ARCH CAPE DOMESTIC WATER DISTRICT
BOARD OF COMMISSIONERS MEETING
Thursday, November 19, 2026
5:45 PM Meeting Zoom & In Person

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

The Board Meeting adheres to a 1.25-hour meeting rule. Meeting discussion will conclude sharply at that time to allow for the last 3 agenda items. Any uncompleted or remaining business will be rolled over until the next monthly Board Meeting.

I. Call to Order	Owen Dufka
II. Public Comments	Owen Dufka
III. Agenda Approval (Action – Motion to Approve)	Owen Dufka
IV. Approve October 15, 2026, Meeting Minutes (Action – Motion to Approve)	Owen Dufka
V. Financial & Administrative Reporting	
A. Accept Budget vs Actual Report	Owen Dufka
B. Accept Payment of Accounts	Owen Dufka
C. Treasurer's Report	Sam Garrison
VI. Sam Garrison, Board Resignation/Treasurer Election - Discussion and Possible Action	Owen Dufka
VII. Billing Appeal Miller - Review and Possible Action	Collin
VIII. ODF/Nuveen Easement Temporary Access Arrangement	Collin
IX. Community Club Hug Point Access for Emergency Purposes	Collin
X. District Organization, Management and Staffing – Executive Summary Draft attached	Collin
XI. RCAC Technical Assistance: Shared Operator Coverage and Potential District Merger, Update and Discussion	Collin
XII. Transient Loding Tax Revenue – Update if there will be a meeting w/Sanitary & Staff with the Clatsop County Board of Commissioners	Collin
XIII. Cannon View Park Committee Status	Owen
XIV. Cell Tower Update Consultant and Legal Reviews	
XV. Billing Migration Update	Collin
XVI. Reports	
A. Staff Reports	Matt/Collin
B. Board Members' Comments and Reports	All

December Meeting Agenda Items (Action)

Public Comments	Owen Dufka
Adjournment	Owen Dufka

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
BOARD OF COMMISONERS' MEETING
Thursday, October 15, 2026

Pursuant to the notice, the regular monthly Board Meeting for Arch Cape Sanitary District was held at the Fire Hall and via Zoom.

In attendance: Owen Dufka, Richard Petrick, Jeff Slemaker; Absent: Sam Garrison and Tevis Dooley. Staff: Matt Gardner, Collin Stelzig and Teri Fladstol; Public: Bill Campbell, Michael Miller, Richard Gibson

Board Meeting was called to order by Owen Dufka at 6:07 pm.

Public Comments – None

Motion by Jeff Slemaker to add the Water Management Memo to the Agenda. Motion to approve as amended, second by Richard Petrich, motion carried.
Motion Jeff Slemaker to approve the Minutes of September 17, 2026, meeting, second by Richard Petrich, motion carried.
Acceptance of Financial Reporting, Treasurer's Report, reconciled and approved by Sam Garrison submitted an email stating that the reconciliation was done and all is good.

Report by Collin Stelzig regarding District Organization, Management and Staffing followed the memo attached and a discussion on a certified operator and more labor support.

Motion made by Richard Petrich that the Board approve contracting with MacKay to update the District's Water Management and Conservation Plan and complete the overdue five year progress report, in an amount not to exceed $18,000, and authorize the Board President to execute the agreement upon receipt, subject to staff review confirming that the scope and fee are consistent with this approval, second by Jeff Slemaker, Motion carried.

An update to the Transit Lodging Tax Revenue Letter to the Clatsop County Board of Commissioners, meeting was delayed and Tom will continue to work on a date in the next couple of weeks.

Cannon View Park Committee Status – Owen addressed the need to get another member, and he is working on it.

Cell Tower & Billing Migration Update – No update on the cell tower, they are working on it and once something is submitted, it will be brought to the Board. The billing migration will be complete, and a copy of the new format will be sent to the Board for review in the next two weeks. The instructions will be sent to all rate payers on November 15th.

Reports by Staff:
Matt provided an update on projects that have been completed, what is scheduled for the next few months.

Update on the transition in billing migration/software and comparison between monthly and quarterly; see memo included in the Board packet.

Board Member Comments and Reports: None

Public Comments: Richard Gibson asked if there was a timeframe in which the CVP Committee would be meeting. Owen stated he was working on it.

DRAFT

November Meeting Agenda: District Organization, Billing Software Update and Transit Tax Lodging Meeting update (if any), possible joint meeting in December for Administration Report.

Motion by Jeff Slemaker, second by Richard Petrich to adjourn meeting at 6:30 pm

_____ _____

Owen Dufka, Chair Attest: Teri Fladstol, Secretary

DRAFT

General Fund Budget vs. Actual

Arch Cape Domestic Water Supply District. FY 2026-27. Actuals through October 31, 2026. Cash basis.

Account #	Account	Q1 (Jul to Sep)	October	YTD Actual	Annual Budget	Remaining	% of Budget
Resources							
Beginning Fund Balance							
01-4002	Undesignated Balance	-	-	-	281,475.00	281,475.00	0.0%
Total Beginning Fund Balance		**-**	**-**	**-**	**281,475.00**	**281,475.00**	**0.0%**
Operating Revenue							
01-4201	User Fees	72,426.64	31,733.51	104,160.15	252,200.00	148,039.85	41.3%
01-4202	Debt Service	6,976.30	2,915.06	9,891.36	21,352.00	11,460.64	46.3%
01-4204	Overage/Excess Usage	6,468.56	8,874.18	15,342.74	37,500.00	22,157.26	40.9%
01-4250	Surplus Water Sales	-	-	-	100.00	100.00	0.0%
01-4300	Interest Income - General Fund	4,070.20	1,601.82	5,672.02	7,500.00	1,827.98	75.6%
01-4350	IGA Income (Sanitary District)	35,310.14	15,587.32	50,897.46	221,271.00	170,373.54	23.0%
01-4400	Cannon View Park Read Services	1,388.00	-	1,388.00	1,388.00	-	100.0%
01-4501	Meter Connection Fee	-	-	-	2,568.00	2,568.00	0.0%
01-4700	Miscellaneous Income	-	149.00	149.00	-	(149.00)	
01-4801	OTAG - Water Master Plan	-	-	-	50,000.00	50,000.00	0.0%
Total Operating Revenue		**126,639.84**	**60,860.89**	**187,500.73**	**593,879.00**	**406,378.27**	**31.6%**
Transfers and Other Financing							
01-4890	Transfer In from Forest Fund	-	-	-	4,000.00	4,000.00	0.0%
01-4901	Loan Proceeds - Vehicle	-	-	-	42,500.00	42,500.00	0.0%
01-4902	Loan Proceeds - Asbury Replacement	-	-	-	160,000.00	160,000.00	0.0%
Total Transfers and Other Financing		**-**	**-**	**-**	**206,500.00**	**206,500.00**	**0.0%**
Total Resources		**126,639.84**	**60,860.89**	**187,500.73**	**1,081,854.00**	**894,353.27**	**17.3%**
Requirements							
Personnel Services							
01-5001	Wage - District Manager	24,999.84	8,333.28	33,333.12	100,000.00	66,666.88	33.3%
01-5002	Wages - Operator	8,364.97	-	8,364.97	70,000.00	61,635.03	11.9%
01-5003	Employer Payroll Taxes	3,213.31	639.05	3,852.36	23,000.00	19,147.64	16.7%
01-5004	PERS Retirement	5,336.75	1,480.84	6,817.59	46,000.00	39,182.41	14.8%
01-5005	Medical Insurance	5,123.52	60.00	5,183.52	20,500.00	15,316.48	25.3%
01-5006	Worker's Compensation Insurance	2,140.71	-	2,140.71	1,325.00	(815.71)	161.6%
01-5999	Inter-Govern Agreement (IGA)	-	-	-	-	-	
Total Personnel Services		**49,179.10**	**10,513.17**	**59,692.27**	**260,825.00**	**201,132.73**	**22.9%**
Materials and Services							
01-6001	IGA Administrative Services	15,277.48	3,881.77	19,159.25	73,000.00	53,840.75	26.2%
01-6002	Shared Temporary Help	16,521.00	4,873.00	21,394.00	50,000.00	28,606.00	42.8%
01-6003	Clothing Allowance	709.63	62.94	772.57	1,000.00	227.43	77.3%
01-6004	Education	-	349.99	349.99	3,000.00	2,650.01	11.7%
01-6005	Travel	-	-	-	2,000.00	2,000.00	0.0%

General Fund Budget vs. Actual

Arch Cape Domestic Water Supply District. FY 2026-27. Actuals through October 31, 2026. Cash basis.

