

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT MINUTES

18 May 2018

A quorum was present.

Water Board: Ron Schiffman, Vice-President
 Linda Murray
 Dan Seifer

Excused Absent: Virginia Birkby, President
 Debra Birkby, Treasurer

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

Public: Ben Dair, Sustainable Northwest
 Mike Manzulli
 David and Jeannie Stockton

Staff: Phil Chick, District Manager
 Steve Hill, Secretary

Mr. Ron Schiffman opened the meeting at 6:03pm.

Public Comments: Mr. David Stockton commented on whether we had received intergovernmental agreement language from SDAO or whether we had created the agreement ourselves and just what our options were.

Agenda: Mr. Seifer moved acceptance of the agenda with the addition in new business of fire suppression hookups which was seconded by Ms. Murray. All in favor. Motion carried.

Consent Agenda: Hold the minutes. Mr. Seifer moved adoption of the consent agenda as amended which was seconded by Ms. Murray. All in favor. Motion carried.

Old Business:

Watershed Update:

Schwabe Law Engagement: (Information) It was expressed from Greg Fullem at Schwabe that obtaining the non-disclosure agreement with EFM would be necessary.

EFM Non-Disclosure Agreement: (Action) Mr. Seifer moved to authorize the District Manager to execute the non-disclosure agreement (attached) upon terms counsel may recommend which was seconded by Ms. Murray. All in favor. Motion carried.

Attention was drawn to paragraph one and two where information is generated and under what conditions it is disclosed. It was felt that information subject to public record laws should be clarified. Mr. Schiffman said he would work with Mr. Chick on the agreement.

Joint Timber Cruise & Finance Plan: (Information) Mr. Chick confirmed his earlier estimate of \$55K to obtain a timber cruise and appraisal and to secure an option to purchase.

Hug Point 19 Road Repair Grant Recommendation: Mr. Chick reported that the District's joint drinking water source protection application with EFM had been recommended for funding, and although no official award was granted yet, the chances were good that we would receive funds. It was expressed that our contribution to the road repair should be credited to the district by EFM in any future watershed purchase.

Northwest Community Forest Forum Recap: (Information) Mr. Chick reported that he and Mr. Schiffman attended. The Forest Management Plan was discussed and the public process of involvement was reviewed. Mr. Schiffman said that he was impressed with the forum.

Outreach Coordinator Position RFP: Mr. Ben Dair thought the forum was successful. Fifty-eight (58) people went on the field tour out of a total eighty-five (85) forum attendees. Mr Dair was going to continue working on the Request for Proposal for the Outreach Coordinator, with posting occurring before the June Board Meeting

It was expressed that we would need a public meeting and should work towards getting better penetration into the community for the watershed purchase project. An open house was thought to be a way to get the word out.

Mr. Dair said that the Department of Environmental Quality (DEQ) was thrilled with the work taking place and that the Environmental Protection Agency (EPA) had been asked if funds from the latest DEQ 319 Grant for \$13K could be allocated toward the cost of a forest inventory. Mr. Dair said he would remain in touch with Mr. Chick.

Auditor Search: (Action) Mr. Hill reported no quotes received from the RFP's distributed and that he would expand the search for a district auditor. CPA's contacted indicated that with the change in the tax code for 2018 their work load increased for higher margin tax return preparation work.

Second Source Update: (Action) It was reported that the exploratory well drilled failed to find water and it was CMI's opinion that it should be abandoned. Suggested alternatives for future examination included reviewing possible use of CVP springs, having a small plant on Dichter Creek, and build up redundancy with Asbury Creek. Mr. Chick reported that our existing water supply would be good for an approximate eighty to one hundred years (80 – 100) into the future. It was recommended that the project be retained for the long range financial plan. It was additionally observed that with larger maturing forests in our watershed that not as much water would be absorbed in the ground so the supply of water to the community would go up.

Columbia Bank Account Signature Cards: Mr. Schiffman indicated that he had completed the digital signature card for the district. The card is complete with the exception of Ms. Virginia Birkby.

New Business:

City of Cannon Beach Cooperative Assistance Agreement: Mr. Seifer moved ratification of the agreement (attached) as provided by Mr. Schiffman which was seconded by Ms. Murray. All in favor. Motion carried.

