

**NETARTS-OCEANSIDE SANITARY DISTRICT
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September 17, 2026

REGULAR BOARD OF DIRECTOR'S MEETING

Minutes of the September 17, 2026, regular monthly meeting of the Netarts-Oceanside Sanitary District Board of Directors.

1. The regular monthly meeting of the Netarts-Oceanside Sanitary District (NOSD) Board of Directors was called to order at 5:30 P.M. by John Prather, Board Chairperson. The meeting was held in the NOSD Board Room.

BOARD MEMBERS PRESENT:

Jeff McBrayer, Member-At-Large
Jim Carlson, Vice Chairperson
John Prather, Chairperson
Simeon Dreyfuss, Treasurer

EMPLOYEES PRESENT:

Daniel Mello, District Superintendent
Erin Mello, Office Manager
Brian Mello, Lead Operator
Leancon Loving, Operator
LeeAnn McNutt, Office Specialist
Jacey Pyatt, Ass't Office Manager
Ramen Pyatt, Operator
Shawn Parker, Operator
Nick Reneau, Operator

McBrayer arrived at the meeting at 5:33 P.M.

2. Approval of Agenda. **It was a consensus of the Board to approve the Agenda as presented.**
3. **GUESTS:**
Noah Werner via video
Diana Thompson
Amber Ybarra
Crysta Ybarra

4. **PUBLIC COMMENTS:** Diana Thompson presents a printed email from John Henry, the legal property owner of 4890 Netarts Hwy. asking for a payment plan for the SDC. The Board will discuss this matter at the October 15, 2026, meeting.
5. **BOARD QUESTIONS ; COMMENTS ; DISCUSSION :** McBrayer suggests having an executive session at the October 15, 2026, meeting.
6. The Board reviewed the previously distributed **Minutes** of:
 - A. August 20, 2026, Regular Board of Directors meeting Minutes.
Dreyfuss Moved to approve the August 20, 2026, Regular Board of Directors meeting Minutes as amended. Carlson seconded. Motion passed by a vote of 4 to 0.
 - B. August 20, 2026, Workshop Meeting Minutes.
Dreyfuss Moved to approve the August 20, 2026, Workshop Meeting Minutes as presented. McBrayer seconded. Motion passed by a vote of 4 to 0.
7. The Board reviewed the **Financial Statements** for:
 - A. **July 31, 2026**, for all Funds. Dan Mello and Erin Mello answered all questions to the Board's satisfaction.
 - B. New Financial Document for review and approval. Dan Mello and Erin Mello went over the new Financial Documents for August 31, 2026. **McBrayer Moved to approve the August 31, 2026, Financial Statements as presented. Dreyfuss seconded. Motion passed by a vote of 4 to 0.**
8. August 2026 **Board Audit** for review:

August 2026

General Fund in the amount of:	\$150,570.59
Capital Resource Fund in the amount of:	<u>\$2,976.99</u>
Total	\$153,547.58

Dan Mello and Erin Mello answered all questions concerning the Board Audit to the Board's satisfaction.

9. **DISTRICT REPORT:** A copy of Mello's Operation and Maintenance Summaries is attached. The following additional information was presented and discussed.

August 2026 Discharge Report had no violations.

The average discharge to the Outfall of TSS was 0.5 mg/L and 3.5 mg/L of BOD for the month of August 2026. Our Permit allows 30 mg/L monthly average for each. The Treatment Plant's removal efficiency is 99.8% TSS and 98.8% BOD: the Permit requires a minimum of 85% removal.

Collection System:

Mello states that the district has completed the grease removal from the wet wells, cleaning and video inspection of 5th St Loop and Pearl St sewer lines.

Pump Stations:

Mello stated that the Main PS has had issues with flow failures at the Main PS. On August 20th Dave Olson and an engineer from Xylem were onsite and ran some troubleshooting and inspections of the equipment. After identifying two possible issues, adjustments were made to the wet well level off and control panel settings. Since August 20th there have been no flow failures on pump set one.

Mello states that the Main PS generator battery charger has failed. Cummins has ordered a replacement but it is 60 days out before shipping. Cummins went ahead and serviced the generators at Netarts PS and Ocean Highlands PS.

All other pump stations are operating without issues.

Mello states that the Operator's went to Capes #2 for a generator over crank on Monday 14, 2026. When they reset the generator, the batteries exploded into pieces. None of the Operators were standing in front of it when it happened. The battery was nine years old. Mello has talked with the operators, and they are no longer going to run batteries that old. They will start replacing them at 5-6 years old and we are going back through safety protocols on what to do if the generator doesn't start.

Treatment Plant:

Mello stated that the Treatment Plant is operating well within its permit limits.

Mello stated that there are two electrical vaults here on the Treatment Plant property that are collapsing. Underground Tech said they can make the repair to seal it using the same products and procedures as used in manhole repair. This repair will be scheduled when we start the manhole and sewer line repairs for this years I&I maintenance.

