

**ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
BOARD OF COMMISSIONERS MEETING**

Thursday November 16, 2023. 6:30 PM (start of combined Water-Sanitary Meeting)

In-Person at Arch Cape Firehouse

[Zoom Link](#)

<https://us02web.zoom.us/j/87369759588?pwd=RFFDRjlzdFgrZFZOaFlxNlZxSndwQT09>

The Board Meeting adheres to a 1.25 hour meeting rule. Meeting discussion will conclude sharply at that time to allow for the last 3 agenda items. Any uncompleted or remaining business will be rolled over until the next monthly Board Meeting.

Combined Meeting with Sanitary District Board (6:30)

- | | |
|---|------------|
| I. Call to Order | Bill |
| II. Conflict of Interest Declarations | Bill |
| III. Water/Sanitary Districts Project Planning (Action) – Pg. 2 | Casey/Bill |
| IV. Update on Information Technology Requirements & Grant (Information) | Dale Mosby |

Domestic Water Supply District Meeting (Immediately Following Combined Meeting)

- | | |
|---|------|
| I. Public Comments | Bill |
| II. Agenda Approval (Action) | Bill |
| III. Accept October Minutes (Action) – Pg. 5 | Bill |
| IV. Financial & Administrative Reporting | |
| A. Accept October Budget & Balance Sheet - Pg. 7 | Bill |
| B. Accept October Payment of Accounts - Pg. 10 | Bill |
| C. Accept Correspondence Requiring No Action | Bill |
| D. Treasurer's Report | Sam |
| E. Review and Standardization of Accounting Practices / Reports - (Action) – Pg. 12 | Bill |
| V. Staff Report and Correspondence for Action - Pg. 13 | Matt |
| VI. Board Members Comments and Report | All |
| VII. Watershed: | |
| A. Updates to Operations & Financial Briefing Document (Information)- Pg. 14 | Bill |
| B. @7:30 – Procurement of Roads / Forestry Services (Action) – Pg. 25 | Bill |
| VII. December Meeting | |
| A. Change Date to December 14 (Action) | Bill |
| B. Agenda Items | |
| * Approve Selected Roads Contractors | |
| IX. Public Comments | Bill |
| X. Adjournment | Bill |

Water-Sanitary Districts Project Planning Topic Description November 16, 2023

Concern

District staff continues to be in “react” mode and may not be able to get ahead of the curve to fix plant and equipment failures, operate the plant, maintain the equipment, comply with state reporting mandates and undertake the projects that are lined up.

Need for Board Consideration

As mentioned in the two Board meetings, Matt has been doing detailed project planning that pertains to the Water and Sanitary Utilities work that needs to be done. Casey, Bill and Tevis have spent some time reviewing his planning and our emerging opinion is that more than 2 staff are required to operate and maintain our 20+ year old plant and equipment along with all of the mandated and capital projects ahead.

Adding District staff will have impact on the financials of the District. As such we think it is prudent and fiduciarily responsible for the Boards to review in depth and discuss the planning document that Matt has developed. Only in that way can we come to informed decisions about the work that is to be undertaken and the costs to rate payers of doing that work.

To that end we are convening a series of Strategic Work Session to review and understand each of the projects identified in the planning document, their priorities, their sequences, and the staff resources required. Since our decisions will impact next year’s budget and long-range plan update, formal decisions need to be made before we begin the budget cycle in the spring.

We are proposing that we hold joint Strategic Work Sessions on a set day and time during the first week of each month to review and understand the nature of the projects. These meetings will be held via Zoom, open to the public, and will last no more than 90 minutes each. We may come to preliminary conclusions in these work sessions, but any final decisions will be made at a regular board meeting at the conclusion of the process.

<<See Utilities Project Plan document>>

Board Objective - Action

The action to be taken at Thursday’s joint Board meeting is to:

- 1) Identify / address any questions about the intent of the draft plan,
- 2) Determine the day of the week and time (during the first week of each month) that these Strategic Work Sessions will be held.

	Priority	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept
Core Operations													
Administration (in addition to current contractor)	High	60	60	60	60	60	60	60	60	60	60	60	60
Compliance / Routines	High	80	80	80	80	80	80	80	80	80	80	80	80
Forest Property Management	Req'd			8	8	8	8	8	8	8	8	8	8
Preventive Maintenance	High	80	80	80	80	80	80	80	80	80	80	80	80
Staff Education / Training (%)	Mandate	16	16	16	16	16	16	16	16	16	16	16	16
TOTAL FTE (Adjusted)		1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Administrative Projects													
Update IT / Computer System	Mandate		16	16	10	10							
Select/implement asset mgmt application	Medium				20	20	10	10	10	10	10	10	10
Building repairs / replacements	Low					8	8	8	8				
Select/implement time recording application	Medium												
TOTAL FTE (Adjusted)		0.0	0.1	0.1	0.2	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1
WD Projects													
Asbury Creek Intake relocation project - Planning	Mandate		4	4	4	4	4						
Inventory of all service lines in district	Mandate			36	36	36	36	36					
Asbury Creek Intake relocation project - Build	Mandate							40	40	40			
Deferred maintenance projects (Priority 1's)	High	40	40	40	40	40	40	40	40	40	40	40	40
Contract with CVP to read meters / billing	High	4	4										
South town water tank - research and development	Medium			10	10	10							
2nd source water supply - research	Low				8	8	8	8					
Inventory parts project - Phase 2	Low							4	4	4			
South town water tank - build out	Low												
Deferred maintenance projects (Priority 2-5)	Low												
Water Management Conservation Plan Update	Low												
Membrane replacements (C.P 2025-26)	Low												
TOTAL FTE (Adjusted)		0.3	0.4	0.7	0.8	0.8	0.7	1.0	0.7	0.7	0.3	0.3	0.3

SD Projects														
Deferred maintenance projects (P 1's)	High		40	40	40	40	40	40	40	40	40	40	40	40
Membrane basin cleaning X2 / equip installs	High		80	80										
Webb Lift Station replacement - Planning	High				8	8	8							
Webb Lift Station replacement - Build	High							40	40	40				
Collection system - repairs (C.P. 2025-26)	High										40	40	40	
Magnesium Hydroxide transfers and billing/CB	Medium		2	2	2									
Mixer and Valve replacement	Medium							24	24					
BioSolids / BioSolids site - rehab or sell research	Low				8	8	8	8	8					
Pre-Membrane Screen Upgrade (C.P. 2024-25)	Low													
Collection system - Assess (TV work)(C.P. 2026-27)	Low													
North Pump Station replacement (C.P. 2028-30)	Low													
Asbury Pump Station replacement (C.P. 2030-32)	Low													
Membrane replacement (C.P. 2028-29)	Low													
TOTAL FTE (Adjusted)			1.0	1.0	0.5	0.4	0.4	0.7	0.9	0.8	0.3	0.6	0.6	0.6
Grant Writing	High													
Water District			4	4	4	4	4	4	4	4	4	4	4	4
Sanitary District			4	4	4	4	4	4	4	4	4	4	4	4
TOTAL Full Time Staff (total hrs / 126.4 hrs per staff)			3.2	3.4	3.2	3.4	3.4	3.5	4.0	3.6	3.0	3.0	3.0	3.0
160 - VAC (8.3)- Hol (5.3)- Sick (4)- Duty (16)														126.4

Legend:

Priority: Determination made based on 1) **RISK** - Magnitude & Likelihood of negative event , 2) **COST** - Ongoing operating cost to maintain viability of system operations.

**ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT BOARD OF
COMMISSIONERS MEETING**
Thursday, October 19, 2023

005

Pursuant to notice posted, the regular monthly Board Meeting for the Arch Cape Domestic Water Board was held in conjunction with the Sanitary District Meeting at the Fire Hall.

In attendance: Water District: Bill Campbell, Chair, Tevis Dooley, Chris Mastrandrea, Bob Cerelli, Sam Garrison; Staff: Matt Gardner, Teri Fladstol, Public.

Water District Meeting called to order by Bill Campbell at 6:02 pm

Conflict of Interest Declarations: None Made

Public Comments: Appreciation noted for October 10th, Rate Payer letter.

Agenda Approval: Motion by Bob Cerelli to accept Agenda with removal of item VII. Utility as Dale Mosby has offered to work with staff to pursue; no contract is needed; Second by Sam Garrison, motion carried.

September Minutes: Motion by Bob Cerelli to accept Minutes as presented, Second by Chris Mastrandrea, motion carried.

Financial & Administrative Reporting: Consensus to accept with note on page 4 regarding item that is over budget by 220% which is actually a Sanitary expenditure and has been removed. Secondly, page 5, 70% over budget is an HMI Control that has a few more items needed but will be within budget. Treasurer reported reconciliation was processed last week.

