

Sahhali Shores at Neskowin Consolidated Owners Association (COA)
Septic System & STEP Regulations
August 21,2010

REF (a): By-Laws of the Sahhali Shores COA, Section 8.1, Powers of the Board of Directors

In accordance with Ref. (a), the following directive is promulgated this date by the Board of Directors of Sahhali Shores at Neskowin COA.

Controlling Directives and other references:

- (1) Oregon Revised Statutes (2008) Chapter 454 - Sewage Treatment and Disposal Systems
- (2) Oregon Admin. Rules (OAR) - Chapter 340; Division 71 - Onsite Wastewater Treatment Systems
- (3) OAR Chapter 340; Division 52 - Review of Plans & Specifications
- (4) Oregon Department of Environmental Quality (DEQ) Water Pollution Control Facilities Permit No. 101592, dated October ZS", 2002.
- (5) Oregon Revised Statutes (2008) - Real Property Development, section 94.630(n) Powers of association - " ... a homeowners association may ...levy reasonable fines for violations of the declaration, bylaws, rules and regulations of the association ..."
- (6) Sahhali Shores COA Covenants, Conditions & Restrictions (CC&Rs):
 - § 1.16 STEP Effluent Disposal System (STEP System). Describes the system and mandates that the "...STEP System shall be part of the Common Property ..."
 - § 6.1 Obligations of the Association. "...the Association shall be responsible for the exclusive management and contro1...operation, maintenance, repair and replacement of the STEP System."
 - § 6.2 Association's Easements. "...the Association [maintains] an easement with respect to all Lots for the purpose of installing, operating, maintaining, repairing and replacing facilities related to the STEP System to be located on the Lots."
 - § 9.4.2 Owner Responsibilities. "Each Owner shall be responsible for all costs related to the installation, operation, maintenance, repair and replacement of the portion of the STEP System or any septic system on the Owner's Lot."

History: The COA established a "Septic Tank Effluent Pumping" ('STEP') collection system using recirculating gravel filters (RDF) for treatment of waste effluent within the development. The system is located off Sahhali Drive east of the mailbox gazebo. A STEP System is a community system and requires septic tank(s) at each house. Instead of a drain field to treat the effluent near the house, community drain fields are used with gravel filters or other similar small treatment plants at the end ofthe pipeline. Small pumps in each septic tank are all the force needed to move the effluent to the treatment plants located in community parks. The Sahhali Shores at Neskowin COA system, located on the west side of the development in an area commonly called 'The Saddle', has sufficient capacity to serve up to 42 of the 93 Sahhali Shores lots during periods of full-time occupancy, but assumes the daily household discharge will not exceed the gallons per day (gpd) design capacity described below. Currently, 38 houses are connected to the STEP, and only a few are 'full time' residences.

The COA has a second STEP system, a more modern Orenco AdvanTex textile filter system, located to the southeast side of the development that is currently deactivated. It will be activated when overall system demand warrants. This system had capacity for up to 51 lots.

Additionally, the COA granted waivers to selected lots for installation of stand-alone septic systems. Currently four lots have installed stand-alone systems. However, Oregon Administrative Rule (OAR) 340-71-0160 (4) requires that when a Community System is available all new construction must hook up to the Community System. Therefore, DEQ will not allow any new stand-alone systems in the development. All future construction will be required to hook to one of the two STEP systems, as determined by the STEP designer.

The design specifications of the on-lot portions of the STEP system rely on timed-flows. The on-lot system pumps that pump effluent into the common system are calibrated to pump an average of 225 gallons per lot per day, with a maximum 'burst rate' of 300 gallons per day. Most lots have 'surge capacity' of about 700 gallons, allowing short periods (likely no more than a few days) of excessive effluent generation. These maximums were a requisite for the Oregon DEQ to grant the original system permit. These design specifications assume that an average effluent production is considered 50-75 gallons/per person/per day;

hence, residents must exercise a conservative usage of water when more than three or four persons are in residence. Each lot has an 'intelligent' alarm system that records out-of-tolerance or 'alarm' events, including effluent levels and flows which exceed the design specifications for the STEP system on each lot.

Tillamook County maintains a contract with the Oregon DEQ which enables personnel employed by the Tillamook County Community Development Department, On-Site Sanitation Division to administer and regulate the State mandated requirements for the installation, repair, and testing of septic systems. The COA works with Septic Technologies, Inc. Portland, Oregon, (the 'septic contractor') to perform necessary quarterly sampling of the system and of adjacent wet-lands for required DEQ reporting.