Capital Improvement Projects:

Mello states that the geotechnical work is in progress today, Monday, September 14, 2026, at the lower Avalon pump station site. The work is scheduled for two days. **Mello states that the geotechnical work has been completed, and we were informed of good news that they hit basalt rock at 55 feet instead of the 100 feet.**

New Equipment Purchase/Repair Request:

Mello states that there has been a change to the new Cue's software and equipment requirement for using the system. It has come to our attention that the cost to use the cloud is much more costly than what was said. It will be less expensive over time to purchase an onsite server than using the Cue's cloud option. The Cue's cloud version is over \$21,000 yearly and to purchase a server is around eight to twelve thousand and that is a one-time purchase. I am waiting for the quote from CenterLogic for the equipment cost and annual service. Mello will present at the board meeting if received beforehand. **Mello has not received a quote from CenterLogic yet. He will present it at the October 15, 2026, meeting.**

Mello states that we are having a two-way radio and emergency lighting installed here by the end of September. The work has begun but the contractor is waiting for additional parts.

Mello states that Northwest Control Company was on site to look at the two heaters in the new shop. Replacing the two heaters before winter is the best option.

Dreyfuss Moved to approve the Northwest Control Company proposal in the amount of \$9,901.52. Carlson seconded. Motion passed by a vote of 4 to 0.

Office Equipment Purchases and Updates:

Mello states that the new copier has been delivered and set up. We need to decide on how to dispose of the old copier. The board will need to surplus the old copier before it can be disposed of. **Dan and Erin will present a Resolution for the Board to approve at the October 15, 2026, meeting.**

Mello has contacted Spectrum to discuss NOSD's two internet accounts monthly costs and current bandwidth. Mello was able to increase the bandwidth and decrease the monthly costs by a total of a \$190.00

Personnel:

None

Operations Summary Updated September 14, 2026:

The District's Treatment Plant has been in operation for ten plus years and is now requiring continual attention. We have replaced the treatment plants Air Valves and replaced or rebuilt the blowers in 2022 and 2023. Several pump stations have been in service since 2005 since their last major update. The Netarts pump station had its control panel updated June 2021 and the generator transfer switch was replaced in January 2023. The Ocean Highlands pump station had the pump control panel replaced on May 1, 2025.

We have added additional manual transfer switches to the Netarts and Oceanside pump stations for additional power redundancy. The Happy Camp pump station is the last of the functioning Multitrode Control Panels that are now obsolete.

The district should budget or plan approximately \$85k each to upgrade these control panels over the next three to five years. This cost can be addressed by scheduling to change out a single control panel each budget year.

The Ocean Highlands PS has had a failure of the onsite generator. The generator engine is obsolete as well as parts of the generator itself. On September 22, 2023, an order for a replacement generator was placed at a cost of \$27,548.81. The replacement generator was installed on June 23, 2025.

The district has completed its permit required sludge depth survey. The district should start increasing its budget biosolids line item to approximately \$200k over the next 5 years to meet the costs of disposal. The 2026/27 budget currently has \$191,461 in the approved line item.

In 2024 the district added additional power redundancy to the Oceanside and Netarts Pump stations with the addition of Manual Transfer Switches and a portable generator. If there is a utility power failure and the onsite generator fails at Netarts PS, the portable generator can be plugged in and used until repairs are made. If there is a power transmission line failure or disruption to the Oceanside PS, then the portable generator can be connected to the pump station until the transmission line can be repaired. The district has plans to add these manual transfer switches to all the remaining pump stations.

The district is in the process of planning and engineering for a new pump station to serve the lower Avalon area. This will serve a portion of Hillsdale St. that are currently on ejector pump units, lower Grand Ave. and Glennwood Rd.

Although the system overall is performing well, annual costs are increasing for repairs and maintenance. Some of the original equipment is now obsolete or the cost of repair exceeds replacement costs. This is also made more difficult with the increasing unavailability and long lead times to receive parts. We are facing on average 5-7 weeks and as much as 14-17 weeks for parts and repairs services.

The District's NPDES permit requires annual maintenance to reduce the inflow and infiltration (I&I) into its collection system. We have spent annually on average \$40K. Due to progress on I&I reduction we are predicting spending about \$25,000 annually and will focus on identifying sewer lines that need to be replaced completely.

With the increased maintenance of the WWTP and pump stations, more operator time is needed to inspect the collection system on a regular time schedule. The video inspection is needed to find the I&I, root intrusion and potential overflow issues so we can schedule repairs. Operator positions are becoming increasingly difficult to fill, due to a larger demand for operators throughout the state. We have filled one open operator position, added, and filled the operator/trainee position in August and September 2022.

10. OLD BUSINESS:

A. Avalon Pump Station Project: **Discussed in District Report.**

B. Workshop Update: **The next Workshop Meeting will be held on November 19, 2026, at 4:00 P.M.**

11. NEW BUSINESS: NONE

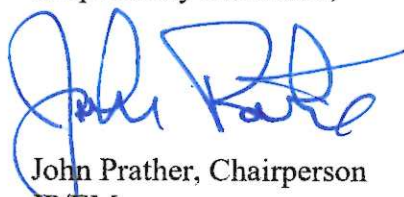
12. CORRESPONDENCE: Letter from Oregon Secretary of State addressed to the Board of Directors dated August 31, 2026.

13. EXECUTIVE SESSION: NONE

14. **There being no further business, Prather adjourned the meeting at 6:43 P.M.** The next meeting will be the Regular Board Meeting on October 15, 2026.

For full details of this Board Meeting, please visit our website at www.n-o-s-d.com

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "John Prather", with a stylized flourish at the end.

John Prather, Chairperson

JP/EM

September 2026 Regular Board Meeting.doc