Account #	Account	Q1 (Jul to Sep)	October	YTD Actual	Annual Budget	Remaining	% of Budget
01-6006	Office Supplies	751.78	112.70	864.48	3,500.00	2,635.52	24.7%
01-6007	Postage	410.00	57.15	467.15	700.00	232.85	66.7%
01-6008	Vehicle	3,070.06	1,012.52	4,082.58	3,500.00	(582.58)	116.6%
01-6009	IGA Legal	140.00	-	140.00	1,500.00	1,360.00	9.3%
01-6050	District-Specific Administrative Fees	395.00	140.00	535.00	13,000.00	12,465.00	4.1%
01-6102	Auditing Service	5,000.00	-	5,000.00	9,375.00	4,375.00	53.3%
01-6103	Dues & Taxes	900.00	-	900.00	3,250.00	2,350.00	27.7%
01-6104	Legal Services	-	-	-	3,000.00	3,000.00	0.0%
01-6105	Liability & Property Insurance	511.00	-	511.00	12,500.00	11,989.00	4.1%
01-6108	Project Maintenance	2,533.85	(2,100.00)	433.85	31,500.00	31,066.15	1.4%
01-6109	Recurring Maintenance	2,489.36	263.12	2,752.48	20,000.00	17,247.52	13.8%
01-6110	General Maintenance	7,910.26	(1,151.78)	6,758.48	30,000.00	23,241.52	22.5%
01-6111	Chemicals	3,531.75	-	3,531.75	6,000.00	2,468.25	58.9%
01-6112	Notices	-	-	-	350.00	350.00	0.0%
01-6113	Payroll Administration Service	175.96	47.64	223.60	800.00	576.40	28.0%
01-6114	Professional Services	-	1,078.00	1,078.00	88,500.00	87,422.00	1.2%
01-6116	Utilities	3,404.66	1,072.96	4,477.62	16,500.00	12,022.38	27.1%
Total Materials and Services		**63,731.79**	**9,700.01**	**73,431.80**	**372,975.00**	**299,543.20**	**19.7%**
Debt Service							
01-7501	IFA Water Plant Upgrade - Princ	-	-	-	17,715.00	17,715.00	0.0%
01-7502	IFA Water Plant Upgrade - Int	-	-	-	3,057.00	3,057.00	0.0%
01-7503	Asbury Waterline Loan	-	-	-	10,000.00	10,000.00	0.0%
01-7504	Vehicle Loan	-	-	-	10,080.00	10,080.00	0.0%
Total Debt Service		**-**	**-**	**-**	**40,852.00**	**40,852.00**	**0.0%**
Interfund Transfers							
01-7201	Transfer Out to Capital Fund: Capital Projects	-	-	-	27,000.00	27,000.00	0.0%
01-7202	Transfer Out to Capital Fund: Vehicle Loan Proceeds	-	-	-	42,500.00	42,500.00	0.0%
01-7203	Transfer Out to Capital Fund: Asbury Loan Proceeds	-	-	-	160,000.00	160,000.00	0.0%
Total Interfund Transfers		**-**	**-**	**-**	**229,500.00**	**229,500.00**	**0.0%**
Contingency and Ending Balance							
01-8000	Contingency	-	-	-	90,000.00	90,000.00	0.0%
01-8001	Unappropriated Bal - Gen Fund	-	-	-	87,702.00	87,702.00	0.0%
Total Contingency and Ending Balance		**-**	**-**	**-**	**177,702.00**	**177,702.00**	**0.0%**
Total Requirements		**112,910.89**	**20,213.18**	**133,124.07**	**1,081,854.00**	**948,729.93**	**12.3%**
Net Activity		**13,728.95**	**40,647.71**	**54,376.66**	**-**		

Capital Fund Budget vs. Actual

Arch Cape Domestic Water Supply District. FY 2026-27. Actuals through October 31, 2026. Cash basis.

Account #	Account	Q1 (Jul to Sep)	October	YTD Actual	Annual Budget	Remaining	% of Budget
Resources							
Beginning Fund Balance							
02-4002	Undesignated Balance - Ca	-	-	-	120,165.00	120,165.00	0.0%
Total Beginning Fund Balance		**-**	**-**	**-**	**120,165.00**	**120,165.00**	**0.0%**
Operating Revenue							
02-4200	SDC Revenue	8,097.00	-	8,097.00	14,036.00	5,939.00	57.7%
02-4300	Interest Income - Capital	-	-	-	7,500.00	7,500.00	0.0%
02-4800	ODOT Grant Reimbursement	-	-	-	288,950.00	288,950.00	0.0%
Total Operating Revenue		**8,097.00**	**-**	**8,097.00**	**310,486.00**	**302,389.00**	**2.6%**
Transfers and Other Financing							
01-4900	Transfer In from General Fund: Capital Projects	-	-	-	27,000.00	27,000.00	0.0%
01-4901	Transfer In from General Fund: Vehicle Loan Proceeds	-	-	-	42,500.00	42,500.00	0.0%
01-4902	Transfer In from General Fund: Asbury Loan Proceeds	-	-	-	160,000.00	160,000.00	0.0%
Total Transfers and Other Financing		**-**	**-**	**-**	**229,500.00**	**229,500.00**	**0.0%**
Total Resources		**8,097.00**	**-**	**8,097.00**	**660,151.00**	**652,054.00**	**1.2%**
Requirements							
Materials and Services							
02-6100	SDC Planning & SDC Compliance	-	-	-	42,600.00	42,600.00	0.0%
Total Materials and Services		**-**	**-**	**-**	**42,600.00**	**42,600.00**	**0.0%**
Capital Outlay							
02-7004	Asbury Creek Intake Move	19,202.72	-	19,202.72	288,950.00	269,747.28	6.6%
02-7005	Asbury Creek Water Relocation	4,336.63	1,740.68	6,077.31	160,995.00	154,917.69	3.8%
02-7006	Vehicle Purchase	33,993.88	-	33,993.88	42,500.00	8,506.12	80.0%
02-7007	Mini-Excavator	19,581.38	-	19,581.38	17,000.00	(2,581.38)	115.2%
02-7008	Electrical Panel (Corroded)	-	-	-	5,000.00	5,000.00	0.0%
02-7009	Secondary Water Source	-	-	-	5,000.00	5,000.00	0.0%
Total Capital Outlay		**77,114.61**	**1,740.68**	**78,855.29**	**519,445.00**	**440,589.71**	**15.2%**
Contingency and Ending Balance							
02-8100	SDC Contingency	-	-	-	60,000.00	60,000.00	0.0%
02-8101	SDC Unappropriated Balance	-	-	-	38,106.00	38,106.00	0.0%
Total Contingency and Ending Balance		**-**	**-**	**-**	**98,106.00**	**98,106.00**	**0.0%**
Total Requirements		**77,114.61**	**1,740.68**	**78,855.29**	**660,151.00**	**581,295.71**	**11.9%**
Net Activity		**(69,017.61)**	**(1,740.68)**	**(70,758.29)**	**-**		

Forest Fund Budget vs. Actual

Arch Cape Domestic Water Supply District. FY 2026-27. Actuals through October 31, 2026. Cash basis.

Account #	Account	Q1 (Jul to Sep)	October	YTD Actual	Annual Budget	Remaining	% of Budget
Resources							
Beginning Fund Balance							
03-4001	Beginning Bal - Unrestricted	-	-	-	191,355.00	191,355.00	0.0%
03-4002	Beginning Bal - Restricted Fund	-	-	-	77,852.00	77,852.00	0.0%
Total Beginning Fund Balance		**-**	**-**	**-**	**269,207.00**	**269,207.00**	**0.0%**
Operating Revenue							
03-4300	Interest Income - Forest Fund	272.29	94.75	367.04	5,000.00	4,632.96	7.3%
03-4700	Miscellaneous Income - Forest F	-	-	-	1,000.00	1,000.00	0.0%
03-4801	Business OR - ARPA	125,494.00	-	125,494.00	170,000.00	44,506.00	73.8%
03-4850	Private Donations Forest Fund	-	-	-	15,000.00	15,000.00	0.0%
Total Operating Revenue		**125,766.29**	**94.75**	**125,861.04**	**191,000.00**	**65,138.96**	**65.9%**
Total Resources		**125,766.29**	**94.75**	**125,861.04**	**460,207.00**	**334,345.96**	**27.3%**
Requirements							
Materials and Services							
03-6101	ODF - Fire Protection	-	-	-	3,113.00	3,113.00	0.0%
03-6102	Forest - Federal Audit	-	-	-	3,125.00	3,125.00	0.0%
03-6103	Legal/Land Use Fees	360.00	-	360.00	2,500.00	2,140.00	14.4%
03-6104	Finance Management	1,620.00	-	1,620.00	4,770.00	3,150.00	34.0%
03-6107	Road Management Consulting	7,246.50	-	7,246.50	16,000.00	8,753.50	45.3%
03-6108	Forest Management Consulting	-	-	-	11,750.00	11,750.00	0.0%
03-6109	Road Maintenance Supplies-Rock	68,807.58	-	68,807.58	125,000.00	56,192.42	55.0%
03-6111	Land Restoration	-	-	-	-	-	
03-6112	Miscellaneous	-	500.00	500.00	500.00	-	100.0%
03-6113	Certification	-	-	-	2,513.00	2,513.00	0.0%
Total Materials and Services		**78,034.08**	**500.00**	**78,534.08**	**169,271.00**	**90,736.92**	**46.4%**
Interfund Transfers							
7900	Transfer Out to General Fund	-	-	-	4,000.00	4,000.00	0.0%
Total Interfund Transfers		**-**	**-**	**-**	**4,000.00**	**4,000.00**	**0.0%**
Contingency and Ending Balance							
03-8001	Contingency	-	-	-	120,000.00	120,000.00	0.0%
03-8002	Restricted Balance	-	-	-	66,977.00	66,977.00	0.0%
03-8003	Unappropriated Balance	-	-	-	99,959.00	99,959.00	0.0%
Total Contingency and Ending Balance		**-**	**-**	**-**	**286,936.00**	**286,936.00**	**0.0%**
Total Requirements		**78,034.08**	**500.00**	**78,534.08**	**460,207.00**	**381,672.92**	**17.1%**
Net Activity		**47,732.21**	**(405.25)**	**47,326.96**	**-**		