Like public sewage systems, septic systems depend upon good organic health for proper functioning. However, unlike public sewage systems, septic systems require a higher level of maintenance, generally can handle lesser effluent flows, and will not tolerate caustic or other non-effluent substances introduced into them without seriously compromising the integrity of the system. The Board has the responsibility to ensure the financial and legal well-being of the Association and to ensure all Association members are treated fairly under the rules and directives of the COA. The COA can provide guidelines on proper care of the on-lot portion of septic systems, and may adopt rules regulating the use of those systems and providing for monetary fines within that regulatory structure.

The COA has the legal responsibility to ensure the septic systems installed within the development, both STEP and stand-alone, are at all times compliant with all State of Oregon, DEQ and Tillamook County regulations. Toward this objective, the Board has arranged with the Association septic contractor to conduct annual inspections of all on-lot portions of the STEP system. Such inspections will be at COA expense. Further, the Board has mandates that stand-alone systems be inspected at a frequency determined by the septic contractor. The cost of these inspections will be borne by the lot-owner. The lot-owner will be required to have any maintenance or repairs identified by the contractor completed in a timely manner at the lot-owners expense.

The Board of Directors, upon exhaustive consultation with legal counsel, Gary Artman of the DEQ, and John Smits, the STEP system designer, believes the following proposed regulations to be consistent with Oregon statutes and administrative rulings, and DEQ/Tillamook County requirements pertaining to septic systems, and the Sahhali Shores COA CC&Rs.

On-lot Septic & STEP Regulations

- *Installation approval.* All on-lot septic installations or modifications must be approved by the Architectural Review Board (~) prior to implementation. The COA retains Smits & Associates, Inc. to approve all designs and to supervise and inspect all installations, regardless if this firm conducts the actual design and installation of the on-lot components.
- *Septic system type.* Only STEP systems hooked into the COA common system will be approved from this date forward. Exceptions will be granted by the ARB only under strict circumstances where a STEP connection is impractical and where allowed by DEQ regulations.
- *Assessment type.* When a lot-owner that is currently paying the non-STEP assessment rate obtains an occupancy permit for the completed house with an installed STEP system, that lot will commence paying the STEP assessment rate. Upon sale of a undeveloped lot currently paying the non-STEP assessment rate, the new owner will commence paying the STEP assessment rate at the time of closing.
- *Inspection & repair requirements of STEP lots.* The COA retains the right to conduct periodic inspections, generally annually, of the on-lot portions of individual STEP systems. This inspection will be conducted by a COA approved contractor (currently Septic Technologies, Inc.) and will be done at no additional expense to the lot owner. All maintenance and repairs identified by the contractor must be completed in a timely fashion, not to exceed 30 days, at the lot-owner's expense.
- *Routine on-lot STEP system maintenance.* Any routine maintenance to the on-lot portion of the STEP system, with the exception of tank-pumping, must be approved by the COA contractor prior to commencement of maintenance.
- *On-lot STEP tank-pumping.* Lot owners may have their tanks pumped at their own expense by any licensed septic system provider. A report of the pumping must be provided to the COA contractor within two weeks of the pumping.
- *Non-STEP septic system inspections.* The COA reserves the right to have stand-alone septic systems in the development inspected at a frequency determined by the COA contractor. The cost of

such inspections will be borne by the lot owner. Any maintenance or repairs deemed necessary by the contractor must be accomplished in a timely fashion within 30 days and are subject to inspection by the COA contractor.