Cannon Beach submitted an amended agreement (attached) which needs to be modified to reflect the Arch Cape Domestic Water Supply District and contain appropriate signature lines.

Mr. Seifer moved to authorize the District Manager to execute a revised agreement with Cannon Beach as his discretion may advise which was seconded by Ms. Murray. All in favor. Motion carried.

Compensation Policy: (Information) Mr. Hill reported that amongst the coastal districts contacted which included Nehalem, Pacific City, Cloverdale, Hebo, Long Prairie, Fairview, Neah-Kah-Nie, Cannon Beach, Twin Rocks and Central Lincoln that nearly all generated their own cost price index for compensation and cost projections in budgeting from their prior expense experience or their boards general impression of costs. One notable exception was Pacific City which moved away from using the Portland Oregon CPI to utilizing the Western Region CPI as provided by the U.S. Department of Labor Bureau of Labor Statistics.

Surplus '99 Dodge Ram Truck: (Information) Mr. Chick reported the sale of the truck for \$2,500.00 cash as a result of the placement of the truck with a for sale sign near the mail boxes.

Resolution 18-03 Rate Increase – Public Hearing: (Action) Mr. Schiffman opened a public hearing at 7:12pm. Hearing no comments he closed the public hearing at 7:16pm. Mr. Seifer moved adoption of Resolution 18-03 WD Rate Change (attached) for ¾” connections to \$160.00 per quarter and 1” connections to \$179.00 effective July 1, 2018 which was seconded by Ms. Murray. All in favor. Motion carried.

Fire Suppression Hookups: Mr. Chick reported a contact from Mr. Vito Cerelli requesting a two inch (2”) meter connection in support of a four inch (4”) water line that he had been informed by his contractor would be needed to support a sprinkler fire suppression installation being a part of his building permit request. He wished to know if that was possible and if there was an associated system development charge for that connection. Interest was shown in learning what Manzanita was in the process of adopting and Mr. Chick said he would research this issue further and report to the board.

Reports:

Accounts Receivable: Water district receivables were reported to be in good condition.

District Managers Report: (attached) Mr. Chick told the board of Mr. Matt Gardner's fine work getting the irrigation site ready for the season as well as his personal appreciation for Mr. Gardner's assistance in resolving an irrigation system malfunction at the pond earlier in the month.

Treasurer's Report: Accounts were reported to be reconciled. The LGIP account had a balance of \$51,239 and the checking account at Columbia Bank of \$130,444 as of April 30, 2018.

Board of Directors' Comments and Reports: None.

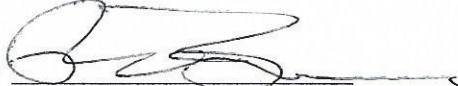
June Agenda Items: (Information) EFM non-disclosure, auditors, budget, fire suppression hookups and compensation policy.

Public Comment: Mr. David Stockton recommended that the district provide metered fire suppression hookups with a regular periodic maintenance fee. Ms. Jeannie Stockton suggested checking with Cannon Beach to learn how they were handling this requirement from the county planning department. She added that if there were any complaints made for the new rate increase that they come to the board meetings and volunteer to serve on the board.

The meeting was adjourned by Mr. Ron Schiffman at 7:38pm.

Respectfully submitted,


Steve Hill

Attest 
Mr. Ron Schiffman, Vice President

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (this “Agreement”) is made this 18th day of May, 2018, by and between Ecotrust Forest Management, Inc., an Oregon corporation (“EFM”), and Arch Cape Domestic Water Supply District (“Buyer”)

RECITALS

- A. EFM manages property in Oregon depicted on attached **Exhibit A** (the “Property”).
- B. The parties have engaged in preliminary discussions concerning a possible purchase and sale of the Property (the “Potential Transaction”).
- C. In connection with the foregoing, EFM is willing to provide Buyer access to the Property and certain information relating to the Property.

