

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT DRAFT MINUTES

12 February 2016

A quorum was present.

Water Board: Virginia Birkby, President
Rick Gardner, Vice-President
Debra Birkby, Treasurer
Ron Schiffman
Dan Seifer

Sanitary Board: Darr Tindall (non-voting)
Gigi Selberg (non-voting)
Casey Short (non-voting)

Public: Mike Manzulli
Rainmar Bartl
Katie Voelke
David & Jeannie Stockton

Staff: Phil Chick, District Manager
Steve Hill, Secretary

Ms. Virginia Birkby called the meeting to order at 6:02pm.

Public Comments: None.

Agenda: Mr. Seifer moved acceptance of the agenda which was seconded by Mr. Gardner. All in favor.

Consent Agenda: Mr. Seifer moved acceptance of the consent agenda which was seconded by Mr. Gardner. All in favor.

Old Business:

Plant Operator Position: Mr. Chick said we were currently recruiting for the open Plant Operator position which would remain open until February 26, 2016. Randy Cruse had resigned effective January 31, 2016. He thought we would have someone at the district by March 1st but would be obtaining temporary help from Cannon Beach as well as from Will Claflin through Seaside Temps. Mr. Claflin would not be operating district vehicles.

Mr. Gardner indicated that a family member would be applying for the open operator position and that he would be recusing himself from the entire hiring process. Mr. Seifer said he was satisfied with Mr. Gardner's statement. Ms. Tindall and Ms. Debra Birkby volunteered to work with Mr. Chick in reviewing candidates.

Emergency Preparedness Update: Mr. Gardner said that Cannon Beach was using generator powered pumps to create potable water in real time in place of tanks which hadn't worked out as well. He said that he would obtain more information for the board and that he would inquire about what emergency preparedness measures they were taking for sanitary as well.

Watershed Update: Mr. Rainmar Bartl addressed the board in response to a request from Mr. Schiffman to make a presentation on watershed preservation. He said that he had lived in the area for forty years and had been a city planner for Cannon Beach for thirty years. During that time the city had developed Ecola Creek as an alternate water source with treatment. He reported that the Ecola watershed had approximately 13,000 acres and Arch Cape's watershed amounted to approximately 12,000 acres. Northwest Land Conservancy had been particularly helpful in Cannon Beach's effort to acquire and protect its watershed through broad based community donations and support. The final step in their effort was through the petition to the voters in 2009 for a \$2.6M bond measure which passed. He felt that they had met their mission of providing high quality, reliable water service to the community at a reasonable price and feels the situation would be far different if they had no control over their watershed.

Mr. Bartl recommended having good communication with neighboring watershed property owners. He listed a number of tools available as options in protecting a watershed.

- 1) Watershed Purchase
- 2) Conservation Easements : which would prevent certain logging activities without fee simple ownership
- 3) Communication & Cooperation : have a dialog and partner with owners

He felt that it was generally good to have a 100ft setback buffer on either side of a stream to maintain the riparian health of the habitat and that it was important to not rely on regulation to protect water quality.

Mr. Schiffman offered that we did have a talking relationship with Stimson and would like to continue that conversation since there were clear cut plans which would take place soon. Perhaps for a price, Stimson would protect the streams with an easement to protect the high slope areas.

Mr. Bartl indicated that most of the land value is in the trees themselves and not in the underlying land. Ms. Katie V oelke, the director of the Northcoast Land Conservancy wished to know if they could assist Arch Cape with its watershed. She felt that it would be a high priority with the conservancy because of its conservation value. Mr. Mike Manzulli offered that there were zero buffers provided on tributaries for water drinking quality.

Ms. Tindall indicated that Mr. Gardner and Mr. Schiffman would explore opportunities for protection and hopefully raise some specific things we could do with Stimson for watershed health and bring those to the Board. She thought it best to have a dialog with Stimson prior to the March meeting. Preparation for the next meeting would take place with Mr. Gardner and Mr. Schiffman working together with Mr. Chick in talks with Stimson and an executive session set for Thursday, February 18, 2016 at 5:00pm at the fire hall.

Policy Updates: With respect to meetings and records, Mr. Short expressed concern on executive sessions that you have to provide notice referenced on page 3 with posting on archcape.com. Mr. Hill was directed to put into proper policy format. It was felt that language on page 11 should be left 'as is'. The ability to charge a fee for information requests was discussed generally and Mr. Hill was directed to forward typical costs including those related for copies of digital audio records to Mr. Seifer.

Mr. Seifer moved for the adoption of the budget policy which was seconded by Mr. Gardner. All in favor. The first two items on the budget committee timeline were to take place at the March meeting.

Personnel policy is holding as well as grants. Ms. Virginia & Debra Birkby will be working on Duties and Responsibilities.

Oregon Water Resources Department Alternate Water Source Grant: Ms. Debra Birkby would be speaking with the land owner.

Water Source Protection Grant: It was felt best to contract with Stimson directly. Mr. Schiffman moved adoption of Resolution WD 16-03 providing authority for the District President to execute a contract with the IFA which was seconded by Mr. Gardner. All in favor.