- *Usage limitations.* As per the DEQ permit authorizing use of the COA septic system, lotowners are restricted to an average monthly effluent outflow to the common portions of the STEP system of 225 gal/day. Average monthly flows in excess of this value will be penalized. (NOTE: individual on-lot systems are restricted to a maximum outflow of 300 gal/day; this limit is set by the outflow pumps themselves).
- *Manipulation of on-lot control panels.* The control panel for the on-lot portion of the STEP system may not be manipulated, or manually over-ridden, by an owner, the owner's guests, licensees or lessees, except to temporarily silence an audible alarm. Any unauthorized interference with the scheduled operation of the on-lot portion of the STEP system, including its controls and alarm system will be fined according to a schedule adopted by the Board, initially set forth in this document.
- *Septic overflows.* Owners may not permit septic overflows on their lots or common property due to over-use. Excessive effluent flows can cause the on-lot surge tank to overflow. Any such occurrences will be fined according to a schedule adopted by the Board, initially set forth in this document.
- *STEP alarms.* Each STEP lot has an audible alarm built into the on-lot control panel. These alarms were originally installed on the exterior of the house. Lots deemed to be 'frequent offenders', as defined in the Penalty Provisions below, will be required, at lot-owner expense, to install an additional alarm, connected to the original, within the living spaces of the house.
- ***Silencing of audible alarms.*** Each on-lot control panel has an audible alarm that will activate for a variety of reasons related to abnormal operation of the on-lot portion of the STEP system. These audible alarms can be temporarily silenced. Anyone silencing an alarm must contact the authorized person and report the incident within 12 hours of the incident causing the alarm. The **authorized persons for an owner to make any such report** and the order of making notification is:
 1. the COA on-site contractor rep, **Steve Rose** at 541-974-5350. IF NOT REACHABLE,
 2. the COA Board Septic Coordinator (currently the Association President, Joyce Grant, at (503-801-3666), or (541-764-3323). IF NOT REACHABLE,
 3. the COA Secretary (currently Hathaway Cornelius, at (541-921-4792) or (520-404-2523).

Penalty Provisions for septic and STEP systems

- STEP system capacity violations (generating high-level alarms due to generation of excess flow) will be penalized based on the frequency of the penalties within a violation period. The first occurrence within a violation period will be penalized an amount of (IX Published Nightly Rental Rate[NOTE1] + \$100 + contractor fee[NOTE2]). The second occurrence within a violation period will be penalized an amount of ([2X Published Nightly Rental Rate[NOTE1]] + \$100 + contractor fee[NOTE2]). Each subsequent occurrence within a violation period will be penalized at an incrementing multiple of published rental rate. 'Occurrence' is defined to mean a STEP system alarm initiated because of excess demand caused by the use of the improvements on a lot. A 'violation period' will be considered twenty-four (24) hours from the initial time of violation; i.e., if the house remains in violation twenty-four (24) hours after the initiation of the current violation, another violation is recorded, OR, if another violation is incurred subsequent to twenty-four (24) hours or more after the current violation.
- An absence of further capacity violations for a period of ninety days from the time of the last such violation will re-set the clock, and any further violations will start a new incrementing cycle from (IX Published Nightly Rental Rate).
- Any occurrence causing an overflow from the on-lot surge/dosing tank(s) onto the surrounding ground will be penalized (\$2,000 + contractor fee[NOTE2]).
- Any tampering or manipulation of on-lot control panels (as defined above) with the on-lot STEP control unit will be penalized (\$2,000 + contractor fee[NOTE2]+cost of repair of the control unit).
- Any use by STEP or Non-STEP lots that create incidents leading to DEQ involvement or fines assessed against the COA will be penalized an amount equal to an amount necessary to pay any fines assessed against the COA by the DEQ, plus the recovery of any legal fees and costs associated with incident.

- Repetitive violations of these septic regulations can lead to the Board denying the house owner access to the 'common areas' of the development, specifically, the common portions of the STEP system. Repetitive violations means three violations in 90 days or four in a 180 day period.

NOTES:

- (1) The Published Nightly Rental Rate will be that determined for lot-owners who have registered with Tillamook County as short-term rentals (see Tillamook County Ordinance #69) according to the highest rate listed with local rental agencies or on web-sites identifying the lot. This rate applies regardless of the actual occupants of the house at the time of violation; i.e., an owner or non-paying guest of a rental-registered house will be treated the same as renters of that property would be. The rental-rate provisions will remain in place until the Association Secretary is notified the house is no longer on the rental market.

Non-registered houses will be considered to have a 'rental rate' of \$250/night, based on the 'fair market rental value' of homes in the development.

- (2) Contractor Fee. The Board of Directors will contract with, or hire **as** needed, septic contractors to evaluate potential septic violations, and any other licensed contractor necessary to inspect, maintain or repair any portion of the STEP or non-STEP systems. Any such contractor's fee will be the fee billed by the contractor. The Board will endeavor to utilize local contractors to minimize associated travel costs.