

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT DRAFT MINUTES

19 May 2017

A quorum was present.

Water Board: Virginia Birkby, President
Ron Schiffman, Vice-President
Debra Birkby, Treasurer

Excused Absent Dan Seifer

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

Public: Andrew Spaeth, Sustainable Northwest – Forest Program Director
Ben Dair, Sustainable Northwest – Conservation Finance Fellow
Katie Voelke, North Coast Land Conservancy – Executive Director
Jon Wickersham, North Coast Land Conservancy – Associate Director
Mike Manzulli
David and Jeannie Stockton

Staff: Phil Chick, District Manager
Steve Hill, Secretary

Ms. Virginia Birkby opened the meeting at 6:01pm.

Public Comments: None.

Agenda: Ms. Debra Birkby moved acceptance of the agenda which was seconded by Mr. Schiffman. All in Favor (AIF).

Consent Agenda: Ms. Debra Birkby moved acceptance of the consent agenda which was seconded by Mr. Schiffman. AIF.

Old Business:

Watershed Update : (Information)

1. **Sustainable Northwest – DEQ 319 Grant and MOU:** (Action) Mr. Andrew Spaeth of Sustainable Northwest opened the discussion with a review of the Memorandum of Understanding (MOU) worked on by Mr. Chick, Mr. Spaeth and Mr. Dair. Mr. Schiffman requested a ‘walk thru’ of the MOU (attached) which described working in good faith in a voluntary effort by the different organizations

in a partnership to acquire the watershed property for the benefit of the community.

Mr. Schiffman moved that subject to the proper naming of the District that Mr. Chick be directed to sign a MOU on behalf of the district which was seconded by Ms. Debra Birkby. AIF.

Mr. Chick indicated that in discussions with Mr. Josh Seeds of the Oregon Department of Environmental Quality that another opportunity to acquire funding support was with the Oregon Clean Water State Revolving Fund in that 319 funding requests were very competitive and difficult to obtain.

In kind contributions have to be a non-federal match according to Mr. Dair.

It was suggested that in our proposal practices would be described to be beyond those practiced in Oregon.

Mr. Schiffman moved approval to submit for the May 26, 2017 grant application which was seconded by Ms. Debra Birkby. AIF. Requests were made to Mr. Dair to remove references to an 'Arch Cape Service District' and use Arch Cape Domestic Water Supply District in its place.

- 2. North Coast Land – Forest Legacy Grant Application:** (Action) Ms. Katie Voelke and Mr. Jon Wickersham reviewed the current status of a forest legacy grant application which was described as having the best prospects for success in some time. The Oregon Department of Forestry ranks all applications at the state level which then compete for ranking at a national level. This process was reported to sometimes require two application rounds for ultimate funding.

There would be a phasing in over a couple of years for \$4.5M with a \$1.5M match requirement.

Mr. Schiffman moved to ratify the action of the District Manager to submit for this Forest Legacy Grant Application project on behalf of the District which was seconded by Ms. Debra Birkby. AIF.

- 3. Arch Cape Source Water Priority Needs Re: Eco Trust Forest Mgmt:** (Action) Concerns were expressed for the District's watershed preservation and ongoing health (attached). Ecotrust is interested in the District's goals for the watershed and desired measures in it's management including riparian health and stream buffers for harvesting. Deterioration of culverts was noted and increased water turbidity from clear cutting.

Ms. Debra Birkby moved to support the District Manager in communications with Ecotrust regarding watershed management goals to include not having all of the harvestable timber cut in advance of it's potential acquisition by the community which was seconded by Mr. Schiffman. AIF.

Mr. Spaeth suggested that if the property would be encumbered in any way that Ecotrust so inform the District.

New Business:

2017-18 Budget Adoption: (Action) Ms. Debra Birkby moved adoption of the 2017-18 Budget for the Water District as approved and recommended by the budget committee for publication as Resolution 17-02 WD (attached) which was seconded by Mr. Schiffman. AIF.

2017-18 Water Rates: Water rates are to remain unchanged for the next fiscal year.

Community Forest Appropriations Support Request: (Action) Ms. Debra Birkby moved that the water district's name be included in an appropriations request for funding a bill up for consideration in 2018 which was seconded by Mr. Schiffman. AIF.

Reports:

Accounts Receivable: Accounts were reported to be in good condition.

District Managers Report: (attached) Mr. Chick reported that he expected this year to be drawing water from Asbury Creek to the treatment plant in July. A proposed development of two to three (2 – 3) lots with the potential of expanding to seventeen (17) lots was made known to the district. Access to Highway 101 would be across from Marshall and a community meeting would be required if the developer decides to move forward with the project..