Arch Cape Domestic Water Supply District Monthly Disbursement Register

Month: **October 2026**

Total payments **$27,045.03**

Date	Check/Ref #	Payee	Amount	Bank account	Method	Fund	Budget Account	Notes
10/5/2026		Twilio	20.00	00-1000 #1196 Main Checking	Electronic	General Fund	01-6001 - IGA Administrative Services	
10/6/2026		GOVX	62.94	00-1000 #1196 Main Checking	Electronic	General Fund	01-6003 - Clothing Allowance	
10/7/2026		QR.IO Generator	39.99	00-1000 #1196 Main Checking	Electronic	General Fund	01-6001 - IGA Administrative Services	
10/8/2026		Cleaning By Design	288.00	00-1000 #1196 Main Checking	Electronic	General Fund	01-6002 - Shared Temporary Help	
10/8/2026		Garmin	30.16	00-1000 #1196 Main Checking	Electronic	General Fund	01-6110 - General Maintenance	
10/10/2026		Sure Payroll	47.64	00-1000 #1196 Main Checking	Electronic	General Fund	Payroll / payroll liabilities	
10/12/2026	2800	Ferguson Enterprises, LLC	189.91	00-1000 #1196 Main Checking	Check	General Fund	01-6110 - General Maintenance	
10/13/2026	2801	USA BlueBook	199.18	00-1000 #1196 Main Checking	Check	General Fund	01-6109 - Recurring Maintenance	
10/13/2026		PERS	250.00	00-1000 #1196 Main Checking	Electronic	General Fund	01-5004 / payroll liabilities	
10/13/2026		PERS	740.42	00-1000 #1196 Main Checking	Electronic	General Fund	01-5004 / payroll liabilities	
10/14/2026		Ricoh, USA Inc.	99.40	00-1000 #1196 Main Checking	Electronic	General Fund	01-6001 - IGA Administrative Services	
10/14/2026		OR DMV	132.00	00-1000 #1196 Main Checking	Electronic	General Fund	01-6008 - Vehicle	
10/14/2026		Sure Payroll	4,236.17	00-1000 #1196 Main Checking	Electronic	General Fund	Payroll / payroll liabilities	
10/15/2026	2802	Ricoh, USA Inc.	120.00	00-1000 #1196 Main Checking	Check	General Fund	01-6001 - IGA Administrative Services	
10/15/2026	2803	RV Resort of Cannon Beach	428.15	00-1000 #1196 Main Checking	Check	General Fund	01-6008 - Vehicle	
10/15/2026	2804	Pacific Power	1,072.96	00-1000 #1196 Main Checking	Check	General Fund	01-6116 - Utilities	
10/15/2026	2805	Daniel Becerra Lawn Care	1,750.00	00-1000 #1196 Main Checking	Check	General Fund	01-6002 - Shared Temporary Help	
10/15/2026	2806	SDIS	60.00	00-1000 #1196 Main Checking	Check	General Fund	01-5005 - Medical Insurance	
10/15/2026	2807	Jackson Oil	236.20	00-1000 #1196 Main Checking	Check	General Fund	01-6008 - Vehicle	
10/15/2026		1st Security Bank	333.71	00-1000 #1196 Main Checking	Electronic	General Fund	01-4201 - User Fees	
10/15/2026		Grainger	260.55	00-1000 #1196 Main Checking	Electronic	General Fund	01-6110 - General Maintenance	
10/15/2026		Grainger	256.87	00-1000 #1196 Main Checking	Electronic	General Fund	01-6110 - General Maintenance	
10/17/2026		Amazon.com	14.99	00-1000 #1196 Main Checking	Electronic	General Fund	01-6110 - General Maintenance	
10/18/2026		American Water Works	349.99	00-1000 #1196 Main Checking	Electronic	General Fund	01-6004 - Education	
10/20/2026		USPS	12.50	00-1000 #1196 Main Checking	Electronic	General Fund	01-6007 - Postage	
10/20/2026		USPS	44.65	00-1000 #1196 Main Checking	Electronic	General Fund	01-6007 - Postage	
10/21/2026	2808	OR Environmental Solutions LLC	2,835.00	00-1000 #1196 Main Checking	Check	General Fund	01-6002 - Shared Temporary Help	
10/21/2026	2809	MacKay Sposito, LLC	2,818.68	00-1000 #1196 Main Checking	Check	General Fund	01-6114 - Professional Services	
10/23/2026		Amazon.com	572.07	00-1000 #1196 Main Checking	Electronic	General Fund	01-6006 - Office Supplies	
10/24/2026		AT&T Mobility	102.38	00-1000 #1196 Main Checking	Electronic	General Fund	01-6001 - IGA Administrative Services	
10/26/2026		QuickBooks Payments	140.00	00-1000 #1196 Main Checking	Electronic	General Fund	01-6050 - District-Specific Administrative Fees	
10/26/2026		GOVX	63.94	00-1000 #1196 Main Checking	Electronic	General Fund	01-6109 - Recurring Maintenance	
10/27/2026		PERS	250.00	00-1000 #1196 Main Checking	Electronic	General Fund	01-5004 / payroll liabilities	
10/27/2026		PERS	740.42	00-1000 #1196 Main Checking	Electronic	General Fund	01-5004 / payroll liabilities	
10/28/2026	2810	Jigsaw Consulting Services	3,500.00	00-1000 #1196 Main Checking	Check	General Fund	01-6001 - IGA Administrative Services	
10/29/2026		Sure Payroll	4,236.16	00-1000 #1196 Main Checking	Electronic	General Fund	Payroll / payroll liabilities	
10/30/2026		1st Security Bank	10.00	00-1000 #1196 Main Checking	Electronic	General Fund	01-6110 - General Maintenance	
10/21/2026	5045	Limbwalkers Tree Works LLC	500.00	03-1000 Forest Fund #8620	Check	Forest Fund	03-6112 - Miscellaneous	

CFrom: Sam Garrison <sgarrisonacutil@gmail.com>
Date: Sat, Oct 31, 2026, 3:25 PM
Subject: Sam G. Message
To: District Administrator <districtadmin@archcapewater.org

Collin:

I am sending this to you and the Board based on what we spoke about on Friday, i.e. that I am leaving the ACW Board as Treasurer effective November 20th. I am sorry to do so, but it feels like the right thing for me to do based on my plans for the future. I have enjoyed working with all of you and am rooting for the Board's continued success, I mean that. I do plan to attend monthly hearings from time to time so you will see me.

I will process the monthly banking reconciliation for November and report to the Board on my findings for our pending November 19th meeting. I will not attend that meeting as I will be traveling to SF.

I have signed the checks for this month and have returned the mailbox key to Matt.

I do hope we are able to get some sort of resolution on Carnahan joining or not joining our water system. Of course, fiscal issues are always looming with budgeting in the near future for the next fiscal year.

That is all that I have for now.

Wishing you and your families a fun and safe holiday season.

Best Regards,

Sam Garrison

AGENDA MEMORANDUM

TO: Arch Cape Domestic Water Supply District
FROM: Collin Stelzig, District Administrator
DATE: November 19, 2026
SUBJ: Customer Billing Appeal, Account #3600 (Miller)

BACKGROUND

Mr. Kevin Miller submitted an appeal dated September 10, 2026 of the water and sewer overages billed on his September 10, 2026 quarterly statement. He reports that a new Rain Bird irrigation timer installed with his landscaping upgrade was set incorrectly by his landscape company, running repeated watering cycles at night. He noticed the problem in late August, when he returned from vacation and found the lawn very wet, and the timer was reprogrammed. Recorded water use was 15,839 gallons for the July 1 to August 3, 2026 read period and 17,179 gallons for August 3 to September 1, compared with 5,037 and 6,463 gallons in the two prior periods. His highest monthly use in the prior three summers was 8,574 gallons. The resulting overage charges on the water portion of the bill total $1,455.28 ($582.37 and $872.91). On October 14, 2026, after receiving staff's response, Mr. Miller requested Board review and asked for a one-time hardship credit (attached).

Staff reviewed the appeal under the Water Leak Policy #23-09 WD and Extraordinary Water Usage Policy #2024-1017 WD:

- Relief under the *Leak Policy* applies only to verified leaks within the dwelling plumbing system or other failures *beyond the homeowner's control*.
- The *Extraordinary Usage Policy* allows limited relief for accidents or oversights but explicitly excludes irrigation systems.

Staff Review and Action:

- The described issue (an irrigation timer set incorrectly) is a "sprinkler setting," which the Leak Policy identifies as an accident or oversight, not a leak or a failure beyond the homeowner's control.
- The excess water was used through an irrigation system, as defined in District policy.
- Consistent with prior Board actions, staff determined that the water overage does not qualify for relief.
- However, because the water did not enter the sewer system, staff has approved a sanitary overage adjustment of $1,158.73 under Sanitary Policy #24-07 SD, consistent with the adjustment provided for Account #3485 (Seifer).

Additional Context:
On October 16, 2025, the Board considered a similar appeal (Account #3485, Seifer) involving a broken soaker hose. The Board voted to deny the water overage portion, finding that the overage resulted from an irrigation system failure not eligible for relief under Water District Policy #23-09 WD and #2024-1017 WD. Staff provided the sanitary adjustment administratively. Based on staff's review of past appeals, there have been no approved water side appeals for irrigation related usage under the current policies. Prior irrigation related charges, including a sprinkler overage (#2000, $1,634.73), a burst expandable hose (#3495, $623.35) and an irrigation system issue (#1245, $7,815.96), were paid in full without relief. The only reduction granted for irrigation usage (#3120) involved usage that predated the current policies and was identified by the Board as not setting precedent.