Staff Report & Correspondence for Action: Matt Gardner gave update on the truck, it is being "chlorine bombed" and is far more common than we realized; it will be processed and back to us soon. We are treading water with regular maintenance and deferred maintenance items. We will continue to look at solutions for staff assistance as we move forward on projects and additional tasks that are required.

Board Reports:

Sam Garrison: Forest Tour with Tevis & Ben Hayes. Effect on washouts and how that affects water quality was interesting.

Chris Mastrandrea: Congratulations to Matt! Appreciation for all the hard work. Asked for clarification on the water testing referred to in Staff report. Matt stated he was pro-active on getting the test going, it was sent to Idaho last week and results are expected in 2-3 weeks.

Bob Cerelli: Appreciation for the knowledge of the groups that are working on the Forest Committees.

Tevis Dooley: Good tour, walked washout area and that was very interesting. No information from Cannon View Park and we will have a quote on siding work that needs to take place at the Sanitary Plant.

Bill Campbell: A. Notable Accomplishments of District Staff (Matt Gardner and Logan Alexander): 1. **Matt gets Level III Certification**: The fantastic news is that we are no longer reliant on Cannon Beach Public Work Department for legal operations of our Sanitary Plant. The Department of Environmental Quality (DEQ) requires a Manager / Operator certified at Level III to sign, each month, a permit that legally allows us to operate the Plant. Over the past 6 months, Cannon Beach Public Works department has taken on the legal responsibility of our District's operations by signing this permit each and every month. During this time. Matt Gardner, on top of everything else like operating the Plants, finding a leak, training a new operator and replacing broken & missing equipment, has been studying to get his Level III certification. On last Friday, Matt sat for the exam, of which 33% fail on the first take. He passed! Huge for him, great for the District and for Cannon Beach. When you see Matt, congratulate him – it was a lot of hard work!

Finance Committee Briefing: Rick Gardner presented assessment and next steps (information) regarding what it will take to manage / operate the Forest, what it is likely to cost and what are the various scenarios for how the District might pay for these costs.

Public Hearing: Comments on Proposed Policy in its entirety – questions around logging, what are universal models for thinning (Bill explained there is not one) and clarification on revenue generation by thinning as outlined in the briefing scenarios. Further discussion on water quality and the impact of movement in the watershed itself and how that impacts our planning/priorities.

Proposed Public Access & Recreation Policy – Part I: Public Comment from several members of the public who have hunted in this area historically and the desire to continue to be able to do so, including discussion on how the hunting community seeks to preserve and teach future generations how to care for the Forest. Would like to continue to be a part of the process moving forward.

Presentation from Paul Atwood regarding predator hunting and what has been a partnership with ODF. Paul explained the regulations regarding Cougar/Bear and how that is monitored and evaluated. In the past 15 years, there have been 4 bear and 1 cougar sighting. Desire is to be pro-active versus re-active in wildlife management and public safety.

November Action Items:

Water District Project Planning – Setting Priorities

Proposed Public Access & Recreation Policy – Part II

NCLC Road Renovation Tour / Summary

Public Comments: Matt Gardner expressed appreciation for the discussions tonight and how important it is to hear from the community.

Motion to adjourn by Bob Cerelli, second by Sam Garrison, meeting adjourned at 7:24 pm.

Submitted by:

Attest:

Teri Fladstol, Secretary
Teri Fladstol, Secretary

W E Campbell III

11:41 PM

Arch Cape Domestic Water District
Balance Sheet
 As of October 31, 2023

11/08/23

Cash Basis

	Oct 31, 23
ASSETS	
Current Assets	
Checking/Savings	
00-1000 · #1196 Main Checking	33,211
01-1100 · Local Gov Pool - Water 5783	296,067
03-1101 · Local Gov Pool - Forest 6469	186,042
Total Checking/Savings	515,320
Total Current Assets	515,320
TOTAL ASSETS	515,320
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2401 · Payroll PERS Liability	800
Total Other Current Liabilities	800
Total Current Liabilities	800
Total Liabilities	800
Equity	
3200 · Retained Earnings	394,333
Net Income	120,187
Total Equity	514,520
TOTAL LIABILITIES & EQUITY	515,320

	Budget	23-Jul	23-Aug	23-Sep	23-Oct	Year to Date	% of Budget	008
Ordinary Income/Expense								
01-4100 · Beginning Balance								
01-4101 · Undesignated Balance	\$ 105,837	\$ -	\$ -	\$ -	\$ -	\$ -	0%	
01-4102 · Capital Reserve	\$ 75,828	\$ -	\$ -	\$ -	\$ -	\$ -	0%	
01-4200 · IGA Income (Sanitary District)	\$ 157,500	\$ -	\$ 9,106	\$ -	\$ 8,890	\$ 17,996	11%	
01-4300 · Interest Income	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	0%	
01-4400 · Cannon View Park Services	\$ 800	\$ -	\$ -	\$ 1,313	\$ -	\$ 1,313	164%	
01-4501 · Meter Hook-Up Fee	\$ 1,400	\$ 700	\$ -	\$ -	\$ -	\$ 700	50%	
01-4601 · User Fees	\$ 201,703	\$ 31,543	\$ 1,957	\$ 23,295	\$ 26,637	\$ 83,431	31%	
01-4604 · Overage/Excess Usage	\$ 17,000	\$ 1,482	\$ 287	\$ 5,379	\$ 6,649	\$ 13,797	81%	
01-4605 · Debt Service	\$ 20,740	\$ 2,973	\$ 204	\$ 2,093	\$ 2,563	\$ 7,833	38%	
01-4751 · LGIP - Dividend	\$ -	\$ 1,244	\$ 1,650	\$ 1,820	\$ 1,999	\$ 6,714	100%	
						\$ -		
02-4550 · SDC Revenue	\$ 13,163	\$ 6,390	\$ 7,281	\$ -	\$ -	\$ 13,671	104%	
						\$ -		
03-4100 · Beginning Balance - Forest Fund	\$ 409,103	\$ -	\$ -	\$ -	\$ -	\$ -	0%	
03-4700 · Miscellaneous Income - Forest F		\$ -	\$ 800	\$ -	\$ -	\$ 800		
03-4751 · LGIP - Dividend - Forest Fund	\$ 14,625	\$ -	\$ -	\$ -	\$ -	\$ -	0%	
03-4800 · Grant Revenue - Forest Fund		\$ -	\$ -	\$ 90,000	\$ -	\$ 90,000		
03-4801 · Business OR - ARPA	\$ 776,626	\$ -	\$ 129,574	\$ -	\$ -	\$ 129,574	17%	
03-4804 · Safe Drinking Water (U22010)	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	0%	
Total Income	\$1,825,325	\$ 44,332	\$ 150,859	\$ 123,900	\$ 46,738	\$ 365,828	20%	
Expense								
01-5000 · Personnel Services								
01-5001 · Wage - District Manager	\$ 80,000	\$ 6,667	\$ 6,667	\$ 6,667	\$ 6,667	\$ 26,667	33%	
01-5002 · Wages - Operator	\$ 55,000	\$ 4,140	\$ 4,534	\$ 4,140	\$ 4,355	\$ 17,168	31%	
01-5003 · Employer Payroll Taxes	\$ 12,500	\$ 1,071	\$ 1,083	\$ 921	\$ 943	\$ 4,018	32%	
01-5004 · PERS Retirement	\$ 35,250	\$ 334	\$ 1,753	\$ -	\$ 584	\$ 2,671	8%	
01-5005 · Medical Insurance	\$ 40,000	\$ 1,570	\$ -	\$ 785	\$ 1,570	\$ 3,924	10%	
01-5006 · Worker's Compensation Insurance	\$ 3,400	\$ -	\$ -	\$ -	\$ (356)	\$ (356)	-11%	
01-6001 · Administrative Services	\$ 44,400	\$ 3,250	\$ 3,200	\$ -	\$ 6,400	\$ 12,850	29%	
01-6002 · Temporary Help	\$ 10,000	\$ 150	\$ -	\$ -	\$ -	\$ 150	2%	
01-6003 · Clothing Allowance	\$ 1,000	\$ -	\$ -	\$ -	\$ 156	\$ 156	16%	
01-6004 · Education	\$ 2,700	\$ 414	\$ -	\$ -	\$ -	\$ 414	15%	
01-6005 · Travel	\$ 1,000	\$ 225	\$ -	\$ -	\$ -	\$ 225	23%	
01-6006 · Office Supplies	\$ 2,300	\$ 50	\$ 146	\$ 221	\$ 40	\$ 457	20%	
01-6007 · Postage	\$ 2,500	\$ 12	\$ 15	\$ -	\$ 580	\$ 607	24%	
01-6008 · Vehicle	\$ 4,000	\$ 217	\$ 286	\$ 288	\$ 2,409	\$ 3,199	80%	

