



North Santiam Sewer Authority

northsantiamsewer@gmail.com

northsantiamsewer.net

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

NSSA Board Meeting April 22, 2024, at 12:00 pm

<https://zoom.us/j/93414748822?pwd=MjJkM3Vyb21YS1BDK2doVEplZ25uUT09>

Meeting ID: 934 1474 8822

Passcode: 454959

Supplemental Budget Hearing

- A. Roll Call and Declarations of Conflicts of Interest
- B. Public Comments
- C. Proposed Supplemental 2023-24 Budget (Conroy)
- D. Board Deliberations & Motion to Approve Supplemental Budget 2023-24

New Business

- E. Appoint 2024-25 Budget Chair and Committee (Motion Needed)
- F. Adopt 2024-24 Budget Calendar (Motion Needed)
- G. Draft Connection Ordinance (Brooks)

Upcoming Events:

Date	Event	Location
May 6, 12pm	NSSA Budget Committee meeting	COG and zoom
May 8, 6pm	NSSA Board Meeting #89	Mill City and zoom



North Santiam Sewer Authority

Oregon

2023-24 Proposed Supplemental Budget

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BUDGET MESSAGE

OVERVIEW

To the Members of the North Santiam Sewer Authority Budget Committee and Board of Directors:

The proposed supplemental Budget is for the fiscal year beginning July 1, 2023, and ending June 30, 2024, and includes the addition of \$80,000 in new revenue from an IGA with Marion County and some adjustments to the beginning fund balance and the Materials and Services expenditures. The supplemental budget represents the best assessment of the obligations and financial capacity of the North Santiam Sewer Authority (the NSSA) for the remaining fiscal year.

SUPPLEMENTAL BUDGET SUMMARY

On April 22nd, the NSSA Board of Directors will be presented with the resolution to adopt this supplemental budget recognizing an additional \$80,000 in revenue from Marion County and adjustments to the expenditures.

TOTAL RESOURCES (REVENUES)

Beginning Fund Balance - is updated to \$146,926 to reflect the account balance on 7/1/2023.

REQUIREMENTS (EXPENDITURES)

Personnel Services – None we have no direct staff.

Materials and Services - \$168,500 which includes the addition of \$80,000 in restricted funds for legal services and the addition of \$8,926 in actual beginning fund balance as of July 1.

Capital – None, NSSA currently does not have any capital purchases planned.

Debt – None, NSSA currently has no debt.

Contingency - In October 2022, the Board of Directors adopted a policy establishing a method for determining a contingency, establishing the target at no less than three (3) months of total operating expenses for the general fund. The 2023-2024 adopted budget for contingency is unchanged.

SUMMARY

Budget law provides an opportunity for the Board of Directors to adopt a supplemental budget, when necessary, without convening the Budget Committee. This supplemental budget, when approved by the Board of Directors, will direct and empower the staff to carry out the direction of the board.

Respectfully submitted,

Laura Conroy, Budget Officer
NORTH SANTIAM SEWER AUTHORITY

THE SUPPLEMENTAL BUDGET PROCESS

A supplemental budget as defined by Oregon State Law (Oregon Revised Statutes (ORS), Chapter 294), is required when the agency receives new revenue, or the agency plans to change its budget appropriations by more than 10%. The North Santiam Sewer Authority (NSSA) is required to budget all funds and for each fund to have a balanced budget. The state of Oregon defines balanced budgets as one in which total resources, including beginning resources, current resources and debt proceeds, equal total requirements, including current year expenditures, capital outlay, transfers, debt service and any other requirements such as debt service reserves.

As a rule, local governments in Oregon operate on a fiscal year that begins on July 1 and ends the following June 30. The NSSA budget operates on this schedule. Budgeting is critical to NSSA because it requires the organization to evaluate plans and establish priorities in relation to available financial resources.

The North Santiam Sewer Authority supplemental budget will accomplish each of the four major purposes of Oregon Local Budget Law (ORS 294.305 – 294.555 and 294.565) including:

- Establish standard financial procedures
- Outline programs and services in conjunction with the fiscal policy and implement those policies
- Provide methods of estimating revenue, expenditures, and proposed tax levies
- Encourage public involvement in the budgeting process before budget adoption

North Santiam Sewer Authority prepares and adopts its annual budget in accordance with its organizational IGA, Oregon Law and the Government Finance Officers Association budget guidelines.

Before the budget can accomplish these goals a schedule for preparation is developed. This schedule is called the budget calendar.

