

**Arch Cape Domestic Water Supply Board Meeting**  
**Meeting Minutes**  
**April 20, 2023**

Pursuant to notice posted, a budget meeting of the Budget Committee for the Arch Cape Domestic Water and Sanitary Boards was held at the Arch Cape Fire Hall in Arch Cape, Oregon.

Present: Nadia Gardner, President of Domestic Water Board, Chris Mastrandrea, Casey Short, Dan Seifer, Thomas Mattia, Buffy Simmons, Lauren Ahlgren Mike Wodtke, Steve Hill Staff: Matt Gardner, District Manager and Teri Fladstol, Admin Darr Tindall, President of Sanitary Board, Excused: Heather Newman, Linda Lapp Murray and Jay Blake

Meeting called to Order at 6:00 pm by Nadia Gardner.

Public Comments: No comments.

Agenda: Motion made by Dan Seifer to move up the Arch Cape Forest items VII to Old Business, section A. Second by Chris Mastrandrea. Call to question, motion carried.

Consent Agenda: Motion by Dan Seifer to accept the consent agenda, second by Chris Mastrandrea. Call to question, motion carried.

Old Business:

Arch Cape Forest – Ben Hayes reported on status on the adopted plans that were submitted to the Oregon Department of Forestry. With the preliminary review, we did integrate their recommendations and there has been no issues. In terms of work that was proposed in the plan, it was submitted to this board in January. There is a change being proposed by memo, and the memo was sent to you. Overview of the memo, there was a commercial thinning and road maintenance set of contracts, we received bids on those and the information is in your packet, briefly reviewed bids and recommendations included in the Board packets. Ben recommended an increase from \$20,000 to \$50,000 so we can do the road work needed during the dry season (edit to the memo). Thinning could start by 5/15 – needs to be completed by December 31, 2023 had road work could start by 5/15 – has through December of 2024. The Management Committee met on 4/15 and recommended that we award to the low bidder at \$143 per hour and on Road Work awarding to the runner up bidder Warrenton Fiber due to proximity of the contractor. Motion by Dan Seifer to award contracts to the bidders as outlined by the Management Committee and within 10 days thereafter, the President of the Board be authorized to execute the contracts as modified by Ben Hayes' recommendation that the road contract be bumped from \$20,000 to \$50,000.

Call for Second – Chris Mastrandrea stated he did not feel comfortable moving forward until we have solid clarification from Business Oregon that we cannot use those ARPA dollars for infrastructure improvements. It is his understanding that there is an addendum out there that the ARPA grant for the Arch Cape Forest – that the intent was for infrastructure improvements and he does not believe that anyone has had the conversation with them to state that our picture of what we were doing 5 years ago and what we are looking at now in both Districts, and with it having changed, we need to have conversation with Business Oregon to see if we can use any of those dollars to use for the infrastructure improvements that we know are coming. Nadia Gardner stated we could have a special meeting to discuss this but that would affect the schedule, especially, the fire season if we move this off again. Nadia referred to the ARPA contract and it is indicated specifically for the Water District and specifically for the Forest. Chris Mastrandrea asked if anyone had spoken to Business Oregon to confirm that. Ben Hayes stated he talked to them last week and was told that the contract itself is to use the dollars in a different way and both project managers stated no, this is a forest contract only. Ben does not have that in writing as that should be handled by staff and the Board, Chris is in agreement and clarified that is what should take place. Dan Seifer asked about the intent of the quality of the watershed and to protect our water. It would seem that the contracts we are talking about tonight are at \$170,000 (+/-) is only a fraction of the total funds we received. This work needs to be done anyway and this work, outside of amendments to the grant, seems like we should be done to the property we bought to protect the water and then if we are going to have a discussion regarding the grant that doesn't take the place of what we need to do with the property we own.