01-6100 · Bank Service Charges		\$ -	\$ -	\$ 10	\$ 10	\$ 20				009
01-6101 · Facilities Use (Santiary)	\$ 3,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
01-6102 · Payroll Administration Service	\$ 500	\$ 40	\$ 40	\$ 40	\$ 40	\$ 160	\$ 160	\$ 160	\$ 160	32%
01-6103 · Liability & Property Insurance	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
01-6104 · Licenses	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
01-6105 · Dues & Taxes	\$ 1,450	\$ -	\$ -	\$ 3,190	\$ (3,116)	\$ 74	\$ 74	\$ 74	\$ 74	5%
01-6106 · Professional Services	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
01-6107 · Auditing Service	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
01-6108 · Legal Services	\$ 9,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
01-6109 · Notices	\$ 700	\$ 138	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138	\$ 138	20%
01-6110 · Utilities	\$ 12,000	\$ 288	\$ 1,194	\$ 674	\$ 791	\$ 2,948	\$ 2,948	\$ 2,948	\$ 2,948	25%
01-6200 · Maintenance										
Asbury Creek Supply Pump	\$ 8,000	\$ -	\$ -	\$ -	\$ 1,873	\$ 1,873	\$ 1,873	\$ 1,873	\$ 1,873	23%
Building R&M	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Hach TU5300	\$ 3,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
HMI Controller	\$ 3,000	\$ 2,101	\$ -	\$ -	\$ 312	\$ 2,413	\$ 2,413	\$ 2,413	\$ 2,413	80%
Skid Filter (Evoqua)	\$ 4,000	\$ -	\$ -	\$ -	\$ 3,220	\$ 3,220	\$ 3,220	\$ 3,220	\$ 3,220	81%
System Leak	\$ 9,000	\$ 679	\$ 902	\$ -	\$ -	\$ 1,581	\$ 1,581	\$ 1,581	\$ 1,581	18%
01-6200 · Maintenance - Other	\$ 35,000	\$ 296	\$ 101	\$ 2,074	\$ 2,673	\$ 5,144	\$ 5,144	\$ 5,144	\$ 5,144	15%
01-6201 · Chemicals	\$ 6,500	\$ 265	\$ -	\$ 3,202	\$ -	\$ 3,467	\$ 3,467	\$ 3,467	\$ 3,467	53%
01-6000 · Materials & Services - Other		\$ -	\$ -	\$ -	\$ 639	\$ 639	\$ 639	\$ 639	\$ 639	
01-7002 · Access Road to WWTP	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
01-7501 · IFA Water Plant Upgrade	\$ 20,772	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
01-8001 · Operating Contingencies	\$ 62,843	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
01-8003 · Undesignated	\$ 3,416	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
02-8001 · Operating Contingencies - Cont	\$ 88,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
03-6751 · LGIP - Service Charge - Forest		\$ -	\$ 2	\$ -	\$ -	\$ 2	\$ 2	\$ 2	\$ 2	
03-6840 · Reimburs Grant Expense - Forest		\$ -	\$ 500	\$ 40,851	\$ 14,687	\$ 56,038	\$ 56,038	\$ 56,038	\$ 56,038	
03-7800 · Business OR - ARPA	\$ 638,899	\$ 500	\$ 180	\$ -	\$ -	\$ 680	\$ 680	\$ 680	\$ 680	0%
03-7801 · Permitting & Planning Fees	\$ 2,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
03-7802 · Forestry Services	\$ 48,258	\$ -	\$ 14,878	\$ 46,557	\$ -	\$ 61,435	\$ 61,435	\$ 61,435	\$ 61,435	127%
03-7803 · Project Management Services	\$ 98,969	\$ 27,533	\$ -	\$ -	\$ 6,125	\$ 33,658	\$ 33,658	\$ 33,658	\$ 33,658	34%
03-8001 · Operating Contingencies - Fores	\$ 421,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
03-8000 · Contingency - Forest Fund - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Total Expense	\$1,825,325	\$ 49,940	\$ 35,480	\$ 109,618	\$ 50,603	\$ 245,641	\$ 245,641	\$ 245,641	\$ 245,641	14%
Net Income	\$ -	\$ (5,608)	\$ 115,379	\$ 14,281	\$ (3,865)	\$ 120,187	\$ 120,187	\$ 120,187	\$ 120,187	100%

Type	Num	Date	Name	Account	Paid Amount
Check	EFT	10/2/2023	CS&S	01-6200 · Maintenance	\$ (83.00)
Check	2124	10/2/2023	Jigsaw Consulting Services	VOID	\$ -
Check	EFT	10/3/2023	CS&S	01-6200 · Maintenance	\$ (83.00)
Check	2132	10/5/2023	A-Boy Electric & Plumbing	01-6200 · Maintenance	\$ (29.58)
Check	2126	10/5/2023	APM	VOID	\$ -
Check	2130	10/5/2023	Cannon Beach Electric	01-6200 Maintenance: Asbury Creek Supply Pump	\$ (1,872.50)
Check	2129	10/5/2023	Consoliated Supply	01-6200 · Maintenance	\$ (596.52)
Check	2131	10/5/2023	Jackson Oil	01-6008 · Vehicle	\$ (219.11)
Check	2131	10/5/2023	Jackson Oil	01-6008 · Vehicle	\$ (219.12)
Check	2127	10/5/2023	One Call Concepts	01-6105 · Dues & Taxes	\$ (74.20)
Check	2125	10/5/2023	Pacific Power	01-6110 · Utilities	\$ (502.79)
Check	2128	10/5/2023	USA BlueBook	01-6200 · Maintenance	\$ (157.56)
Bill Pmt -Check	2133	10/10/2023	CenturyLink	01-6110 · Utilities	\$ (160.30)
Check	EFT	10/10/2023	Englund Marine	01-6003 · Clothing Allowance	\$ (77.95)
Check	EFT	10/10/2023	Englund Marine	01-6003 · Clothing Allowance	\$ (77.95)
Bill Pmt -Check	2135	10/10/2023	Industrial Systems	01-6200 Maintenance: HMI Controller	\$ (312.00)
Bill Pmt -Check	2136	10/10/2023	Jigsaw Consulting Services	01-6007 · Postage	\$ (264.00)
Bill		10/10/2023	SDIS	VOID	\$ -
Bill Pmt -Check	2137	10/10/2023	USA BlueBook	01-6200 · Maintenance	\$ (92.95)
Check	EFT	10/11/2023	Sure Payroll	01-6102 · Payroll Administration Service	\$ (39.99)
Check	EFT	10/12/2023	ODS	01-5005 · Medical Insurance	\$ (392.43)
Check	EFT	10/12/2023	ODS	01-5005 · Medical Insurance	\$ (392.42)
Check	EFT	10/12/2023	Sure Payroll	01-5001 · Wage - District Manager	\$ (1,666.67)
Check	EFT	10/12/2023	Sure Payroll	01-5001 · Wage - District Manager	\$ (1,666.66)
Check	EFT	10/12/2023	Sure Payroll	01-5002 · Wages - Operator	\$ (985.60)
Check	EFT	10/12/2023	Sure Payroll	01-5002 · Wages - Operator	\$ (985.60)
Check	EFT	10/12/2023	Sure Payroll	01-5003 · Employer Payroll Taxes	\$ (225.50)
Check	EFT	10/12/2023	Sure Payroll	01-5003 · Employer Payroll Taxes	\$ (225.50)
Check	EFT	10/12/2023	Sure Payroll	01-2401 · Payroll PERS Liability	\$ 200.00
Check	EFT	10/16/2023	Verizon Wireless	01-6110 · Utilities	\$ (128.28)
Check	EFT	10/17/2023	Amazon.com	01-6006 · Office Supplies	\$ (19.99)
Check	EFT	10/17/2023	Amazon.com	01-6006 · Office Supplies	\$ (19.99)
Check	EFT	10/17/2023	Neptune Benson	01-6200 Maintenance: Skid Filter (Evoqua)	\$ (3,220.46)
Check	EFT	10/19/2023	Cannon Beach Fresh Foods	01-6200 · Maintenance	\$ (2.29)
Check	EFT	10/19/2023	EZ Shipping Drop Off	01-6007 · Postage	\$ (112.33)
Check	2139	10/19/2023	USA BlueBook	01-6200 · Maintenance	\$ (999.91)
Bill Pmt -Check	2143	10/23/2023	Ferguson Waterworks	01-6000 · Materials & Services	\$ (638.72)
Bill Pmt -Check	2143	10/23/2023	Ferguson Waterworks	01-6200 · Maintenance	\$ (628.32)