2023-24 SUPPLEMENTAL BUDGET CALENDAR

Action	Proposed Date
Staff prepares DRAFT supplemental budget	March through April
Publish legal notices in newspaper. (Publish twice, 1 newspaper (8-14 days before the meeting, and web (10 days before the meeting)	Per state budget law requirements
Proposed supplemental budget document available and posted online	April 8, 2024
Board adopts budget, makes appropriations, imposes, and categorizes property tax	Monday April 22, 2024

In April staff prepared a draft supplemental budget. A summary of the recommended supplemental budget is published in the local newspaper. The Board then holds a hearing on the supplemental budget.

SUPPLEMENTAL BUDGET SUMMARY

General Fund Revenue							
Description	FY 19-20 Actuals	FY 20-21 Actuals	FY22-23 Adopted Budget	FY 23-24 Proposed Budget	FY 23-24 Approved Budget	FY 23-24 Adopted Budget	FY 23-24 Supplemental Budget
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ 138,000	\$ 138,000	\$ 138,000	\$ 146,926
MARION COUNTY IGA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER LOCAL REVENUE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000
MISCELLANEOUS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL GENERAL FUND REVENUE	\$ -	\$ -	\$ -	\$ 138,000	\$ 138,000	\$ 138,000	\$ 226,926

General Fund Expenditures							
Materials and Services	FY 19-20 Actuals	FY 20-21 Actuals	FY22-23 Adopted Budget	FY 23-24 Proposed Budget	FY 23-24 Approved Budget	FY 23-24 Adopted Budget	FY 23-24 Supplemental Budget
MANAGERIAL -- ADMIN. ASST.	\$ -	\$ -	\$ -	\$ 69,000	\$ 69,000	\$ 69,000	\$ 49,000
AUDIT SERVICES	\$ -	\$ -	\$ -	\$ 12,000	\$ 12,000	\$ 12,000	\$ -
LEGAL	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 125,836
MANAGEMENT SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TRAVEL - OUT OF REGION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER PROFESSIONAL & TECH	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
CONSUMABLE SUPPLIES & MAT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DUES & FEES (MWVCOG, LOC)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LIABILITY INSURANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Materials and Services	\$ -	\$ -	\$ -	\$ 88,500	\$ 88,500	\$ 88,500	\$ 177,336

Contingency	FY 19-20 Actuals	FY 20-21 Actuals	FY22-23 Adopted Budget	FY 23-24 Proposed Budget	FY 23-24 Approved Budget	FY 23-24 Adopted Budget	FY 23-24 Supplemental Budget
CONTINGENCY	\$ -	\$ -	\$ -	\$ 22,125	\$ 22,215	\$ 22,215	\$ 22,215
Total Contingency	\$ -	\$ -	\$ -	\$ 22,125	\$ 22,215	\$ 22,215	\$ 22,215

Reserves	FY 19-20 Actuals	FY 20-21 Actuals	FY22-23 Adopted Budget	FY 23-24 Proposed Budget	FY 23-24 Approved Budget	FY 23-24 Adopted Budget	FY 23-24 Supplemental Budget
RESERVES	\$ -	\$ -	\$ -	\$ 27,375	\$ 27,375	\$ 27,375	\$ 27,375
Total Reserves	\$ -	\$ -	\$ -	\$ 27,375	\$ 27,375	\$ 27,375	\$ 27,375

TOTAL GENERAL FUND EXPENDITURES	\$ -	\$ -	\$ -	\$ 110,625	\$ 110,625	\$ 110,625	\$ 156,500
TOTAL BUDGETED EXPENDITURES	\$ -	\$ -	\$ -	\$ 138,000	\$ 138,000	\$ 138,000	\$ 226,926
TOTAL BUDGETED REVENUES	\$ -	\$ -	\$ -	\$ 138,000	\$ 138,000	\$ 138,000	\$ 226,926
BALANCED BUDGET (REVENUES - EXPENDITURES)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0

SUPPLEMENTAL BUDGET RESOLUTION

Blank intentionally to reserve space for the Board Resolution when the document is adopted.