AGREEMENT

Now therefore, in consideration of the mutual promises between the parties contained in this Agreement, the parties agree as follows:

1. All data, records, reports, calculations, documents, and other information previously provided or hereafter provided by EFM to Buyer related to the Property, or its operations, written or oral and whether or not noted thereon to be confidential, and all information obtained by Buyer’s inspection of the Property, and all compilations, analyses and studies prepared by Buyer based upon such information, shall be considered as “Confidential Information,” except: (a) information which at the date hereof is publicly available; (b) information which after the date hereof becomes publicly available through no fault of Buyer, or their Representatives or advisors; (c) information which Buyer can show was in their possession prior to the date hereof and was not acquired by Buyer directly or indirectly from EFM or any other party under an obligation of confidentiality to EFM; and (d) information received by Buyer without restriction as to disclosure from a third party who has the lawful right to disclose the same.

2. Buyer agrees that the Confidential Information will be used solely for the purpose of evaluating the Potential Transaction, and that such information will be kept confidential by Buyer and its Representatives (defined below); provided, however, that (i) the Confidential Information may be disclosed to any of Buyer’s Representatives who need to know such information for the purpose of evaluating the Potential Transaction (it being understood and agreed that such Representatives shall be informed by Buyer of the confidential nature of such information and the terms of this Agreement and shall be directed by Buyer to treat such information confidentially), and (ii) any disclosure of such information may be made to which EFM consents in advance in writing. Buyer agrees that Buyer shall be responsible for any breach of the terms of this Agreement by any of its Representatives. As used in this Agreement, (1) the term “Representative” means a person’s affiliates and its and their directors, officers, employees, agents, advisors (including, without limitation, financial advisors, foresters, forest

carbon consultants, counsel and accountants), lenders, and controlling persons, and (2) the term “person” shall be broadly interpreted to include, without limitation, any entity or individual.

3. Buyer assumes all risks associated with entry upon or inspection of the Property. Buyer hereby waives any and all claims they may now or hereafter have against EFM, known or unknown, of any kind or nature including without limitation personal injury or property damage, arising out of or related to entry upon or inspection of the Property in connection with the Potential Transaction, except claims that may arise from the gross negligence or willful misconduct of EFM or its employees, agents, consultants, contractors, or Representatives.

4. Buyer hereby agrees to indemnify EFM, its affiliated companies, and their respective officers, members, directors and agents against and hold them harmless from any and all loss, liability claims, damages, cost or expense, including reasonable attorneys fees and costs of litigation, suffered or incurred by either or any of them, and arising out of or related to entry upon the Property by Buyer or its employees, agents, consultants, contractors, or Representatives.

5. EFM specifically disclaims any representation or warranty as to the accuracy or completeness of any information disclosed to Buyer.

6. Buyer shall not, and shall not permit its Representatives to, reproduce or disclose any Confidential Information received from EFM, or any other Confidential Information obtained by contacting EFM’s designated representatives, or by viewing or making studies of any of the Property, to any third person, in whole or in part, at any time, without the express written permission of EFM. In the event that Buyer or any of its Representatives receive a request to disclose all or any part of the Confidential Information under the terms of a subpoena, discovery request, or order issued by a court of competent jurisdiction or by another governmental agency, Buyer shall promptly notify EFM of the existence, terms and circumstance surrounding such request so that EFM may seek an appropriate protective order and/or waive compliance with the provisions hereof. If, in the absence of a protective order or the receipt of a waiver hereunder, Buyer or any of its Representatives are nonetheless, in the opinion of counsel, compelled to disclose the Confidential Information or else stand liable for contempt or suffer other censure or penalty, Buyer or such Representative may disclose only such portion of the Confidential Information they are advised by counsel is legally required to be disclosed. Buyer further agrees that Buyer or such Representatives will use its best efforts to preserve the confidentiality of the Confidential Information, including, without limitation, by cooperating with EFM in its efforts to obtain reliable assurance that confidential treatment will be afforded to such portion of the Confidential Information as is required to be disclosed.

7. If the parties agree not to pursue the Potential Transaction with respect to the Property, Buyer shall return to EFM all information concerning the Property provided by EFM and not retain any copies.