Check	EFT	10/23/2023	Meiner Detail	01-6008 · Vehicle	\$ (900.00)
Check	EFT	10/23/2023	Meiner Detail	01-6008 · Vehicle	\$ (900.00)
Bill Pmt -Check	2141	10/23/2023	NAPA Auto Parts	01-6008 · Vehicle	\$ (17.38)
Bill Pmt -Check	2141	10/23/2023	NAPA Auto Parts	01-6008 · Vehicle	\$ (17.38)
Check	2140	10/23/2023	Toniann Naylor	01-6008 · Vehicle	\$ (50.00)
Check	2140	10/23/2023	Toniann Naylor	01-6008 · Vehicle	\$ (50.00)
Check	EFT	10/24/2023	Auto Zone	01-6008 · Vehicle	\$ (17.99)
Check	EFT	10/24/2023	Auto Zone	01-6008 · Vehicle	\$ (17.99)
Check	EFT	10/27/2023	PERS	01-5004 · PERS Retirement	\$ (292.17)
Check	EFT	10/27/2023	PERS	01-5004 · PERS Retirement	\$ (292.16)
Check	EFT	10/27/2023	PERS	01-2401 · Payroll PERS Liability	\$ (200.00)
Check		10/31/2023	1st Security Bank	01-6100 · Bank Service Charges	\$ (10.00)
Check	2144	10/31/2023	Jigsaw Consulting Services	01-6001 · Administrative Services	\$ (3,200.00)
Check	EFT	10/31/2023	ODS	01-5005 · Medical Insurance	\$ (392.43)
Check	EFT	10/31/2023	ODS	01-5005 · Medical Insurance	\$ (392.42)
Check	EFT	10/31/2023	Sure Payroll	01-2401 · Payroll PERS Liability	\$ 200.00
Check	EFT	10/31/2023	Sure Payroll	01-5001 · Wage - District Manager	\$ (1,666.67)
Check	EFT	10/31/2023	Sure Payroll	01-5001 · Wage - District Manager	\$ (1,666.66)
Check	EFT	10/31/2023	Sure Payroll	01-5002 · Wages - Operator	\$ (1,191.96)
Check	EFT	10/31/2023	Sure Payroll	01-5002 · Wages - Operator	\$ (1,191.96)
Check	EFT	10/31/2023	Sure Payroll	01-5003 · Employer Payroll Taxes	\$ (245.91)
Check	EFT	10/31/2023	Sure Payroll	01-5003 · Employer Payroll Taxes	\$ (245.91)
Bill Pmt -Check	2134	10/10/2023	D&D Forestry, LLC	03-6840 · Reimburs Grant Expense - Forest	\$(13,687.25)
Check	2144	10/31/2023	Jigsaw Consulting Services	03-6840 · Reimburs Grant Expense - Forest	\$ (500.00)
Check	2138	10/19/2023	Sustainable Northwest	03-7803 · Project Management Services	\$ (6,125.00)

**Review and Standardization of Accounting Practices / Reports Topic Description
November 16, 2023**

Background

For efficiencies, it makes sense to standardize reports across the Sanitary and Water District in a format that takes advantage of Quick Books (which is the accounting application). Also, the Finance Committee have made recommendations for accounting for Forest funds and expenditures. Casey Short has agreed to work with Teri to make these changes on the behalf of the Water District.

Board Objective - Action

The Board's objective at the November meeting is to:

Authorize Casey Short to:

- 1) Work with district staff to assess current financial reports and to standardize the format of the water district financial reports to be consistent with those of the sanitary district, where and as it makes sense.
- 2) To be consistent with Finance Committee recommendations, work with District staff to define a set of practices and reports for appropriately accounting for the receipt and usage of funds for the Forest separately and distinct from those of the Utility.

November 2023 Staff Report

Staff is in react mode: Aside from core operations of the plant, staff's primary attention is focused on reacting to and fixing equipment failures. As time allows, we tackle state mandated compliance projects and Priority 1 projects that are on the deferred maintenance list, but progress on this list is slow. We have almost no time for preventive maintenance on any of the equipment, which has already been neglected for 7 years,

Major accomplishments:

Sanitary

1. Mandated Reporting Requirements: Transitioned the sanitary district's mandatory compliance reporting over to the (long requested) DEQ reporting format.
2. Equipment: All generators have had their annual maintenance for 2023 completed

Water

1. Priority 1 Deferred Maintenance: Pre filter replaced for skid 2 at water plant. In addition, we received a rebuild kit for the worn-out filter and are learning through a series of videos how to rebuild the old unit so we can have it as inventory and ready for the next failure.
2. PFAS testing: EPA-certified lab completed the testing of our drinking water for PFAS chemicals. Non-detected
3. Equipment:
 - a. Pacific Power has reimbursed us for the Asbury pump that failed due to their power surge (as was reported last month). We've ordered the replacement pump.
 - b. All generators have had their annual maintenance for 2023 completed.

The Unexpected:

Equipment Failure - Sanitary

- a. Wasting pump life span ended and failed. Replacement ordered \$\$ (Sanitary)
- b. Magnesium hydroxide motor failed, end of lifespan. Still need to order \$\$ (Sanitary)

In Progress:

Biosolids Mandatory Compliance - Sanitary

Working with DEQ to identify and understand steps that we will need to make for our biosolids work to comply with state regulations. This will become an increasing time demand for staff. (Details will be discussed as part of the project management work sessions)

Updates to Operations & Financial Briefing Document November 16, 2023

Background

- A. Since the last Board Meeting, two things have happened that initiated changes to the Operations and Financial Planning Process document.
- 1) The first of the Community Educational Forums was held and constructive suggestions were made about how to enhance the document.
 - 2) I discovered that I was not as diligent as I should have been. Rather than digging deeply into the financial reports, I assumed that the \$400,000 in donations meant that these donations were money from private individuals with no strings attached. So, in the previous model I added the \$90,000. For other reasons, I dug into the financial reports and realized that the previous Board had included the Hollis grant in the \$400,000 of donations even though it hadn't yet been received. There are only \$300,000 in private donations and \$90,000 in Hollis funds—and the Hollis money cannot be spent on operating expenses. Only the interest from the Hollis money can be spent. Bottom line, the financial picture was overstated \$100,000 which makes a big difference. The updated slides show the true picture.

The updated Briefing document will be used at the Saturday November 18th Community Educational to be held at 10:30 at the Arch Cape Firehouse. (Updates are highlighted in blue)

Attached: Slides that have been updated since the October Board Meeting.

- B. Ideally the community will make donations for a Watershed Endowment Fund. Most likely, contributors will want the donations to be tax deductible. Our legal counsel believes that donations to a public entity are tax deductible and is looking into it to: 1) confirm, and 2) outline the process of if/what we need to provide to contributors so they can declare a deduction.

Board Objective – Information

Arch Cape Forest-Watershed



UPDATED

UPDATED

Near and Long Range Planning: Operational Needs and Payment Options

Briefing to Arch Cape Water District Board
by Watershed Finance Committee
November 4 & 18, 2023