FY 2024-25 Budget Schedule

Date	Action	Who
<i>4/1/24</i>	<i>Budget Schedule Adopted</i>	<i>Board of Directors</i>
<i>4/22/24</i>	<i>Budget Committee Appointed</i>	<i>Board of Directors</i>
<i>4/25/24</i>	<i>Budget published in Statesman Journeal and Posted</i>	COG
<i>5/6/24</i>	<i>Budget Committee reviews budget</i>	<i>Budget Committee</i>
<i>5/24/24</i>	<i>Notice of Budget Hearing published in Statesman Journal</i>	<i>Statesman Journal</i>
<i>6/3/24</i>	<i>Budget hearing and adoption.</i>	<i>Board of Directors</i>
<i>6/30/24</i>	<i>Budget submitted to Oregon Dept of Revenue</i>	COG



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STAFF MEMORANDUM

To	Board of Directors
From	NSSA Staff and Consultants
Regarding	NSSA Recommended Model Sanitary Sewer Connection Ordinance
Date	April 19, 2024

Introduction

The NSSA’s Board of Directors (“Board”) met on April 15, 2024, to consider a discussion draft of ordinance language a city could use to require connections to a sanitary sewer collection system. This matter will be before the Board again at its special meeting on April 22, 2024. Attached to this Staff Memorandum is an updated version of the ordinance language, now styled as a Model Sanitary Sewer Connection Ordinance (“Model Ordinance”). The Model Ordinance reflects initial feedback from the Board and additional review by the Board’s staff and consultants.

As a reminder, “approval” of the Model Ordinance does not actually establish any regulation in the NSSA cities. Rather, the Model Ordinance is intended to be used by a city to adopt a more specific ordinance, tailored to the needs and policies of each city. A city considering the ordinance will need to work with its own staff or consultants (including engineers and legal counsel) to finalize and adopt a specific ordinance.

The discussion below highlights the major terms of the Model Ordinance and some of the input/feedback that has been considered as part of developing this version.

Model Ordinance Terms and Feedback

Sections I, II, and III of the Model Ordinance work together to state the intent and applicability of the ordinance language. In short, a city adopting this ordinance language would require all (sewage generating) properties in the city to connect to the collection



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system. The intent language in Section I is fairly basic, and a city can modify the intent language as desired. The applicability language in Section II is very specific and creates a baseline assumption that the city will regulate all properties generating sewage. The language in this section includes placeholders for some basic definitions that will need to be finalized to suit the final adopted version of an ordinance.

A key component of Section III is that properties will only be required to connect to the collection system when it is “available.” A city using the Model Ordinance will need to establish the standard by which it can determine if the system is available. The current language contemplates that the city will make an initial determination of system availability during the design and construction of the system.

Section IV contains language that allows the city to control the timing of required connections. In other words, a city can add language that allows the ordinance to go into effect, but which establishes a later date for when the system is available for connections and, therefore, when connections would be required. The city should coordinate closely with its engineering staff/contractors to determine timing needs. Those needs will also be informed by the timing of the startup and commissioning of the related wastewater treatment facility.

Section V is a “waiver” section and allows a city to establish certain criteria under which a property will not be required to connect to the collection system. It is typical to have such provisions to accommodate the possibility of a unique set of circumstances where a connection is not feasible. This tool is unlikely to be needed for the initial construction of the system, which is being designed to serve specific properties that can be served. As a city expands its system, however, it may encounter situations where the system is “available” but where it is not actually feasible to complete the connection.

Section VI retains a city’s authority to impose certain charges for use of the collection system. Connection charges are typically developed to capture the city’s actual costs of completing a connection to a new property. System Development Charges (“SDCs”) are authorized under state statute to create a mechanism for funding capital improvements on



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the system. The Model Ordinance does not actually impose these charges, but alerts property owners that they may exist.

Section VII contemplates that a city may develop a program that will fund the initial connections to the system so that property owners can avoid that expense. A city will need to put a lot of thought into such a program because there are many details to be figured out. As drafted, the Model Ordinance contemplates that a city would identify a specific time period during which property owners would seek assistance. The city would then pay for and construct the necessary connections.

Section VIII relates to connection permits. The city will want to have a process to review and permit any connections to the collection system. The permitting process is also the mechanism that would trigger the payment of any connection charges or SDCs.

Section IX retains the city's authority to regulate discharges to the collection system, including by setting rates and other charges. Many rules and regulations will be required for compliance with regulatory permits. Some, however, such as billing procedures, are wholly within the city's discretion.

Section XI contemplates that a city will want to establish enforcement procedures. Those enforcement procedures could be included in the rules and regulations adopted under Section IX, but a city may find it useful to spell out the basics of the process in the initial ordinance.

Response to Comments/Feedback

During the prior Board meeting, there was discussion regarding the potential for a city to grant a waiver under Section V based on a need for financial relief. If a city establishes a program under Section VII that pays for the sewer connection, there should be no financial hardship on the property owner as it relates to the connection. To the extent that a property owner needs financial assistance to pay monthly sewer bills, such assistance would typically be provided as rate relief – either through the ratemaking process or through some other program – rather than as a basis for not requiring the connection at all.