Chris Mastrandrea stated he understands that, but given the condition of the road for the last 10 years or so, the need to do this is not so pressing that we could not take some time to investigate this further. Nadia Gardner clarified the dollar amounts discussed and asked based on the very small fraction, would Chris Mastrandrea accept that we move forward with this amount and then ask the question on the remaining dollars. Chris Mastrandrea stated he would rather ask the question now – it will not take months and months and months for Business Oregon to tell us. It is a yes or no answer and I think it needs to be phrase, "our District's needs have changed since we have been granted this money and here is what we are faced with (capital improvement projects showing the amount of dollars needed) and we understand that this money was earmarked for the

purposes of being invested into the infrastructure, yes – utilized some for the forest here - some moving from line item to line item w/in construction, would it be possible to utilize some of the ARPA money for the infrastructure. Why would you not want to use those monies earmarked for things just like this, instead of doing rate increases or borrowing more money?

Ben Hayes responded that the thinning work is essential in maintaining the watershed and could be put off a year or two, but it has been heavily deferred and will only continue to get more expensive. Roadwork is not an option, you cannot just abandon a road without litigation because of neighbors who rely on legal access and it is something that as a responsible property owner, you need to do as soon as they can.

Chris Mastrandrea asked if it was a hard pause from everyone, that no, you do not want to pause, you want to move forward, then I am comfortable moving forward with the road portion only. That we know needs to happen and I believe that we can wait a month or two to get an answer and still be able to happen within the dry season but if that is what needs to happen in today's meeting, I would be willing to discuss a revised motion. Darr Tindall asked how much was needed for the water capital improvements and do we have any of that money currently in the budget? Matt Gardner stated that the amount discussed in the budget meeting prior is still being determined based on the work within the budget.

Discussion ensued and it was determined that a conversation with Business Oregon with a yes or no – in writing, [contingent upon the response from Business Oregon on how the funds can be spent] we can move forward with the recommendation of our Forester. If the answer is that we can spend the funds differently, then we bring it back to the table in May. Further clarification with the contract language, 10-day period, making a compelling case to Business Oregon and only moving forward with the road at this time was agreed upon. Chris M clarified that we are all in agreement with the road work, but that the pruning of the forest does not have to happen right now so the urgency is that we cannot wait on the road. Ben Hayes discussed the time already spent by these contractors with small businesses and if delayed; we have to go back thru the bidding process, incurring extra expenses and the possibility that those contractors will be busy with other jobs; asked if there is any way if we can get this answer, can we get these contracts signed in the next 10 days, are you comfortable with that? Chris M asked if we could put something together to contact Business Oregon. Nadia G and Matt G will work together to get this done and pose the question in a manner that is stated as discussed earlier. Chris M stated that if Business Oregon comes back with a yes, those funds can be sent in infrastructure other than just the forest, then he would like to see the Board revisit how those funds are spent. Nadia G pointed out that since we are in the budget process, it makes sense to have that conversation. ***Dan Seifer withdrew his motion on the table and moved that we give Warrenton Fiber notice that they have been awarded the contract to do road work as presented except that it be amended to include the hourly budget of \$50,000.00 instead of \$20,000.00 and the recommendation that the President be authorized to execute a contract to that effect 10 days later AND that unless staff obtains and presents to the President, any written confirmation that the ARPA money can be used for anything other than for the Forest, that we 10 days after date give notice of award to B & B Forestry on the thinning contract as recommended and that 10 days thereafter, the President be authorized to execute the contract.*** Chris Mastrandrea stated, for layman terms, “if Business Oregon comes back within 10 days and says, ‘yes, in fact, you can use these monies elsewhere’, this contract will be null and void.” Dan Seifer stated that it will not be null and void but will have to come back to the Board because the motion does not give the President authorization to execute the contract. ***Chris M seconded the amended motion. Call to vote – Motion Passed unanimously.***

There was further discussion on the state of the roads and the process that would be happening moving forward. Ben Hayes stated the final draft of the assessment of the road quality is due end of May and can be discussed further at that point. Board members were invited to connect with Ben Hayes if they would like to see the status.