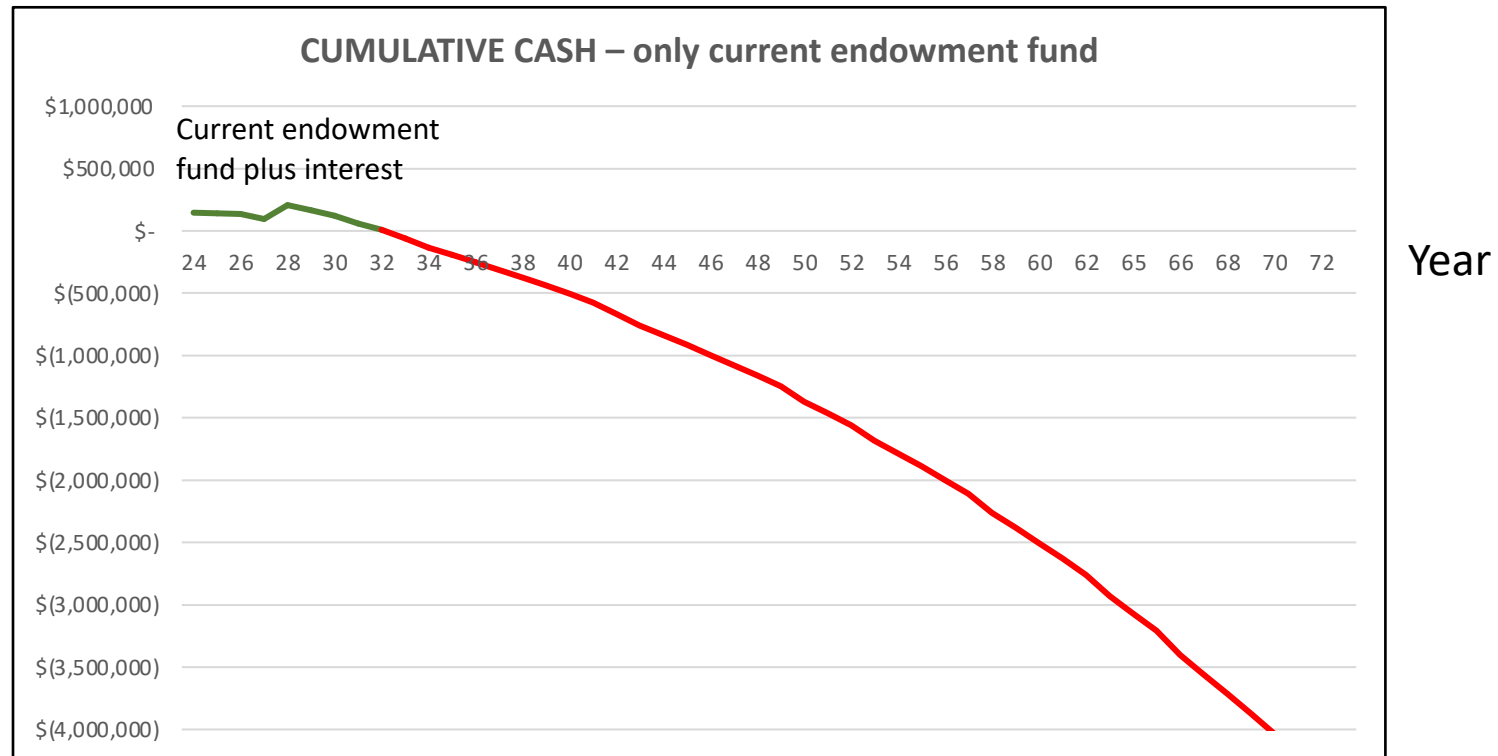
Financial Overview

- **Forest Purchase:** June 2022
 - 1453 Acres: 750 Acres of Source Water Protection Area (SWPA) and 700 acres outside of the SWPA
 - Price: \$4,710,000
 - Funding: Paid for with Federal Grants and Matching Funds
- **Work Underway :** \$1,000,000+ of funded improvements – precommercial thinning & roads system
 - Federal ARPA (COVID) funds, Oregon Clean Drinking Water Fund
 - Funds Must be under Contract by 12-31-2024. Substantially Complete by 09-01-26. Last invoice paid: 12-31-26
 - Use it or Lose it: Any remaining money goes back to Federal Treasury.
- **Ongoing Management and Operations:** *Subject of Today's Discussion*
 - This is the financial responsibility of the Arch Cape Water District
 - There is no previously approved plan for what it will cost or how it will be paid
 - There are currently \$300,000 donations and a Hollis grant to maintain an endowment fund



Cumulative Operating Cash -Projection If no additional revenue

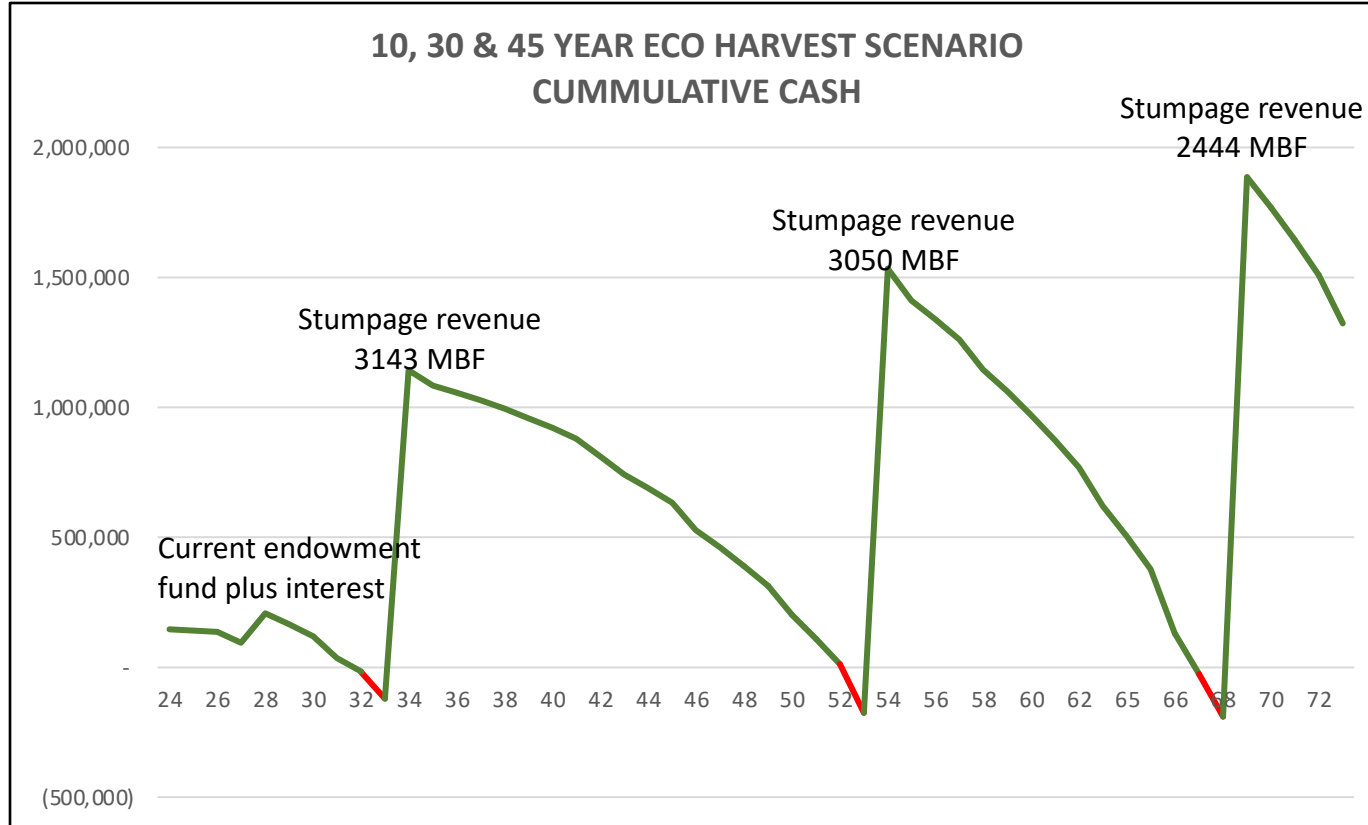
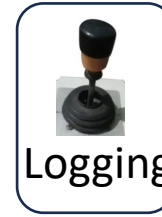
Without any additional revenue, the \$300,000-ish of current contributions will last until 2031. After that, there is likely to be no remaining money to pay for operating costs.