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The Board also heard discussion about the extent to which a city could or should own connection facilities on private property. It is typical for municipal utilities to disclaim ownership of any facilities on private property, and that is how the Model Ordinance is drafted. Some cities may make exceptions for facilities that are shared by multiple property owners or that simply pass through a property to serve another property. While it is true that a property owner would bear the burden of maintaining facilities on private property, this is a burden they already have related to the maintenance and operation of existing septic systems. If a city determines that it wants to take on the burden of owning facilities on private property, it will need to ensure the ordinance language clearly identifies the point on the connection that marks the transition from private to public ownership. It will also need to ensure it acquires adequate easement rights that allow access onto the private property.

The Board also heard discussion about the possibility of allowing property owners to retain their septic systems for some period of time after the initial connections are made to the collection system. A city adopting the Model Ordinance will want to consider that option in the context of any regulatory permits it obtains, the needs of the treatment facility, and whether such dual systems are possible to construct under the city's program for making the initial connections.

Some updates were made to the Model Ordinance language following review by technical experts.

Next Steps

The Board should discuss the current version of the Model Ordinance and determine if any provisions should be added or modified. Once a final version is ready, the Board is asked to approve the Model Ordinance as a template to be circulated to the NSSA member cities for their consideration.

MODEL SANITARY SEWER CONNECTION ORDINANCE

Introductory Notes: The North Santiam Sewer Authority (“NSSA”) is engaged in a long-term effort that aims to build two wastewater treatment plants to support the revitalization and future growth of each of the NSSA’s four member cities. As currently contemplated, one of the treatment plants would serve the cities of Gates and Mill City (“Lower Canyon Project”), and the other treatment plant would serve the cities of Detroit and Idanha (“Upper Canyon Project”). Of the four cities, only Mill City currently has a community based wastewater collection and treatment system.

In order to ensure the timely and efficient development of the planned treatment plants, the NSSA desires to create a suite of regulations and programs that can guide the development and use of the wastewater collection systems that feed each treatment plant. This Model Sanitary Sewer Connection Ordinance (“Ordinance”) is designed to allow a city to require the use of a city’s wastewater collection system. If adopted, property owners in a city would be required to connect their property to the publicly owned collection system under most circumstances.

This document is only the starting point for a city that wishes to adopt such an ordinance. The Ordinance language is intentionally broad to establish certain parameters that would be consistent across all NSSA cities. A city using the Ordinance would be expected to tailor the language to meet the specific needs and policy goals of that city. The format of this document will also need to be altered for each city to match the manner in which that city codifies its ordinances. By using the same starting point, the NSSA’s member cities will further their goal of working together to provide community based wastewater services in a consistent and predictable manner throughout the canyon.

Each NSSA member city will need to carefully consider the effective date and timing of the various requirements in the Ordinance. The effective date will put the regulations in place and impose the connection requirements, but property owners (and the city) will then need time to make the initial connections so that they sync up with the startup and commissioning of a treatment plant.

The Ordinance language in this document is only one part of a suite of documents the NSSA is considering in an effort to establish coordinated community based wastewater services in the canyon. The Ordinance language does not, for example, establish the specific requirements governing the use of the system. The Ordinance also does not establish the particulars of a city’s development of the system. For example, a city will need to determine the specific details of any program that will assist property owners with the process and/or cost of connecting to the collection system. Those requirements and programs will need to be developed separately, but can and should be implemented at the same time or before the effective date of any requirement to connect to a collection system.

Because the Ordinance provides only model language, each city considering the Ordinance should consult the staff or consultants that provide public works and legal services before adopting a final ordinance.

* * *

Model Ordinance Language:

Section I. Intent. The intent of this Ordinance is to:

- A. Protect the health and safety of the residents of the City;
- B. Preserve or improve the existing high-quality water in the City and region for municipal water supplies, recreation, and preservation of aquatic life; and
- C. Facilitate the timely connection of individual properties to the public wastewater collection system when such a system is available.

Section II. Applicability; Definitions. This Ordinance applies to all properties in the City having development that generates municipal sewage or industrial waste. For purposes of this Ordinance: [**Note:** the definitions below will need to be filled in by each city to be consistent with the type of treatment services being provided and regulatory requirements. Additional definitions may be necessary.]

- A. “Municipal sewage” means...
- B. “Industrial waste” means...
- C. “Connection charge” means....
- D. “Public wastewater collection system” means...
- E. “System Development Charge” means a reimbursement fee, an improvement fee or a combination thereof established in accordance with state law to provide funding for capital improvements associated with the public wastewater collection system.

Section III. Use of Wastewater Collection System Required.