The attached document, Steps Toward Water Conservation, was prepared by a former Board member for the October 2025 meeting and provides additional background on how the District's conservation and leak policies have evolved. It is included again for reference.

PROPOSED MOTIONS

Option 1: Deny Appeal (Staff Recommendation)

> *"Move to deny the water overage portion of Account #3600 (Miller) appeal, finding that the overage resulted from an irrigation system setting not eligible for relief under Water District Policy #23-09 WD and #2024-1017 WD."*

Option 2: Grant Partial Relief

> *"Move to approve a one-time adjustment of XX% of the water overage charge for Account #3600 (Miller), while reaffirming that irrigation system issues are not eligible for future relief under Water District policy."*

Option 3: Grant Full Relief

> *"Move to approve full adjustment of the water overage charge for Account #3600 (Miller), finding that extraordinary circumstances justify full relief."*

ATTACHMENTS

1. *Customer Appeal, Account #3600 (Miller), with billing and account history*
2. *Staff Response to Customer (October 8, 2026)*
3. *Customer Email Requesting Board Review and Staff Reply (October 14 to 15, 2026)*
4. *Account Usage History, Account #3600*
5. *Steps Toward Water Conservation (October 16, 2025)*

Attachment 1

Customer Appeal, Account #3600 (Miller)

Appeal form dated September 10, 2026, with billing and account history as submitted

Arch Cape Water and Sanitary Districts
32065 East Shingle Mill Lane
Arch Cape, OR 97102 • 503.436.2790

BILLING APPEAL REQUEST FORM

Billing Appeal under Water District Policy #16-06 WD / Sanitary District Policy #16-04 SD

Date Sept 10, 2026 Account Number 3600

Name on account. Kevin Miller - Customer

Property Account Address: 31943 Star Mooring Lane, Arch Cape

If different: Your Name Address

Contact Info (phone/email) (760) 805-2642 / Kmiller8475@yahoo.com

Date leak discovered / loss noticed	Date leak / loss repaired
Some time in Late August	was reprogramed when discovered
Describe the water loss	**Describe the repairs to your system, if any**
Repetitive set were coming on during the night hours with wrong amount of time.	Landscape Company reprograme Rainbird timmer
Name of person or entity discovering leak / loss	**Name of person or entity repairing leak / loss**
Kevin Miller / noticed grass was very wet when returned from vacation	Myself and Landscaper

Amount being appealed: $ water 1,469.06 & sewer 1,479.53 Date(s) of charges being appealed: Because one month behind carry over May, (June, July, Aug), Sept Have not been changed

Basis of appeal:

_____ Water District Water Leak Policy #23-09 WD

_____ Sanitary District Water Leak Policy #24-07 SD

____ Water District Extraordinary Water Usage Appeal Policy #2024-1017 WD

X Other (Specify) Request a Sewer Charge Adjustment because the water never entered the Sanitary Sewer System. I recently have upgraded my Landscaping and water system, the new Irrigation timmer which Improperly was set. Causing over watering.

In Oregon Law and broader administrative Law, Charging sewer fees on water that clearly never enters the collection system is often challenged as arbitary and capricious or an unlawful tax.

Over →

No Nexus/Ulta Vires: Under Kampstra v. Salem Heights Water District, a public utility cannot impose arbitrary fees or condition service on costs that do not benefit or serve the Customer. Charging a sewer collection fee on water used strictly for Landscaping which never enters the sewer lines - exceeds statutory autority (ORS 450.880) becavses no sewage disposal service was actually rendered. Oregon Legislature.

Arbitrary and Capricious:
Imposing sewer rates on outdoor usage without offering an adjustment mechanism (such as sub-metering or Winter-averaging, which most Oregon districts use) fails rational basis review under Oregon administrative Law.

Unlawful Exaction: Demanding payment for a public sewer service that was never provided operates as an unauthorized tax rather than a valid user fee.

Water: The set amount of 5,000 gallons does not seem right For A full time residents! Cost-of-service proportionality. I like to Know if the 5,000gallons tier demonstra a direct financial nexus between higher tier rates and the actual increased cost to serve that tier. I reguest the utility to provide a specific rate study or Cost-of-servic analysis justifying the price jump past 5,000gallons. when we would leave in the winter months we were still paying the required rates! Arbitrary Penalties vs Rates! The tiered rates must reflect operational cost, not function as arbitary punitive Fines.
I would appreciate a review on these set rate structures.

Thank Miller

NOTE: Leak and Billing Appeal Policies for the Water and Sanitary Districts may be obtained at District offices and found on-line at https://www.archcapewater.org/

THE UNDERSIGNED HEREBY CERTIFIES:

- that I have read the District Policies above indicated and this Appeal conforms to them.
- that the contents of this Request are true and correct.
- that the customer has complied with all requirements for relief under those Policies; and
- that the attached are true and correct copies of the invoice(s) paid for repairs.

Signature: Kevin Miller *Date:* Sept 10, 2026

follows: (1) reject the customer's appeal in its entirety; or, (2) find in favor of the customer, in whole or in part.

8. In the event that the appeal is rejected, all charges shall be immediately due and payable.

9. In the event of a finding in favor of the customer, the appealed charges, or any part thereof, as determined by the BOC, shall be waived, or credited to the customer's account.

10. The ACDWSD Manager shall inform the customer of the BOC's final decision in writing.

Dated: _____ _____

Casey Short, District Board Chair

Date	Policy	Action	Signatory
October 21, 2016	Policy #16-06	Initial Policy Adopted	Unknown
July 18, 2024	Policy #16-06	Updated current policy	Casey Short

ARCH CAPE SANITARY DISTRICT
32065 E SHINGLE MILL LANE
ARCH CAPE, OR 97102
800-853-8802 ext. 800

PLEASE REMIT THIS STUB WITH PAYMENT

Remember - You can now view and pay your bills online at www.ub-pay.com The Municipal Code is ArchCapeORSewer

KEVIN MILLER
31943 STAR MOORING LN
ARCH CAPE, OR 97102

DUE DATE	ACCT NUMBER
11/10/2026	3600
BY DUE DATE	AFTER DUE DATE
$1,474.53	$1,479.53

AMOUNT DUE

SERVICE ADDRESS > **31943 STAR MOORING LN**
Residential

KEEP THIS PORTION FOR YOUR RECORDS

ARCH CAPE SANITARY DISTRICT
800-853-8802 ext. 800

32065 E SHINGLE MILL LANE
ARCH CAPE, OR 97102

ACCOUNT NUMBER		BILLING DATE
3600		09/10/2026
CURRENT	PREVIOUS	USAGE
194430	177251	17179 gal
FROM	TO	DAYS
08/03/2026	09/01/2026	29

SERVICE ADDRESS	DUE DATE
31943 STAR MOORING LN	11/10/2026
DESCRIPTION	AMOUNT DUE
Prior Balance	771.78
Payment(s)	-312.10
Sewer	702.85
Quarterly Debt Surcharge	27.00
Quarterly Base Rate	285.00
	Total: 1,474.53

UTILITY BILLING SYSTEM UPDATE: The Districts are preparing to transition to an upgraded utility billing system. The first bill from the new system is expected December 10, 2026, subject to successful testing. Please confirm or update the primary billing address, telephone number and email address for each service address by September 30, 2026. Submit your information by visiting: www.archcapewater.org/billing-information-update

Detailed portal and payment information will be provided in November. Any questions can be directed to archcapebilling@gmail.com