Option 1: Harvest to pay operating costs

Ecological Harvest (Years 10, 30 & 45) across Watershed

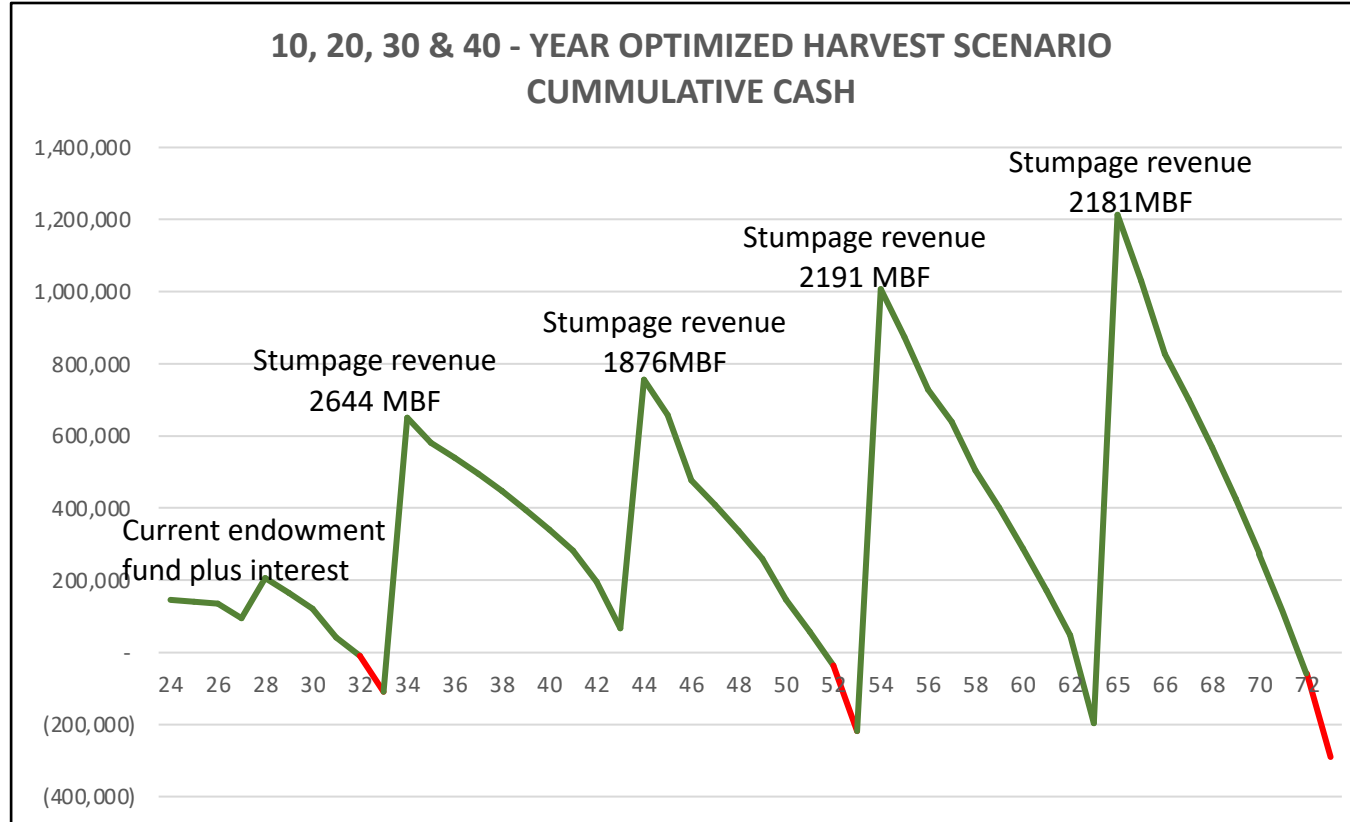
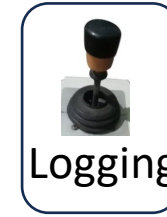
Cumulative Operating Cash



 - Based on current estimate of operating expenses

Year

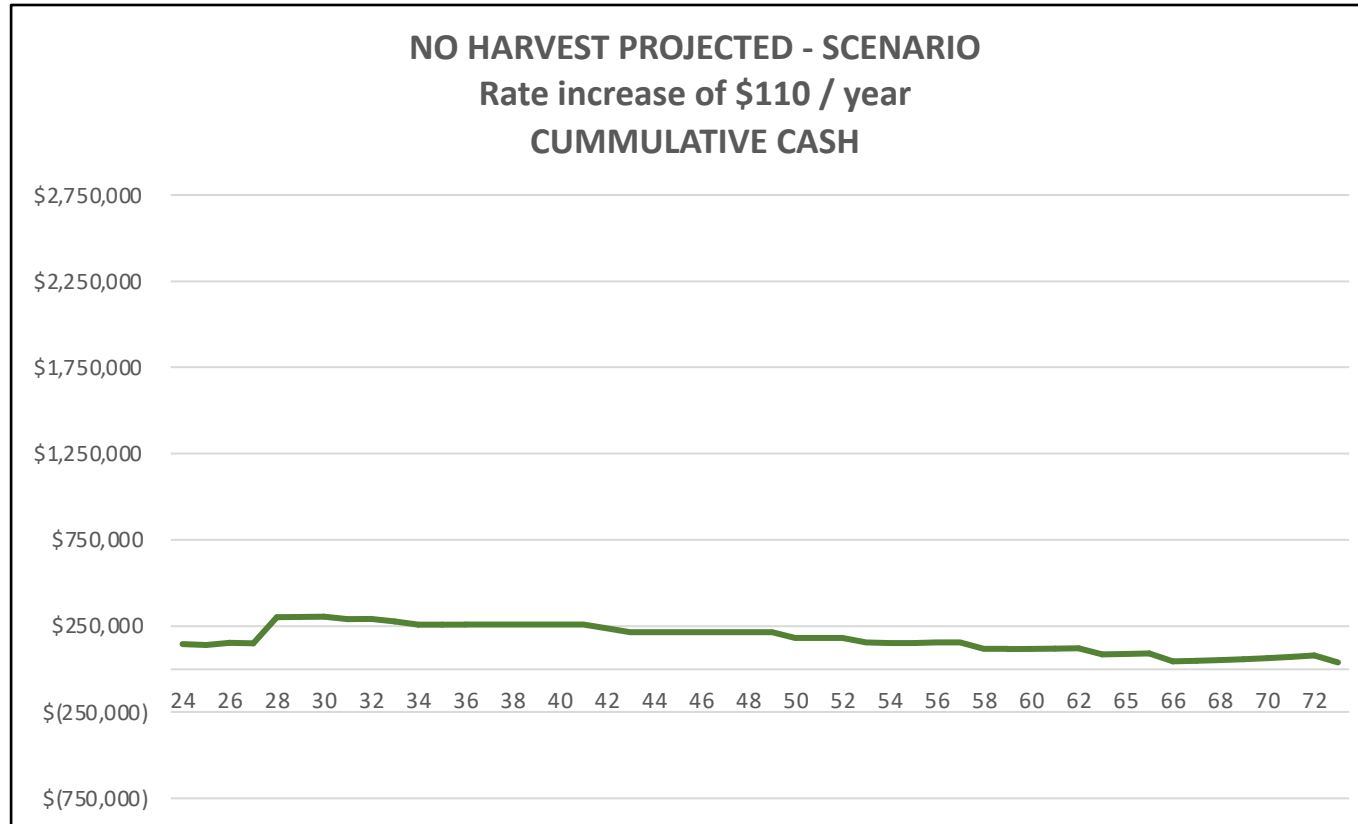
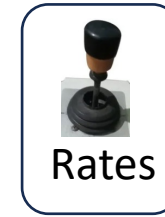
Option 2: Harvest to pay operating costs
Optimized Harvest (Years 10, 20, 30 & 40) outside SWPA
Cumulative Operating Cash



- Based on current estimate of operating expenses

Year

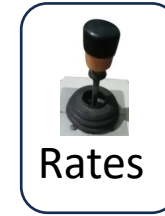
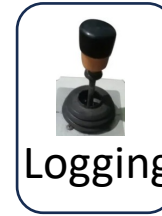
Option 3: Rate Increase to pay operating costs
Rate increase of \$110 / year starting in July 2025
Cumulative Operating Cash



- Based on current estimate of operating expenses
- Rate increases would need **to start in July 2025** to maintain this funding level
- If rate increases become too burdensome for ratepayers, they can be replace with logging.

- Rate increases start with 306 hookups (per ACWD long range budget)
- Hookups increase by 2 each year (per ACWD long range budget)
- 3% annual inflation in rate amount

Option 4: Harvest + Rates to pay operating costs
Ecological Harvest (Years X, Y & Z) outside SWPA
Cumulative Operating Cash