- A. A developed property must decommission onsite sewage disposal systems and connect to the public wastewater collection system when the public wastewater collection system is available to serve the property.
- B. If the public wastewater collection system is available to serve an undeveloped property, any construction for which a building permit is required shall connect to the public wastewater collection system prior to the issuance of a final inspection report or certificate of occupancy issued by the City or its authorized representative.
- C. The public wastewater collection system is available if a property can connect to the system at a point in a right-of-way that is _____. [**Note:** city will need to determine “availability” of the system based on engineering standards; options include if the system is adjacent to property, or within a certain distance such as 100 feet].
- D. As of the effective date of this Ordinance, the public wastewater collection system is available to the properties listed on Exhibit A. [**Note:** this language should be used only if the city can identify the availability of the system to specific properties as of a specific date.]

E. Except as otherwise provided by this Ordinance in Section V, it is unlawful to construct or maintain any septic tank, cesspool, or other facility intended or used for the onsite disposal or storage of sewage within the corporate limits of the City or in any area under the jurisdiction of the City.

F. Prior to making the connection, any property owner desiring or required to connect to the public wastewater collection system shall apply for and obtain a connection permit approved by the City pursuant to the process set forth in Section VIII.

Section IV. Timing of Connection.

A. All developed properties for which the public wastewater collection system is available as of the Effective Date of this Ordinance shall connect to the system on or before _____. **[Note:** this language should be used in concert with the language in Section III.D.].

B. All properties for which the public wastewater collection system becomes available after the Effective Date of this Ordinance shall connect to the system within 180 days of the City sending notice to the record owner of the property that the connection is required.

Section V. Waivers. At the request of an owner of property required to connect to the public wastewater collection system, the City Administrator (or designee) may grant a waiver from the requirements of Section III based on findings that:

A. The connection would have a detrimental effect on public health, public safety, or the environment;

B. The connection is not technically feasible based on the location, shape, or topography of the property; or

C. **[Note:** city may modify these or add other exceptions a city determines are necessary].

Section VI. Connection Charges; System Development Charges.

A. The City may establish a connection charge when a property connects to the wastewater collection system.

B. The City may establish a system development charge when a property connects to the wastewater collection system.

C. Except where a property owner qualifies for assistance from the City pursuant to Section VII, all property owners desiring or required to connect property to the public wastewater collection system, shall pay the applicable connection charge and system development charge before the City issues a connection permit pursuant to Section VIII.

Section VII. City Program for Initial Connections.

A. On or after the effective date of this Ordinance, and prior to _____ **[Note:** this language contemplate that a City will establish a date after which assistance for connections will no longer be available], the City will administer a program to assist

property owners with the payment and construction of a connection to the public wastewater collection system as set forth in this Section VII

B. During the initial construction of the public wastewater collection system, at the request of an owner of property required to connect to the wastewater collection system, the City will install a wastewater lateral and all related facilities [**Note:** the City may want to identify specific related facilities such as a grinder pump, force main, cleanouts, etc.] that connects the public wastewater collection system to a point five (5) feet from the primary structure on the property, as approved by the City. The City will also complete the abandonment of the existing septic tank and drain field for that property in accordance with applicable state and county standards.

C. A property owner requesting assistance from the City shall execute all documents the City determines are necessary to evidence the property owner's consent for the City (and/or its contractors and agents) to access the property and to construct the connection and abandon the septic system for the property owner, including, but not limited to, a right-of-entry form and a bill of sale that transfers the connection facilities to the property owner.

D. The property owner shall own and be responsible for the maintenance of any facilities the City constructs on the property pursuant to Section VII.C after the initial construction of those facilities. [**Note:** a city may consider taking ownership of certain facilities or, alternatively, disclaiming ownership of facilities in the right-of-way that are specific to a certain property. If the City desires to own facilities on private property, language should be added to acquire easement rights so that the facilities can be accessed and maintained.]

Section VIII. Connection Permit. [**Note:** This section to be developed by each city to establish the process by which a permit will be applied for/reviewed. Also needs to be tailored to cover initial connections and City will get permit for properties connected in Section VII.].

Section IX. Use of Collection System; Rates.

A. All users of the public wastewater collection system shall comply with the City's Rules and Regulations governing discharges to the system. [**Note:** This Ordinance contemplates that a city will establish rules and regulations by separate ordinance].

B. All users of the public wastewater collection system shall pay the applicable rates and charges the City establishes for such use by resolution.

Section X. Enforcement. [**Note:** This section to be developed to be coordinated with each city's existing code enforcement provisions, if applicable, or otherwise spelled out here.]

Section XI. Effective Date. This Ordinance shall become effective on _____.

**