3600 MILLER KEVIN
June 149912 154949 5037 = $
July 154949 161412 6463 = $
August 161412 177251 15839 = $

BY DUE DATE	AFTER DUE DATE
$1,474.53	$1,479.53

AMOUNT DUE

Account: 3600
KEVIN MILLER
31943 STAR MOORING LN
ARCH CAPE, OR 97102

Customer Billing Appeal, Account #3600 (Miller) | Attachment 1 | Page 8 of 36

CUSTOMER HISTORY REPORT
ARCH CAPE SANITARY DISTRICT

Acct: 3600
MILLER, KEVIN NORMAL 31943 STAR MOORING LN
DATE: 09/10/2026 AUTHOR: ACORSPC1

Date	Description	Amount	Tax	Total	Balance
12/31/2021	Start Balance				$0.00
12/31/2021	Sewer	$0.00	$0.00	$0.00	$0.00
01/01/2022	Conv Balance	$0.00	$0.00	$0.00	$0.00
01/01/2022	Conv Late Fee	$0.00	$0.00	$0.00	$0.00
01/01/2022	Conv Sewer	$0.00	$0.00	$0.00	$0.00
01/01/2022	Conv Water	$0.00	$0.00	$0.00	$0.00
01/31/2022	Sewer	$0.00	$0.00	$0.00	$0.00
03/11/2022	Sewer	$0.00	$0.00	$0.00	$0.00
03/11/2022	Quarterly Base rate	$232.00	$0.00	$232.00	$232.00
03/11/2022	Quarterly Debt Surcharge	$39.00	$0.00	$39.00	$271.00
04/11/2022	Sewer	$0.00	$0.00	$0.00	$271.00
04/21/2022	Payment	$-271.00		$-271.00	$0.00
05/02/2022	Sewer	$0.00	$0.00	$0.00	$0.00
06/06/2022	Sewer	$0.00	$0.00	$0.00	$0.00
06/06/2022	Quarterly Base rate	$232.00	$0.00	$232.00	$232.00
06/06/2022	Quarterly Debt Surcharge	$39.00	$0.00	$39.00	$271.00
07/06/2022	Sewer	$0.00	$0.00	$0.00	$271.00
08/03/2022	Sewer	$2.63	$0.00	$2.63	$273.63
08/18/2022	Payment	$-271.00		$-271.00	$2.63
09/02/2022	Late Fee	$5.00	$0.00	$5.00	$7.63
09/10/2022	Sewer	$0.50	$0.00	$0.50	$8.13
09/10/2022	Quarterly Debt Surcharge	$27.00	$0.00	$27.00	$35.13
09/10/2022	Quarterly Base rate	$237.00	$0.00	$237.00	$272.13
10/01/2022	Sewer	$0.00	$0.00	$0.00	$272.13
11/01/2022	Sewer	$0.00	$0.00	$0.00	$272.13
11/04/2022	Payment	$-272.13		$-272.13	$0.00
12/01/2022	Sewer	$0.00	$0.00	$0.00	$0.00
12/01/2022	Quarterly Base rate	$237.00	$0.00	$237.00	$237.00
12/01/2022	Quarterly Debt Surcharge	$27.00	$0.00	$27.00	$264.00
01/01/2023	Sewer	$0.00	$0.00	$0.00	$264.00
02/01/2023	Sewer	$0.00	$0.00	$0.00	$264.00
02/02/2023	Payment	$-264.00		$-264.00	$0.00
03/10/2023	Sewer	$0.00	$0.00	$0.00	$0.00
03/10/2023	Quarterly Base rate	$237.00	$0.00	$237.00	$237.00
03/10/2023	Quarterly Debt Surcharge	$27.00	$0.00	$27.00	$264.00
04/10/2023	Sewer	$0.00	$0.00	$0.00	$264.00
05/01/2023	Sewer	$0.00	$0.00	$0.00	$264.00
05/04/2023	Payment	$-264.00		$-264.00	$0.00
06/16/2023	Sewer	$0.00	$0.00	$0.00	$0.00
06/16/2023	Quarterly Base rate	$250.00	$0.00	$250.00	$250.00

CUSTOMER HISTORY REPORT
ARCH CAPE SANITARY DISTRICT

Acct: 3600
MILLER, KEVIN NORMAL 31943 STAR MOORING LN
DATE: 09/10/2026 AUTHOR: ACORSPC1

Date	Description	Amount	Tax	Total	Balance
06/16/2023	Quarterly Debt Surcharge	$27.00	$0.00	$27.00	$277.00
07/01/2023	Sewer	$1.45	$0.00	$1.45	$278.45
08/03/2023	Sewer	$0.00	$0.00	$0.00	$278.45
08/10/2023	Payment	$-277.00		$-277.00	$1.45
09/10/2023	Sewer	$1.70	$0.00	$1.70	$3.15
09/10/2023	Quarterly Debt Surcharge	$27.00	$0.00	$27.00	$30.15
09/10/2023	Quarterly Base rate	$250.00	$0.00	$250.00	$280.15
09/30/2023	Sewer	$0.00	$0.00	$0.00	$280.15
10/12/2023	Payment	$-280.15		$-280.15	$0.00
11/01/2023	Sewer	$0.00	$0.00	$0.00	$0.00
12/10/2023	Sewer	$0.00	$0.00	$0.00	$0.00
12/10/2023	Quarterly Base rate	$250.00	$0.00	$250.00	$250.00
12/10/2023	Quarterly Debt Surcharge	$27.00	$0.00	$27.00	$277.00
01/02/2024	Sewer	$0.00	$0.00	$0.00	$277.00
02/01/2024	Payment	$-277.00		$-277.00	$0.00
02/02/2024	Sewer	$0.00	$0.00	$0.00	$0.00
03/10/2024	Sewer	$0.00	$0.00	$0.00	$0.00
03/10/2024	Quarterly Debt Surcharge	$27.00	$0.00	$27.00	$27.00
03/10/2024	Quarterly Base rate	$250.00	$0.00	$250.00	$277.00
04/01/2024	Sewer	$0.00	$0.00	$0.00	$277.00
05/01/2024	Sewer	$0.00	$0.00	$0.00	$277.00
05/02/2024	Payment	$-277.00		$-277.00	$0.00
06/01/2024	Sewer	$0.00	$0.00	$0.00	$0.00
06/01/2024	Quarterly Base rate	$261.00	$0.00	$261.00	$261.00
06/01/2024	Quarterly Debt Surcharge	$27.00	$0.00	$27.00	$288.00
07/01/2024	Sewer	$0.00	$0.00	$0.00	$288.00
08/01/2024	Sewer	$0.95	$0.00	$0.95	$288.95
08/07/2024	Payment	$-288.00		$-288.00	$0.95
09/10/2024	Sewer	$0.00	$0.00	$0.00	$0.95
09/10/2024	Quarterly Base rate	$261.00	$0.00	$261.00	$261.95
09/10/2024	Quarterly Debt Surcharge	$27.00	$0.00	$27.00	$288.95
10/10/2024	Sewer	$0.60	$0.00	$0.60	$289.55
11/10/2024	Sewer	$0.00	$0.00	$0.00	$289.55
11/10/2024	Payment	$-293.95		$-293.95	$-4.40
12/10/2024	Sewer	$0.00	$0.00	$0.00	$-4.40
12/10/2024	Quarterly Debt Surcharge	$27.00	$0.00	$27.00	$22.60
12/10/2024	Quarterly Base rate	$261.00	$0.00	$261.00	$283.60
01/03/2025	Sewer	$0.00	$0.00	$0.00	$283.60
02/03/2025	Sewer	$0.00	$0.00	$0.00	$283.60
02/28/2025	Payment	$-283.60		$-283.60	$0.00

CUSTOMER HISTORY REPORT
ARCH CAPE SANITARY DISTRICT

Acct: 3600
MILLER, KEVIN NORMAL 31943 STAR MOORING LN
DATE: 09/10/2026 AUTHOR: ACORSPC1

Date	Description	Amount	Tax	Total	Balance
03/10/2025	Sewer	$0.00	$0.00	$0.00	$0.00
03/10/2025	Quarterly Debt Surcharge	$27.00	$0.00	$27.00	$27.00
03/10/2025	Quarterly Base rate	$261.00	$0.00	$261.00	$288.00
04/04/2025	Payment	$-288.00		$-288.00	$0.00
04/10/2025	Sewer	$0.00	$0.00	$0.00	$0.00
05/01/2025	Sewer	$0.00	$0.00	$0.00	$0.00
06/10/2025	Sewer	$0.00	$0.00	$0.00	$0.00
06/10/2025	Quarterly Debt Surcharge	$27.00	$0.00	$27.00	$27.00
06/10/2025	Quarterly Base rate	$273.00	$0.00	$273.00	$300.00
07/10/2025	Sewer	$0.00	$0.00	$0.00	$300.00
07/10/2025	Quarterly Debt Surcharge	$27.00	$0.00	$27.00	$327.00
07/25/2025	Adjustment	$-27.00	$0.00	$-27.00	$300.00
08/07/2025	Payment	$-300.00		$-300.00	$0.00
08/10/2025	Sewer	$12.28	$0.00	$12.28	$12.28
09/10/2025	Sewer	$2.36	$0.00	$2.36	$14.64
09/10/2025	Quarterly Debt Surcharge	$27.00	$0.00	$27.00	$41.64
09/10/2025	Quarterly Base rate	$273.00	$0.00	$273.00	$314.64
10/10/2025	Sewer	$0.15	$0.00	$0.15	$314.79
11/10/2025	Sewer	$1.94	$0.00	$1.94	$316.73
11/12/2025	Payment	$-314.64		$-314.64	$2.09
12/10/2025	Sewer	$0.00	$0.00	$0.00	$2.09
12/10/2025	Quarterly Debt Surcharge	$27.00	$0.00	$27.00	$29.09
12/10/2025	Quarterly Base rate	$273.00	$0.00	$273.00	$302.09
01/03/2026	Sewer	$0.00	$0.00	$0.00	$302.09
02/03/2026	Sewer	$0.00	$0.00	$0.00	$302.09
02/11/2026	Payment	$-302.09		$-302.09	$0.00
03/10/2026	Sewer	$0.00	$0.00	$0.00	$0.00
03/10/2026	Quarterly Base rate	$273.00	$0.00	$273.00	$273.00
03/10/2026	Quarterly Debt Surcharge	$27.00	$0.00	$27.00	$300.00
04/01/2026	Sewer	$0.00	$0.00	$0.00	$300.00
04/29/2026	Payment	$-300.00		$-300.00	$0.00
05/01/2026	Sewer	$0.00	$0.00	$0.00	$0.00
06/10/2026	Sewer	$0.10	$0.00	$0.10	$0.10
06/10/2026	Quarterly Base rate	$285.00	$0.00	$285.00	$285.10
06/10/2026	Quarterly Debt Surcharge	$27.00	$0.00	$27.00	$312.10
07/01/2026	Sewer	$3.80	$0.00	$3.80	$315.90
08/01/2026	Sewer	$455.88	$0.00	$455.88	$771.78
08/12/2026	Payment	$-312.10		$-312.10	$459.68
09/10/2026	Sewer	$702.85	$0.00	$702.85	$1,162.53
09/10/2026	Quarterly Base rate	$285.00	$0.00	$285.00	$1,447.53