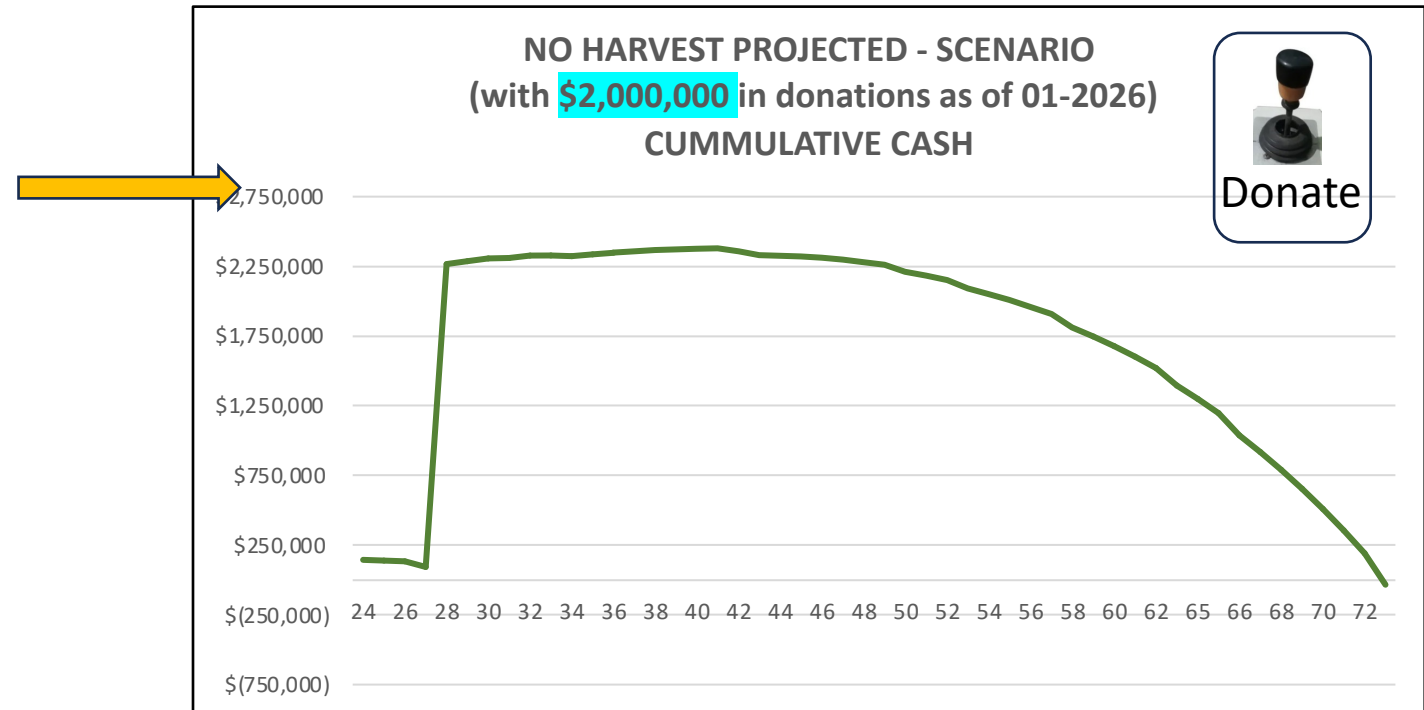


Alternative Revenue Possibilities

Donations: To the extent that donations are received, they push out the need to log / raise rates --- or they could eliminate those needs entirely. **If donations are to be pursued, the Community needs to put a process in place to raise them. Not in scope of Board.**

Grants: It may be possible to get grants, however our general understanding is that grants do not typically cover operating costs. Likely would require some amount of work to be done – like thinning of roads. There would be additional costs to research, apply for and manage grants.

Levies: A levy is an alternative to rate increases, but the effect on rate payers and/or owners will be about the same. If the levy doesn't pass, then rate increases will be required. There are also costs to get a levy on the ballot.



Payment Option Decision Timeframes

- Review and updating of the operations and financial plan will be formalized as part of the budget process that happens each spring. Payment Option decision timeframes will be assessed each year.
- Based upon what is currently known, payment option decision timeframes are below.
 - **January-February 2025:**

If rate increases are to be the payment method (and no additional donations have been received) a decision needs to be made in 1Q2025 so that rate increase can take effect in July 2025
 - **January 2026:**

\$2,000,000 in additional donations need to be received by January 2026 to eliminate the future need to logging or rate increases.
 - **January 2030:**

If logging is to be the payment method (and no additional donations have been received) a decision needs to be made in 1Q2030 to begin to evaluate optimal timing for logging event to maximize price.

FAQ

1) Other than pre-commercial thinning - is there any other logging that should be done for the “health” of the forest?

Hayes: 10-15 from now a variable retention harvest of hemlock stands, inside and outside of the source water protection area, would provide greater resilience for the forest and species diversity – (due to hemlock mortality, cedar die off) This is included in Ecological Harvest Option.

2) Can logging be done more frequently than every 20 years?

Hayes: Optimum harvesting for this property is when timber volume to be harvest in a given year is between 750,000 board feet and 1,000,000 board feet (MBF). The cost/benefit is better at 1 MBF but big production loggers may not protect the source water and the roads usage is more destructive.

**Procurement of Road of Forestry and Roads Services Topic Description
November 16, 2023**

Background

The District is now in the process of procuring services for roads construction and for forestry consultation to replace Springboard Consulting. Three procurements will need to be made over the next several months.

- 1) **Springboard's Contract needs to be amended** to account for tasks that fall within the original scope of work but are beyond the anticipated quantity of work provided in the initial project estimate. This work is anticipated to be completed by February 28, 2024.

Business Oregon has approved the Amendment, which will be funded by ARPA.

Attached: Amendment to Springboard's Contract with tasks and rates.

- 2) **A Roads Contractor need to be engaged** to complete the roads work outlined in the Ecological Roads Assessment and depicted in the attached Road Map. The work is targeted to be done in the Spring -Summer of 2024 and 2025 and 2026 if necessary. This work is projected to cost up to \$575,000.

Due to amount of this contract, state statutes require that this project be posted and awarded to the lowest bidder. However, via a Resolution, the District can exempt the project from these requirements and utilities an alternative Request for Proposal (RFP) process.

Business Oregon has approved the RFP, which will be funded by ARPA

Attached: 2024 Roads Map, Resolution to use an RFP process

- 3) **A Consulting Forester need to be engaged** to continue the forestry consulting work that Ben has been doing and to do Roads Contract Management during roads construction. At the completion of the roads construction, the Consulting Forester will only provide Forestry Services as identified as part of the Operations and Financial Planning process.

This person will be funded by ARPA through the roads construction.

No action is to be taken on this at this Board Meeting.

Attached: Graphic showing the Procurement and Contract Management Work that is underway

Board Objective - Action

The Board's objective at the November meeting is to:

1. Authorize the President of the Board to sign the Amendment to the Springboard Contract
2. Authorize the President of the Board to approve and adopt the Resolution

EXHIBIT 3

AMENDMENT #1

This Amendment #1 is made by Arch Cape Domestic Water Supply District ("AC DWSD") and Springboard Forestry LLC (the 'Contractor'), to the Professional Services Agreement dated May 1, 2022.

The following section of the Original Agreement are amended as follows:

A. Contract Term

This SOW is anticipated to be completed by February 28, 2024. Any payments made past March 1, 2024, should be paid with electronic funds transfer or bank transfer (available through the Springboard Quickbooks invoicing system).

B. Statement of Work (SOW)

This is an additional Statement of Work as provided for in the original agreement under the Services section: *Consultant shall provide to Customer the services (the "Services") set out in one or more statements of work (each, a "Statement of Work" or "SOW"). The initial accepted SOW is attached hereto as Exhibit A. Additional SOW may be entered into between the parties.*

The duties to be completed under the D. Tasks below fall within the original scope of work but are beyond the anticipated quantity of work provided in the initial project estimate.

C. Compensation

AC DWSD will compensate Contractor for the service on a time and materials basis at a not-to-exceed amount of \$136,000.00 (an increase of \$38,000) at a rate of \$145 per hour plus reimbursement for travel and material expenses, as specified in compensation Schedule "E" below.

D. Tasks

1. Procurement & Contract Management:

- a. Assist the President of the Arch Cape Water District Board and Legal Counsel in the public procurement and contracting process for a Roads Contractor.
- b. Develop a Statement of Work (ODF Specifications) for a Roads Contractor that will be included in the final contract.

- c. Submit ODF NOAP (permit) required for the Roads Contractor Statement of Work
- d. Assist the President of the Arch Cape Water District Board and Legal Counsel in the public procurement and contracting process for a Forestry Consultant. Until the effective date of a contract with a Forestry Consultant, manage the contract with the Roads Contractor. Management of the Roads Contractor contract may be subcontracted to an individual or individuals.
- e. Coordinate a shared understanding of the Statement of Work between the Forestry Consultant and the Roads Contractor.

2. Project Management

- a. Assist the President of the Arch Cape Water District Board working with the Forest Management Committee to develop identified Policies for operations of the Forest
- b. Complete additional growth and yield modeling for the Arch Cape Forest as requested by the Finance Committee.
- c. Other tasks as identified by the Arch Cape Water District Board

3. Roads Construction

- a. Work with identified member(s) of the Arch Cape Water District Board and North Coast Land Conservancy (NCLC) to develop a coordination schedule for road construction
- b. Manage the contract with Warrenton Fiber to rock and stabilize the Shingle Mill for a Fire Tender to access to the Forest.

