing	Seek grant opportunity for construction, design and planning	H							Ÿ				-		_	-		7			
		Н	2		2				\$	194	\$	-	\$ 194	\$	-	\$	-	\$ 388			
	Seek and explore funding mechanisms each year through 2026	ш			2	ļ			\$	-	\$		\$ 194	\$	-	\$	-	\$ 194			
Operational plan		H							\$	-	\$	-	\$ -	\$	-	\$	-				
Operational plan		Н			_				\$	-	\$	-	\$ -	\$	-	\$	-				
Ein on sint or distant	Implement operational plan	Н			2				\$	-	\$	-	\$ 194	\$	-	\$	-	\$ 194			
Financial policies	A L CONTRA CONTRA L L L L	Н							\$	-	\$	-	\$ -	\$	-	\$	-				
	Administrative management of NSSA fiscal processes and procedures, including budget			1	1	5	5		\$	_	\$	76	\$ 97	\$	705	s	_	\$ 878			
Communications		П							\$	-	\$		\$ -	\$	-	\$					
	Expand and finalize NSSA communications plan ( <u>click to access</u> ), i.e., Public Outreach Strategy			2	2				\$	_	s	152	\$ 194	\$		\$		\$ 346			
	Maintain public NSSA website with project updates and meeting announcements			2	1				\$	_	\$	152		\$	_	\$	_	\$ 249			
		H			2		1		\$		\$		\$ 194	\$	-	\$		\$ 335			
	Quarterly written updates to the County	H	2	3	12		1		\$	-	\$	-	\$ -	\$	-	\$	141				
COG Staff Total Fis		H	-1	<u> </u>	12		<u> </u>		Ψ		Ψ		Ψ -	Ψ	_	Ψ	171	Ψ 141			
Legal Services		H																\$141,700.00	See 23-24 Budget	141.700	155.870
	Create agreements for ownerships, operation and maintenance Advise and create guidance for governance as a ORS 190 with operating agreements																				
	Advise and assist NSSA with negotiating, preparing, and implementing operational agreements by and between different political subdivisions including another ORS 190 entity, public agency, and or district to manage a variety of operational issues including but not limited to; asset management/ownership, employment matters, rate making, debt servicing, grant application, remedies, risk management.																				
	Research and advise NSSA regarding CWA permitting	Ш																			
<u></u>		Ш																\$ 80,000.00	80,000		
Part time administra	ator and Full time operator							1													50.000
		Н																\$ 50,000.00 \$ 120,000.00			50,000 120,000
	2 technicians	Ш																\$ 160,000.00			160,000