CUSTOMER HISTORY REPORT
ARCH CAPE SANITARY DISTRICT

Acct: 3600
MILLER, KEVIN NORMAL 31943 STAR MOORING LN
DATE: 09/10/2026 AUTHOR: ACORSPC1

Date	Description	Amount	Tax	Total	Balance
09/10/2026	Quarterly Debt Surcharge	$27.00	$0.00	$27.00	$1,474.53
	Totals:	$1,474.53	$0.00	$1,474.53	$1,474.53
	SUMMARY				
	PAYMENTS	-$5,135.6	$0.00	$5,135.66	
	ADJUSTMENT	-$27.00	$0.00	-$27.00	
	CONV BALANCE	$0.00	$0.00	$0.00	
	CONV LATE FEE	$0.00	$0.00	$0.00	
	CONV SEWER	$0.00	$0.00	$0.00	
	CONV WATER	$0.00	$0.00	$0.00	
	LATE FEE	$5.00	$0.00	$5.00	
	QUARTERLY BASE RATE	$4,881.00	$0.00	$4,881.00	
	QUARTERLY DEBT SURCHARGE	$564.00	$0.00	$564.00	
	SEWER	$1,187.19	$0.00	$1,187.19	
		---------	---------	---------	
	Total Billed:	$1,474.53	$0.00	$1,474.53	

Arch Cape Water and Sanitary Districts
32065 East Shingle Mill Lane
Arch Cape, OR 97102 • 503.436.2790

BILLING APPEAL REQUEST FORM

Billing Appeal under Water District Policy #16-06 WD / Sanitary District Policy #16-04 SD

Date Sept 10, 2026 Account Number 3600

Name on account. Kevin Miller - Customer

Property Account Address: 31943 Star Mooring Lane, Arch Cape

If different: Your Name Address

Contact Info (phone/email) (760) 805-2642 / Kmiller8475@yahoo.com

Date leak discovered / loss noticed	Date leak / loss repaired
Some time in Late August	was reprogramed when discovered
Describe the water loss	**Describe the repairs to your system, if any**
Repetitive Set were coming on during the night hours with wrong amount of time.	Landscape Company reprograned Rainbird timmer
Name of person or entity discovering leak / loss	**Name of person or entity repairing leak / loss**
Kevin Miller / noticed grass was very wet when returned from vacation	Myself and Landscaper

Amount being appealed: $ water 1,469.06 / sewer 1,479.53 Date(s) of charges being appealed: May (Because one month behind carry over), (June, July, Aug), Sept (Have not been changed)

Basis of appeal:

_____ Water District Water Leak Policy #23-09 WD

_____ Sanitary District Water Leak Policy #24-07 SD

___ Water District Extraordinary Water Usage Appeal Policy #2024-1017 WD

X Other (Specify) Request a Sewer Charge Adjustment because the water never entered the Sanitary Sewer System. I recently have upgraded my Landscaping and water system. the new Irrigation timmer which Improperly was set. Causing over Watering.

In Oregon Law and broader administrative Law, Charging sewer fees on water that Clearly never enters the collection system is often challenge as arbitary and capricious or an unlawful tax.

Over →

No Nexus / Ulta Vires: Under Kampstra v. Salem Heights Water District, a public utility cannot impose arbitrary fees or condition service on costs that do not benefit or serve the Customer. Charging a sewer collection fee on water used strictly for Landscaping which never enters the sewer lines - exceeds statutory autority (ORS 450.880) becavses no sewage disposal service was actually rendered. Oregon Legislature.

Arbitrary and Capricious:
Imposing sewer rates on outdoor usage without offering an adjustment mechanism (such as sub-metering or Winter-averaging, which most Oregon districts use) fails rational basis review under Oregon administrative Law.

Unlawful Exaction: Demanding payment for a public sewer service that was never provided operates as an unauthorized tax rather than a valid user fee.

Water: The set amount of 5,000 gallons does not seem right For A full time residents. Cost-of-service proportionality. I like to Know if the 5,000gallons tier demonstra a direct financial nexus between higher tier rates and the actual increased cost to serve that tier. I reguest the utility to provide a specific rate study or Cost-of-servic analysis justifying the price jump past 5,000gallons. when we would leave in the winter months we were still paying the required rates. Arbitrary Penalties vs Rates: The tiered rates must reflect operational cost, not function as arbitary punitive Fines.

I would appreciate a review on these set rate structures.

Nina Miller

NOTE: Leak and Billing Appeal Policies for the Water and Sanitary Districts may be obtained at District offices and found on-line at https://www.archcapewater.org/

THE UNDERSIGNED HEREBY CERTIFIES:

- that I have read the District Policies above indicated and this Appeal conforms to them.
- that the contents of this Request are true and correct.
- that the customer has complied with all requirements for relief under those Policies; and
- that the attached are true and correct copies of the invoice(s) paid for repairs.

Signature: Kevin Miller *Date:* Sept 10, 2026

ARCH CAPE WATER
32065 E SHINGLE MILL LANE
ARCH CAPE, OR 97102
800-853-8802 ext. 800

PLEASE REMIT THIS STUB WITH PAYMENT

KEVIN MILLER
31943 STAR MOORING LN
ARCH CAPE, OR 97102

DUE DATE	ACCT NUMBER
10/10/2026	3600
BY DUE DATE	AFTER DUE DATE
$1,464.06	$1,469.06

AMOUNT DUE

SERVICE ADDRESS > **31943 STAR MOORING LN**
Residential

KEEP THIS PORTION FOR YOUR RECORDS

ARCH CAPE WATER 32065 E SHINGLE MILL LANE
800-853-8802 ext. 800 ARCH CAPE, OR 97102

ACCOUNT NUMBER		BILLING DATE
3600		09/10/2026
CURRENT	PREVIOUS	USAGE
194430	177251	17179 gal
FROM	TO	DAYS
08/03/2026	09/01/2026	29

SERVICE ADDRESS	DUE DATE
31943 STAR MOORING LN	10/10/2026
DESCRIPTION	AMOUNT DUE
Prior Balance	591.15
Payment(s)	-0.00
Water	872.91
	Total: 1,464.06

UTILITY BILLING SYSTEM UPDATE: The Districts are preparing to transition to an upgraded utility billing system. The first bill from the new system is expected December 10, 2026, subject to successful testing. Please confirm or update the primary billing address, telephone number and email address for each service address by September 30, 2026. Submit your information by visiting: www.archcapewater.org/billing-information-update

Detailed portal and payment information will be provided in November. Any questions can be directed to archcapebilling@gmail.com

BY DUE DATE	AFTER DUE DATE
$1,464.06	$1,469.06

AMOUNT DUE

Account: 3600
KEVIN MILLER
31943 STAR MOORING LN
ARCH CAPE, OR 97102

CUSTOMER HISTORY REPORT
ARCH CAPE WATER

Acct: 3600
MILLER, KEVIN NORMAL 31943 STAR MOORING LN
DATE: 09/10/2026 AUTHOR: ACORWPC1

Date	Description	Amount	Tax	Total	Balance
11/25/2021	Start Balance				$0.00
11/25/2021	Conv Water	$0.00	$0.00	$0.00	$0.00
11/25/2021	Conv Late Fee	$0.00	$0.00	$0.00	$0.00
11/25/2021	Conv Sewer	$0.00	$0.00	$0.00	$0.00
11/25/2021	Conv Balance	$0.00	$0.00	$0.00	$0.00
12/31/2021	Water	$0.00	$0.00	$0.00	$0.00
01/31/2022	Water	$0.00	$0.00	$0.00	$0.00
03/11/2022	Water	$0.00	$0.00	$0.00	$0.00
03/11/2022	3/4" Service	$155.00	$0.00	$155.00	$155.00
03/11/2022	Debt Surcharge	$17.00	$0.00	$17.00	$172.00
03/31/2022	Payment	$-172.00		$-172.00	$0.00
04/08/2022	Water	$0.00	$0.00	$0.00	$0.00
05/06/2022	Water	$0.00	$0.00	$0.00	$0.00
06/06/2022	Water	$0.00	$0.00	$0.00	$0.00
06/06/2022	Debt Surcharge	$17.00	$0.00	$17.00	$17.00
06/06/2022	3/4" Service	$155.00	$0.00	$155.00	$172.00
07/01/2022	Water	$8.78	$0.00	$8.78	$180.78
07/06/2022	Water	$0.00	$0.00	$0.00	$180.78
07/14/2022	Payment	$-172.00		$-172.00	$8.78
08/04/2022	Water	$5.25	$0.00	$5.25	$14.03
09/01/2022	Water	$1.00	$0.00	$1.00	$15.03
09/01/2022	3/4" Service	$158.00	$0.00	$158.00	$173.03
09/01/2022	Debt Surcharge	$17.00	$0.00	$17.00	$190.03
09/02/2022	Late Fee	$5.00	$0.00	$5.00	$195.03
10/01/2022	Water	$0.00	$0.00	$0.00	$195.03
10/06/2022	Payment	$-186.25		$-186.25	$8.78
11/01/2022	Water	$0.00	$0.00	$0.00	$8.78
12/01/2022	Water	$0.00	$0.00	$0.00	$8.78
12/01/2022	Debt Surcharge	$17.00	$0.00	$17.00	$25.78
12/01/2022	3/4" Service	$158.00	$0.00	$158.00	$183.78
01/03/2023	Water	$0.00	$0.00	$0.00	$183.78
01/06/2023	Payment	$-175.00		$-175.00	$8.78
02/03/2023	Water	$0.00	$0.00	$0.00	$8.78
03/10/2023	Water	$0.00	$0.00	$0.00	$8.78
03/10/2023	Debt Surcharge	$17.00	$0.00	$17.00	$25.78
03/10/2023	3/4" Service	$158.00	$0.00	$158.00	$183.78
04/10/2023	Water	$0.00	$0.00	$0.00	$183.78
04/14/2023	Payment	$-175.00		$-175.00	$8.78
05/01/2023	Water	$0.00	$0.00	$0.00	$8.78
06/16/2023	Water	$0.00	$0.00	$0.00	$8.78