Treasurer's Report: None.

Board of Directors' Comments and Reports: Ms. Debra Birkby expressed her thanks to staff for their efforts in moving the budget forward in a positive way. Mr. Schiffman said he had observed a number of elk herds in the area.

June Agenda Items: SDC adjustment, second source project

Public Comment: None.

The meeting was adjourned by Ms. Virginia Birkby at 7:16 pm.

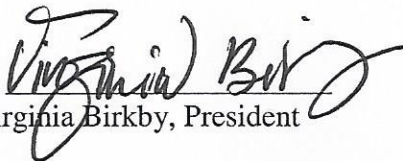
Respectfully submitted,



Steve Hill

Attest

Ms. Virginia Birkby, President



Memorandum of Understanding
between
Arch Cape Water District and Sustainable Northwest.

Purpose

The purpose of this Memorandum of Understanding (MOU) is to formally document the shared beliefs, goals, roles, communications, and related provisions that apply to the Arch Cape Water District and Sustainable Northwest (collectively, “the organizations”) working together in partnership.

Focus Area

Partnership activities covered by this MOU will focus on lands in the Asbury and Shark Creek Watersheds, which is approximately 1250 acres in northern Clatsop County on the Oregon Coast.

Shared Beliefs

The shared beliefs agreed to by the organizations are expressed by the following vision, purpose and guiding principles.

Vision

The organizations share the vision of securing local community control of the municipal drinking watershed and providing clean and safe drinking water to Arch Cape residents, and economic, public access and recreational opportunities in the Asbury and Shark Creek Watersheds.

Purpose

Our unifying purpose is a common interest in strengthening the environment, economy, and community well-being of Arch Cape by using local knowledge, innovative financing tools, and new forest tenure and governance models to help find balanced solutions to natural resource challenges.

Guiding Principles

The guiding principles for execution of the vision and purpose are:

1. Local leadership. The knowledge and commitment of local people is essential to achieving healthy and resilient native habitats and working landscapes.
2. Collaboration. Cooperative decision-making leads to durable solutions.
3. Fundraising. Joint planning and fundraising can help deliver the funding necessary to achieve the shared goals of the organizations.
4. Science. The best available science and technology will be applied to all actions.
5. Voluntary Efforts. Proactive, voluntary, locally supported actions will be pursued.
6. Ecological and Socioeconomic Balance. The needs of the natural environment must be balanced with the economic, social, and cultural needs of rural communities.

7. Scale. A holistic approach to restoration is vital to meeting the long-term needs of the landscape and the people and wildlife that rely upon it.
8. Adaptive management. Monitoring, evaluation and adaptation is essential to realizing lasting change.

Goals

The execution of this MOU is intended to achieve the following goals:

1. Clearly identify the parties involved (i.e. Ecotrust Forest Management, Arch Cape Water District, Arch Cape Sanitary District, Sustainable Northwest, North Coast Land Conservancy, etc.) and their interests in the establishment of a community-owned forested watershed.
2. Identify current land use practices in order to establish a baseline to quantify the ecosystem services (i.e. carbon sequestration, timber harvest, water provision, sedimentation, etc.) associated with changes in land management practices under community-ownership.
3. Establish that Ecotrust Forest Management (EFM) is a willing seller and negotiate a purchase and sale agreement with EFM.
4. Develop a capital campaign strategy that identifies sources of public funding, private capital, and potential debt financing. Explore rate-based funding for acquisition and watershed management.
5. Pursue joint funding opportunities and secure \$30,000 in grant funding to support preliminary planning.
6. Develop educational material(s) for members of the community and the public that will inform and engage interested stakeholders in the process. Ensure a transparent and open process that provides ample opportunity for community engagement. Maintain a standing agenda item on Arch Cape Water District Board of Directors monthly agenda to discuss watershed acquisition.
7. Sustainable Northwest will present community forest governance models to the Arch Cape Water District Board, and work together to establish a locally-supported community forest governance model.
8. Identify potential new sources of landowner revenue, including but not limited to, local wood products, renewable energy, hunting and fishing amenities, and ecosystem services.

Roles

Arch Cape Water District

- Convey needs and views of the Arch Cape Water District to Sustainable Northwest.
- Provide Sustainable Northwest access to maps, planning documents, and other land management information with the consent of the Arch Cape Water District Board of Directors.
- Participate in joint fundraising efforts with Sustainable Northwest.
- Advocate for and support programs and policies that advance the goals of the organizations.

Sustainable Northwest

- Share technical, financial, policy, funding, and other information with the Arch Cape Water District that can advance the goals of the organizations.
- Facilitate pursuit of studies and monitoring necessary to justify and advance the goals of the organizations.
- Investigate new financing approaches, ecosystem services, and other new sources of income for the Arch Cape Water District.
- Participate in joint fundraising efforts with the Arch Cape Water District that benefit the focus area.
- Advocate for and support programs and policies that advance the goals of the organizations.
- Provide ad hoc assistance as needed to advance the goals of the organizations.

Commitment

By signing this MOU, the organizations formally commit to support the shared beliefs, roles, goals, and other provisions as stated in this document when voluntarily taking part in joint activities.

Limitations

This MOU is not legally binding upon its signatories, does not constitute a joint venture, and does not constitute any form of contract between partners. This MOU does not commit either organization to any expenditure or exchange of funds.

Duration

The MOU shall take effect upon the signature of the authorized individual(s) of each organization and shall be in force until terminated by one or both of the organizations.

Amendment

This MOU can be amended by joint written notice of the organizations. Amendments will be effective thirty (30) days after joint consent is documented.

Termination

This MOU may be terminated in its entirety at any time with the written consent of an organization. Termination will take effect thirty (30) days after written notice is documented.

Signature page to follow

Signatures

Authorized Person for: Arch District Water District

Name	Title
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Signature	Date
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Authorized Person for: Sustainable Northwest

Name	Title
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Signature	Date
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DRAFT

Arch Cape Domestic Water Supply District's Priority Requests for Source Water Protection of Ecotrust Forest Management's Onion Peak Holdings

The Arch Cape Domestic Water Supply District supplies water to 286 water service connections in the community of Arch Cape, on the Northern Oregon Coast. The District's drinking watershed area encompasses approximately 1250 acres. Historically, over 110 of these acres were owned by a private timber company. The creeks that the community relies upon for its drinking water flow directly through forestland that has been routinely managed for timber industry operations.

The potential health effects associated with chemical application, as well as the impacts to water quality caused by erosion and turbidity, are particularly concerning to the District. The Arch Cape Domestic Water Supply District has seen the effects that clear cutting on steep slopes has on the watershed. During the past few years the watershed has experienced two forest fires, herbicide application, failing culverts, and other factors associated with industrial forest management practices. The District has endured these challenges while trying to maintain its duty to deliver clean, safe drinking water to the public.

The District's treatment plant has had many challenges associated with soil and organic matter eroded into streams. Treatment plant shutdowns due to elevated turbidity have restricted the District's ability to produce finished drinking water during storms. One of the most significant was the failure of the plant's ability to remove disinfection byproducts, a carcinogenic combination of chemicals that can form when chlorine combines with organic matter. The District was required to build a new treatment plant in 2010 in order to come back in compliance with Oregon Health Authority standards for finished drinking water.

The Arch Cape Domestic Water Supply District is encouraged by Ecotrust Forest Management's land purchase, which comprises nearly the District's entire drinking watershed. The District is optimistic about the opportunity to contribute to the creation of a forest model capable of protecting drinking water sources while providing economic, recreational, and ecological benefits in Oregon.

Please consider the following priorities for source water protection as Ecotrust Forest Management develops its forest management plan (additional detail can be provided).

Source Water Quality Goals

1. Reduce or eliminate spraying of pesticides (including herbicides) in watershed to Prevent contamination
2. Prevent introduction of sediment and organic matter into streams

Possible Management Objectives/Means to Achieve Goals:

1. Pesticides
 - a. Hand control (manual/mechanical) of competition with conifer seedlings
 - b. Targeted use only for herbicides (e.g. backpack spraying for invasive species)
 - c. Roadside brush cutting with brush cutter vehicles
2. Sediment/organic matter
 - A. Roads
 - i. repair or removal of culverts and crossings which are eroding or high risk
 - ii. erosion resistant surfacing
 - iii. maintain vegetation on cut and fill slopes, shoulders, and ditches
 - iv. ensure roads and ditches are hydrologically disconnected
 - v. repair, construction, or relocate failing or likely to fail road segments
 - B. Steep Slopes
 - i. protect steep slopes to prevent surface erosion and mass wasting by maintaining overstory and understory vegetation
 - C. Maintain vegetation cover
 - i. selective harvest practices to maintain overstory
 - ii. maintain and enhance (as needed) understory and ground cover vegetation and surface roughness elements (e.g. coarse woody debris)
 - iii. prevent ground disturbance during operations
 - D. Riparian Management
 - i. maintain and enhance (as needed) understory and ground cover vegetation and surface roughness elements (coarse woody debris)
 - ii. maintain overstory coverage
 - iii. protect wetland functions such as filtration and flow moderation

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT

RESOLUTION 17-02 WD

A RESOLUTION ESTABLISHING THE BUDGET FOR FISCAL YEAR 2017-2018 FOR THE ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT.

IT IS HEREBY RESOLVED AND ORDERED that the Arch Cape Domestic Water Supply District Budget approved and recommended by the Budget Committee on 19 May 2017 for the fiscal year beginning July 1, 2017 in the total amount of **\$451,648** and for the purposes shown below are hereby appropriated as follows:

General Fund

Personal Services	\$181,175
Materials & Services	\$106,247
Capital Outlay	\$45,000
Debt Service	\$20,772
Contingencies	<u>\$38,000</u>
Total General Fund	\$391,194

Capital Fund


Contingencies	<u>\$60,454</u>
Total Capital Fund	\$60,454

Total Appropriations **\$451,648**

The above resolution statements were approved and declared adopted on this 19th day of May 2017.

Attest


Steve Hill, Secretary


Virginia Birkby, President

May 20, 2017

The Honorable Ken Calvert
Chairman
House Interior, Environment, and Related
Agencies Appropriations Committee

The Honorable Lisa Murkowski
Chairman
Senate Interior, Environment, and Related
Agencies Appropriations Committee

The Honorable Betty McCollum
Ranking Member
House Interior, Environment, and Related
Agencies Appropriations Committee

The Honorable Tom Udall
Ranking Member
Senate Interior, Environment, and Related
Agencies Appropriations Committee

Dear Chairs and Ranking Members:

As representatives of a broad coalition of conservation and forestry organizations and municipal agencies, we are writing to express our strong support for the U.S. Forest Service's Community Forest and Open Space Conservation Program (CFP). Since its first grant round in FY 2012, CFP has supported nearly three dozen community forest projects across 17 states and territories. However, demand for CFP funding far outstrips its availability, so we urge you to build upon the program's impressive achievements by including \$5 million for the program in the Fiscal Year 2018 Interior, Environment, and Related Agencies Appropriations bill.

CFP is an innovative tool to advance the important goals of supporting local economies, increasing opportunities for Americans to connect with forests in their own communities and fostering new public-private partnerships. We believe that these connections are vital to communities' livability and economic well-being. Since Fiscal Year 2012, CFP has contributed to this important effort by assisting local communities to secure forests for public recreation, sustainable forestry, and wildlife habitat and water quality preservation.

As you know, CFP provides matching funds to help local government entities, Indian tribes, and non-profit organizations purchase forestlands threatened with development for local ownership and management as community forests. The program directly addresses the urgent need to prevent the widespread conversion of private forests to non-forest uses. This threat was highlighted in the U.S. Forest Service report *Private Forests, Public Benefits*, which projected that 57 million acres of America's private forests could experience a substantial increase in housing density by 2030.

In its brief history, CFP has made substantial progress in preserving forests by combining federal and non-federal resources. Indeed, through the latest round of CFP grants, project partners leveraged \$10.6 million in federal funds to secure \$34.5 million in non-federal funding. As a result of these partnerships, more than 15,000 acres of private forestlands have been or soon will be acquired to create new or expand existing community forests. This impressive leveraging ratio demonstrates the willingness of local entities to match federal funding with significant commitments of funding and other resources.

Given the strong interest in the Community Forest Program and its impressive leveraging successes, we urge you to sustain the program's growing momentum by providing greater funding to meet demand. **A \$5 million investment in the Community Forest Program as part of the FY 2018 Interior, Environment, and Related Agencies Appropriations bill will allow the program to benefit even more communities across the nation.**

Thank you for your consideration of this request, and we hope you will give it the highest possible consideration.

Sincerely,

DRAFT

Manager Report May 19, 2017

WATER:

Membranes have been cleaned on Skid 1. We will continue with Skid 2 before the end of the month.

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

Brush cutting around hydrants and at the plant, as well as general yard cleanup at the plant is complete.

The District will begin the second round of LT2 testing this fall. Raw water samples from Shark and Asbury Creek will be sampled twice per week for one year for Ecoli counts. If Ecoli action levels are not triggered then no further monitoring for Cryptosporidium will be required. I do not anticipate our counts requiring this, as round one of testing came up with very few counts.

MONTHLY LOG : ARCH CAPE WATER & SANITARY DISTRICTS

April 2017

Total Hours	324.00	123.50	200.50
Percentage Split		38%	62%
Total Accounts	623	287	336
Percentage Split		46%	54%