8. Without the prior written consent of the other party, neither Buyer, EFM nor any of their officers, employees, agents and Representatives will disclose to any person or entity that any investigations, discussions or negotiations are taking place concerning the Potential Transaction between the Buyer and EFM, that Buyer and EFM are considering a transaction

concerning the Property, that the Buyer and EFM have entered into this Agreement, or the status of the Potential Transaction. Buyer and EFM understand and agree that no contract or agreement regarding a transaction (other than this Agreement) shall be deemed to exist between them unless and until a definitive agreement has been executed and delivered. Unless and until such a definitive agreement has been executed and delivered, neither party has a legal obligation of any kind whatsoever with respect to any transaction except for matters specifically agreed to in this Agreement.

9. The parties agree that facsimile or electronic mail signatures are authorized and shall be binding to the same extent as an original signature.

10. The rights and obligations of the parties under or relating to this Agreement shall be governed by the laws of the State of Oregon (without regard to choice of law provisions). In the event suit or action is filed by any party to enforce this Agreement or with respect to a breach of this Agreement, the prevailing party shall be entitled to recover, in addition to all other costs, damages and awards, its reasonable attorney fees at trial, and upon any appeal and petitions for review and any bankruptcy and insolvency proceeding.

11. This Agreement will terminate three years from the date hereof.

12. This Agreement contains the entire understanding of the parties relative to the protection of Confidential Information, and the other matters addressed herein and supersedes all prior collateral communications, if any, between the parties regarding the Confidential Information, such other information and such other matters. No amendment or other modification or waiver of any provision hereof shall be binding unless in writing and signed by you and the Company or unless signed by the party to be bound.

ARCH CAPE DOMESTIC WATER
SUPPLY DISTRICT

By: _____

Its: _____

ECOTRUST FOREST MANAGEMENT, INC.

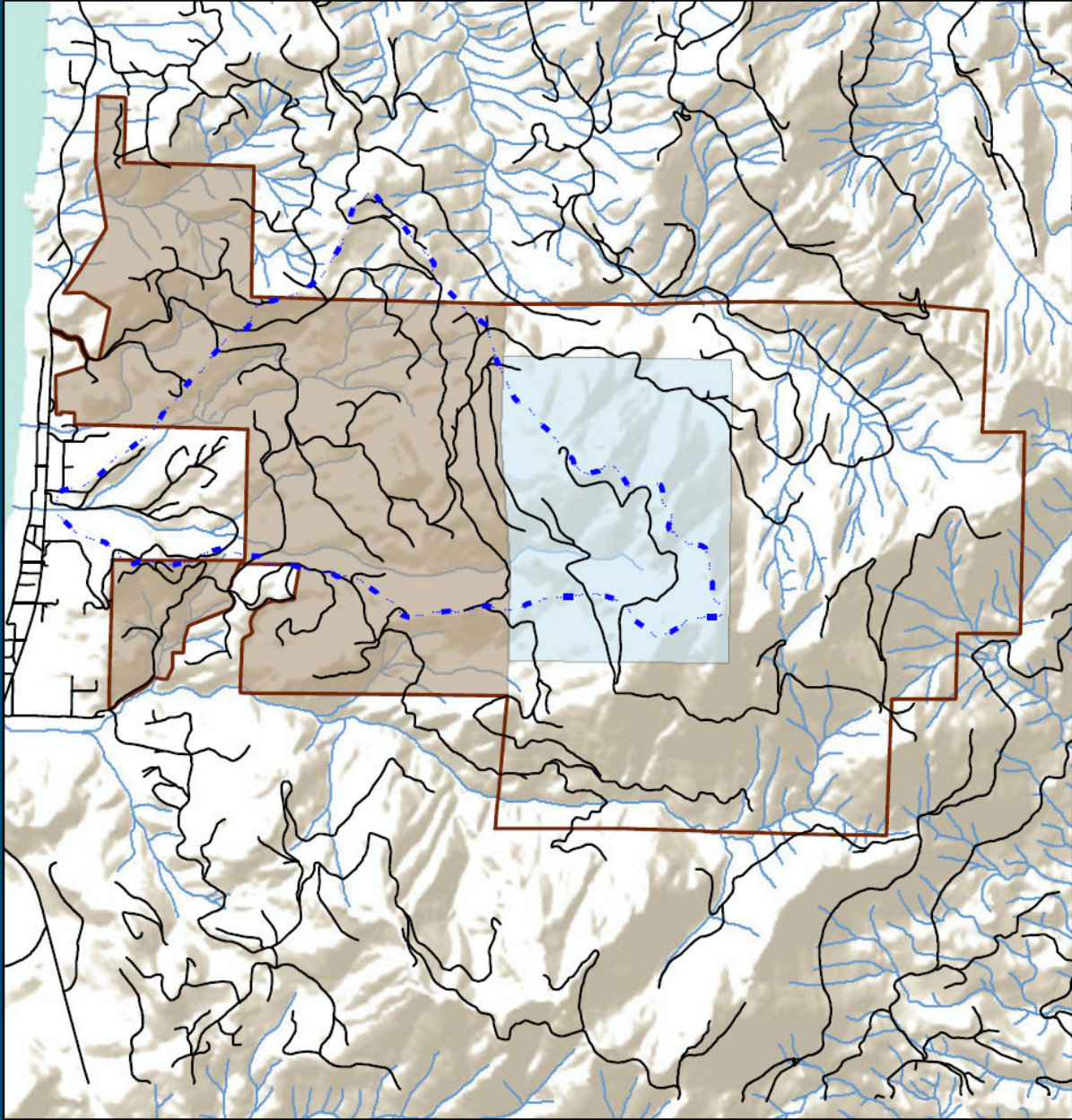
By: _____

Its: _____

Exhibit A

See Attached Map

Onion Peak Property Clatsop County, Oregon



INTERGOVERNMENTAL COOPERATIVE ASSISTANCE AGREEMENT

This Agreement is entered into, by and between Arch Cape Sanitary District (ACSD), and the City of Cannon Beach (CITY).

WITNESSETH:

WHEREAS, parties to this agreement are responsible for the construction and maintenance of sewer related systems during routine and emergency conditions; and

WHEREAS, each of the parties owns and maintains equipment, and employs personnel who are trained to provide service in the construction, maintenance of, and operation of sewer systems and other support;

WHEREAS, each entity may need assistance to provide supplemental personnel, equipment, or other support; and

WHEREAS, it is necessary and desirable that this Agreement be executed for the exchange of mutual assistance, with the intent to supplement not supplant agency personnel;

WHEREAS, an Agreement would help provide documentation of the mutual assistance;

WHEREAS, the ACSD and the Arch Cape Domestic Water Supply District (ACDWSD) operate under an intergovernmental agreement for staff support service providing that ACSD staff are employees of the ACDWSD.

WHEREAS, ORS Chapter 190 provides for intergovernmental agreements and the appointment among the parties of the responsibility for providing funds to pay for expenses incurred in the performance of the agreed upon functions or activities;

WHEREAS, the CITY and ACSD enter into this cooperative agreement, to carry out this joint effort and work,

NOW THEREFORE, the parties agree as follows;

- 1) The effective date is: May 4, 2018, or upon final signature, whichever is later.

This agreement will continue until formally terminated.

- 2) Each party is an independent contractor with regard to the other party(s) and agrees that no party has control over the work and the manner in which it is performed by another party. No party is an agent or employee of any other. Accordingly, ACDWSD employees and City employees are covered under their own entity's workers' compensation coverage.
- 3) No party or its employees is entitled to participate in a pension plan, insurance, bonus, or similar benefits provided by any other party.
- 4) This Agreement may be terminated, with or without cause and at any time, by a party by providing 30 days written notice of intent to the other party(s).
- 5) Modifications to this Agreement are valid only if made in writing and signed by all parties.

- 6) Subject to the limitations of liability for public bodies set forth in the Oregon Tort Claims Act, ORS 30.260 to 30.300, and the Oregon Constitution, each party agrees to hold

harmless, defend, and indemnify each other, including its officers, agents, and employees, against all claims, demands, actions and suits (including all attorney fees and costs) arising from the indemnitor's performance of this Agreement where the loss or claim is attributable to the negligent acts or omissions of that party.

- 7) Each party shall give the other immediate written notice of any action or suit filed or any claim made against that party that may result in litigation in any way related to this Agreement.
- 8) Each party agrees to maintain insurance levels or self-insurance in accordance with ORS 30.282, for the duration of this Agreement at levels necessary to protect against public body liability as specified in ORS 30.270.
- 9) Each party agrees to comply with all local, state, and federal ordinances, statutes, laws and regulations that are applicable to the services provided under this Agreement.
- 10) If confronted with a situation requiring personnel, equipment or material not available to it, the requesting party (Requestor) may request assistance from the party receiving the Request (Responder). Upon receipt of such request, the Responder shall take the following action:
 - a. Determine whether it has the personnel, equipment, or material available to respond to the request.
 - b. Determine what available personnel and equipment should be dispatched and/or what Material should be supplied.
 - c. Dispatch available and appropriate personnel and equipment to the location designated by the Requestor.
 - d. Provide appropriate access to the available material.
 - e. Advise the Requestor in the event all or some of the requested personnel, equipment, or material is not available.

11) Documentation

Documentation of hours worked, and equipment or materials used or provided will be maintained on a shift by shift basis by the Responder and provided to the Requestor as needed.

12) Compensation

It is hereby understood that the Responder will be reimbursed (e.g. labor, equipment, materials and other related expenses as applicable, including loss or damage to equipment) at its adopted usual and customary rates. Compensation may include:

- a. Compensation for workers at the Responder's current pay structure, including call Back, overtime and benefits.
- b. Compensation for equipment at Responder's established rental rate.
- c. Compensation for materials, at Responder's cost. Materials may be replaced at Requestor's discretion in lieu of cash payment upon approval by the Responder for

- such replacement.
- d. Within 30 days after presentation of bills by Responder entitled to compensation under this section, Requestor will either pay or make mutually acceptable arrangements for payment.
 - e. In situations when cost are shared for the execution of joint projects or work, each party will be responsible for the costs equitably distributed in proportion to the benefit.
- 13) Each party agrees to share utility information regarding capacities, regulatory limits, long-term planning, cost of operations and funding mechanisms. Confidential and sensitive information and vulnerability assessments are excluded from the agreement.
 - 14) Each party may request the other to participate in the implementation of joint efforts of system maintenance when such joint efforts may result in reduced cost to both parties. Examples may be sewer cleaning, testing, televising and repairs.

TERMS OF AGREEMENT. This writing is intended both as the final expression of the Agreement between the parties with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement. This Agreement shall remain in effect and shall continue until formally terminated upon the request of either party. Any party may terminate its participation in this Agreement as follows: 1) Written notice of intent to terminate 30 days prior to either parties wish to rescind this agreement; and 2) Termination will not affect a party’s obligation for payment arising prior to the termination of this Agreement. This Agreement is not intended to be exclusive among the parties. Any party may enter into separate cooperative assistance of mutual aid agreements with any other entity. No such separate Agreement shall terminate any responsibility under this Agreement.

Contact Information

The technical points of contact regarding this statement of work are as follows:

Karen La Bonte, Interim Public Works Director
 Public Works Department
 City of Cannon Beach
 P O Box 368
 163 East Gower Street
 Cannon Beach, OR 97110
 Phone: (503) 436-8068
 Fax: (503) 436-2050
 Mobile: (503) 440-8579
 Email: labonte@ci.cannon-beach.or.us

Phil Chick
 District Manager
 Arch Cape Water and Sanitary Districts
 32065 East Shinglemill
 Arch Cape, OR 97102
 Phone: (503) 436-2790
 Fax: (503) 436-1467
 Mobile: (503) 739-2383
 Email: philchickacutil@gmail.com

For the purposes of reporting to the Oregon Department of Environmental Quality, Phil Chick from the Arch Cape Sanitary District will be named as Direct Responsible Charge operator for the City of Cannon Beach wastewater treatment plant and wastewater collection system.

Signatory Authorities:

 Arch Cape Sanitary District
 Ron Schiffman, President of the Board

 Date

 City of Cannon Beach
 Bruce St. Denis, City Manager

 Date

AMENDMENT TO
INTERGOVERNMENTAL COOPERATIVE ASSISTANCE AGREEMENT

This amendment is entered into, by and between Arch Cape Sanitary District (ACSD) and the City of Cannon Beach (City).

In May 4, 2018, City and Arch Cape Sanitary District entered into an Intergovernmental Cooperative Assistance Agreement, a copy of which is attached hereto. In accordance with the terms of the attached Intergovernmental Cooperative Assistance Agreement, City has requested technical staff support from ACSD for operations and maintenance activities of City's wastewater treatment facilities.

The ACSD hereby agrees to provide qualified wastewater operators to assist on an as-needed basis as follows:

- Estimated hourly support will be up to 10 hours per month for operations and maintenance activities of the wastewater systems. This total is expected to include any potential emergency or after-hour requests for support.
- Hourly rate will be \$50 inclusive of labor and service truck time. Payment will be made to Arch Cape Domestic Water Supply District.
- Request for support will be made by City plant operator, Trevor Mount or Mike Brown to and coordinated with Phil Chuck of ACSD.
- For the purposes of reporting to the Oregon Department of Environmental Quality, Phil Chick from the ACSD will be named as Direct Responsible Charge operator for the City of Cannon Beach wastewater treatment plant and wastewater collection system.
- Duration of this assistance is estimated to be needed for up to 6 months starting on May 4, 2018.
- ACSD will provide City monthly reports on total staff hours worked by ACSD, total costs for providing support and any noted issues or concerns.
- City will make payments for staff assistance hours worked to ACSD within one month of receiving the monthly report from the ACSD.
- City and ACSD mutually agree that this amendment can be terminated at any time on 30 days written notice from one party to the other.

The technical points of contact regarding this amendment are as follows:

Karen La Bonte
Interim Public Works Director
City of Cannon Beach

Phil Chick
District Manager
Arch Cape Sanitary District

IN ALL OTHER RESPECTS THE AGREEMENT, as it applies to City of Cannon Beach, REMAINS UNCHANGED.

Signatory Authorities:

Date: _____
Ron Schiffman, President Arch Cape Sanitary District

Date: _____
Ron Schiffman, Vice President Arch Cape Domestic Water Supply District

Date: _____
City of Cannon Beach
Bruce St. Denis, City Manager

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT

RESOLUTION 18-03 WD

A RESOLUTION SUPERSEDING RESOLUTION 16-05 WD ESTABLISHING BASE RATE CHARGES AND DEBT SURCHARGES FOR THE ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT "DISTRICT".

WHEREAS the Arch Cape Domestic Water Supply District needs to adjust base rate fees and debt surcharges to District customers from time to time sufficient to collect monies necessary to meet budgeted expenses; and

WHEREAS the District, where possible, structures its base rate fees to cover anticipated personnel, operating and capital expenses and debt surcharges to retire specific District debt instruments over time.

NOW THEREFORE, the District hereby establishes base rate fees per service connection and debt surcharges effective July 1, 2018 as follows:

Customers with a 3/4" service connection:

Water Quarterly Base Rate	\$141.00
Water Quarterly Debt Surcharge	<u>\$19.00</u>
Total Quarterly Charge	\$160.00

Customers with a 1" service connection:

Water Quarterly Base Rate	\$160.00
Water Quarterly Debt Surcharge	<u>\$19.00</u>
Total Quarterly Charge	\$179.00

Adopted this 18th day of May 2018.


Ron Schiffman, Vice-President

Attest: _____



Manager Report May 18, 2018

WATER:

Water usage for the month of April was 692,000 gallons

Staff replaced the Membrane Inlet Valve on Skid Number One, which has been sticking and not opening during water production cycles.

The stream flow measurement weir has been placed in Shark Creek for the season.

The annual drinking water consumer confidence report is due next month. Notifications will be placed in the billing statements that go out June 10th. The report will be available on archcape.com and in hard copy at the office.

MONTHLY LOG : ARCH CAPE WATER & SANITARY DISTRICTS

April 2018

Total Hours	282.00	115.75	166.25
Percentage Split		41%	59%
Total Accounts	627	288	339
Percentage Split		46%	54%