CUSTOMER HISTORY REPORT
ARCH CAPE WATER

Acct: 3600
MILLER, KEVIN NORMAL 31943 STAR MOORING LN
DATE: 09/10/2026 AUTHOR: ACORWPC1

Date	Description	Amount	Tax	Total	Balance
06/16/2023	3/4" Service	$167.00	$0.00	$167.00	$175.78
06/16/2023	Debt Surcharge	$17.00	$0.00	$17.00	$192.78
07/01/2023	Water	$2.90	$0.00	$2.90	$195.68
07/06/2023	Payment	$-184.00		$-184.00	$11.68
08/01/2023	Water	$0.00	$0.00	$0.00	$11.68
09/10/2023	Water	$3.41	$0.00	$3.41	$15.09
09/10/2023	Debt Surcharge	$17.00	$0.00	$17.00	$32.09
09/10/2023	3/4" Service	$167.00	$0.00	$167.00	$199.09
09/30/2023	Water	$0.00	$0.00	$0.00	$199.09
10/06/2023	Payment	$-190.31		$-190.31	$8.78
11/01/2023	Water	$0.00	$0.00	$0.00	$8.78
12/10/2023	Water	$0.00	$0.00	$0.00	$8.78
12/10/2023	3/4" Service	$167.00	$0.00	$167.00	$175.78
12/10/2023	Debt Surcharge	$17.00	$0.00	$17.00	$192.78
01/01/2024	Water	$0.00	$0.00	$0.00	$192.78
01/05/2024	Payment	$-184.00		$-184.00	$8.78
02/01/2024	Water	$0.00	$0.00	$0.00	$8.78
03/10/2024	Water	$0.00	$0.00	$0.00	$8.78
03/10/2024	Debt Surcharge	$17.00	$0.00	$17.00	$25.78
03/10/2024	3/4" Service	$167.00	$0.00	$167.00	$192.78
04/01/2024	Water	$0.00	$0.00	$0.00	$192.78
04/04/2024	Payment	$-184.00		$-184.00	$8.78
05/01/2024	Water	$0.00	$0.00	$0.00	$8.78
06/01/2024	Water	$0.00	$0.00	$0.00	$8.78
06/01/2024	3/4" Service	$174.00	$0.00	$174.00	$182.78
06/01/2024	Debt Surcharge	$17.00	$0.00	$17.00	$199.78
07/01/2024	Water	$0.00	$0.00	$0.00	$199.78
07/11/2024	Payment	$-191.00		$-191.00	$8.78
08/01/2024	Water	$2.13	$0.00	$2.13	$10.91
09/10/2024	Water	$0.00	$0.00	$0.00	$10.91
09/10/2024	3/4" Service	$174.00	$0.00	$174.00	$184.91
09/10/2024	Debt Surcharge	$17.00	$0.00	$17.00	$201.91
10/01/2024	Water	$1.35	$0.00	$1.35	$203.26
10/11/2024	Payment	$-193.13		$-193.13	$10.13
11/01/2024	Water	$0.00	$0.00	$0.00	$10.13
12/01/2024	Water	$0.00	$0.00	$0.00	$10.13
12/01/2024	3/4" Service	$174.00	$0.00	$174.00	$184.13
12/01/2024	Debt Surcharge	$17.00	$0.00	$17.00	$201.13
01/01/2025	Water	$0.00	$0.00	$0.00	$201.13
01/01/2025	Debt Surcharge	$17.00	$0.00	$17.00	$218.13

CUSTOMER HISTORY REPORT
ARCH CAPE WATER

Acct: 3600
MILLER, KEVIN NORMAL 31943 STAR MOORING LN
DATE: 09/10/2026 AUTHOR: ACORWPC1

Date	Description	Amount	Tax	Total	Balance
01/01/2025	3/4" Service	$174.00	$0.00	$174.00	$392.13
01/07/2025	Adjustment	$-174.00	$0.00	$-174.00	$218.13
01/07/2025	Adjustment	$-17.00	$0.00	$-17.00	$201.13
01/09/2025	Payment	$-197.35		$-197.35	$3.78
02/01/2025	Water	$0.00	$0.00	$0.00	$3.78
02/01/2025	3/4" Service	$174.00	$0.00	$174.00	$177.78
02/01/2025	Debt Surcharge	$17.00	$0.00	$17.00	$194.78
03/08/2025	Late Fee	$5.00	$0.00	$5.00	$199.78
03/08/2025	Adjustment	$-174.00	$0.00	$-174.00	$25.78
03/08/2025	Adjustment	$-17.00	$0.00	$-17.00	$8.78
03/11/2025	Water	$0.00	$0.00	$0.00	$8.78
03/11/2025	3/4" Service	$174.00	$0.00	$174.00	$182.78
03/11/2025	Debt Surcharge	$17.00	$0.00	$17.00	$199.78
04/04/2025	Payment	$-191.00		$-191.00	$8.78
04/10/2025	Water	$0.00	$0.00	$0.00	$8.78
05/01/2025	Water	$0.00	$0.00	$0.00	$8.78
06/10/2025	Water	$0.00	$0.00	$0.00	$8.78
06/10/2025	Debt Surcharge	$17.00	$0.00	$17.00	$25.78
06/10/2025	3/4" Service	$186.00	$0.00	$186.00	$211.78
07/10/2025	Water	$0.00	$0.00	$0.00	$211.78
07/10/2025	Payment	$-203.00		$-203.00	$8.78
08/01/2025	Water	$28.27	$0.00	$28.27	$37.05
09/10/2025	Water	$5.44	$0.00	$5.44	$42.49
09/10/2025	3/4" Service	$186.00	$0.00	$186.00	$228.49
09/10/2025	Debt Surcharge	$17.00	$0.00	$17.00	$245.49
10/02/2025	Water	$0.35	$0.00	$0.35	$245.84
10/02/2025	Payment	$-236.71		$-236.71	$9.13
11/01/2025	Water	$4.48	$0.00	$4.48	$13.61
12/01/2025	Water	$0.00	$0.00	$0.00	$13.61
12/01/2025	3/4" Service	$186.00	$0.00	$186.00	$199.61
12/01/2025	Debt Surcharge	$17.00	$0.00	$17.00	$216.61
01/01/2026	Water	$0.00	$0.00	$0.00	$216.61
01/07/2026	Payment	$-207.83		$-207.83	$8.78
02/03/2026	Water	$0.00	$0.00	$0.00	$8.78
03/10/2026	Water	$0.00	$0.00	$0.00	$8.78
03/10/2026	Debt Surcharge	$17.00	$0.00	$17.00	$25.78
03/10/2026	3/4" Service	$186.00	$0.00	$186.00	$211.78
04/02/2026	Payment	$-203.00		$-203.00	$8.78
04/10/2026	Water	$0.00	$0.00	$0.00	$8.78
05/10/2026	Water	$0.00	$0.00	$0.00	$8.78

CUSTOMER HISTORY REPORT
ARCH CAPE WATER

Acct: 3600
MILLER, KEVIN NORMAL 31943 STAR MOORING LN
DATE: 09/10/2026 AUTHOR: ACORWPC1

Date	Description	Amount	Tax	Total	Balance
06/10/2026	Water	$0.22	$0.00	$0.22	$9.00
06/10/2026	Debt Surcharge	$17.00	$0.00	$17.00	$26.00
06/10/2026	3/4" Service	$199.00	$0.00	$199.00	$225.00
07/08/2026	Payment	$-216.22		$-216.22	$8.78
08/01/2026	Water	$582.37	$0.00	$582.37	$591.15
09/10/2026	Water	$872.91	$0.00	$872.91	$1,464.06
	Totals:	$1,464.06	$0.00	$1,464.06	$1,464.06
	SUMMARY				
	PAYMENTS	-$3,461.8	$0.00	$3,461.80	
	3/4" SERVICE	$3,439.00	$0.00	$3,439.00	
	ADJUSTMENT	-$382.00	$0.00	-$382.00	
	CONV BALANCE	$0.00	$0.00	$0.00	
	CONV LATE FEE	$0.00	$0.00	$0.00	
	CONV SEWER	$0.00	$0.00	$0.00	
	CONV WATER	$0.00	$0.00	$0.00	
	DEBT SURCHARGE	$340.00	$0.00	$340.00	
	LATE FEE	$10.00	$0.00	$10.00	
	WATER	$1,518.86	$0.00	$1,518.86	
		---------	---------	---------	
	Total Billed:	$1,464.06	$0.00	$1,464.06	

Customer Billing Appeal, Account #3600 (Miller) | Attachment 1 | Page 20 of 36

Attachment 2

Staff Response to Customer

October 8, 2026

Attachment 2: Staff Response to Customer

From: District Administrator <districtadmin@archcapewater.org>
Sent: Thursday, October 8, 2026 8:39 AM
To: Kevin Miller <kmiller8475@yahoo.com>
Subject: Your Billing Appeal, Account #3600

Dear Mr. Miller,

Thank you for submitting your appeal and for explaining the problem with your new irrigation timer. I've reviewed your request, your meter history and the District's policies, and wanted to let you know how it will be handled.

