

**ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
BOARD OF COMMISSIONERS MEETING**
Thursday September, 2023. (with & after 6:00 Sanitary Meeting)

[Zoom Link](#)

<https://us02web.zoom.us/j/87369759588?pwd=RFFDRjIzdFgrZFZOaFlxNlZxSndwQT09>

Combined Meeting with Sanitary District Board (approximately 6:30)

- | | |
|--|------------|
| I. Call to Order | Bill |
| II. 2021 Audit Findings & Recommendations (Information) – pages 2-40 | Accuity |
| III. Water/Sanitary Districts Project Planning (Information) pages 42-45 | Matt |
| IV. Other Combined District Topics – current and future | Casey/Bill |

Domestic Water Supply District Meeting (Immediately Following Combined Meeting)

- | | |
|---|----------------------|
| I. Public Comments | Bill |
| II. Agenda Approval (Action) | Bill |
| III. Accept August Minutes (Action) - pages 46-47 | Bill |
| IV. Respond to Request for Inter-Connect with Cannon View Park (Action) - pages 48-56 | Richard Gibson (CVP) |
| V. Financial & Administrative Reporting - | |
| A. Accept August Budget & Balance Sheet - pages 57-58 | Bill |
| B. Accept August Payment of Accounts - pages 59-62 | Bill |
| C. Accept Correspondence Requiring No Action | Bill |
| D. Treasurer's Report - page 63 | Sam |
| VI. Approve Updated Dwelling Leak Policy (Action) - pages 64-67 | Bill |
| VII. Staff Report and Correspondence for Action – page 41 | Matt |
| VIII. Board Members Comments and Report | |
| VIII. Watershed | |
| A. Refine / Approve Proposed Public Access & Recreation Policy (Action) - pages 68-72 | Bill |
| B. RFPs – Selection Approval Meeting (Information) | Bill |
| IX. October Action Items | Bill |
| A. Water District Project Planning – Setting Priorities | |
| B. Watershed | |
| 1) Public Access & Recreation Policy | |
| 2) Finance Committee Findings & Next Steps | |
| X. Public Comment | Bill |
| XI. Adjournment | Bill |



ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2021



ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

June 30, 2021

BOARD OF COMMISSIONERS

Dan Seifer, President
79916 West Cannon Road
Arch Cape, Oregon 97102

Debra Birkby, Vice President & Treasurer
79829 Gelinsky Road
Arch Cape, Oregon 97102

Lauren Ahlgren
79804 Fire Rock Road
Arch Cape, Oregon 97102

Nadia Gardner
80285 Woodland Heights Road
Arch Cape, Oregon 97102

Linda Murray
77836 Gelinsky Road
Arch Cape, Oregon 97102

REGISTERED AGENT

Phil Chick, District Manager
32065 E Shingle Mill Lane
Arch Cape, Oregon 97102

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

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FINANCIAL SECTION



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Commissioners
Arch Cape Domestic Water Supply District
Arch Cape, Oregon 97102

We have reviewed the accompanying modified cash financial statements of the business-type activities and each major fund of Arch Cape Domestic Water Supply District, Arch Cape, Oregon, as of June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of Arch Cape Domestic Water Supply District. A review is substantially less in scope than an audit, the objective which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with the Statements on Standards for the Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting


We draw attention to Note I of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Supplementary Information

Our review was made primarily for the purposes of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with the modified cash basis of accounting. The budgetary comparison information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The information has been subjected to the review procedures applied in the review of the basic financial statements and we did not become aware of any material modifications that should be made to such information. We have not audited the supplementary information and do not express an opinion on such information

Accuity, LLC

By: 

Glen O. Kearns, CPA

Albany, Oregon
November 14, 2022

BASIC FINANCIAL STATEMENTS

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

June 30, 2021

	<u>Business-Type Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 287,234
Capital assets being depreciated, net	<u>917,880</u>
Total assets	<u>1,205,114</u>
LIABILITIES	
Current liabilities	
Long-term liabilities, current portion	<u>16,855</u>
Total current liabilities	<u>16,855</u>
Noncurrent liabilities	
Long-term liabilities, less current portion	<u>374,836</u>
Total liabilities	<u>391,691</u>
NET POSITION	
Net investment in capital assets	526,189
Restricted for debt service	18,809
Unrestricted	<u>268,425</u>
Total net position	<u>\$ 813,423</u>

See accompanying notes and independent accountant's review report.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

PROPRIETARY FUNDS

June 30, 2021

	General Fund	Capital Fund	Total Business-Type Activities
ASSETS			
Current assets			
Cash and cash equivalents	\$ 187,772	\$ 99,462	\$ 287,234
Capital assets being depreciated, net	917,880	-	917,880
Total assets	\$ 1,105,652	\$ 99,462	\$ 1,205,114
LIABILITIES			
Current liabilities			
Long-term debt, current portion	\$ 16,855	\$ -	\$ 16,855
Noncurrent liabilities			
Long-term debt, less current portion	374,836	-	374,836
Total liabilities	391,691	-	391,691
NET POSITION			
Net investment in capital assets	526,189	-	526,189
Restricted for debt service	18,809	-	18,809
Unrestricted	168,963	99,462	268,425
Total net position	\$ 713,961	\$ 99,462	\$ 813,423

See accompanying notes and independent accountant's review report.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS

PROPRIETARY FUNDS

For the Year Ended June 30, 2021

	General Fund	Capital Fund	Total Business-Type Activities
OPERATING REVENUES			
Charges for services	\$ 230,807	\$ 6,409	\$ 237,216
Total operating revenues	<u>230,807</u>	<u>6,409</u>	<u>237,216</u>
OPERATING EXPENSES			
Personnel services	180,551	-	180,551
Materials and supplies	116,850	-	116,850
Depreciation	<u>101,840</u>	<u>-</u>	<u>101,840</u>
Total operating expenses	<u>399,241</u>	<u>-</u>	<u>399,241</u>
Operating income (loss)	(168,434)	6,409	(162,025)
NONOPERATING REVENUES (EXPENSES)			
Property taxes	125,474	-	125,474
Investment earnings	7	-	7
Miscellaneous	424	-	424
Interest paid on long-term debt	<u>(4,084)</u>	<u>-</u>	<u>(4,084)</u>
Total nonoperating (revenues) expenses	<u>121,821</u>	<u>-</u>	<u>121,821</u>
Change in net position	(46,613)	6,409	(40,204)
Net position - beginning	<u>760,574</u>	<u>93,053</u>	<u>853,627</u>
Net position - ending	<u>\$ 713,961</u>	<u>\$ 99,462</u>	<u>\$ 813,423</u>

See accompanying notes and independent accountant's review report.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2021

	General Fund	Capital Fund	Totals
	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 230,807	\$ 6,409	\$ 237,216
Payments to employees	(180,551)	-	(180,551)
Payments to suppliers	<u>(116,850)</u>	<u>-</u>	<u>(116,850)</u>
Net cash provided (used) by operating activities	<u>(66,594)</u>	<u>6,409</u>	<u>(60,185)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Property tax revenue	125,474	-	125,474
Acquisition and construction of capital assets	(30,000)	-	(30,000)
Principal paid on long-term debt	(16,688)	-	(16,688)
Interest paid on long-term debt	<u>(4,084)</u>	<u>-</u>	<u>(4,084)</u>
Net cash provided (used) by capital and related financing activities	<u>74,702</u>	<u>-</u>	<u>74,702</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Miscellaneous non-operating income	424	-	424
Interest received	<u>7</u>	<u>-</u>	<u>7</u>
Net cash provided (used) by investing activities	<u>431</u>	<u>-</u>	<u>431</u>
Net increase (decrease) in cash and cash equivalents	8,539	6,409	14,948
Cash and cash equivalents - beginning	<u>179,233</u>	<u>93,053</u>	<u>272,286</u>
Cash and cash equivalents - ending	<u><u>\$ 187,772</u></u>	<u><u>\$ 99,462</u></u>	<u><u>\$ 287,234</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (168,434)	\$ 6,409	\$ (162,025)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	<u>101,840</u>	<u>-</u>	<u>101,840</u>
Net cash provided (used) by operating activities	<u><u>\$ (66,594)</u></u>	<u><u>\$ 6,409</u></u>	<u><u>\$ (60,185)</u></u>

See accompanying notes and independent accountant's review report.

NOTES TO BASIC FINANCIAL STATEMENTS

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Arch Cape Domestic Water Supply District have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting principles are described below.

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. Business-type activities, which rely to a significant extent on fees and charges to external customers, are reported by the District.

B. Reporting Entity

Arch Cape Domestic Water Supply District, located in Arch Cape, Oregon, was established under the provisions of Oregon statutes to provide water service for Clatsop County. The District is governed by five-member board of commissioners elected by voters.

C. Basis of Presentation - Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The business-type activities column incorporates data from all proprietary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the government's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major proprietary funds:

General Fund - The General Fund is the District's primary operating fund. It accounts for all financial resources of the District except for those required to be accounted for in another fund. The primary source of revenue are user fees and other general revenues.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

Capital Fund - The Capital Fund is used to account for receipts and disbursements set aside for system improvement and expansion expenditures. The primary source of revenue are transfers from the General Fund and investment income. The assets acquired are transferred to the General Fund as depreciable capital assets.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and fund financial statements of the proprietary funds are reported using the economic resources measurement focus within the limitations of the modified cash basis of accounting, as described below.

This basis recognizes assets, liabilities, net position, revenues, and expenditures when they result from cash transactions, with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenues for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in the financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements and the government-wide financial statements would be presented on the accrual basis of accounting.

F. Budgetary Information

Annual budgets are adopted on the cash basis of accounting. The District budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general and channel maintenance, and equipment reserve funds.

The District begins its budgeting process by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the budget committee. The budget is then published in proposed form and is presented at public hearings to obtain taxpayer comments and approval from the budget committee. The board of commissioners legally adopts the budget by resolution prior to the beginning of the District's fiscal year.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

The board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, materials and services, debt service, capital outlay, and contingency for each fund are the levels of control established by the resolution. The detailed budget document, however, is required to contain more specific detailed information for the aforementioned expenditure categories and management may revise the detailed line item budgets within appropriation categories.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. The board of commissioners may adopt supplemental budgets less than 10% of a fund's original budget at a regular board meeting. A Draft supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers, and approval by the board of commissioners.

Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the board of commissioners. During the year, there were no supplemental budgets. The District does not use encumbrances, and appropriations lapse at year-end.

Budget amounts shown in the financial statements reflect the original budget amounts.

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of one year or less from the date of acquisition.

2. Investments

State statutes authorize the District to invest in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the states of Oregon, Washington, Idaho, or California, certain interest-bearing bonds, time deposit open accounts, certificates of deposit, and savings accounts in banks, mutual savings banks, and savings and loan associations that maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank, or savings and loan association, and share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

3. Capital Assets

Capital assets resulting from cash transactions, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist. The costs of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenditures as incurred and are not capitalized. Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Motor Vehicles	7
Water System	18-20
Water Treatment Plant Upgrades	20

4. Long-Term Obligations

In the government-wide financial statements and fund financial statements, long-term debt is reported as a liability in the applicable business-type activities statements.

5. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

H. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

2. Property Taxes

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collection to entities levying taxes. Property taxes are levied and become a lien as of July 1 on property values assessed as of June 30. Property taxes are payable in three installments, which are due on November 15, February 15, and May 15.

3. Proprietary Fund Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund's principal ongoing operations. The principal operating revenues of the General Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues not meeting this definition are reported as nonoperating revenues and expenses.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Expenditures Over Appropriations

During the year ended June 30, 2021, the District expended funds in excess of appropriations as follows:

Fund	Function	Appropriation	Expenditure	Excess
General Fund	Capital outlay	\$ 2,000	\$ 36,200	\$ 34,200

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Cash Deposits with Financial Institutions

Arch Cape Domestic Water Supply District maintains a cash and cash equivalents pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund financial statements as cash and cash equivalents.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

Additionally, several funds held separate cash accounts. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. The District participates in an external investment pool (State of Oregon Local Government Investment Pool). The Pool is not registered with the U.S. Securities and Exchange Commission as an investment company.

The State's investment policies are governed by the Oregon Revised Statutes (ORS) and the Oregon Investment Council (OIC). The State Treasurer is the investment officer for the OIC and is responsible for all funds in the State Treasury. These funds are invested exercising reasonable care, skill, and caution. Investments in the Pool are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which established diversification percentages and specifies the types and maturities of investments.

The portion of the external investment pool which belongs to local government investment participants is reported in an Investment Trust Fund in the State's Comprehensive Annual Financial Report (CAFR). A copy of the State's CAFR may be obtained at the Oregon State Treasury, 350 Winter St. N.E., Salem, Oregon 97310-0840.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or price paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

- *Level 1* – Unadjusted quoted prices for identical investments in active markets.
- *Level 2* – Observable inputs other than quoted market prices; and,
- *Level 3* – Unobservable inputs.

There were no transfers of assets or liabilities among the three levels of the fair value hierarchy for the year ended June 30, 2021.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

Fair values of assets measured on a recurring basis at June 30, 2021 are as follows:

	<u>Level 2</u>
Investments:	
Oregon Local Government Investment Pool	\$ <u>248,055</u>

Credit Risk

Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Government Investment Pool. The board may authorize the investment or reinvestment of funds that are not immediately needed for operations of the District. Such investments will comply with state law and Oregon Administrative Rules.

Investments

As of June 30, 2021, the District had the following investments:

	<u>Credit Quality Rating</u>	<u>Maturities</u>	<u>Fair Value</u>
Oregon Local Government Investment Pool	Unrated	-	\$ <u>248,055</u>

Interest Rate Risk

The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increases in interest rates.

Concentration of Credit Risk

The District does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 100 percent of the District's investments are in the Oregon Local Government Investment Pool.

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District does not have a policy that limits the amount of investments that can be held by counterparties.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

Custodial Credit Risk – Deposits

This is the risk that, in the event of a bank failure, the District's deposits may not be returned. All District deposits not covered by Federal Depository Insurance Corporation (FDIC) insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon, organized in accordance with ORS 295. The PFCP is a shared liability structure for participating bank depositories.

Barring any exceptions, a bank depository is required to pledge collateral valued at a minimum of 10% of their quarter-end public fund deposits if they are considered well capitalized, 25% of their quarter-end public fund deposits if they are considered adequately capitalized, or 110% of their quarter-end public fund deposits if they are considered undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

The District holds accounts at Columbia Bank, for which deposits are insured by the FDIC up to \$250,000. At June 30, 2021, the District had deposits of \$30,089 fully insured by the FDIC.

Deposits

The District's deposits and investments at June 30, 2021 are as follows:

Checking accounts	\$ 39,179
Total investments	<u>248,055</u>
Total cash and investments	<u><u>\$ 287,234</u></u>

Cash and investments by fund:

Business-type activities:	
General Fund	\$ 187,772
Capital Fund	<u>99,462</u>
Total cash and investments	<u><u>\$ 287,234</u></u>

B. Restricted Net Position

The amounts reported on the statement of net position identified as restricted net position are comprised of amounts restricted for future debt service.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

C. Capital Assets

Capital asset activity resulting from modified cash basis transactions for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets being depreciated				
Water system	\$ 911,145	\$ 30,000	\$ -	\$ 941,145
Water treatment plant upgrades	1,436,070	-	-	1,436,070
Motor vehicles	<u>17,925</u>	<u>-</u>	<u>-</u>	<u>17,925</u>
Total capital assets being depreciated	<u>2,365,140</u>	<u>30,000</u>	<u>-</u>	<u>2,395,140</u>
Less accumulated depreciation for				
Water system	(794,233)	(27,476)	-	(821,709)
Water treatment plant upgrades	(575,426)	(71,803)	-	(647,229)
Motor vehicles	<u>(5,761)</u>	<u>(2,561)</u>	<u>-</u>	<u>(8,322)</u>
Total accumulated depreciation	<u>(1,375,420)</u>	<u>(101,840)</u>	<u>-</u>	<u>(1,477,260)</u>
Capital assets being depreciated, net	<u>989,720</u>	<u>(71,840)</u>	<u>-</u>	<u>917,880</u>
Business-type activities capital assets, net	<u>\$ 989,720</u>	<u>\$ (71,840)</u>	<u>\$ -</u>	<u>\$ 917,880</u>

Capital assets are reported on the statement of net position as follows:

	Capital Assets	Accumulated Depreciation	Net Capital Assets
Business-type activities			
Water system	\$ 941,145	\$ (821,709)	\$ 119,436
Water treatment plant upgrades	1,436,070	(647,229)	788,841
Motor vehicles	<u>17,925</u>	<u>(8,322)</u>	<u>9,603</u>
Total capital assets	<u>\$ 2,395,140</u>	<u>\$ (1,477,260)</u>	<u>\$ 917,880</u>

Depreciation expense was charged to the functions/programs of the District as follows:

Business-type activities	
Water operations	<u>\$ 101,840</u>

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

D. Long-Term Liabilities

1. Changes in Long-Term Liabilities

The following is a summary of long-term liabilities arising from cash transactions for the year:

	Interest Rate	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business Oregon IFA Loan	1.00%	\$ 536,000	\$ 408,379	\$ -	\$ 16,688	\$ 391,691	\$ 16,855

2. Business-Type Activities - Interest Expense

Interest expense was charged to functions/programs of the District as follows:

Business-type activities	
Water operations	\$ 4,084

3. Business Oregon IFA Loan

The Business Oregon IRA Loan was issued in December 2014. Interest is fixed at 1.00%. The District used the proceeds to finance the upgrade of the water treatment plant. The General Fund has traditionally been used to liquidate the related debt.

4. Business-Type Activities Future Maturities of Long-Term Liabilities

Year ending June 30	Business Oregon IFA Loan		
	Principal	Interest	Total
2022	\$ 16,855	\$ 3,917	\$ 20,772
2023	17,023	3,749	20,772
2024	17,194	3,578	20,772
2025	17,365	3,407	20,772
2026	17,539	3,233	20,772
2027-2031	90,363	13,497	103,860
2032-2036	94,970	8,890	103,860
2037-2041	99,816	4,044	103,860
2042	20,566	206	20,772
Total	\$ 391,691	\$ 44,521	\$ 436,212

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

IV. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There was no significant reduction in insurance coverage from the previous year. There were no insurance settlements exceeding insurance coverage in any of the past three years.

B. Retirement Plans

1. Oregon Public Employees Retirement System

General Information about the Pension Plan

The Oregon Public Employees Retirement System (OPERS) consists of a cost-sharing, multiple-employer defined benefit plan for units of state governmental, political subdivisions, community colleges, and school districts, containing multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides pensions through the Plan. As of June 30, 2020, there were 901 participating employers.

Plan Membership

As of June 30, 2020, there were 16,323 active plan members, 129,520 retired plan members or their beneficiaries currently receiving benefits, 9,930 inactive plan members entitled to but not yet receiving benefits, for a total of 155,773 Tier One members.

For Tier Two members, as of June 30, 2020, there were 31,548 active plan members, 17,162 retired plan members or their beneficiaries currently receiving benefits, 13,880 inactive plan members entitled to but not yet receiving benefits, for a total of 62,590.

As of June 30, 2020, there were 130,806 active plan members, 6,940 retired plan members or their beneficiaries currently receiving benefits, 6,281 inactive plan members entitled to but not yet receiving benefits, and 16,439 inactive plan members not eligible for refund or retirements, for a total of 160,466 OPSRP Pension Program members.

Plan Benefits

Plan benefits of the System are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A, and Internal Revenue Code Section 401(a).

Tier One/Tier Two Retirement Benefit (Chapter 238) - OPERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living-adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute. This defined benefit pension plan is closed to new members hired on or after August 29, 2003.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

Pension Benefits

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. Police and Fire members may purchase increased benefits that are payable between the date of retirement and age 65.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- Member was employed by a PERS employer at the time of death,
- Member died within 120 days after termination of PERS-covered employment,
- Member died as a result of injury sustained while employed in a PERS-covered job, or
- Member was on an official leave of absence from a PERS-covered job at the time of death.

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for a either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining monthly benefit.

Benefit Changes after Retirement

Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations caused by changes in the fair value of the underlying global equity investments of that account.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit, in accordance with *Moro* decision. The COLA is capped at 2.0 percent.

OPSRP Defined Benefit Pension Program (OPSRP DB) – This Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003.

Pension Benefits

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and Fire – 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS

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Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit, in accordance with *Moro* decision. The COLA is capped at 2.0 percent.

OPSRP Individual Account Program (OPSRP IAP) - Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS and is administered by the OPERS Board.

Pension Benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP Individual Account Program (IAP), may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

Employer contribution rates during the period were based on the December 31, 2018 actuarial valuation, which became effective July 1, 2019. The State of Oregon and certain schools, community colleges, and political subdivisions have made unfunded actuarial liability payments, and their rates have been reduced.

Member contributions are set by statute at six percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf. As permitted, the District has opted to pick-up the contributions on behalf of its employees.

Employer contributions for the year ended June 30, 2021 were \$8,067.

Pension Plan Comprehensive Annual Financial Report (CAFR)

Additional disclosures related to Oregon PERS not applicable to specific employers are available by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700, or can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>.

Actuarial Valuations

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

Experience Study	2018, published July 24, 2019
<i>Actuarial Assumptions:</i>	
Actuarial Cost Method	Entry age normal
Inflation Rate	2.50 percent
Long-term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent
Cost of living adjustment (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p>Health retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS

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The methods and assumptions shown above are on the 2018 Experience Study, which reviewed experience for the four-year period ended December 31, 2018. There were no differences between the assumptions and plan provisions used for June 30, 2020 measurement date calculations compared to those shown above.

Actuarial Methods and Assumptions

Assets are valued at their market value. Gains and losses between odd-year valuations are amortized as a level percentage of combined valuation payroll over 20 years from the odd-year valuation in which they are first recognized.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Oregon PERS and additions to/ deductions from Oregon PERS' fiduciary net position have been determined on the same basis as they are reported by Oregon PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Discount Rate

The discount rate used to measure the total pension liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Depletion Date Projection

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses.

Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors.

Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

OIC Target and Actual Investment Allocation as of June 30, 2020

<u>Asset Class/Strategy</u>	<u>OIC Policy Low Range</u>	<u>OIC Policy High Range</u>	<u>OIC Target Allocation</u>	<u>Actual Allocation³</u>
Debt Securities	15.0%	25.0%	20.0%	20.0%
Public Equity	27.5%	37.5%	32.5%	31.8%
Real Estate	9.5%	15.5%	12.5%	11.4%
Private Equity	14.0%	21.0%	17.5%	22.9%
Alternatives Portfolio	7.5%	17.5%	15.0%	10.5%
Opportunity Portfolio ¹	0.0%	3.0%	0.0%	2.1%
Risk Parity ²	0.0%	2.5%	2.5%	1.3%
Total			100.0%	100.0%

¹Opportunity Portfolio is an investment strategy, and it may be invested up to 3% of total plan net position.

²Risk Parity is a new investment strategy added to the asset allocation mix in 2019.

³ Based on the actual investment value at 6/30/2020.

C. Intergovernmental Agreement

Arch Cape Domestic Water Supply District has an agreement with Arch Cape Sanitary District to share personal service costs. The Water Supply District is the employer of two employees and the Sanitary District reimburses the Water Supply District for its share of labor costs, payroll taxes, and employee benefits performed on behalf of the Sanitary District.

D. New Pronouncements

For the fiscal year ended June 30, 2021, the District implemented the following new accounting standards:

GASB Statement No. 84, Fiduciary Activities - This statement established criteria and guidance for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes, as well as the reporting requirements for these fiduciary funds.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.*

The District will implement applicable new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements for implementing any of the following pronouncements:

GASB Statement No. 83, *Certain Asset Retirement Obligations* – This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The statement is effective for fiscal years beginning after June 15, 2020 (as amended by GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*).

GASB Statement No. 87, *Leases* – This statement addresses the accounting and financial reporting for leases by governments, requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. The statement is effective for fiscal years beginning after June 15, 2022 (as amended by GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*).

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* – The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The statement is effective for fiscal years beginning after December 15, 2021 (as amended by GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*).

E. Subsequent Events

Management has evaluated subsequent events through November 14, 2022, which was the date that that financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual		Modified Cash Basis
				Budget Basis	Adjustments	
REVENUES						
User fees	\$ 174,042	\$ 174,042	\$ 10,930	\$ 184,972	\$ -	\$ 184,972
Excess usage charges	12,000	12,000	9,628	21,628	-	21,628
Debt service surcharges	22,045	22,045	860	22,905	-	22,905
Sanitary district reimbursement	155,789	155,789	(154,487)	1,302	-	1,302
Property tax receipts	-	-	125,474	125,474	-	125,474
Interest	2,500	2,500	(2,493)	7	-	7
Miscellaneous	2,100	2,100	(1,676)	424	-	424
Total revenues	<u>368,476</u>	<u>368,476</u>	<u>(11,764)</u>	<u>356,712</u>	<u>-</u>	<u>356,712</u>
EXPENDITURES						
Current						
Personnel services	224,994	224,994	(44,443)	180,551	-	180,551
Materials and services	171,198	171,198	(60,548)	110,650	-	110,650
Capital outlay	2,000	2,000	34,200	36,200	(30,000)	6,200
Debt service	20,772	20,772	-	20,772	(16,688)	4,084
Depreciation	-	-	-	-	101,840	101,840
Contingency	60,000	60,000	(60,000)	-	-	-
Total expenditures	<u>478,964</u>	<u>478,964</u>	<u>(130,791)</u>	<u>348,173</u>	<u>55,152</u>	<u>403,325</u>
Excess (deficiency) of revenues over (under) expenditures	(110,488)	(110,488)	119,027	8,539	(55,152)	(46,613)
Net position - beginning	<u>202,870</u>	<u>202,870</u>	<u>557,704</u>	<u>179,233</u>	<u>581,341</u>	<u>760,574</u>
Net position - ending	<u>\$ 92,382</u>	<u>\$ 92,382</u>	<u>\$ 676,731</u>	<u>\$ 187,772</u>	<u>\$ 526,189</u>	<u>\$ 713,961</u>

See independent accountant's review report.

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Arch Cape, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION -
 BUDGET AND ACTUAL

CAPITAL FUND

For the Year Ended June 30, 2021

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		
			Budget Basis	Modified Cash Basis	
REVENUES					
System development charges	\$ 11,206	\$ (4,797)	\$ 6,409	\$ -	\$ 6,409
EXPENDITURES					
Contingency	100,189	(100,189)	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(88,983)	95,392	6,409	-	6,409
Net position - beginning	88,983	4,070	93,053	-	93,053
Net position - ending	<u>\$ -</u>	<u>\$ 99,462</u>	<u>\$ 99,462</u>	<u>\$ -</u>	<u>\$ 99,462</u>

See independent accountant's review report.

**REVIEW REPRESENTATIONS
REQUIRED BY STATE REGULATIONS**

**MANAGEMENT'S REPRESENTATION OF FISCAL AFFAIRS
REQUIRED BY OREGON REGULATION**

Accuity, LLC
 Certified Public Accountants
 436 First Ave W
 Albany, OR 97321

Arch Cape Domestic Water Supply District is subject to, and responsible for, compliance with various laws, rules, and regulations relating to its operations and finances. Among such laws, rules, and regulations are the requirements prescribed in Municipal Audit Law (ORS Chapter 297) and the Minimum Standards for Review of Oregon Municipal Corporations (OAR 162, Division 40) including, but not limited to:

Deposit of public funds with financial institutions (ORS Chapter 295)

Indebtedness limitations, restrictions, and repayment

Budgets legally required (ORS Chapter 294)

Insurance and fidelity bonds in force or required by law

Programs funded from outside sources

Authorized investment of surplus funds (ORS Chapter 294)

Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)

The management of Arch Cape Domestic Water Supply District is aware of the requirements of Oregon laws and administrative rules concerning each of the above requirements and has complied, in all material respects, with such requirements. Further, we are not aware of any violations or possible violations of laws, rules, or regulations, whose effect should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, except as follows:

A. Excess of Expenditures Over Appropriations

During the year ended June 30, 2021, the District expended funds in excess of appropriations as follows:

Fund	Function	Appropriation	Expenditure	Excess
General Fund	Capital outlay	\$ 2,000	\$ 36,200	\$ 34,200



Teri Fladstol, Administrative Assistant

Oct. 20, 2022
Date



Debra Birkby, Board President

Oct. 20, 2022.
Date



Jay Blake Board Treasurer

October 24, 2022
Date

September 2023 Staff Report

Major accomplishments:

1. Alarms connection repaired at WTP. Now functioning.
2. Installation of new water and sewer taps (new construction) with Mike McEwan
3. Meeting with Melanie Olson and Curt McLeod. Financial planning options for our ten-year capital improvement plan.
4. Plant tours and long-range financial option presentations for both water and sanitary districts to a few board members.

Critical few:

1. Membrane basins confined space entry parts installations.
2. Membrane basins, physical deep clean.
3. Another new water and sewer tap (new construction).

The unexpected:

1. The duty truck is a mess with mice. Details provided if you wish to inquire. Situation not good.

Other things of note:

1. Water levels are holding above curtailment line minimums thanks to recent wet weather. Not out of trouble yet.

ACWD – ACSD Project Plan Topic Description
September 2023

Matt, District Manager, has been developing a project plan for all known projects/activities that will require involvement by the District Manager and/or District Operator.

The project plan lists all ACWD and ACSD projects along with their priority, anticipated start month and duration and the intensity of resource requirements. The next version of the plan will estimate the resource requirements in term of Full Time Equivalents (FTE) that will likely be required.

The purpose of this Project Plan is to function as a dynamic tool for identifying, prioritizing, managing expectations and tracking progress of each project.

Board Objective (Information Only at September Meeting)

The objective for the September meeting of both Boards is to familiarize the Boards with the list of projects and their current priority ranking.

It is anticipated that the current level of District Staff will not be adequate to undertake all projects as currently scheduled. As such, a future objective for both Boards (*not at the September meeting*) once resource requirements are better quantified, will be to confirm/refine the District Manager's recommendations about the sequencing of projects and the possible need for contractors, which may or may not require additional funding.

Attached is the current draft of the ACWD – ACSD Project Plan

	Priority	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
SD Projects													
Deferred maintenance projects (P 1's)	High		xx	xx	xx	xx	xx	xx	xx	xx	xx	xx	xx
Membrane basin cleaning X2 / equip installs	High		xxx	xxx									
Webb Lift Station replacement - Planning	High			x	x	x	x						
Webb Lift Station replacement - Build	High												
Collection system - repairs (C.P. 2025-26)	High												
Select/implement asset mgmt application	High					xx	x	x	x	x	x	x	x
Magnesium Hydroxide transfers and billing/CB	Medium		xx										
Mixer and Valve replacement	Medium										xxx		
BioSolids / BioSolids site - rehab or sell research	Low						xx	xx	xx				
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												
Grant Writing	High												
Water District				x	x	x	x	x	x	x	x	x	x
Sanitary District				x	x	x	x	x	x	x	x	x	x

Legend:

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

Intensity of District Resource Requirements (Staff, Contractors, Materails) : X-Low, XX - Medium, XXX-High

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

Thursday August 17, 2023. 6:00 PM

Pursuant to notice posted, the regular monthly Board Meeting for the Arch Cape Domestic Water Board was held via zoom.

In attendance: Chris Mastrandrea, Tevis Dooley, Bob Cerelli, Bill Campbell, Sam Garrison; Staff: Matt Gardner, District Manager and Teri Fladstol, Admin

Call to Order: 6:00pm by Bill Campbell

Public Comments: Phil Simmons: Concern was expressed about an unenforceable rule for dog owners to clean up after their pets when walking with them in the Watershed. Bill responded that the current Board has not yet proposed any policies / rules and are awaiting community feedback on the recommendations that were proposed by the National Parks Services Committee. The Board will begin to consider a set of recommendations as early as the Sept meeting, John Mersereau asked for details and follow-up information on the survey that was sent out regarding the Forest. Expressed concern with NCLC and the partner relationships, especially with the banners being taken down (celebratory). Tevis is currently working on the relationship with the Land Conservatory and spoke with John Wickersham this week. Tevis Dooley- Offered up gratitude to the Arch Cape community members previous Forest Management Committee and National Parks Service committee.

Agenda Approval: Proposal by Bill to change item V. A. 2 of the agenda (Utility Review/Refine/Approve Updated Leak Policy) to information instead of action to allow further discussion and research on the matter. Bob Cerelli motioned to accept with that change, seconded by Chris Mastrandrea, motion approved.

Consent Agenda: Tevis Dooley motioned to accept the consent agenda, second made by Chris Mastandrea, motion approved. Discussion regarding pulling minute approval out of consent agenda for approval separately. Bob Cerelli requested that they be approved on their own, motioned to accept July minutes as presented, seconded by Chris Mastrandrea, motion approved.

New Business:

Water Usage Curtailment policy re drought conditions, the Water District manager requested to refrain from additional water usage such as watering lawns, washing cars, etc. Matt, District Manager provided Water saving measures that are being put in place. These measures are available upon request. During periods of Water Curtailment, Public notification will consist of posting status information / updates at the mailboxes and the district offices and sending email notifications to rate payers whose email is on file with the Water District. If consumers are not already receiving the notifications via email, please contact Matt or Teri to update your contact information.

Review / Refine / Approve Updated Leak Policy: Pulled from agenda as action and changed to information – we will need to get public comment on the proposed changes. Staff have indicated that there are not clear and consistent guidelines to treat water leaks in the same manner. Suggested changes were noted in the packet. Tevis Dooley questioned, if the consumer is notified of a leak and it is a radical leak within 30 days, at what point will the district take action to correct the leak? Matt weighed in, identify, notify, and discuss with the client regarding the next steps. We are looking at this more frequently allowing the notification to be sooner. Sam Garrison questions, does the district offer support or guidance to the consumer to address their leak. Matt's response is that yes, there is a fine line to assist the consumer, but no business recommendations will be made.

No further comments on Policy Update.

District – Administration:

Staff Report and Correspondence for Action; Manager report was made in the packet. No further questions or comments.

Board Members' Comments and Reports:

Bob Cerelli, met w/district manager. Comfortable with monitoring water distribution. It is under control. Forest Management group, unable to elect a board chair, Bill Campbell facilitated that meeting in lieu of a board chair. Comment to what Tevis mentions, we need to realize we have two separate pieces of property. We own the Watershed, but it is time to realize that the properties are separated.

Chris Mastrandrea with Sustainable NW regarding the Hollis fund grant has not been transferred to the account. We will continue to work on ensuring that is received.

Sam Garrison, met with Teri and Matt on Thursday, Sam will be doing reconciliation on Thursday and bill payments completed on Fridays. Sam will look at all the disbursements between meetings and then provide snapshots as needed during the meeting.

Tevis Dooley met with the North Coast Land Conservatory, there is a great relationship standing and currently nothing standing in the way to collaborate as needed.

Bill Campbell and Tevis Dooley have been working with Matt and to put a project plan together and to start a process for the board to determine the priority. Matt will present his initial plan.

Watershed Finance committee will meet every two-three week to develop a long-range plan for the Forest.

Friday 8/18 will be the last day to complete the Public Access & Recreation. Based upon those results, the Board will begin the process of drafting a policy. It does have to be approved by the ODF before the board can formally adopt it.

Watershed New Business:

Recommendations from Forest Management Committee to update the District Manager's Job Description- managing the keys and tracking who is on the property & determining, in conjunction with the consulting Forester, when the Watershed property should be closed (i.e., Fires). Motion by Bob Cerelli approve the change to the Job Description; second by Chris Mastrandrea, Motion approved. Matt Gardner acknowledged and confirmed those changes.

RFP's have been drawn up for Roads Contract Manager and Project Manager - Motion made by Tevis Dooley to accept the roads contract manager RFP as provided, second by Bob Cerelli, motion approved. Motion made by Bob Cerelli to accept the project manager RFP as provided, seconded by Sam Garrison, no discussion, motion approved.

September Agenda Items:

Business Oregon required to approve selected contractors. There may be an interim public meeting in late September to approve the selected bidder

UB Max – Monthly Billing

Water District Audit Report

Water & Sanitary District Project Plan- there may be a possibility of having a combined September meeting with both Boards.

Watershed public Access & Recreation Policy

Discussion ensued regarding the consent agenda and having separate line items for each topic. Request to eliminate consent agenda and address each item individually.

Public Comment

Question regarding the survey from John Mersereau, will the recommendations made by the parks and recreation committee be considered. Bill Campbell indicated, yes, their report and public comments have been reviewed by the Board and are the basis for the current survey

Adjournment motion made by Bob Cerelli, second made by Sam Garrison, motion approved.

Meeting Adjourned at 6:51pm.

Submitted by:

Attest:

Teri Fladstol, Secretary

WECampbell III

Teri Fladstol, Secretary

Cannon View Park Inter-Connect
Request for “Conditional” Approval
September 2023

Cannon View Park (CVP) is requesting ACWD Board permission to construct, at their expense, a permanent intertie between our water system and that of ACWD at the intersection of Highway 101 and Carnahan Road in Arch Cape. (see attached request – which Richard Gibson will make at the September meeting.)

From my perspective as Board Chair – a request for “conditional” approval is being made by CVP as there are design elements that would still need our input (see Design Decisions below).

Background:

1. The design of the inter-connect that CVP has submitted was developed in August 2018 by our plant engineer, Curt McLeod (attached)
2. When Richard approached me with this request, I touched base with previous Board members to get a better understand of history and prior concerns.
 - a. *History:* CVP’s requests for an inter-connect over the years have been based on a cost split between CVP and ACWD. ACWD was opposed to contributing any funding.
 - b. *Concerns:* Based upon the below voiced concerns, I took the liberty of asking Matt / Curt to reply to the following questions:
 - i. Is there anything else you would like to add to the “design”?
A: This scope is still applicable if they want full service, i.e., domestic and fire protection from ACWD. If their storage remains on-line, the 6” PRV would not be warranted.
 - ii. Does it provide for the technical isolation of the systems?
A: Manual isolation valves would be adequate to protect the systems. If this is an emergency connection only, the pressure reducing valve needed to regulate the pressure could be manually isolated unless needed. For truly an emergency only connection, metering could also be eliminated if an equitable arrangement is agreed to. Metering and the pressure reducing valves are a major part of the expense.
 - iii. Does it prevent contamination of the ACWD system?
A: A simple check valve and the pressure difference between CVP and ACWD would provide the protection needed without concern.
 - iv. During periods of activation of the intertie, to what extent does the difference in PSI between the systems problematic for ACWD

A: I do not believe it would ever cause a problem. My understanding is that CVP is approximately 4 psi lower pressure than ACWD so ACWD would not see any difference in their distribution system.

Design Decisions if Conditional Approval to CVP is given:

As mentioned in the CVP request – there would be design decisions that would need to be made with ACWD input. Below are ones that Matt, Tevis and I thought should be included.

1. What would be the final design (per Curt’s considerations outlined above)?
2. What would constitute an “emergency”
3. What would be the process for activating the inter-connect and for turning it off?
4. Who would maintain the inter-tie “equipment” and at whose cost?
5. What would be the process for billing for ACWD water and at what price?
6. Others?

Proposed Next Step (requiring Board Action):

Board Motion:

“Conditionally Approve Cannon View Park’s request to inter-connect their water distribution system to the ACWD water distribution system subject to mutually agreement on the following issues, with the agreement formalized by ACWD legal counsel and signed by both parties.

1. What would be the final design (per Curt’s considerations outlined above)?
2. What would constitute an “emergency”
3. What would be the process for activating the inter-tie and for turning it off?
4. Who would maintain the inter-tie “equipment” and at whose cost?
5. What would be the process for billing for ACWD water and at what price?

In his capacity of Board liaison with District Manager, designate Tevis to work with Matt to recommend answers to these questions. “

**CANNON VIEW PARK, INC.
80478 Carnahan Road
Arch Cape OR 97102**

11 September 2023

Board of Directors
Arch Cape Water District
32065 E. Shingle Mill Lane
Arch Cape OR 97102

RE: Cannon View Park Intertie

Dear Board Members:

Cannon View Park, Inc. (CVP) would like your permission to construct a permanent intertie between our water system and that of ACWD at the intersection of Highway 101 and Carnahan Road in Arch Cape. The purpose of the intertie would be for the ACWD water system to supply water to the CVP water system in the unlikely event that the CVP system is incapacitated. It is also possible that the CVP system could supply water to the ACWD system in the event that the ACWD system's water supply is diminished.

The design for the intertie is specified by the accompanying Curran McLeod Design Packet. Please disregard any mentions of ACWD payments or staff involvement in the letter dated 10 August 2018. Our plan would be to implement the 8" pipe option. Other design decisions such as metering and pressure reduction valves need to be made later with your input if you approve this request.

CVP has applied to Oregon's Safe Drinking Water Revolving Loan Fund to help pay for this project. It is uncertain whether our application will be successful, and if it were to be successful, when funds would be distributed.

Thank you for your consideration. CVP looks forward to discussing this project with you.

Yours truly,

Richard Gibson
President, Cannon View Park, Inc.

August 10, 2018

CURRAN-McLEOD, INC.
CONSULTING ENGINEERS

6655 S.W. HAMPTON STREET, SUITE 210
PORTLAND, OREGON 97223

Mr. Phil Chick, Manager
Arch Cape Water District
32065 East Shingle Mill Lane
Arch Cape, OR 97102

**RE: ARCH CAPE WATER DISTRICT
CANNON VIEW PARK INTERTIE**

Dear Phil:

We have coordinated with you and reviewed the piping requirements to complete an Arch Cape Water District intertie with the Cannon View Park water system. This letter is to identify the scope of work and provide a cost to complete the engineering required for the construction.

Our understanding is that the connection needs to be manually isolated, metered and have pressure regulation to prevent overflowing the CVP storage reservoirs. Fire flows can be provided with a 6" pressure reducing and sustaining valve, unmetred, in a common vault with a bypass route. Domestic demands can be accommodated with on the bypass, with a metered 2" pressure reducing and sustaining valve. The existing valve at Highway 101 can provide the manual isolation for the connection.

Backflow prevention can be provided, however, the risk of contamination from the CVP source is minimal. The pressure reducing valves can be provided with a check feature to prevent any backflow if desired.

The connecting pipeline currently stops at the valve cluster at Highway 101 and Carnahan Road, approximately 200 feet from the end of the CVP distribution system. Completing the interconnection will require approximately 200 feet of mainline construction as well as the valves, meter and vault.

Cannon View Park should decide if they want fire protection through the emergency intertie. If so, the mainline extension from Highway 101 will need to be 8" diameter, and the 6" pressure reducing valve will need to be included in the vault construction. It should be noted that ClaVal makes a 6" pressure regulating valve in the body of an 8" valve, which provides the hydraulics of a 6" valve without the need for reducers to connect to the 8" mainline.

If domestic demands only are provided during these emergency periods, the mainline size can be reduced and the 6" pressure reducing valve can be deleted. The valve vault would then only contain the 2" pressure regulating valve and a meter.

Mr. Phil Chick
August 10, 2018
Page 2

The pressure controls will permit ACWD to set a delivery pressure that would be adjustable, and could ensure water is only supplied during emergency conditions. The 2" valve would, for example, only supply water if the CVP system pressure was reduced by several psi. Additionally, the fire flow valve would only provide water if the CVP system pressures dropped even further. The pressure settings can be determined in the field after completion of the connection.

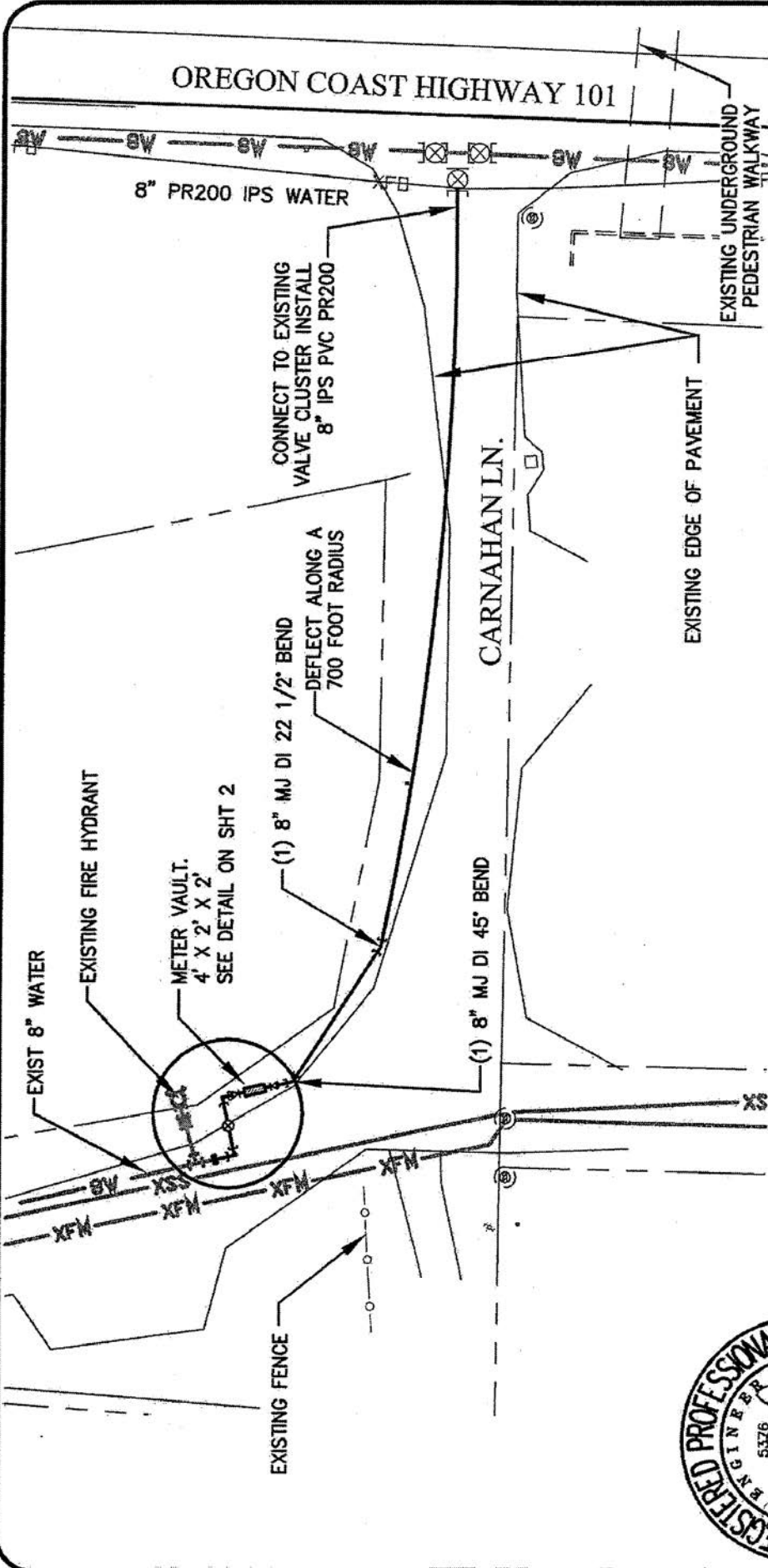
The engineering efforts required to prepare a plan for the connection, and cost estimates, should not take long. We estimate 6 hours of professional staff and 6 hours of CAD graphics. Total engineering costs are estimated at \$1,400. We would expect our invoice will be to the ACWD, and that the District will charge CVP for the work.

Let us know if you would like us to proceed

Very truly yours,

CURRAN-McLEOD, INC.


Curt J. McLeod, P.E.



SHEET 1

WATER CONNECTION PLAN

CURRAN-MCLEOD, INC.
CONSULTING ENGINEERS

6655 S.W. HAMPTON ST., SUITE 210
PORTLAND, OREGON 97223
PHONE (503) 684-3478



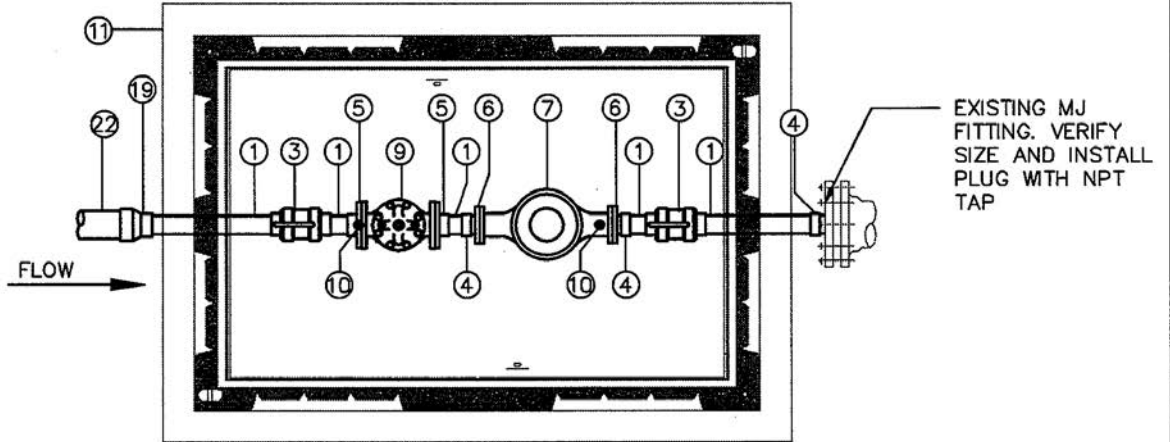
SCALE: 1"=30'

CANNON VIEW - ARCH CAPE
WATER DISTRICT
WATER CONNECTION

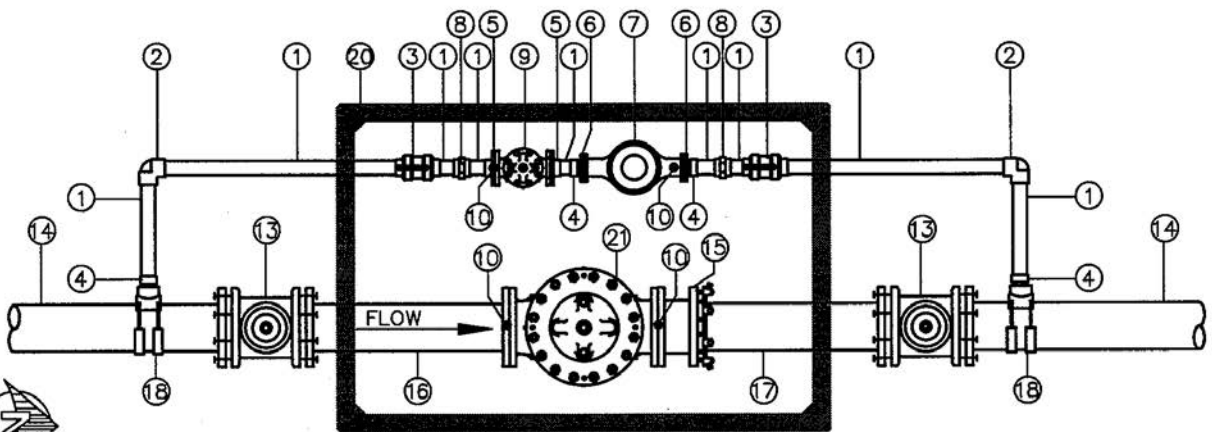


EXPIRES: 12/31/2011

- ① 2" SCH 80 PVC PIPE
- ② 2" SCH 80 S X S PVC 90
- ③ 2' TRUE UNION PVC BALL VALVE
- ④ 2" SCH 80 PVC MALE ADAPTER
- ⑤ 2" SCH 80 PVC SLIP-ON FLANGE
- ⑥ 2" THR'D METER FLANGE ADAPTER
- ⑦ 2" POS. DISPLACEMENT FLOW METER
- ⑧ 2' SCH 80 S X S UNION
- ⑨ 2" FLG'D CLA-VAL SERIES 90 PRV
- ⑩ PIPE SUPPORT STANDS
- ⑪ VALVE VAULT, OLDCASTLE 644-LA OR EQUAL WITH TRAFFIC RATED LID
- ⑫ 2" SCH 40 PVC PIPE
- ⑬ 8" MJ GATE VALVE WITH VALVE BOX
- ⑭ 8" C900 PVC PIPE
- ⑮ 8" RESTRAINED FLG COUPLING ADAPTER
- ⑯ 8" DI FLG X PE PIPE
- ⑰ 8" DI PIPE
- ⑱ 8" X 2" NPT SADDLE
- ⑲ 3" X 2" SCH 40 PVC S X S REDUCER
- ⑳ VALVE VAULT, OLDCASTLE 575-LA WITH TRAFFIC RATE DOUBLE DOOR LID
- ㉑ 8" FLG'D CLA-VAL 692 PRV/PSV
- ㉒ 3" SCH 40 PVC PIPE



① 2" CARNAHAN CONNECTION DETAIL
 CANNON VIEW PARK INC., ARCH CAPE, OR
 SCALE: 1/2" = 1'-0"



② 8" CARNAHAN CONNECTION DETAIL
 CANNON VIEW PARK INC., ARCH CAPE, OR
 SCALE: 3/8" = 1'-0"

DIGITAL SIGNATURE

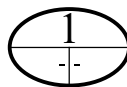


EXPIRES: 12/31/2018

WATER LINE
 CONNECTION DETAILS
 CANNON VIEW PARK, INC

CURRAN-McLEOD, INC.
 CONSULTING ENGINEERS

6655 SW. HAMPTON ST, SUITE 210
 PORTLAND, OREGON 97223
 PHONE (503) 684-3478



ACWD WATERLINE CONNECTION

CANNON VIEW PARK INC., ARCH CAPE, OR

SCALE: 1" = 100'

DIGITAL SIGNATURE



EXPIRES: 12/31/2018

**CURRAN-McLEOD, INC.
CONSULTING ENGINEERS**



6655 S.W. HAMPTON ST., SUITE 210
PORTLAND, OREGON 97223
PHONE (503) 684-3478



Thomas Merrell <thomasmerrell@gmail.com>

Arch Cape/ CVP Water Intertie

1 message

Pat Curran <pdcc@curran-mcleod.com>

Wed, Oct 30, 2013 at 4:32 PM

To: Thomas Merrell <thomasmerrell@gmail.com>, Dick Petrone <shami6@frontier.com>

Cc: Arch Cape Water and Sewer Districts <acsddposition2.1@gmail.com>, Arch Cape Service District <archcapeservicedistrict@gmail.com>

Thomas/ Dick:

We have reviewed the intertie benefits and costs as they affect both water systems. In summary, we believe that the balance of benefits generally favors CVP. However, there are material benefits to ACWD as well.

CVP enjoys storage redundancy and capacity in excess of its needs. ACWD has a large amount of storage but only one reservoir.

CVP has a limited size water right on two small springs, but only one is developed. ACWD has ample water rights for winter demands and some source surplus for summer needs.

On paper, CVP seems vulnerable because of the small spring source and would gain better benefit from an intertie. However, ACWD would be in a world of hurt without the single reservoir.

Considering the demands on both systems and the vulnerability to an interruption to the sources or storage, the balance of benefits would seem to be 80/20 toward CVP.

That said, the elevated reliability of both systems deriving from an intertie is about the same even though the timeline of mutual support is short for CVP supporting the demands of ACWD.

For purposes of equalizing the costs of construction of an intertie, we would lean toward a 60/40 split of costs. And, this conclusion is based on the joint merit of the final resulting pipeline. And, of course, the needed check valve at CVP reservoir is an expense of the CVP only since the pressure resulting from ACWD would overtop the CVP reservoir due to the difference of water levels.

This summary is for your purposes and we can forward a hard copy of the evaluation if you wish.

Pat

Patrick D. Curran, P.E.
CURRAN-McLEOD, INC.
6655 SW Hampton Street, Suite 210
Portland, Oregon 97223
Tel: (503) 684-3478
Fax: (503) 624-8247
Cell: (503) 807-7453
email: pdcc@curran-mcleod.com

From: Thomas Merrell**Sent:** Tuesday, October 29, 2013 9:33 AM**To:** Pat Curran**Cc:** Arch Cape Water and Sewer Districts ; Arch Cape Service District ; Thomas Merrell**Subject:** email addresses

11:49 PM

Arch Cape Domestic Water District

09/13/23

Balance Sheet

Cash Basis

As of August 31, 2023

	<u>Aug 31, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
00-1000 · #1196 Main Checking	25,331.57
01-1100 · Local Gov Pool - Water 5783	293,721.58
03-1101 · Local Gov Pool - Forest 6469	184,567.79
Total Checking/Savings	<u>503,620.94</u>
Total Current Assets	<u>503,620.94</u>
TOTAL ASSETS	<u>503,620.94</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2401 · Payroll PERS Liability	200.00
Total Other Current Liabilities	<u>200.00</u>
Total Current Liabilities	<u>200.00</u>
Total Liabilities	200.00
Equity	
3200 · Retained Earnings	394,332.94
Net Income	<u>109,088.00</u>
Total Equity	<u>503,420.94</u>
TOTAL LIABILITIES & EQUITY	<u>503,620.94</u>

	Budget	23-Jul	23-Aug	FY to Date	% of Budget
Ordinary Income/Expense					000058
Income					
01-4100 · Beginning Balance	\$ 181,665	\$ -	\$ -	\$ -	0%
01-4200 · IGA Income (Sanitary District)	\$ 157,500	\$ -	\$ 9,106	\$ 9,106	6%
01-4300 · Interest Income	\$ 1,000	\$ -	\$ -	\$ -	0%
01-4400 · Cannon View Park Services	\$ 800	\$ -	\$ -	\$ -	0%
01-4501 · Meter Hook-Up Fee	\$ 1,400	\$ 700	\$ -	\$ 700	50%
01-4600 · Metered Water Service	\$ 239,443	\$ 35,998	\$ 1,765	\$ 37,763	16%
01-4751 · LGIP - Dividend	\$ -	\$ 1,244	\$ 1,650	\$ 2,895	100%
01-4800 · Grant Revenue	\$ 806,626	\$ -	\$ 129,574	\$ 129,574	16%
02-4550 · SDC Revenue	\$ 13,163	\$ 6,390	\$ 7,281	\$ 13,671	104%
03-4100 · Beginning Balance - Forest Fund	\$ 409,103	\$ -	\$ -	\$ -	0%
03-4751 · LGIP - Dividend - Forest Fund	\$ 14,625	\$ -	\$ -	\$ -	0%
Total Income	\$ 1,825,325	\$ 44,332	\$ 150,176	\$ 194,508	11%
Expense					
01-5999 · Inter-Govern Agreement (IGA)					
01-5000 · Personnel Services	\$ 226,150	\$ 13,781	\$ 14,036	\$ 27,817	12%
01-6001 · Administrative Services	\$ 44,400	\$ 3,250	\$ 3,200	\$ 6,450	15%
01-6002 · Temporary Help	\$ 10,000	\$ 150	\$ -	\$ 150	2%
01-6003 · Clothing Allowance	\$ 1,000	\$ -	\$ -	\$ -	0%
01-6004 · Education	\$ 2,700	\$ 414	\$ -	\$ 414	15%
01-6005 · Travel	\$ 1,000	\$ 225	\$ -	\$ 225	23%
01-6006 · Office Supplies	\$ 2,300	\$ 50	\$ 146	\$ 196	9%
01-6007 · Postage	\$ 2,500	\$ 12	\$ 15	\$ 27	1%
01-6008 · Vehicle	\$ 4,000	\$ 217	\$ 286	\$ 502	13%
Total 01-5999 · Inter-Govern Agreement (IGA)	\$ 294,050	\$ 18,099	\$ 17,683	\$ 35,782	12%
01-6000 · Materials & Services					
01-6101 · Facilities Use (Sanitary)	\$ 3,750	\$ -	\$ -	\$ -	0%
01-6102 · Payroll Administration Service	\$ 500	\$ 40	\$ 40	\$ 80	16%
01-6103 · Liability & Property Insurance	\$ 12,000	\$ -	\$ -	\$ -	0%
01-6104 · Licenses	\$ 2,000	\$ -	\$ -	\$ -	0%
01-6105 · Dues & Taxes	\$ 1,450	\$ -	\$ -	\$ -	0%
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	20%
01-6110 · Utilities	\$ 12,000	\$ 288	\$ 1,194	\$ 1,483	12%
01-6200 · Maintenance	\$ 65,000	\$ 3,077	\$ 1,003	\$ 4,079	6%
01-6201 · Chemicals	\$ 6,500	\$ 265	\$ -	\$ 265	4%
Total 01-6000 · Materials & Services	\$ 143,400	\$ 3,808	\$ 2,237	\$ 6,045	4%
01-7000 · Capital Outlay	\$ 790,461	\$ 28,033	\$ 15,058	\$ 43,091	5%
01-7500 · Debt Service	\$ 20,772	\$ -	\$ -	\$ -	0%
01-8000 · Contingency	\$ 66,259	\$ -	\$ -	\$ -	0%
02-8000 · Contingency - Contingency	\$ 88,990	\$ -	\$ -	\$ -	0%
03-8000 · Contingency - Forest Fund	\$ 421,393	\$ -	\$ -	\$ -	0%
Total Expense	\$ 1,825,325	\$ 49,940	\$ 35,480	\$ 85,420	5%
Net Income	\$ -	\$ (5,608)	\$ 114,696	\$ 109,088	100%

10:21 PM

09/12/23

Arch Cape Domestic Water District Check Detail

August 1 through September 10, 2023

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Check	EFT	08/02/2023	CS&S		00-1000 · #1196 ...		-83.00
					01-6200 · Mainten...	-83.00	83.00
TOTAL						-83.00	83.00
Check	EFT	08/08/2023	USPS		00-1000 · #1196 ...		-1.98
					01-6007 · Postage	-1.98	1.98
TOTAL						-1.98	1.98
Check	EFT	08/11/2023	Sure Payroll		00-1000 · #1196 ...		-39.99
					01-6102 · Payroll ...	-39.99	39.99
TOTAL						-39.99	39.99
Check	EFT	08/14/2023	USPS		00-1000 · #1196 ...		-1.35
					01-6007 · Postage	-1.35	1.35
TOTAL						-1.35	1.35
Check	EFT	08/14/2023	Sure Payroll		00-1000 · #1196 ...		-5,845.48
					90000 · Ask My A...	-5,845.48	5,845.48
TOTAL						-5,845.48	5,845.48
Check	EFT	08/15/2023	USPS		00-1000 · #1196 ...		-8.86
					01-6007 · Postage	-8.86	8.86
TOTAL						-8.86	8.86
Check	EFT	08/16/2023	Verizon Wireless		00-1000 · #1196 ...		-128.12
					01-6110 · Utilities	-128.12	128.12
TOTAL						-128.12	128.12
Check	EFT	08/18/2023	USPS		00-1000 · #1196 ...		-2.64
					01-6007 · Postage	-2.64	2.64
TOTAL						-2.64	2.64
Check	EFT	08/25/2023	PERS		00-1000 · #1196 ...		-2,352.99
					2401 · Payroll PE...	-600.00	600.00
			A/C Domestic Wat...		01-5004 · PERS R...	-876.50	876.50
			A/C Sanitary District		01-5004 · PERS R...	-876.49	876.49
TOTAL						-2,352.99	2,352.99

10:21 PM

Arch Cape Domestic Water District Check Detail

09/12/23

August 1 through September 10, 2023

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Check	EFT	08/30/2023	Sure Payroll		00-1000 · #1196 ...		-6,037.95
					90000 · Ask My A...	-6,037.95	6,037.95
TOTAL						-6,037.95	6,037.95
Check	EFT	08/31/2023	1st Security Bank		00-1000 · #1196 ...		-10.00
					01-6200 · Mainten...	-10.00	10.00
TOTAL						-10.00	10.00
Bill Pmt -Check	2098	08/03/2023	A-Boy Electric & ...		00-1000 · #1196 ...		-7.73
Bill		08/03/2023			01-6200 · Mainten...	-7.73	7.73
TOTAL						-7.73	7.73
Bill Pmt -Check	2099	08/03/2023	Warrenton Fiber ...		00-1000 · #1196 ...		-14,878.00
Bill		08/03/2023			03-7802 · Forestry...	-14,878.00	14,878.00
TOTAL						-14,878.00	14,878.00
Bill Pmt -Check	2100	08/10/2023	Jackson Oil		00-1000 · #1196 ...		-285.54
Bill		08/10/2023			01-6008 · Vehicle	-66.35	66.35
					01-6008 · Vehicle	-219.19	219.19
TOTAL						-285.54	285.54
Bill Pmt -Check	2101	08/10/2023	Pacific Power		00-1000 · #1196 ...		-905.86
Bill		08/10/2023			01-6110 · Utilities	-349.18	349.18
Bill		08/10/2023			01-6110 · Utilities	-556.68	556.68
TOTAL						-905.86	905.86
Bill Pmt -Check	2102	08/10/2023	Columbia Locks...		00-1000 · #1196 ...		-180.00
Bill		08/10/2023			03-7800 · Busines...	-180.00	180.00
TOTAL						-180.00	180.00
Bill Pmt -Check	2103	08/31/2023	Jigsaw Consultin...		00-1000 · #1196 ...		-3,748.00
Bill	114894	08/17/2023	A/C Sanitary District		01-6006 · Office S...	-24.00	24.00
			A/C Domestic Wat...		01-6006 · Office S...	-24.00	24.00
Bill	August	08/24/2023	A/C Domestic Wat...		03-6840 · Reimbur...	-500.00	500.00
			A/C Sanitary District		01-6001 · Adminis...	-1,728.00	1,728.00
			A/C Domestic Wat...		01-6001 · Adminis...	-1,472.00	1,472.00
TOTAL						-3,748.00	3,748.00
Check	2104	08/10/2023	CenturyLink		00-1000 · #1196 ...		-160.30
					01-6110 · Utilities	-160.30	160.30
TOTAL						-160.30	160.30

10:21 PM

Arch Cape Domestic Water District Check Detail

09/12/23

August 1 through September 10, 2023

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Check	2105	08/17/2023	Spoko Welding, In.		00-1000 · #1196 ...		-98.40
			A/C Domestic Wat...		01-6006 · Office S...	-49.20	49.20
			A/C Sanitary District		01-6006 · Office S...	-49.20	49.20
TOTAL						-98.40	98.40
Check	2106	08/17/2023	A+ Plumbers		00-1000 · #1196 ...		-902.00
				System Leak		-902.00	902.00
TOTAL						-902.00	902.00
Bill Pmt -Check	2107	09/07/2023	A-Boy Electric & ...		00-1000 · #1196 ...		-6.45
Bill	2309-...	09/06/2023			01-6200 · Mainten...	-6.45	6.45
TOTAL						-6.45	6.45
Bill Pmt -Check	2108	09/07/2023	Cascade Columb...		00-1000 · #1196 ...		-1,597.44
Bill	875448	09/06/2023			01-6201 · Chemic...	-1,597.44	1,597.44
TOTAL						-1,597.44	1,597.44
Bill Pmt -Check	2109	09/07/2023	Columbia Locks...		00-1000 · #1196 ...		-8.00
Bill	121358	09/06/2023	A/C Domestic Wat...		03-6840 · Reimbur...	-8.00	8.00
TOTAL						-8.00	8.00
Bill Pmt -Check	2110	09/07/2023	Correct Equipment		00-1000 · #1196 ...		-827.14
Bill	49781	09/06/2023	A/C Domestic Wat...		01-6200 · Mainten...	-827.14	827.14
TOTAL						-827.14	827.14
Bill Pmt -Check	2111	09/07/2023	D&D Forestry, LLC		00-1000 · #1196 ...		-40,842.86
Bill	0161-...	09/06/2023	A/C Domestic Wat...		03-6840 · Reimbur...	-40,842.86	40,842.86
TOTAL						-40,842.86	40,842.86
Bill Pmt -Check	2112	09/07/2023	Jackson Oil		00-1000 · #1196 ...		-287.87
Bill	14030	09/06/2023	A/C Domestic Wat...		01-6008 · Vehicle	-143.94	143.94
			A/C Sanitary District		01-6008 · Vehicle	-143.93	143.93
TOTAL						-287.87	287.87
Bill Pmt -Check	2113	09/07/2023	Pacific Power		00-1000 · #1196 ...		-232.33
Bill	1134-...	09/06/2023			01-6110 · Utilities	-232.33	232.33
TOTAL						-232.33	232.33

10:21 PM

Arch Cape Domestic Water District Check Detail

09/12/23

August 1 through September 10, 2023

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Bill Pmt -Check	2114	09/07/2023	Quality Control S...		00-1000 · #1196 ...		-95.00
Bill	71979	09/06/2023	A/C Domestic Wat...		01-6200 · Mainten...	-95.00	95.00
TOTAL						-95.00	95.00



Arch Cape Water Board – Treasurer’s Report - Sept. 2023:

Preface:

Hello, this is the first of what will become a monthly document that will be presented at the ACWB meetings. Please offer your comments as to how this could be improved and or more user friendly. **Expenditures:** notable events

- | | |
|---|----------|
| 1. D & D Forestry – Forest thinning project invoices – paid on Sept. 7th
Other invoices will be coming to coincidence with their completing the project. | \$41,000 |
| 2. Springboard Forestry – invoice for their work to be paid on Sept. 14 th | \$29,000 |
| 3. The Hollis Foundation Grant was received and deposited in our account. | |

Many Thanks,
 Sam Garrison
 Arch Cape Water Board
 Commissioner #5

Leak Policy Revision
September 2023

The existing leak policy, dating from February of 2017, does not provide District Staff with clear guidance for responding in a standard and consistent manner to rate payer appeals for relief from excess water usage fees in case of a leak.

A proposed draft was reviewed by the Board at the August meeting and a change was made to the draft policy based upon discussion. No additional revisions have been suggested via public comment.

The Sanitary Board will be considering the draft policy at their September meeting, which may / may not result in an additional comment to be considered by this Board.

Attached is the proposed leak policy to provide District staff with clear and consistent guidance.

Proposed Next Steps (requiring Board Action):

- Review any comment from Sanitary Board and refine the draft policy if/as required
- Board Motion to adopt proposed or refined policy
“Adopt leak policy #23-08 WD and instruct District Staff to implement and address all appeals accordingly”

Arch Cape Domestic Water Supply District
Dwelling Water Leak Policy
Policy #23-09 WD

*** Legend: **Yellow Highlighted text** reflects updates from the previous policy ***

WHEREAS, the Arch cape Domestic Water Supply District [ACDWSD] is a water conservation district, and

WHEREAS, the ACDWSD has adopted a rate structure intended to encourage water conservation, and

WHEREAS, the ACDWSD recognizes that plumbing failures beyond the control of the homeowner can result in water leaks, and

WHEREAS, it is not the intention of the ACDWSD to create a financial hardship on homeowners by assessing excess usage fees for water consumed due to a leak beyond the control of the homeowner,

NOW THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT,

THAT the term "dwelling plumbing system" as used herein is defined as the plumbing system from the ACDWSD water meter to the premises dwelling and its attendant pipes, fittings and fixtures and does not include irrigation systems [Ref. ACDWSD Dwelling Water Leak Policy **#17-01WD**]

THAT the term "leak" as used herein is defined as a dwelling plumbing system failure beyond the control of the homeowner, resulting in unintended water consumption,

THAT the term leak as used herein does not include situations where unintended water consumption was a result of "accident" by the homeowner, such as but not limited to situations such as leaving running a hose, faucet, etc.,

THAT the "cost of producing potable water" includes Operating Costs (total M&S) less fixed labor costs, excluding bonded debt service, for the then current budget of the ACDWSD,

THAT homeowners shall reasonably monitor water usage and timely repair dwelling plumbing systems, upon discovery by the homeowner, or notice from the ACDWSD, of any leaks,

THAT District Staff will make the determination as to whether the leak is severe enough to turn off water to the property until the leak is repaired,

THAT in the event of a leak resulting in excess water use charges, said excess charges may be appealed to the ACDWSD as provided in the ACDWSD Billing Appeal Policy, ~~including a statement of when the leak was discovered~~ along with evidence of ~~timely~~ repair such as a plumbing bill or parts invoice,

THAT, in the event of a leak resulting in excess water use charges, it shall be the policy of the ACDWSD to bill the subject water consumption as follows based upon the timeliness of homeowner repair of the leak after notification:

- If the repairs were completed *within 30 days of notification* of the homeowner of the leak, where notification was either via receipt of the water bill or other direct communication from ACDWS, all monthly water consumption resulting from the leak will be billed at the monthly average of the homeowner's usage costs over the 3-month period before the leak was determined to have started by ACDWS.
- If the repairs were completed *within 60 days of notification* of the homeowner of the leak, where notification was either via receipt of the water bill or other direct communication from ACDWS, all monthly excess water consumption resulting from the leak will be billed at the cost of producing potable water.
- If the repairs were completed *more than 60 days of notification* of the homeowner of the leak, where notification was either via receipt of the water bill or other direct communication from ACDWS, all monthly excess water consumption resulting from the leak will be billed at excess water usage rates.

THAT in the event of water consumption related to an accident by the homeowner resulting in excess water use charges, charges may be appealed to the ACDWSD as provided in the ACDWSD Billing Appeal Policy along with demonstrated evidence of the accident.

THAT, in the event of water consumption related to an accident by the homeowner resulting in excess water use charges where the submitted demonstrated evidence of the oversight is accepted by ACWSD, it shall be the policy of the ACDWSD to bill the subject excess water consumption as at the cost of producing potable water for the ACDWSD District, and not at excess water usage rates.

THAT ACDWSD retains the ability to review all excess billing matters resulting from leaks and accidents and apply relief in manners they see appropriate due to unforeseen circumstances outside the policy as stated herein,

~~THAT along with other relevant evidence, consideration shall be given to homeowner history of water consumption, homeowner acts or omissions, the timeliness of repairs, the severity of the leak, and whether the homeowner was absent from the subject dwelling for a period of 30 days or more at the time of occurrence, without having shut off the water supply to the dwelling.~~

~~THAT it shall be the policy of the ACDWSD to bill the subject excess water consumption, as determined by the ACDWSD, at the cost of producing potable water for the ACDWSD District, and not at excess water usage rates,~~

THAT this ACDWSD Dwelling Water Leak Policy shall supersede the ACDWSD Policy

17-02 _____, adopted February 17, 2017.

DATED:

Adopted :

Proposed Public Access and Recreation Policy Topic Description
September 2023

A draft of a Proposed Public Access and Recreation Policy is attached for consideration and approval by the ACWD Board. Upon approval the Proposed Policy will be posted on the District's web site and the Arch Cape community of rate payers and lot owners will be asked to provide any comments. These comments will be considered by the Board in their October meeting as the pre-cursor step of adopting a Proposed Policy. The Proposed Policy will then be submitted to the Oregon Department of Forestry (ODF) for approval per contractual requirements with the Forest Legacy Program (FLP).

Background

The attached draft of a Proposed Public Access and Recreation Policy reflects the community's feedback on the policies recommended by the National Park Service's (NPS)-facilitated Arch Cape Forest and Rainforest Reserve Public Access Team. Those policies were based on: a) a Public Access Management Plan, and b) the public comments on that Plan.

The Arch Cape community's feedback was captured through a 16 question *Public Access & Recreation Survey* which focused primarily on the NPS's Policy Recommendations that are contained on page 67 of the Management Plan. The survey questions incorporated the pros and cons that are associated with each recommendation that are contained in the Management Plan. The survey also asked respondents to address three additional issues that had been surfaced by the Arch Cape community but were not addressed within the Management Plan's specific Policy recommendations.

146 respondents, who have been verified to be ACWD rate payers or lot owners, completed a survey. The majority on each question ranged from a minimum of 53% to a maximum of 82%. In most cases the majority was 66%.

The methodology used and results of the survey were distributed via email to the Arch Cape community and posted on the ACWD Board's Outreach website. [Click here to see.](#)

The Proposed Public Access and Recreation Policy that has been drafted and is in front of the Board reflects the majority position on all of the surveyed policies and is aligned with the below recommendation from Oregon Department of Fish and Wildlife (ODFW).

ODFW recommends allowing bear and cougar hunting [in addition to deer and elk hunting] for the following reasons. Hunting is the primary wildlife management tool that allows us to ensure populations continue into the future in a manner that both ensures their robust viability and balances conflict with communities. Hunting is a very regulated activity, is enthusiastically enforced and, in the case of bear and cougar specifically, is highly monitored. Successful hunters are required to check in their harvest with ODFW for biological sampling.

Where we have seen conflict with these two species [bear and cougar] in other coastal communities, it has been the result of reduced mortality, often from restricted hunting access. One of our jobs as wildlife managers is to try to stay ahead of and anticipate future wildlife conflicts with communities before they become difficult situations to deal with. While this is undoubtedly difficult to do, allowing hunting is one of our best tools to achieve this.

Paul Atwood, Oregon Department of Fish and Wildlife

Board Objective

The objective of the Board is to refine / approve the attached draft of the Proposed Policy which will then be posted on the District web site. Arch Cape Water District rate payer and lots owners will be invited to submit comments on the Proposed Draft. These comments will be considered and if/as appropriate incorporated into the next version of the Proposed Policy for review by the Board at their October meeting.

Upon final adoption of the Proposed Policy by the ACWD Board and approval by ODF, the following implementation steps, as described in the Policy, will be taken:

1. Ask the Forest Management Committee for recommendations pertaining to: a) whether/how to enforce the policies, and b) which of the policies should be posted at the public access areas.
2. Provide a link where people can view the current open/close status of the Watershed (when there are fires or safety closures, etc.)
3. Provide a number to call for the District Manager to report an emergency.

Proposed Board Motion:

“Approve the current draft of the Proposed Public Access and Recreation Policy, which will then be posted on the District Web Site and the community will be invited to comment.”

Attached is the draft of the Proposed Public Access and Recreation Policy.

Arch Cape Domestic Water Supply District
Board of Directors Policies
Policy # _____ (Proposed)

Public Access & Recreation

The Arch Cape Forest is a resource of the Arch Cape Water District. Its intended purpose is protecting the quality and quantity of the Community's drinking water which finds its source in the watershed and streams through it. Towards that end, the District would like to keep to a minimum the vehicular, bicycle and foot traffic that may threaten the environment and its water.

This Public Access & Recreation Policy balances the objective of protecting the source water with the requirement to provide some level of public access and recreation. Not promoting / publicizing the Forest as a recreational site or destination and not allowing for vehicular site visits / tours will allow the District to strike this balance.

Outlined below are the specific public access and recreation policies of the Arch Cape Water District.

Public Access

- Public access into the Arch Cape Forest, by foot or bicycle, is via the Hug Point Road gate or through adjacent properties with public access.
- Public access is permitted one hour before sunrise to one hour after sunset.
- Expect closures during fire season and when forest management operations are taking place in an area.
- "Pack it in, pack it out". All trash/waste (including human solid waste) must be removed by user. People are encouraged to use "Leave No Trace" principles.
- Motorized vehicles, to include but not limited to trucks, cars, motorcycles and E-bikes, are not allowed except for emergencies or for Arch Cape Water District business with permission from the Arch Cape Water District Manager.

Restricted Access

- Within the Arch Cape Forest, the Drinking Water Source Area (DWSA), and other areas with sensitive natural resources, will be marked as no access. (See Map below of the Forest and the DWSA & picture of the signs that will denote restricted area – *when those signs become available.*)

Allowed Activities

- Hikers and bicycles must stay on maintained, rocky roads. No off-road use. No creating new trails.
- Hunting is allowed for Deer, Elk, Bear and Cougar in the Arch Cape Forest consistent with Oregon Department of Fish and Wildlife (ODFW) regulations.
- Recreational foraging, including plant leaves and flowers, mushroom, and berry collection, is allowed for personal, non-commercial use. Removal of wood products is not allowed.
- Dogs are allowed in the Arch Cape Forest on-leash or under direct owner control. Removal of Dog waste is encouraged.

Prohibited Activities

- Fire and fireworks
- Horses
- Drones
- Camping
- Alcohol, Drug Possession / Use



Upon final adoption of the policy, the following implementation steps will be taken:

1. Ask the Forest Management Committee for recommendations pertaining to: a) whether/how to enforce the policies, and b) which of the policies should be posted at the public access areas.
2. Provide a link where people can view the current open/close status (when there are fires or safety closures, etc.)
3. Provide a number to call for the District Manager to report an emergency.

Proposed