Daniel Wear, Project Manager with Sustainable NW discussed access planning and Zoom community meetings that identify the key issues of major access. The next meeting will focus the Hunting Impacts. Saturday, April 22, 2023 at 10:00am, a Town Hall event to discuss the researching the Arch Cape Forest and public access will be hosted at the Fire Hall. The approval of the moving of the Hollis Grant was given by Sustainable NW. Dan Seifer motioned for execution of the transfer of \$90,000 with a signature by the President. Second by Chris Mastrandrea, call to question - motion carried.

Budget Schedule: The next meeting will be on May 2<sup>nd</sup>, by Zoom only and the link will be sent out following tonight's meeting.

Budget Committee Appointment: Carl Matson had applied to be on the Water Budget Committee and since there is a position yet to be filled, and those serving on the Water Budget Committee need to be registered voters, a motion was made by Dan Seifer to appoint Carl Matson and seconded by Chris Mastrandrea. Call to question - motion carried.

Matt Gardner has accepted the position of District Manager and gave a report on status of the search for an Operator.

Board Appointment: Motion was made by Chris Mastrandrea to appoint Tevis Dooley, to the Water District Board, Position 4. Second by Dan Seifer, call to question – motion carried. Tevis was sworn in.

Billing Appeals: We have three appeals that resulted from different issues, leaking toilets, meter exchanges, etc. The three we are considering tonight are: Deborah Pierce, Ulrich Heimerdinger and Michele Maynard. Discussion of the appeals included in the Board Packets and the Policy on our website and the cost to treat the water that is processed through the system.

- Ulrich Heimerdinger – Motion made by Dan Seifer to allow a credit for 3,000 gallons, Second by Chris Mastrandrea, call to question - motion carried.
- Deborah Pierce – Motion made by Dan Seifer to allow appeal, Second by Chris Mastrandrea, call to question – motion carried.
- Michele Maynard – Motion made by Chris Mastrandrea to allow appeal, Second by Dan Seifer, call to question – motion carried.

Staff requested to reevaluate the policy and update the cost to treat (verify if it is the old rate or when it was last updated).

Water Infrastructure Update: Matt Gardner gave an update on the status on the move of the intake further up the creek. Further discussion on the leak and we are working on reading the water movement at the master meter. In your budget we have included a 20% margin of error to cover the unknown. We are now asking the Asbury Creek source water to fully cover the demands of the District. I want to be clear to the public that we have mitigated any sort of water contamination. The ideal situation is that we find the source of this leak before we blow the leak out. If we blow the leak before we find the solution that will create a larger issue. This leak was reported years ago and there has been worked done. We brought in an outside detector and Matt clarified that we have unmetered usage built in. Meaning, we already have an amount of 20% loss. The engineers are involved and it will be the less preferred method. We would go to overnights to section the lines, which we will then be able to see the meter reads for each line. We already have Cannon Beaches leak detection team on sight and they are looking at the low hanging fruit. Leaks are common, standardized is 10-15% loss. Cannon Beach has leak at 100 gallons a minute. You would think they could find that and they are two weeks in and still can't find it. Our leak has been going on for over a year. Chris Mastrandrea asked what confirmation do we have that we have a leak and not multiple leaks? Matt stated that is possible. If it is a number of leaks, it is a consistent leak, I have record of numbers through out the evenings. I have been taking pictures of the master meter readings to be able to provide you with those exact questions.

Accounts Receivable Report: Payments are coming in, status is good.

Staff Report: Manager Report is in the packet, any questions? Chris Mastrandrea asked if we are pulling more water than our permit allows us to and if that is why we moved to the Asbury Creek water source? Matt confirmed that and his conversation with the State of Oregon, Water Master. They have the documents on our situation and we will receive a call back if necessary. The steps we have put in place are exactly what we are supposed to do.

Board Comments: None

May Agenda Items: Leak, Budget Adoption, moving Arch Cape Forest to the beginning of the meeting under Old Business, Leak Policy & Cost to Treat calculation.

Public Comments: Steve Hill shared his appreciation for the work of the Board.

Meeting adjourned at 7:40 – motion by Dan Seifer, seconded by Chris Mastrandrea, call to question – motion passed.

Attest:



Signed:

