



Board Meetings



ARCH CAPE WATER & SANITARY DISTRICTS

32065 E. Shingle Mill Lane, Arch Cape, OR 97102
(503) 436-2790

**THE PUBLIC IS INVITED, IF THEY WISH,
TO ATTEND IN PERSON:
THE FIRE HALL, 72979 US 101,
ARCH CAPE
BY TELEPHONE OR ZOOM LINK:**

To Join the **Zoom Video Meeting** paste the following in your browser address window:

Meeting ID:	811 1394 7450
Meeting Passcode:	None Required
Assistance:	503-812-7578
Date:	Thursday, 18 September 2025
Time:	5:00 PM for Board Meetings

The Sanitary District Board Meeting will start at 5:00 pm, followed by a Joint Session with the Arch Cape Domestic Water Supply District Board. The Domestic Water Supply District Board Meeting will start immediately following the Joint Session.

Agenda will be posted in Board Packet on the Website under “Governance – Meetings – 2025”



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

Thursday,

6:00 PM Meeting Zoom & In Person

<https://us02web.zoom.us/j/81113947450?pwd=AAIBsXOV0Ca0s4Aabg8946vQH2sB7Y.1>

- | | |
|--|--------------|
| I. Call to Order | Owen Dufka |
| II. 5:30 pm Joint Session: Presentation from Community Incorporation [Informational Only, No Board Action] <i>Both boards will hear a presentation from the community incorporation group. No Board action will be taken at this session.</i> | |
| III. Public Comments | Owen Dufka |
| IV. Fill Open Position #4 (Action – Motion to Approve) Application/Oath pg. 3 | Owen Dufka |
| V. Agenda Approval (Action – Motion to Approve) | Owen Dufka |
| VI. Approve July 16, 2025 Meeting Minutes (Action – Motion to Approve) pg. 4 | Owen Dufka |
| VII. Financial & Administrative Reporting - pg. 5-8 | |
| A. Accept Budget vs Actual Report | Owen Dufka |
| B. Accept Payment of Accounts | Owen Dufka |
| C. Treasurer's Report | Sam Garrison |
| VIII. Signing Authority for Bank Account - Checks Sanitary: (Action – Motion to Approve) | Owen Dufka |
| Bank checking signatures: Proceed administratively to update the bank cards to reflect Policy 21-01 (Treasurer/DM, with President as alternate for urgent payments) | |
| IX. Authorize LGIP account administrators: (Action – Motion to Approve) | Owen Dufka |
| Authorization to add designated individuals as LGIP account administrators. | |
| X. Sam.gov Administrator (Action – Motion to Approve) | Owen Dufka |
| Authorize adding Collin as an account administrator. | |
| XI. Audit Corrective Memo on Audit Findings (Action – Motion to Approve) pg. 9-14 | Owen Dufka |
| XII. Cell Tower Proposal – Discussion & Next Steps: Review site photos and prior steps; consider directing staff/commissioners to research further. pg. 15 | Sam Garrison |
| XII. Forestry & Asbury Intake Updates - pg. 16-21 | Owen Dufka |
| XIII. Reports | |
| A. Staff Reports | Matt Gardner |
| B. Board Members' Comments and Reports | All |
| XIV. October Meeting Agenda Items (Action) | |
| XV. Public Comments | Owen Dufka |
| XVI. Adjournment | Owen Dufka |

Board Member Application - Electronic Form

Applicant Name:	Jeffrey Lee Slemaker
Date:	8/4/25
Mailing Address:	31913
Residence Address:	E. Shingle Mill Ln.
Contact Phone:	7022368077
Contact Email:	jslemakersr@hotmail.com
Describe your background (relevant experience, education, training, etc.):	I bring over 30 years of professional experience as a chef, including opening and operating several successful restaurants. Over the course of my career, I have managed up to six restaurant operations simultaneously, overseeing all aspects of business management, including staffing, operational efficiency, and guest satisfaction. My responsibilities have consistently included creating and managing budgets, ensuring financial accountability, and implementing cost-control measures without compromising quality. In addition to my culinary expertise, my career has required strong organizational, leadership, and problem-solving skills, all of which are highly transferable to the work of the Arch Cape Water District Board. My experience in coordinating complex operations, managing resources responsibly, and working collaboratively toward shared goals has prepared me to contribute effectively to the stewardship of our community's water resources.
Describe your interest in serving on the Arch Cape District Board:	As a permanent resident of Arch Cape for the past seven years, I have developed a deep appreciation for our community and the unique quality of life it offers. My passion for this area and the people who call it home drives my interest in serving on the Arch Cape Water District Board. I believe strongly in making decisions with a "what's best for the locals" mindset, ensuring that our resources are managed responsibly and sustainably for the benefit of current residents and future generations. By serving on the board, I hope to contribute to maintaining and improving the systems that support our community's well-being, while fostering open communication and collaboration with fellow residents. My goal is to have a positive, lasting impact on our shared future.

Oath of Office

I, Jeffrey Slemaker, do solemnly swear that I will support the Constitution of the United States of America, and the Constitution and laws of the State of Oregon, and I will faithfully and honorably perform the duties of Director, Position 4, Arch Cape Domestic Water Supply District, Clatsop County Oregon, to which I have been appointed, in the manner provided by law and to the best of my ability, so help me God.



**ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
BOARD OF COMMISSIONERS' MEETING
Thursday, July 17, 2025**

Pursuant to the notice posted, the regular monthly Board Meeting for Arch Cape Domestic Water Supply District was held in-person and via Zoom.

In attendance: Water District: Tevis Dooley, Owen Dufka, Sam Garrison, Richard Petrich; Staff: Matt Gardner and Teri Fladstol; Public: Bob Bohemer and Richard Gibson.

Newly elected Board Members, Position #2 Owen Dufka and Position #3 Richard Petrich were sworn into office, after which the Domestic Water District Board Meeting was called to order by Tevis Dooley at 6:00 pm.

Public Comments – Bob Bohemer asked to speak at the end of the business meeting during public comments regarding Arch Cape Falcon Cove Beach Community Club business.

Tevis Dooley called for election of officers for the following positions: Chair/Vice Chair / Treasurer and Secretary. Owen Dufka motion to serve as Chair, seconded by Richard Petrich, motion carried. Motion by Tevis Dooley to serve as Vice-Chair, seconded by Owen Dufka, motion carried. Nomination by Tevis Dooley to have Sam Garrison serve as Treasurer, seconded by Owen Dufka; motion carried. Nomination by Owen Dufka to have Teri Fladstol serve as Secretary, seconded by Sam Garrison, motion carried.

Motion by Tevis Dooley to approve agenda as presented, second by Richard Petrich, motion carried.

Discussion regarding Position #4 vacancies and need to post the position to the public board. Staff will post the position, with date due of August 13, 2025. Applications will be forwarded to the Board Members to determine eligibility.

Consensus approval of June 19th Meeting minutes and Financial & Administrative Reporting by Tevis Dooley and Sam Garrison as only Board members present at the June meeting and eligible to vote.

Staff Report: Matt Gardner shared experience with Jack Simmons intern and expressed appreciation for his assistance and mentioned that he would like to give a stipend to Jack for his help (consensus by both Water and Sanitary Boards were given).

Board Report: Tevis Dooley shared the update from Mark Morgan, our Forester, in regard to road work taking place in the Forest this summer and the recommendation that we close roads and post notices regarding fire bans. Consensus was to follow the recommendation and post those signs no later than July 31st.

August Agenda Items: Owen Dufka to work with Tom Mattia, Sanitary District Chair to discuss meeting in a joint session.

Public Comment: Bob Boehmer shared the feasibility study concerning the incorporation possibility for Arch Cape and Falcon Cove communities. Documentation was shared with Board Members and invitation to attend the Community Club meeting on August 6th at 5:30 pm at the Fire Hall or by Zoom.

Motion by Sam Garrison to adjourn the meeting, second by Richard Petrich, meeting adjourned at 6:30 pm.

AC Domestic Water Supply District
Budget vs Actual FY 2025/2026
July - August, 2025

	FY 25/26 Budget	Jul 2025 Actual	Aug 2025 Actual	FISCAL YEAR TO Actual	%
01-4000 RESOURCES - GENERAL FUND					
01-4001 Beginning Balance - General Fun	\$ 164,986	\$ -	\$ -	\$164,986	100%
01-4100 REVENUE					
01-4201 User Fees	\$ 231,264	\$ 25,578	\$ 4,454	\$ 30,033	13%
01-4202 Debt Service	\$ 20,808	\$ 2,102	\$ 325	\$ 2,427	12%
01-4204 Overage/Excess Usage	\$ 32,000	\$ 920	\$ 51	\$ 971	3%
01-4300 Interest Income - General Fund	\$ 3,500	\$ 1,270	\$ 1,275	\$ 2,545	73%
01-4350 IGA Income (Sanitary District)	\$ 206,084			\$ -	0%
01-4400 Cannon View Park Services	\$ 1,313			\$ -	0%
01-4501 Meter Hook-Up Fee	\$ 2,500		\$ 1,250	\$ 1,250	50%
01-4700 Miscellaneous Income	\$ 100			\$ -	0%
01-4800 Grant Revenue	\$ 10,000			\$ -	0%
Total 01-4100 REVENUE	\$ 507,569	\$ 29,870	\$ 7,355	\$ 37,225	7%
02-4000 RESOURCES - CAPITAL FUND					
02-4001 Beginning Balance - Capital Fun	\$ 106,943			\$106,943	100%
02-4100 REVENUE - Capital	\$ 355,000			\$ -	0%
02-4200 SDC Revenue	\$ 13,694		\$ 6,847	\$ 6,847	50%
Total 02-4100 REVENUE - Capital	\$ 368,694	\$ -	\$ 6,847	\$ 6,847	2%
Total 02-4000 RESOURCES - CAPITAL FUND	\$ 475,637	\$ -	\$ 6,847	\$ 6,847	1%
03-4000 RESOURCES - FOREST FUND					
03-4001 Beginning Bal - Unrestricted	\$ 211,573			\$211,573	100%
03-4002 Beginning Bal - Restricted Fund	\$ 77,852			\$ 77,852	100%
03-4300 Interest Income - Forest Fund	\$ 8,000	\$ 893	\$ 677	\$ 1,570	20%
03-4801 Business OR - ARPA	\$ 346,480			\$ -	0%
03-4850 Private Donations Forest Fund	\$ 10,000			\$ -	0%
Total 03-4000 RESOURCES - FOREST FUND	\$ 653,905	\$ 893	\$ 677	\$ 1,570	0%
4900 Interfund Transfer IN	\$ 3,000			\$ -	0%
Total Resources	\$ 1,805,097	\$ 30,763	\$ 14,879	\$ 45,642	3%
01-5999 Inter-Govern Agreement (IGA)					
01-5000 Personnel Services					
01-5001 Wage - District Manager	\$ 100,000	\$ 7,855	\$ 7,855	\$ 15,710	16%
01-5002 Wages - Operator	\$ 86,790			\$ -	0%
01-5003 Employer Payroll Taxes	\$ 24,376	\$ 681	\$ 606	\$ 1,287	5%
01-5004 PERS Retirement	\$ 49,836			\$ -	0%
01-5005 Medical Insurance	\$ 18,963	\$ 763	\$ 763	\$ 1,527	8%
01-5006 Worker's Compensation Insurance	\$ 2,747	\$ 714		\$ 714	26%
01-6001 Administrative Services	\$ 78,512	\$ 4,300	\$ 4,034	\$ 8,333	11%
01-6002 Temporary Help				\$ -	
01-6003 Clothing Allowance	\$ 1,000	\$ 249		\$ 249	25%
01-6004 Education	\$ 3,000		\$ 106	\$ 106	4%
01-6005 Travel	\$ 1,500			\$ -	0%
01-6006 Office Supplies	\$ 3,250	\$ 421	\$ 696	\$ 1,117	34%
01-6007 Postage	\$ 2,500		\$ 11	\$ 11	0%
01-6008 Vehicle	\$ -	\$ 246	\$ 243	\$ 489	
Total 01-5999 Inter-Govern Agreement (IGA)	\$ 372,474	\$ 15,229	\$ 14,314	\$ 29,543	8%

01-6000 REQUIREMENTS - General Fund

	FY 25/26 Budget	Jul 2025 Actual	Aug 2025 Actual	FISCAL YEAR TO Actual	%
01-6100 Materials & Services					
01-6101 Temporary Help	\$ 12,223	\$ 7,280	\$ 4,105	\$ 11,385	93%
01-6102 Auditing Service	\$ 9,000	\$ 2,000		\$ 2,000	22%
01-6103 Dues & Taxes		\$ 900	\$ 125	\$ 1,025	
01-6104 Legal Services	\$ 3,500	\$ 75		\$ 75	2%
01-6105 Liability & Property Insurance	\$ 12,512			\$ -	0%
01-6107 Licenses				\$ -	
01-6108 Project Maintenance	\$ 40,000	\$ 4,753		\$ 4,753	12%
01-6109 Recurring Maintenance	\$ 25,000	\$ 65	\$ 52	\$ 117	0%
01-6110 General Maintenance	\$ 30,000	\$ 17,570	\$ 449	\$ 18,019	60%
01-6111 Chemicals	\$ 6,000	\$ 440	\$ 3,053	\$ 3,493	58%
01-6112 Notices		\$ 131		\$ 131	
01-6113 Payroll Administration Service		\$ 134	\$ 45	\$ 179	
01-6114 Professional Services	\$ 1,000		\$ 355	\$ 355	36%
01-6115 Facilities Use (Sanitary)				\$ -	
01-6116 Utilities	\$ 10,000	\$ 1,027	\$ 1,273	\$ 2,300	23%
Total 01-6100 Materials & Services	\$ 149,235	\$ 34,376	\$ 9,457	\$ 43,833	29%
01-7500 Debt Service					
01-7501 IFA Water Plant Upgrade - Princ	\$ 17,365			\$ -	0%
01-7502 IFA Water Plant Upgrade - Int	\$ 3,407			\$ -	0%
Total 01-7500 Debt Service	\$ 20,772	\$ -	\$ -	\$ -	0%
01-8000 Contingency					
01-8001 Unappropriated Bal - Gen Fund	\$ 78,000			\$ -	0%
	\$ 55,074			\$ -	0%
Total 01-8000 Contingency	\$ 133,074	\$ -	\$ -	\$ -	0%
Total 01-6000 REQUIREMENTS - General Fund	\$ 675,555	\$ 49,605	\$ 23,771	\$ 73,375	11%
02-6000 REQUIREMENTS - Capital Fund					
02-7004 Asbury Creek Intake Move	\$ 355,000	\$ 3,110	\$ 1,628	\$ 4,738	1%
02-8000 Contingency - Capital Fund	\$ 60,000			\$ -	0%
02-8001 Unappropriated Balance	\$ 60,637			\$ -	0%
Total 02-6000 REQUIREMENTS - Capital Fund	\$ 475,637	\$ 3,110	\$ 1,628	\$ 4,738	1%
03-6000 REQUIREMENTS - Forest Fund					
03-6101 ODF - Fire Protection	\$ 3,028			\$ -	0%
03-6102 Forest - Federal Audit	\$ 3,000			\$ -	0%
03-6103 Legal/Land Use Fees	\$ 4,000			\$ -	0%
03-6104 Finance Management	\$ 6,480	\$ 540	\$ 540	\$ 1,080	17%
03-6107 Road Management Consulting	\$ 25,000		\$ 3,858	\$ 3,858	15%
03-6108 Forest Management Consulting	\$ 3,000			\$ -	0%
03-6109 Road Maintenance Supplies-Rock	\$ 125,000		\$ 38,016	\$ 38,016	30%
03-6111 Land Restoration	\$ 15,000		\$ 880	\$ 880	6%
03-6112 Miscellaneous	\$ 500			\$ -	0%
Total 03-6100 Materials & Services - Forest	\$ 185,008	\$ 540	\$ 43,294	\$ 43,834	24%
03-7000 Capital Outlay - Forest					
03-7001 Road Construction	\$ 125,000	\$ 6,040		\$ 6,040	5%
03-7002 Road Decommissioning	\$ 50,000	\$ 13,585	\$ 27,255	\$ 40,840	82%
Total 03-7000 Capital Outlay - Forest	\$ 175,000	\$ 19,625	\$ 27,255	\$ 46,880	27%
Total 03-6000 REQUIREMENTS - Forest Fund	\$ 360,008	\$ 20,165	\$ 70,549	\$ 90,714	25%
03-8000 Contingency - Forest Fund					
03-8001 Contingency	\$ 60,501			\$ -	0%
03-8002 Restricted Balance	\$ 77,852			\$ -	0%
03-8003 Unappropriated Balance	\$ 152,544			\$ -	0%
Total 03-8000 Contingency - Forest Fund	\$ 290,897	\$ -	\$ -	\$ -	0%
7900 Interfund Transfer OUT	\$ 3,000			\$ -	0%
Total Requirements	\$ 1,805,097	\$ 72,880	\$ 95,948	\$ 168,827	9%

AC Domestic Water Supply District

Check Detail

July - August, 2025

00-1000 #1196 Main Checking

Date	Transaction Type	Num	Name	Memo/Description	Amount
07/08/2025	Expense		Englund Marine	Maintenance	-138.89
07/09/2025	Check	2536	Curran McLeod		-3,110.00
07/10/2025	Check	2537	Frontier Precision, Inc	GIS Subscription	-265.00
07/10/2025	Check	2538	Pacific Power		-1,027.42
07/10/2025	Check	2539	Saif		-714.27
07/10/2025	Check	2540	Blair Henningsgarrad Attorney at Law		-75.02
07/10/2025	Check	2541	SDIS		-57.00
07/10/2025	Check	2542	Jackson Oil		-139.06
07/10/2025	Check	2543	Accuity, LLC	12139	-2,000.00
07/10/2025	Check	2544	Oregon Health Authority - OHA Cashier	PWS ID# 00802	-900.00
07/10/2025	Check	2545	Ricoh, USA Inc.	109287919	-97.22
07/10/2025	Check	2546	Columbia Locksmith LLC	122167	-36.00
07/10/2025	Check	2547	Ferguson Waterworks	1325576	-611.09
07/10/2025	Check	2548	VB Contructions, Inc.		-19,625.00
07/10/2025	Check	2549	Walter E. Nelson	Voided - 1514755 & 1515054	0.00
07/10/2025	Check	2550	RV Resort of Cannon Beach	22444 & 22466	-106.90
07/10/2025	Check	2551	Correct Equipment	58601	-440.00
07/10/2025	Check	2552	Daniel Becerra Lawn Care	150	-3,000.00
07/11/2025	Expense		Sure Payroll	Payroll Subscription	-39.00
07/14/2025	Expense		Sure Payroll	Payroll	-4,032.39
07/17/2025	Check	2553	DSL Builders	Project	-3,780.00
07/17/2025	Check	2554	David E. Aho Construction Inc.	Project	-15,000.00
07/18/2025	Expense		Amazon.com	Maintenance	-14.99
07/18/2025	Expense		Ace Hardware	Maintenance	-13.99
07/22/2025	Expense		Amazon.com	Office Supplies	-89.89
07/22/2025	Expense		Amazon.com	Office Supplies	-50.89
07/23/2025	Expense		M & N Clothing Astoria	Clothing	-109.90
07/24/2025	Check	2555	Pollard Water	292268	-59.58
07/24/2025	Check	2556	Branom Instrument Co	INV/2025/06415	-2,159.00
07/24/2025	Check	2557	Clatsop County Clerk	May 20, 2025 Special Election & Recount	-130.93
07/25/2025	Expense		Starlink	Internet	-65.00
07/25/2025	Expense		AT&T Mobility	Phones	-94.03
07/26/2025	Expense		QuickBooks Payments	Subscription	-115.00
07/29/2025	Expense		MODA Health	Medial	-706.39
07/30/2025	Expense		Sure Payroll	Payroll	-4,032.41
07/31/2025	Check	2558	Jack Simmons		-500.00
07/31/2025	Check	2559	Ricoh, USA Inc.		-93.52
07/31/2025	Check	2560	Cartomation, Inc.		-400.00
07/31/2025	Check	2561	Jigsaw Consulting Services		-3,500.00
07/31/2025	Check	2562	Bob McEwan Construction		-4,753.00
07/31/2025	Expense		1st Security Bank	ACH PP (per Acct) Monthly Fee	-10.00
07/31/2025	Expense		Sure Payroll	Payroll Taxes	-95.38
08/04/2025	Check	99352763	Amazon.com	Office Supplies	-81.31
08/07/2025	Check	2566	Cleaning By Design	2799	-320.00
08/07/2025	Check	2567	Jackson Oil	109945	-177.75
08/07/2025	Check	2563	SDIS		-57.00
08/07/2025	Check	2564	Industrial Systems		-425.00
08/07/2025	Check	2568	Dana Costa	Invoice 3	-1,100.00
08/07/2025	Check	2565	Pacific Power		-1,272.77

08/10/2025	Expense	Sure Payroll	Payroll Taxes	-44.94
08/13/2025	Expense	USPS	M Gardner Certificate Mailing	-10.50
08/13/2025	Expense	Oregon Health Authority - OHA Cashier	M Gardner Operator Cert Level II Test Alignment	-125.00
08/14/2025	Check	2569 Curran McLeod	#25-07-1830 Asbury Creek Intake	-1,983.00
08/14/2025	Check	2570 Daniel Becerra Lawn Care	150	-1,500.00
08/14/2025	Check	2571 NAPA Auto Parts	664871	-65.07
08/14/2025	Check	2572 Brian Stevens	804	-1,230.00
08/14/2025	Expense	Sure Payroll	Payroll	-3,996.44
08/15/2025	Expense	The Cape Loft	Lodging / Brian Stevens Relief	-275.00
08/17/2025	Expense	Microsoft Store	Office Supplies	-600.00
08/17/2025	Expense	Amazon.com	General Maintenance	-14.99
08/21/2025	Check	2573 Cascade Columbia Distribution	931478	-3,053.38
08/22/2025	Expense	Ace Hardware	General Maintenance	-13.99
08/24/2025	Expense	AT&T Mobility	Phones	-98.62
08/24/2025	Expense	Starlink	Internet	-52.00
08/26/2025	Expense	QuickBooks Payments	Subscription	-115.00
08/28/2025	Expense	Sure Payroll	Payroll	-3,993.13
08/29/2025	Check	2574 Matt R Gardner	Reimbursement for Fee Paid	-106.00
08/29/2025	Expense	MODA Health	Medical	-706.39
08/29/2025	Expense	1st Security Bank	ACH PP (per Acct) Monthly Fee	-10.00
08/31/2025	Check	2576 Jigsaw Consulting Services	Administrative Support	-3,500.00
			03-1000 Forest Fund #8620	
07/31/2025	Check	5012 Jigsaw Consulting Services	Finance Management	-540.00
08/14/2025	Check	5013 VB Contructions, Inc.	Forest - Road Work / Planting	-66,151.01
08/29/2025	Check	5014 Morgans Resource Management	Inv. #116 - Project Maintenance	-3,857.75
08/31/2025	Check	5015 Jigsaw Consulting Services	Finance Management	-540.00

AGENDA MEMORANDUM

TO: Arch Cape Domestic Water Service District Board
 FROM: Collin Stelzig, P.E., District Administrator
 DATE: September 18, 2024
 SUBJ: Adoption of Corrective Action Plan – FY 2023–24 Audit

SUMMARY

On July 7, 2025, the Oregon Secretary of State’s Audits Division notified the District that a corrective action plan had not been submitted in response to audit findings from the fiscal year ending June 30, 2024. The findings were included in the audit report prepared by Accuity, LLC.

After receiving the July notice, the District Administrator contacted the Secretary of State’s office to explain that the Board would address the issue at the September 18, 2025 meeting. The Audits Division acknowledged this schedule and confirmed that submission of the corrective action plan after this meeting would be acceptable.

The proposed corrective action plan responds to the following two deficiencies:

1. Limited segregation of duties, which is common for small entities with minimal staff. The District has implemented compensating controls to mitigate risk, and the hiring of a District Administrator on July 1, 2025, adds further oversight.
2. Expenditures in excess of appropriations, which is a violation of Oregon Budget Law. The District now reviews budget-to-actuals more closely and uses supplemental budgets when needed.

The corrective action plan outlines these items in detail and includes the required signatures from the Chair, Vice-Chair, and District Administrator.

RECOMMENDATION/SUGGESTED MOTION

“I move to adopt the corrective action plan for the fiscal year 2023–2024 audit as presented and authorize staff to submit the signed response to the Oregon Secretary of State Audits Division.”

ALTERNATIVE

1. Modify the proposed action plan before adoption
2. Take no action (not recommended)

FISCAL IMPACT

There is no direct fiscal impact from adopting the corrective action plan. However, failure to adopt and submit the plan may affect the District’s compliance standing with the Secretary of State.

Approved by District Administrator: _____



Arch Cape Water and Sanitary Districts

32065 East Shingle Mill Lane
Arch Cape, OR 97102 • 503.436.2790

Date: September 18, 2025

To:

Oregon Secretary of State
Audits Division
255 Capitol St. NE, Suite #180
Salem, OR 97310

Subject: Corrective Action Plan – Fiscal Year Ending June 30, 2024

Arch Cape Domestic Water Supply District respectfully submits the following corrective action plan in response to the deficiencies reported in our audit for the fiscal year ending June 30, 2024. The audit was completed by the independent auditing firm Accuity, LLC, and identified the deficiencies outlined below. This plan of action was adopted by the District's governing body at a public meeting held on September 18, 2025.

Deficiency #1 – Segregation of Duties

Issue:

Due to the District's small size and limited staffing, full segregation of financial duties is impractical.

Plan of Action:

The District has implemented a series of alternative internal controls to reduce risk:

- The bookkeeper opens all incoming mail and enters invoices into QuickBooks.
- The bookkeeper consults with District staff to confirm appropriate coding and expense categories.
- District staff review and approve invoices before any payments are issued.
- The bookkeeper does not sign checks. All checks are signed by authorized staff or board members who are independent of the bookkeeping function.
- Bank reconciliations are performed by the bookkeeper and reviewed and approved monthly by the Board Treasurer.
- A District Administrator was hired on July 1, 2025, to provide additional oversight, help document internal controls, and ensure procedural compliance.

Timeframe:

These procedures have been in place since December 2021, and the hiring of the District Administrator on July 1, 2025, enhances the District’s internal oversight and accountability.

Deficiency #2 – Expenditures Over Appropriations (Oregon Budget Law)

Issue:

During the fiscal year ending June 30, 2024, the District expended funds in excess of appropriations in one fund and two budget categories, in violation of Oregon Budget Law.

Plan of Action:

The District Administrator now works directly with the Board to track expenditures throughout the year and ensure that spending remains within legally adopted appropriations. Regular budget-to-actual comparisons are reviewed with the bookkeeper, and appropriations are adjusted through supplemental budgets when necessary.

Timeframe:

This process began with the hiring of the District Administrator on July 1, 2025, and is ongoing.

Owen Duffka, Chair

Signature

Tevis Dooley, Vice-Chair

Signature

Collin Stelzig, District Administrator

Signature



Steve Bergmann
Division Director

July 7, 2025

Board of Directors
Arch Cape Domestic Water Service District
32065 East Shingle Mill Lane
Arch Cape, OR 97102

When significant deficiencies, material weaknesses and recommendations for improvements have been reported by auditors in association with a financial statement audit, the governing body of the municipality is required to file a plan of action with the Secretary of State within 30 days of delivery of the report by the independent auditor (ORS 297.466). Material weaknesses and significant deficiencies are typically communicated in a separate letter to management or in a report issued in accordance with Government Auditing Standards.

The Summary of Revenues and Expenditures filed in conjunction with the 2024 annual filing noted that one or more deficiencies were reported. However, we have not received a copy of the required plan of action as adopted by the governing body.

Please file a copy of the 2024 plan of action with our office as soon as practical by filing online at <https://sos.oregon.gov/audits/Pages/audit-report-review-report.aspx> or emailing it to Municipalfilings.SOS@sos.oregon.gov.

We appreciate your efforts in fulfilling the reporting requirements of Municipal Audit Law. If you have questions or concerns, please contact me at (971) 283-0031 or Amy.John@sos.oregon.gov.

Sincerely,

Amy John, CPA
Audit Manager

Tobias Read
Oregon Secretary of State

Michael Kaplan
Deputy Secretary of State

255 Capitol St NE, Ste 180
Salem, Oregon 97310

Information (503) 986-2255
sos.oregon.gov/audits

**ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
Clatsop County, Oregon**

June 30, 2024

Finding Number	2024-001 (Repeat finding)
Finding Title	Adequate segregation of duties in most areas was impractical due to the limited number of employees. The District has, however, developed alternative procedures, which mitigate this condition to some extent.
Type of Finding	Significant Deficiency
Criteria	Ideally, staffing levels should allow for all areas of accounting responsibility (authorization or approval, custody of assets, recording transactions and reconciliations) to be performed independent of each other.
Condition	Due to limited staffing, complete segregation is not possible within the District
Cause of Condition	Finance staff is competent, capable and performs daily and monthly functions very well. Due to the size of the District, adding finance staff is not a feasible option, so the finding is created.
Questioned Cost	None
Potential Effect of Condition	There is a greater opportunity for misstatements in financial records, whether from fraud or error, to occur.
Prevalence	Systemic
Recommendation	We do not recommend any changes in staffing, but the Board of Directors should be aware of this deficiency and remain involved in mitigating controls that have been put into place.

During our audit, we became aware of the following deficiencies in internal control, other than significant deficiencies or material weaknesses, that are an opportunity to strengthen internal controls and operating efficiencies.

Noncompliance with Oregon Budget Law - Excess of Expenditures Over Appropriations

During the year ended June 30, 2024, the District expended funds in excess of amounts appropriated in one fund and two budget appropriation categories, which is in noncompliance with Oregon Budget Law. We recommend the District review and closely monitor expenditures on a routine basis, comparing budgeted amounts to actual amounts, in order to mitigate future reoccurrences.

This communication is intended solely for the information and use of management, the board of directors, and others within the District, and is not intended to be, and should not be used by anyone other than these specified parties.

Very truly yours,


Accuity, LLC

Cell Tower:**HISTORY:**

Sept 2024: Proposal introduced (Verizon interest); Board authorized a public comment/survey period.

Oct 2024: Survey reported support (majority in favor or conditionally in favor). Board noted the need for ODF/Forest Legacy confirmation about allowing a tower in the watershed area; next step was identifying specific Board questions.

Nov 2024: Item remained on the list but was effectively on hold pending clarity on feasibility.

Jan 2025: Agenda framed the question of whether to change the prior decision to “pend” the project or re-engage.

Arch Cape Community Forest – Road Decommissioning Project Board Update (Sept 18, 2025) – Revised 09/16/25

Background

In June 2022, the District acquired approximately 1,450 acres known as the Arch Cape Community Forest. The purpose of the acquisition was to protect the community's drinking water source. Post purchase, there was a realization that water protection would be dependent on maintaining the road system in a sustainable way. As such, the Board amended the Multi-Resource Management Plan (February 2024) to define two phases of work: an ARPA-funded infrastructure improvement phase (2022–2026) focused on road stabilization and eligible pre-commercial thinning; and an ongoing management phase (beginning September 2026) that will cover routine stewardship and road maintenance. This phase includes logging as a means to pay for the cost of road maintenance and forest-watershed stewardship.

The District secured ARPA funds, administered through Business Oregon, to pay for pre-commercial thinning, road stabilization, and road decommissioning. The expectation was that the bulk of the road work would be completed by the late fall of 2025, with any remaining work and “punch list” tasks to be completed in the summer of 2026.

The District's financial planning has modeled the possibility of a timber harvest around 2030–31 as one way to cover ongoing stewardship costs. This timing is not fixed and could occur sooner if financial conditions make it necessary. If sufficient alternative revenues are secured through rate adjustments, grants, or community donations, the need for logging could be reduced or avoided.

Current Scope of Work

Work this summer has centered on both road maintenance and road decommissioning. Road maintenance tasks have included rocking and grading of the maintained roads, replacing deficient culverts, and addressing fire access needs. Specific projects include the SM20 spur, which has been upgraded with rolling waterbars and a cleared landing for fire access, and improvements at a Shark Creek crossing, where a culvert is being replaced and armored to protect a spring crossing.

Decommissioning projects have included the HP-19G spur, which was completed at the end of August, along with ongoing work on the HP-19 spur, the HP-17 spur, and stabilization of the Project 5 site (which is expected to continue to slide, requiring annual repairs unless it is decommissioned). These efforts include lowering and re-aligning sections of road, constructing sediment catch ponds, and ensuring exposed soil is seeded and covered.

Additional work has included salvaging a 24-inch culvert for reuse at the previously described Shark Creek crossing, building truck turnarounds at key junctions, and maintaining access to lookout areas. As of late August, the forester estimated approximately three to four weeks of

work remained to complete the 2025 field season, with substantial completion anticipated by early October.

The District's contractor, Vincent Brothers Construction, has informed us that the company is winding down and closing its operations, but has agreed to finish its current work in Arch Cape. This means the 2025 program will be completed under the existing contract, but a new contractor will need to be engaged for any follow-up or repair work in 2026.

Funding and Extension

The road stabilization and decommissioning work is funded through ARPA (COVID) dollars administered by Business Oregon.

With the need to replace Vincent Brothers with an alternative contractor, Business Oregon is allowing the District to recontract for the remaining work, even though it is outside of the 2024 deadline. This flexibility allows the District to develop a new scope of work with our consulting forester and engage a new contractor in 2026 to carry out follow-up or repair work, while still meeting ARPA deadlines for substantial completion in September 2026 and final invoicing in December 2026.

The District will continue to work with consulting forester Mark Morgans to finish out this year's work with Vincent Brothers Construction, prepare the scope of work for 2026, and coordinate with a new contractor once VBC exits. Depending on how the remaining funds align with final invoices and anticipated repairs, it is possible, though unlikely, that a budget adjustment may be necessary later this fiscal year.

Budget and Long-Term Considerations

The adopted FY25-26 budget includes appropriations for road construction, decommissioning, and forest management services within the Forest Fund. Most of the current expenses are reimbursed with ARPA funds, and Hollis grant funds remain restricted to specific activities through December 2029.

In addition to capital work, the Forest carries ongoing yearly costs for management and stewardship. These typically include property management staff time, consulting forester services, fire assessments, insurance, financial administration, and periodic road brushing and maintenance. The planning work to date has estimated these annual operating costs in the range of \$40,000–\$50,000, depending on inflation and the scope of forester involvement. Over the next year, most of these expenses are expected to continue being reimbursed through ARPA, but once those funds expire, the District will need to decide how to cover them.

Looking further ahead, the Long-Range Financial Plan modeled a first timber harvest in FY2030-31 as a potential revenue source. That projection is not fixed and may need to occur sooner if conditions require. However, logging is not inevitable. If the District secures sufficient alternative revenues through grants, donations, or rate adjustments, the need for logging could

be reduced or avoided. Board decisions on whether and when to log will need to be made well in advance of any harvest year, since planning, permitting, and contracting typically require about two years of preparation.

Summary

Because VBC is closing its operations, a new contractor will need to be engaged in 2026 to handle follow-up work or storm-related repairs. Business Oregon has confirmed that ARPA timelines allow for this approach.

Looking forward, the District will continue to work with consulting forester Mark Morgans to complete this year's work, prepare the scope of work for 2026, and manage the transition to a new contractor.. Over the next two years, the District will also need to monitor yearly operating costs for property management, forester services, insurance, and fire assessments, and begin preparing for the longer-term question of how to fund stewardship once ARPA funds expire.

Schedule Overview (as of September 2025)

Timeframe	Key Activities	Notes
Sept–Oct 2025	VBC completes current road maintenance and decommissioning	Substantial completion in October
Winter–Spring 2026	Monitor storm impacts; forester develops new scope of work	Scope will target touch-up and repair work
Summer 2026	New contractor hired to complete follow-up/punch-list	Funded with the remaining ARPA balance
FY26-XX	Ongoing stewardship costs (property mgmt, forester services, insurance, fire assessment, road brushing cycle)	Estimated annual operating costs: \$40k–\$50k

Asbury Creek Intake & Waterline Relocation Project

Board Update (Sept 18, 2025) – Revised 09/16/25

Background and Project Overview

The Asbury Creek Intake and Waterline Relocation Project is a two-phase capital improvement effort driven by the ODOT's mandated movement of the Asbury Creek intake to accommodate fish passage and building of a bridge to protect the passage infrastructure.

The project has been broken into two main phases:

- Phase 1 – Intake Relocation:
Replace the District's existing raw water intake structure with a new intake located upstream of the highway. This phase includes permitting, site access coordination, and construction of a new intake facility to allow fish passage and maintain compliance and reliable access to water.
- Phase 2 – Waterline Relocation under the Bridge:
Construct a new section of distribution waterline and attach it to the new bridge structure once installed. This will replace the existing pipe that currently crosses the creek within the construction zone.

History and Timeline

- 2020–2022: ODOT initiates early coordination with the District. Curran-McLeod begins evaluating waterline and intake impacts.
- 2023: The District engages in regular coordination with ODOT and Curran-McLeod. Conceptual designs and environmental considerations are developed.
- Feb 2024: Curran-McLeod completes a preliminary design for the intake relocation.
- March–April 2024: Survey work and easement coordination begin for intake access and staging.
- May 2024: The board authorizes the final design for the new intake and the development of bid documents.
- June 2024: A funding agreement with ODOT is signed, and DEQ 401 Water Quality Certification is submitted for the intake work.
- July 2025: Final DEQ comments still pending; project team begins preparing bid-ready plans.

Recent Activity (Summer 2025)

- Permitting: The 401 Water Quality Certification (WQC) application was submitted to DEQ in June 2024. As of September 2025, we are still awaiting formal approval. Staff continue to check the online portal, but no new responses have been posted.
- Funding Coordination with ODOT:
ODOT is fully funding the intake relocation through a reimbursable agreement, which includes design, environmental permitting, and construction. However, ODOT funds cannot be used for the waterline relocation, only for Phase 1.

- **Waterline Bidding Coordination:**
The project team has evaluated the option of combining the waterline work (Phase 2) into ODOT's construction contract. However, this idea has not historically been favored. Instead, the District may pursue separate bidding for the waterline.
- **Grant Applications Submitted:**
The District has submitted the waterline project under two Business Oregon programs:
 1. **Safe Drinking Water Revolving Loan Fund (SDWRLF):**
A Letter of Interest (LOI) was submitted requesting funding. If accepted, this would lead to an invitation to submit a full application.
 2. **Special Public Works Fund (SPWF):**
A general intake form was submitted, which allows Business Oregon to consider the project for multiple funding programs, including SPWF and SDWRLF.
 At this time, neither grant has been awarded, and the District has not been invited to the next step. Both submissions are under preliminary review.

Funding Outlook and Budget Implications

- ODOT's funding for the intake work is fully committed and expected to be entirely used.
- The current Capital Improvement Plan (CIP) assumes receipt of \$150,000 in grant revenue over FY 2026–27 and FY 2027–28 to fund the waterline relocation. However, these grants are not guaranteed.
- If grant funds are not awarded, the District may still have enough reserves to complete the waterline work, but doing so would:
 - Require cancellation or deferral of other projects (e.g., valve installation, SCADA upgrades, vehicle purchase).
 - Deplete most or all of the District's available capital reserves (general and SDC).

Next Steps

- Continue monitoring DEQ's review status for the 401 WQC intake permit.
- Coordinate with Curran-McLeod to finalize bid-ready documents once permits are approved.
- Follow up with Business Oregon to check on the status of both funding applications.
- Reassess internal capital funding priorities as part of the FY 2026–27 budget cycle.

Phasing Summary

Phase	Description	Timeline	Cost & Funding	Status
Phase 1	Move intake ~200 ft upstream & related infrastructure	Now – Sept 2026	~\$470K total; nearly all reimbursable (DEQ/ODOT)	In progress
Phase 2	Reroute the water main under the future ODOT bridge	2027	~\$120K; not reimbursed	Planning stage; funding TBD
ODOT Work	Culvert removal & bridge construction	~Late 2026–2028	ODOT-funded	Moving ahead toward the bid stage
Project End	All work complete	Winter 2028		

DATE: Tuesday, September 16, 2025
TO: Arch Cape Water District and the Arch Cape Sanitation District
FROM: Becky Steckler, AICP, ECONorthwest
SUBJECT: Presentation materials for the Thursday, September 18 Joint Board Meeting

Attached is the presentation that Becky Steckler, AICP, ECONorthwest and Bob Boemer, Chair of the Arch Cape Falcon Cove Beach Incorporation Study Steering Committee will present at the Thursday, September 18 Joint Board Meeting of the Arch Cape Water District and the Arch Cape Sanitation District.

Note that a full draft of Chapters 1-4 of the Incorporation Study should be available for download on the Arch Cape Falcon Cove Beach Community Club website by Thursday, September 18. We are happy to answer any questions about the study at the meeting or later, after Board Members have had a chance to review it.



Arch Cape Falcon Cove Beach Incorporation Study

Arch Cape
Water & Sanitation District
Board Meeting

Thursday, September 18, 2025



- Study update
- Where to find more information
 - ◆ ACFCB Community Club Website
 - ◆ Storymap
- What information do you need to determine if you want to recommend the Arch Cape Water/Sanitation District be absorbed by the new city (if incorporated is successful) or remain independent.
 - ◆ Board recommendation requested by October 31, 2025

- Phase 1: Incorporation Study to explore the options
- Phase 2 (TBD): ORS – Required Economic Feasibility Statement (EFS)
 - ◆ 1st and 3rd Year City Operating Budget (Expenses and Revenue)
- What voters vote on:
 - ◆ 5 city councilors
 - ◆ Permanent tax rate

Chapter 1: Introduction

Describes the background and purpose of the study, including factors motivating the community to explore incorporation and the legal requirements under Oregon Revised Statutes.

Chapter 2: Approach and Key Assumptions

Explains the overall approach to the feasibility analysis, key assumptions, the study area, data sources, and limitations.

Chapter 3: Scope of Public Facilities and Services Required (Estimates)

Presents existing conditions and estimates for population, dwelling units, employment, land use, and assessed value. These forecasts form the foundation for estimating future service needs and revenues.

Chapter 4: Public Services and Revenue Fiscal Evaluation

Evaluates the costs and revenue potential of operating a new city, including potential service delivery models, operating budgets for Years 1, 3, and 10, and comparisons to peer cities of similar size.

Chapter 5: Committee Decisions on Key Assumptions and Options

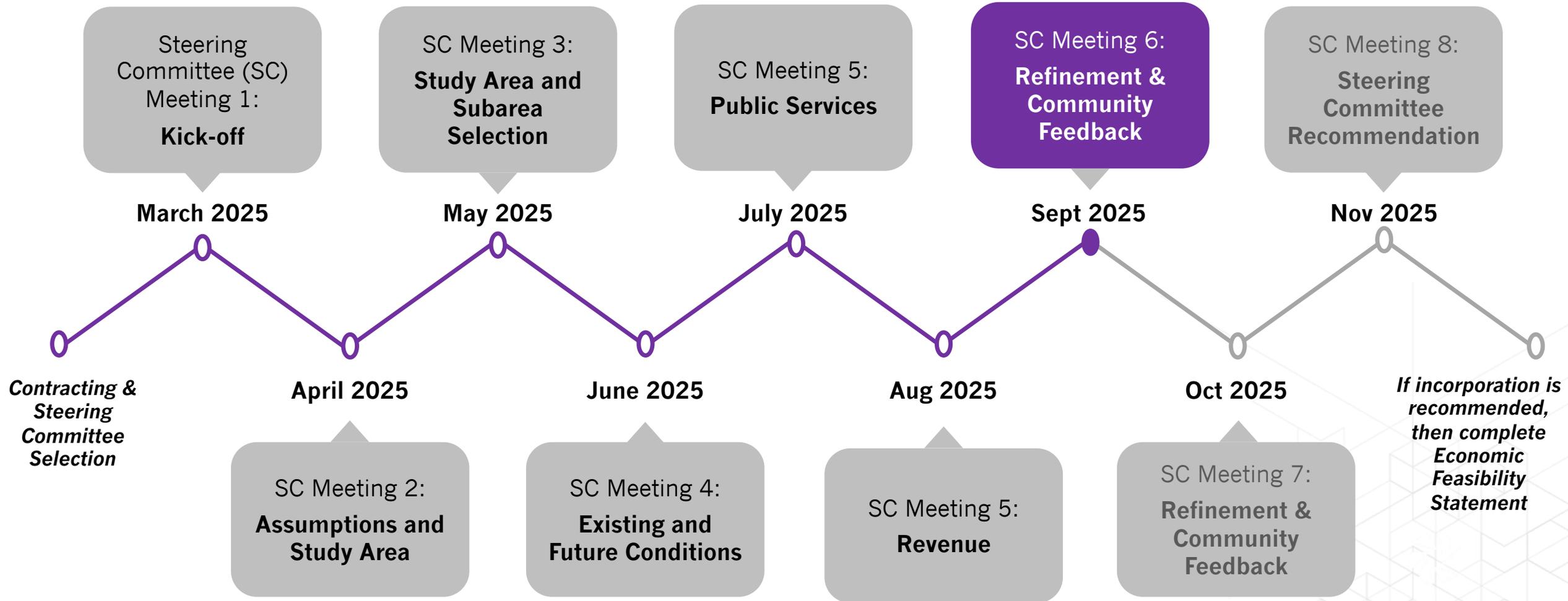
Summarizes key decisions and recommendations made by the Steering Committee regarding forecasts, service levels, fiscal assumptions, and other critical inputs to the feasibility analysis.

Appendices

Provide supporting details, including technical methods, summaries of interviews with service providers, and additional data sources used in the analysis.

Project schedule

027



Study Areas Overview

- 1. Arcadia Beach
- 2. Arch Cape
- 3. Falcon Cove Beach (Clatsop Co.)
- 4. Falcon Cove Beach (Tillamook Co.)

Clatsop/Tillamook County Zoning Designation

- Coastal Residential (CR)
- Single Family Residential (SFR-1)
- Agriculture Forestry (AF)
- Recreation Management (RM)
- Forest 80 (F-80)
- Arch Cape Rural Community Residential (AC-RCR)
- Small Farm & Woodlot 10 Acre (SFW-10)
- Rural Residential 2 Acre (RR-2)
- Rural Community Commercial (RCC)



1 Mile



Arch Cape Subarea

- 1. Arcadia Beach
- 2. Arch Cape
- 3. Falcon Cove Beach (Clatsop Co.)
- 4. Arch Cape Sanitation District
- 5. Cannon View Park Water District
- 6. Arch Cape Domestic Water Supply District

Clatsop County Zoning Designation

- Coastal Residential (CR)
- Agriculture Forestry (AF)
- Recreation Management (RM)
- Forest 80 (F-80)
- Arch Cape Rural Community Residential (AC-RCR)
- Rural Community Commercial (RCC)



1,500 feet



Subarea 2: Arch Cape

Subarea 2: Arch Cape



- SC Meeting #6 (9/11): Review, clarify, ask questions
 - ◆ Refined list of public services and revenue
- Public Forum 9/20: Feedback from public
- Online Feedback: Preliminary feedback from 9/15-10/1: final written comments by 10/31.
- SC Meeting #7 (10/9):
 - ◆ Summary of feedback to date
 - ◆ Refined list of public services and revenue
- SC Meeting #8 (11/13):
 - ◆ Consensus on service levels and revenue sources/permanent tax rate
 - ◆ Recommendation on incorporation by Subarea
- EFS (Dec 2025)
- Election (2026)

DRAFT Summary of estimated housing units, populations, employment, and assessed value for the Arch Cape Falcon Cove Beach Study Area, 2027 (Year 1), 2029 (Year 3), and 2036 (Year 10)

	2027 (Year 1)	2029 (Year 3)	2036 (Year 10)
Dwelling Units	479	489	537
Population	354	361	395
Employment	80	80	160
Assessed Value	\$ 304,743,452	\$ 325,851,605	\$ 413,924,590

Exhibit 33. Draft Summary of sanitation costs (Arch Cape Subarea 2 only)

	2027 (Year 1)	2029 (Year 3)	2036 (Year 10)
Option 1. Keep existing Arch Cape Sanitation District			
The District does not transfer to the city	\$0	\$0	\$0
Option 2. Absorb Arch Cape Sanitation District (Subarea 2 only)			
The District transfers to the city	\$1,019,000	\$623,000	\$842,000

Source: ECOnorthwest and Arch Cape Sanitation District

Note: The cost to rate payers is net neutral, the assumption being that they will pay roughly the same rates to either the Special District in Option 1 or to the city in Option 2.

Sanitation Services

- ◆ Option 1
- ◆ Option 2

Exhibit 35. Draft Summary of water services option

	2027 (Year 1)	2029 (Year 3)	2036 (Year 10)
Option 1. Keep existing Water Special Districts			
The Districts do not transfer to the city	\$0	\$0	\$0
Option 2. Absorb Arch Cape Water District (Subarea 2 only)			
The District transfers to the city	\$687,000	\$689,000	\$875,000
Option 3. Absorb Falcon Cove Beach Domestic Water Supply District (Subareas 3 & 4 only)			
The District transfers to the city	\$193,000	\$209,000	\$276,000
Low Cost: Option 1	\$0	\$0	\$0
High Cost: Option 2 & 3	\$880,000	\$898,000	\$1,151,000

Source: ECOnorthwest, Arch Cape Water District, Falcon Cove Beach Domestic Water Supply District, analysis by ECOnorthwest

Note: The cost to rate payers is net neutral, the assumption being that they will pay roughly the same rates to either the Special Districts in Option 1 or the city in Options 2 and 3.

Water Services

- ◆ Option 1
- ◆ Option 2
- ◆ Option 3

- Property Tax
- State Shared Revenue
- Franchise Fees
- Transient Lodging tax
- Grants
- Sanitation (Rates, grants, etc)
- Water (Rates, grants, etc)

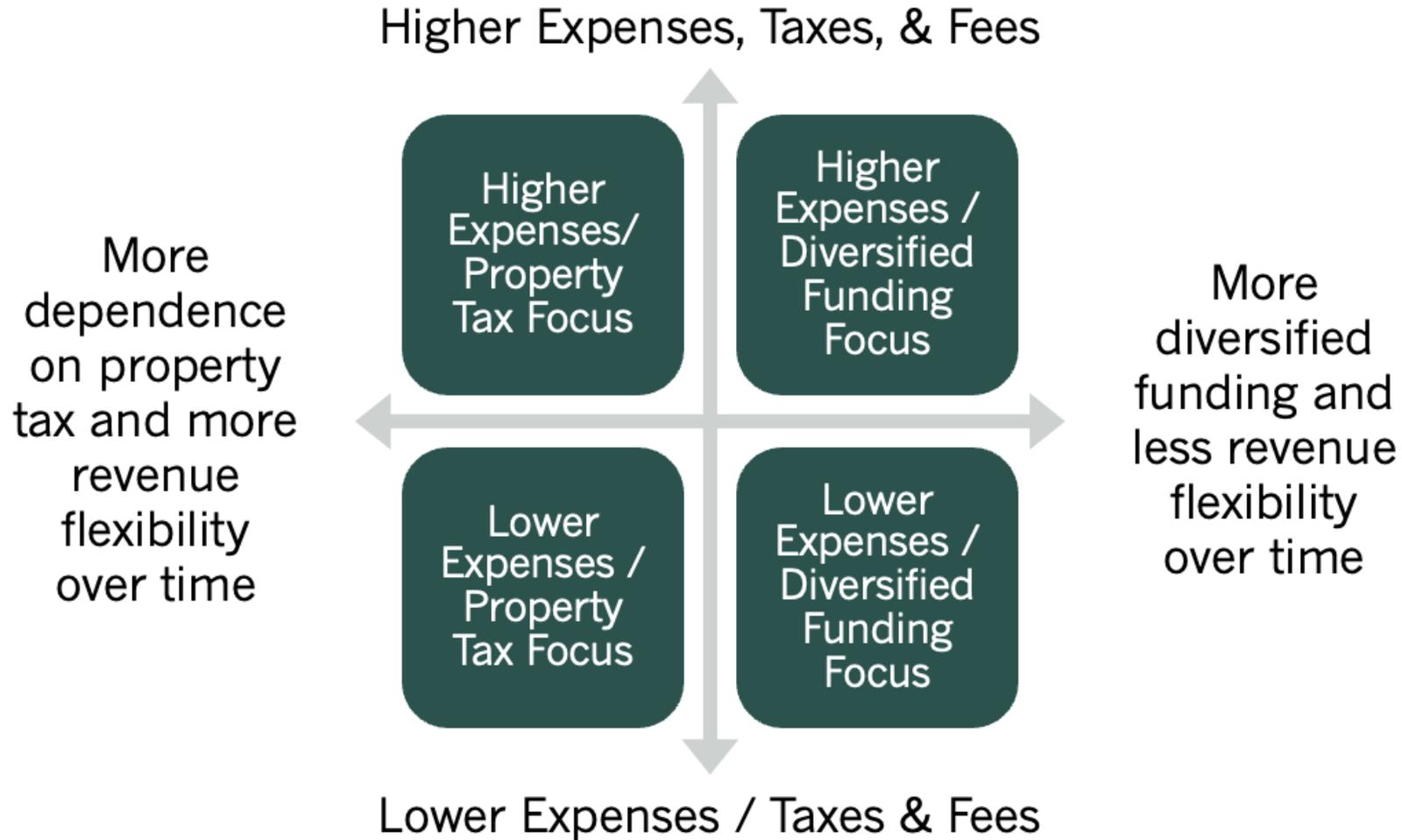


Exhibit 45. Draft 2027 (Year 1) Sample Budget Alternatives

FY 2027 (Year 1)	Alternative 1: Property Tax Focus (high future flexibility)		Alternative 2: Diversified Funding Focus (low future flexibility)	
	A: Low Expense	B: High Expense	A: Low Expense	B: High Expense
Expenses				
Administrative	\$72,800	\$453,400	\$72,800	\$453,400
Legal and Municipal Court	\$200,000	\$345,000	\$200,000	\$345,000
Police	\$30,000	\$494,100	\$30,000	\$494,100
Emergency Management	\$4,500	\$105,000	\$4,500	\$105,000
Planning	\$279,000	\$516,500	\$279,000	\$516,500
Sanitation	\$0	\$1,019,000	\$0	\$1,019,000
Water	\$0	\$880,000	\$0	\$880,000
Transportation	\$46,000	\$509,100	\$46,000	\$509,100
Tourism Promotion (based on TLT Revenue)	\$0	\$0	\$261,800	\$261,800
Subtotal	\$632,300	\$4,322,100	\$894,100	\$4,583,900
Contingency (set at 2% of expenses)	\$12,646	\$86,442	\$17,882	\$91,678
Reserve (set at 5% of expenses)	\$31,615	\$216,105	\$44,705	\$229,195
Total Expenses	\$676,561	\$4,624,647	\$956,687	\$4,904,773
Revenue				
Property Tax	\$554,228	\$2,603,314	\$407,354	\$2,456,440
<i>City Permanent Property Tax Rate</i>	<i>\$1.82</i>	<i>\$8.54</i>	<i>\$1.34</i>	<i>\$8.06</i>
State Shared Revenues	\$39,000	\$39,000	\$39,000	\$39,000
Franchise Fees	\$0	\$0	\$53,000	\$53,000
Transient Lodging Tax	\$0	\$0	\$374,000	\$374,000
Grants (50% of cost of land use plans & codes)	\$83,333	\$83,333	\$83,333	\$83,333
Sanitation	\$0	\$1,019,000	\$0	\$1,019,000
Water	\$0	\$880,000	\$0	\$880,000
Total Revenues	\$676,561	\$4,624,647	\$956,687	\$4,904,773
Revenues Less Expenses	\$0	\$0	\$0	\$0
City property tax for a \$500,000 assessed home	\$909	\$4,271	\$668	\$4,030

Exhibit 46. Draft 2029 (Year 3) Sample Budget Alternatives

FY 2029 (Year 3)	Alternative 1: Property Tax Focus (high future flexibility)		Alternative 2: Diversified Funding Focus (low future flexibility)	
	A: Low Expense	B: High Expense	A: Low Expense	B: High Expense
Expenses				
Administrative	\$72,800	\$453,400	\$72,800	\$453,400
Legal and Municipal Court	\$155,000	\$310,000	\$155,000	\$310,000
Police	\$30,000	\$371,800	\$30,000	\$371,800
Emergency Management	\$4,750	\$110,750	\$4,750	\$110,750
Planning	\$285,000	\$540,000	\$285,000	\$540,000
Sanitation	\$0	\$623,000	\$0	\$623,000
Water	\$0	\$898,000	\$0	\$898,000
Transportation	\$47,000	\$532,250	\$47,000	\$532,250
Tourism Promotion (based on TLT Revenue)	\$0	\$0	\$277,200	\$277,200
Subtotal	\$594,550	\$3,839,200	\$871,750	\$4,116,400
Contingency (set at 5%)	\$29,728	\$191,960	\$43,588	\$205,820
Reserve (set at 5% of expenses)	\$29,728	\$191,960	\$43,588	\$205,820
Total Expenses	\$654,005	\$4,223,120	\$958,925	\$4,528,040
Revenue				
Property Tax	\$530,672	\$2,578,787	\$382,592	\$2,430,707
<i>City Permanent Property Tax Rate</i>	<i>\$1.63</i>	<i>\$7.91</i>	<i>\$1.17</i>	<i>\$7.46</i>
State Shared Revenues	\$40,000	\$40,000	\$40,000	\$40,000
Franchise Fees	\$0	\$0	\$57,000	\$57,000
Transient Lodging Tax	\$0	\$0	\$396,000	\$396,000
Grants (50% of start up land use)	\$83,333	\$83,333	\$83,333	\$83,333
Sanitation	\$0	\$623,000	\$0	\$623,000
Water	\$0	\$898,000	\$0	\$898,000
Total Revenues	\$654,005	\$4,223,120	\$958,925	\$4,528,040
Revenues Less Expenses	\$0	\$0	\$0	\$0
City property tax for a \$500,000 assessed home	\$814	\$3,957	\$587	\$3,730

Exhibit 47. Draft 2036 (Year 10) Sample Budget Alternatives

FY 2036 (Year 10)	Alternative 1: Property Tax Focus (high future flexibility)		Alternative 2: Diversified Funding Focus (low future flexibility)	
	A: Low Expense	B: High Expense	A: Low Expense	B: High Expense
Expenses				
Administrative	\$92,100	\$596,300	\$92,100	\$596,300
Legal and Municipal Court	\$185,000	\$380,000	\$185,000	\$380,000
Police	\$35,000	\$454,200	\$35,000	\$454,200
Emergency Management	\$0	\$128,000	\$0	\$128,000
Planning	\$70,000	\$435,000	\$70,000	\$435,000
Sanitation	\$0	\$842,000	\$0	\$842,000
Water	\$0	\$1,151,000	\$0	\$1,151,000
Transportation	\$55,000	\$625,900	\$55,000	\$625,900
Tourism Promotion (based on TLT Revenue)	\$0	\$0	\$341,600	\$341,600
Subtotal	\$437,100	\$4,612,400	\$778,700	\$4,954,000
Contingency (set at 5% of expenses)	\$21,855	\$230,620	\$38,935	\$247,700
Reserve (set at 5% of expenses)	\$21,855	\$230,620	\$38,935	\$247,700
Total Expenses	\$480,810	\$5,073,640	\$856,570	\$5,449,400
Revenue	A: Low Expense	B: High Expense	A: Low Expense	B: High Expense
Property Tax	\$438,810	\$3,038,640	\$249,570	\$2,849,400
<i>City Permanent Property Tax Rate</i>	<i>\$1.06</i>	<i>\$7.34</i>	<i>\$0.60</i>	<i>\$6.88</i>
State Shared Revenues	\$42,000	\$42,000	\$42,000	\$42,000
Franchise Fees	\$0	\$0	\$77,000	\$77,000
Transient Lodging Tax	\$0	\$0	\$488,000	\$488,000
Grants (50% of start up land use)	\$0	\$0	\$0	\$0
Sanitation	\$0	\$842,000	\$0	\$842,000
Water	\$0	\$1,151,000	\$0	\$1,151,000
Total Revenues	\$480,810	\$5,073,640	\$856,570	\$5,449,400
Revenues Less Expenses	\$0	\$0	\$0	\$0
City property tax for a \$500,000 assessed home	\$530	\$3,671	\$301	\$3,442