Long Range Financial Plan (LRFP): Mr. Hill was directed to work with Mr. Chick on adjusting the water tank loan payoff from \$97K in 2019-20 to approximately \$80K and to consult with Mr. Gardner. Mr. Gardner moved acceptance of the LRFP as modified which was seconded by Mr. Schiffman. All in favor. A corrected re-dated copy is to then be distributed to the Board by Mr. Hill.

Accounting Method Resolution: Mr. Gardner moved adoption of RES WD 16-02 electing a modified cash basis for year end audit which was seconded by Mr. Seifer. All in favor.

New Business:

Performance Evaluations: The District Manager's evaluation would be in March in executive session and the process would begin prior to the next meeting.

2016-17 Budget Timeline: The proposed budget timeline (attached) was agreed to with the first two items listed, Appointment of Committee Members and Determination of Terms to take place on March 11th.

SCADA System Proposal: We are still with an XP operating system. For a cost of \$6,470, WesTech could upgrade our system in the spring which would include an on site installation and software update that would make it compatible eventually with the Windows 10 operating system.

Mr. Gardner moved to accept WesTech's proposal which was seconded by Mr. Schiffman. All in favor.

Reports:

Accounts Receivable: Mr. Hill reported receivables to be moving in the right direction with but one account in a service shut off position.

District Managers Report: (attached) The Henderson request for billing relief for their property on Gelinsky was discussed. It had been determined that a proper shut off procedure by a tenant had been followed and some water lost as a result. Mr. Gardner moved that relief be provided as if there had been a water leak which was seconded by Mr. Schiffman. Following further discussion the motion was withdrawn and no vote was taken.

Mr. Chick was asked if Mr. Curt McLeod could come in March to address the Board on SDC changes. It was also reported that Cannon View Park expressed an interest in formalizing their mutual support agreement with the District.

Treasurer's Report: The Columbia Bank balance is \$81,299 and the LGIP account balance comes in at \$41,992. Ms. Debra Birkby expressed her unease with the loss of paper copies of the LGIP reports coming to the District and expressed her desire to speak to Ms. Judy Clark regarding secure reporting and segregation of duties. Mr. Schiffman moved that the Board support whatever procedures and methods the Treasurer was most comfortable with regarding all account statements which was seconded by Mr. Seifer. All in favor.

Board of Directors' Comments and Reports: Mr. Seifer thanked Mr. Chick for his contribution to the recent Tunnel Echoes edition. Mr. Schiffman said that the website should update the SDC references to reflect those most recently passed as well as update the opening page generally.

March Agenda Items: Watershed protection, Emergency Preparedness, SDC's, Meetings & Records, CIP, Cannon View Park support agreement, Budget Committee appointments and terms of office.

Public Comment: Mr. David Stockton felt the watershed issue would be helped if a professional forester would be contracted with by the Board and that the community would benefit by their expertise. Mr. Hill speaking on behalf of Ms. Lianne Thompson said that she continues to be concerned with community input in the design and review process in the south county and encouraged citizens to contact her to discuss any and all of their concerns.

The meeting was adjourned by Ms. Virginia Birkby at 8:00pm.

Respectfully submitted,

Steve Hill

Attest _____
Ms. Virginia Birkby, President

Proposed Budget Schedule for 2016 Budget Committee
Arch Cape Water and Sanitary Districts
February 12, 2016

March 11: 4 pm

Appointment of Committee members
Determination of Terms

April 8: 4 pm

Election of Budget Chair
Appoint Budget Officer
Publishing of budget Message
Review Proposed Budget

April 29: 4 pm

Continue Budget review and development

May 13: 4pm

Hold Budget Hearing and establish Approval from the Budget Committee to submit
Budget to District Boards

June 10th: 4pm (if needed)

Approve Budget by Board Resolution at regular 6pm Board meeting

Managers Report February 12, 2016

WATER:

We have been working with Curran-McLeod on updating our capital plan. (See attached memo in Board Packet). We have addressed the Board's desire to reprioritize some of the time frames of identified capital projects. These changes are now reflected in our Long Range Financial Plan, as well. The South Storage Reservoir has been moved outside of its 1-5 year time frame. The proposed modification separates the design and construction into two phases. Preliminary planning and funding is proposed to occur in the 6-10 year planning period, and complete construction in the 11-20 year period. This will keep the project listed within our 10 year financial plan's vision. The Water Source Capital Project is scheduled for a 1-5 year time frame. The cost for this project has decreased considerably, since the present second-source project now focuses on ground water instead of a surface water source option. A Resolution should be considered at the March Board Meeting to update the District's modified Capital Improvement Plan, and to update the SDC to reflect the annual inflation adjustment.

Cannon View Park Inc. has contacted the District upon reviewing our Water Management and Conservation Plan Draft. They would like to update the emergency agreement that is in place between CVP and Arch Cape Water District. I will try to have a draft agreement to bring to our March Board Meeting, for review.

A new water service was installed at 31983 W Cedar Street. We can expect to have at least 2 more connections in 2016.

MONTHLY LOG : ARCH CAPE WATER & SANITARY DISTRICTS

January 2016

Total Hours	338.00	168.50	169.50
Percentage Split		50%	50%
Total Accounts	613	281	332
Percentage Split		46%	54%