E. Compensation Schedule

- Standard Forestry Consulting: \$145 / Hr
- GIS / Financial Analyst: \$125 / Hr
- Mileage: 75c / mile
- Mileage while towing: \$1.50 / mile
- ATV / Snowmobile use: \$95 / day
- UTV use: \$175 / day
- Materials: Cost + 20%

SIGNATURES

Springboard Forestry LLC

Arch Cape Domestic Water Supply District

By: Benjamin Hayes

By: _____

Name: Benjamin Hayes

Name: _____

Title: Managing Member

Title: _____

Date: 11/9/2023

Date: _____

Procurement & Contract Management

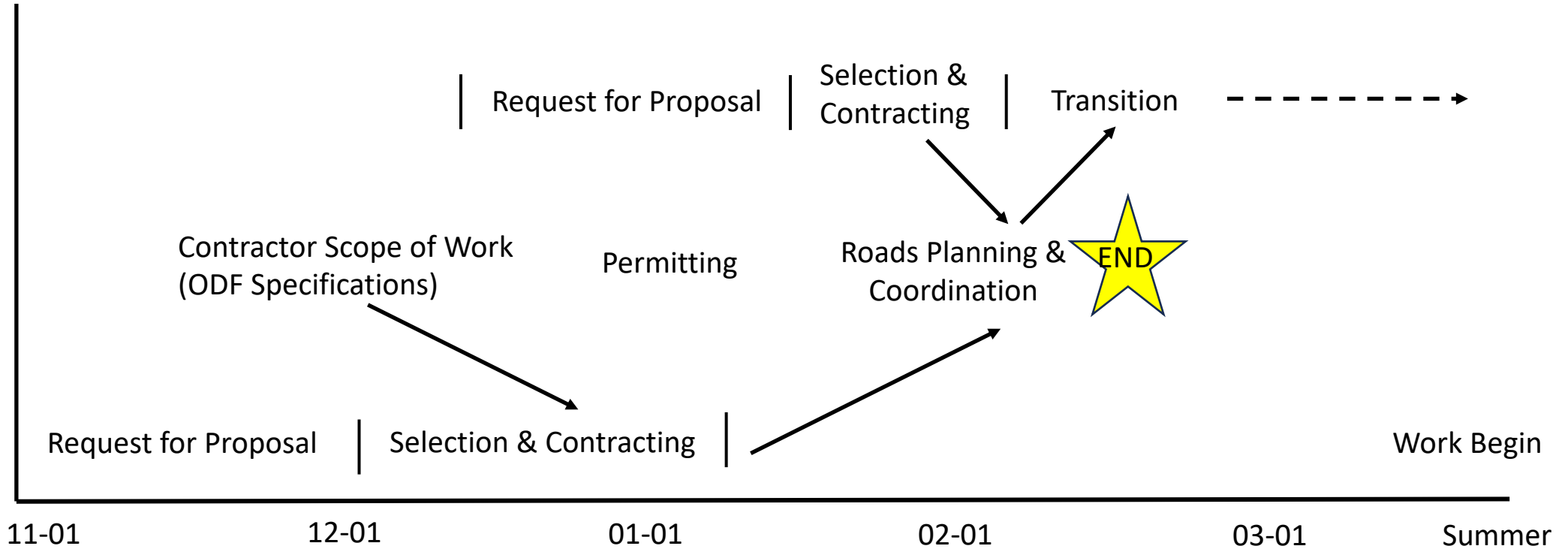
The People

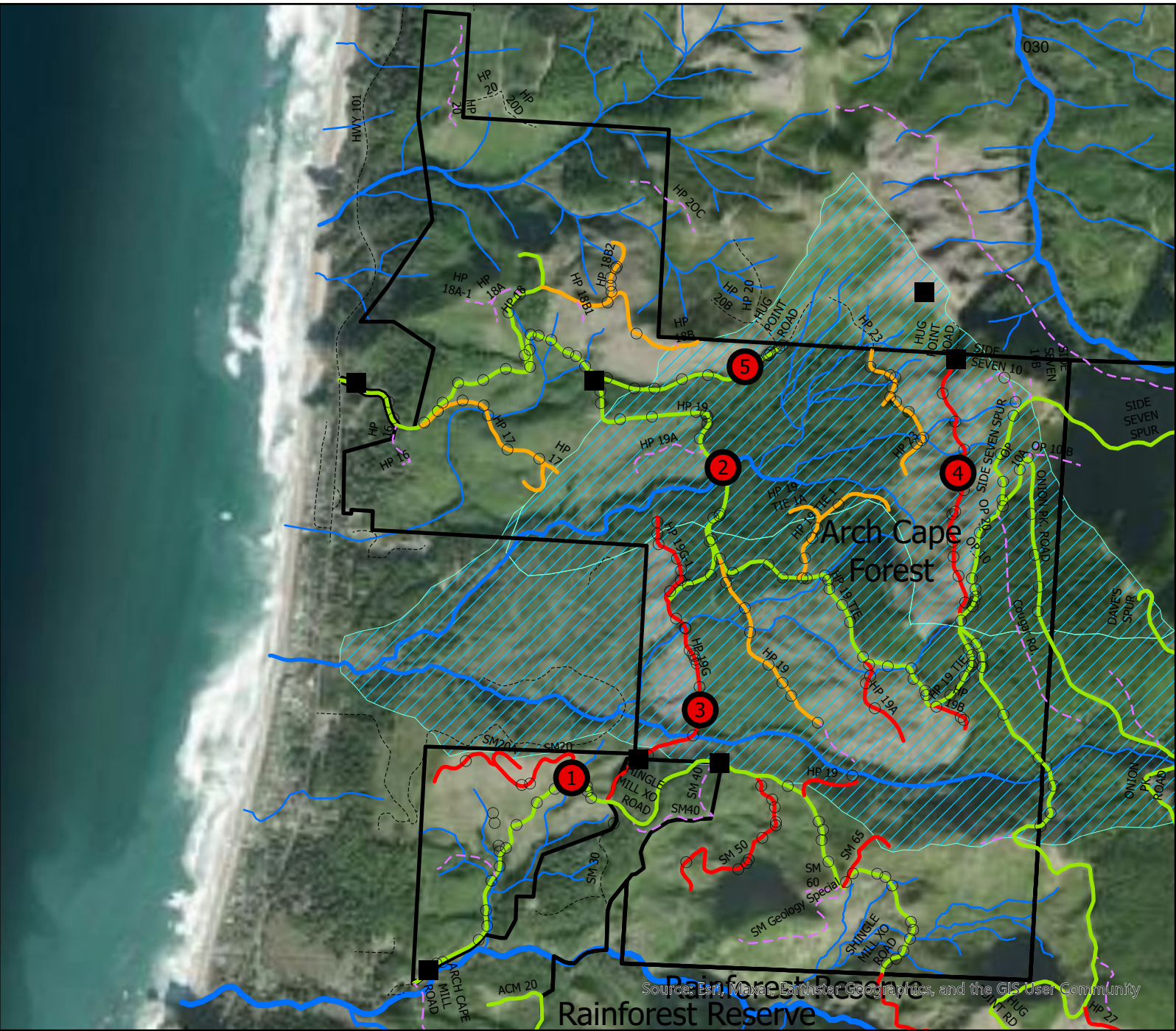
The Work

- Consulting Forester / Roads Contract Mgr.

- Springboard (Ben)

- Roads Contractor





Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community

Arch Cape Forest : Road Maint. Plan



- | | | |
|---------------------|--------------------|---------------------|
| ○ ACF_Culverts | Medium | Decommission |
| ■ Gates | Small | Decommission 2 |
| ▨ DWSA | Unknown | Maintain |
| ▭ Property Boundary | <all other values> | <all other values> |
| Fpa Size | Maintenance Class | ▭ RainforestReserve |
| Large | Abandon | ● Road Projects |

GN



ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
RESOLUTION 23-11____
A RESOLUTION ADOPTING FINDINGS ALLOWING AN EXEMPTION FROM COMPETITIVE
BIDDING REQUIREMENTS.

WHEREAS, this matter came before the Board of Directors for the Arch Cape Domestic Water Supply District for public hearing on November 16, 2023 to consider a recommendation of the District's Consulting Forester to exempt an agreement for the design and construction of certain forest roads ("the Project") from requirements for competitive bidding under ORS Chapter 279C and the District's Public Contracting Rules (Resolution 16-01 WD), and to utilize an alternative competitive solicitation process in order to allow the District to pursue a Request for Proposals process to select a General Contractor for the Project.

WHEREAS notice of this hearing was published in the Portland Daily Journal of Commerce on October 30, 2023 pursuant to the requirements of ORS 279C.335(5)(b) and District Resolution 16-01.

WHEREAS the Project, involving the maintenance, decommissioning, and removal of forest roads within the District watershed, requires a contractor able to protect that resource.

WHEREAS the Board finds it important to employ a General Contractor with the ability to work collaboratively with the Board and with significant experience in forest road design, construction and permitting in the North Oregon coastal region.

WHEREAS the selection of a General Contractor with these qualifications is unlikely to encourage favoritism in awarding public improvement contracts or substantially diminish competition for public improvement contracts and is expected to result in substantial cost savings and other substantial benefits to the District.

NOW THEREFORE the District Board of Directors resolves as follows:

- 1) The Board exempts the Project from requirements for competitive bidding under ORS Chapter 279C and Ord 16-01.
- 2) The District may utilize an alternative competitive solicitation process and pursue a Request for Proposals process to select a General Contractor for the Project.

APPROVED AND ADOPTED ON _____ 2023.

President

ATTEST: _____