Sanitary District charges

Your meter recorded 15,839 gallons for the July 1 to August 3 read period and 17,179 gallons for August 3 to September 1, compared with about 5,000 to 6,500 gallons in the months before. Because this excess water went onto your landscaping and did not enter the sewer system, staff has removed the sanitary overage of $1,158.73 ($455.88 and $702.85) from your account.

Water District charges

The water overage for the same two periods totals $1,455.28 ($582.37 and $872.91). Under the Water District's policies, this overage does not qualify for relief:

- The Water Leak Policy (#23-09 WD) lists a "sprinkler setting" as an example of accidental use, not a leak.
- The Extraordinary Water Usage Policy (#2024-1017 WD) excludes irrigation and outdoor watering from relief.

The Water Board has applied these policies consistently to irrigation related overages, including timer and sprinkler issues.

We reviewed your May, June and July 2026 charges as well. Your usage in those periods was normal, and the overage charges were under $10 in total, so no adjustment is needed there.

Rate structure

Thank you also for your comments on the rate structure. The 5,000 gallon monthly allowance and the excess usage tiers were set by Board resolution as part of the District's water conservation program, and the Board reviews rates each spring during the public budget process.

Next steps

The sanitary credit has been applied to your account, and your next statements will reflect it. We will not assess late fees on the $1,455.28 water overage while your appeal is open.

If you would like the Water Board to review the water portion, please reply in writing within 30 days of this email. Your appeal will then be placed on the agenda of the next available regular Water Board meeting, and I'll send you the date, time and Zoom details. You're welcome to attend or to send additional information for the Board's review. Please be aware that staff will recommend the Board deny the water portion, consistent with the policies above, and the Board has not granted water relief for irrigation related overages under the current policies. If I don't hear from you within 30 days, the water overage will be due with your next billing.

Please let me know if you have any questions.

Sincerely,
Collin Stelzig
District Administrator
Arch Cape Water & Sanitary Districts

Attachment 3

Customer Email Requesting Board Review and Staff Reply

October 14 to 15, 2026

Attachment 3: Customer Email Requesting Board Review and Staff Reply

From: Kevin Miller <kmiller8475@yahoo.com>
Sent: Wednesday, October 14, 2026 10:20 AM
To: District Administrator <districtadmin@archcapewater.org>
Subject: Acct: 3600 Follow Upon Billing Appeal

Dear Collin Stelzig,
Thank you for your prompt response. I would like to clarify whether I need to submit an additional appeal. My initial appeal was directed to the Water Board member rather than the staff. I am requesting a one-time hardship credit due to the fact that I addressed the issue as soon as I became aware of it. This situation was not a result of over-watering but rather a mistake with the timer settings. Once I identified the problem, I immediately contacted the landscaping company for assistance,before the water bill was sent. If there is any possibility of resolving this matter, I would greatly appreciate it, as the amount in question is quite significant—$1,455.28. Please let me know if I need to resubmit the appeal. Thank you for your consideration.
Best regards,
Kevin Miller

From: District Administrator <districtadmin@archcapewater.org>
Sent: Thursday, October 15, 2026 12:37 PM
To: Kevin Miller <kmiller8475@yahoo.com>
Subject: RE: Acct: 3600 Follow Upon Billing Appeal

Mr. Miller,
Thank you for your reply. You do not need to submit another appeal. Your email serves as your written request for Water Board review, and your original appeal form and attachments will be included in the Board's packet.
Your appeal of the water portion ($1,455.28) will be placed on the agenda for the next regular Water Board meeting, scheduled for Thursday, November 19, 2026. The meeting notice and agenda are posted online about one week before the meeting. You are welcome to attend in person or by Zoom and speak to the Board directly, or let your written appeal speak for itself.
If you have anything else you would like the Board to consider, please send it to me by November 9, 2026, and I will include it in the packet.
As mentioned in my earlier email, staff's recommendation to the Board will be based on the District's current policies, and the Board will make the final decision on your request. Late fees will not be assessed on the disputed water overage while your appeal is pending.
Thank you for your patience, and please let me know if you have any questions.
Sincerely,
Collin Stelzig
District Administrator
Arch Cape Water & Sanitary Districts

From: Kevin Miller <kmiller8475@yahoo.com>
Sent: Thursday, October 15, 2026
Subject: RE: Acct: 3600 Follow Upon Billing Appeal

Collin, Thank you for your assistance.
Kevin Miller

Attachment 4

Account Usage History, Account #3600

Account Usage History, Account #3600 (Miller)

31943 Star Mooring Ln. Monthly meter reads from UBMax, December 2021 to September 2026. Base allowance is 5,000 gallons per month. Highlighted rows are the two read periods under appeal.

Read Date	Meter #	Previous	Current	Usage (gal)	Over 5,000
09/01/2026	26308386	177,251	194,430	17,179	12,179
08/03/2026	26308386	161,412	177,251	15,839	10,839
07/01/2026	26308386	154,949	161,412	6,463	1,463
06/01/2026	26308386	149,912	154,949	5,037	37
05/01/2026	26308386	145,016	149,912	4,896	
04/01/2026	26308386	141,370	145,016	3,646	
02/28/2026	26308386	138,715	141,370	2,655	
02/03/2026	26308386	135,524	138,715	3,191	
01/02/2026	26308386	131,984	135,524	3,540	
12/01/2025	26308386	127,176	131,984	4,808	
10/31/2025	26308386	121,429	127,176	5,747	747
09/30/2025	26308386	116,370	121,429	5,059	59
08/31/2025	26308386	110,463	116,370	5,907	907
08/01/2025	26308386	101,889	110,463	8,574	3,574
07/02/2025	26308386	97,280	101,889	4,609	
05/30/2025	26308386	94,431	97,280	2,849	
05/01/2025	26308386	91,046	94,431	3,385	
04/03/2025	26308386	87,691	91,046	3,355	
03/04/2025	26308386	84,328	87,691	3,363	
01/30/2025	26308386	81,188	84,328	3,140	
01/02/2025	26308386	78,088	81,188	3,100	
12/02/2024	26308386	73,978	78,088	4,110	
11/01/2024	26308386	70,429	73,978	3,549	
10/01/2024	26308386	65,188	70,429	5,241	241
08/30/2024	26308386	60,691	65,188	4,497	
08/01/2024	26308386	55,311	60,691	5,380	380
07/02/2024	26308386	51,717	55,311	3,594	
05/31/2024	26308386	47,856	51,717	3,861	
05/02/2024	26308386	45,082	47,856	2,774	
04/01/2024	26308386	42,042	45,082	3,040	
03/01/2024	26308386	39,006	42,042	3,036	
02/01/2024	26308386	36,506	39,006	2,500	
01/02/2024	26308386	33,403	36,506	3,103	
12/01/2023	26308386	31,065	33,403	2,338	
11/01/2023	26308386	28,727	31,065	2,338	
10/02/2023	26308386	26,443	28,727	2,284	
09/01/2023	26308386	20,081	26,443	6,362	1,362
08/01/2023	26308386	15,112	20,081	4,969	
06/30/2023	26308386	8,953	15,112	6,159	1,159
06/01/2023	26308386	5,822	8,953	3,131	
05/01/2023	26308386	3,467	5,822	2,355	
03/31/2023	26308386	1,017	3,467	2,450	
02/28/2023	26308386	0	1,017	1,017	
02/10/2023	26308386	0	0	0	

Read Date	Meter #	Previous	Current	Usage (gal)	Over 5,000
01/02/2023	2100032826	71,900	75,400	3,500	
12/01/2022	2100032826	69,700	71,900	2,200	
11/01/2022	2100032826	66,600	69,700	3,100	
09/30/2022	2100032826	61,900	66,600	4,700	
09/01/2022	2100032826	56,500	61,900	5,400	400
08/01/2022	2100032826	49,400	56,500	7,100	2,100
07/01/2022	2100032826	46,200	49,400	3,200	
06/06/2022	2100032826	43,300	46,200	2,900	
05/02/2022	2100032826	41,400	43,300	1,900	
04/01/2022	2100032826	37,300	41,400	4,100	
03/01/2022	2100032826	35,020	37,370	2,350	
01/31/2022	2100032826	32,150	35,020	2,870	
12/30/2021	2100032826	29,580	32,150	2,570	
11/30/2021	2100032826	29,580	29,580	0	

Attachment 5

Steps Toward Water Conservation

Prepared for the October 16, 2025 Water Board meeting

Handling of Water Leaks and Excess Water Usage
Direction Set from Just-Previous Board
October 16, 2025

Executive Summary:

The just-previous Board took significant steps to close long-standing loopholes and reinforce that the Water District is a water conservation district. Between September 2023 and May 2025, the Board raised the excess usage rates which had been static since 2011and made major refinements to District Policy.

Per the Dwelling Leak Policy and the Extraordinary Water Use Billing Appeal Policy:

- New policy established that monitoring water usage was the homeowner's responsibility.
- Rather than considering every unplanned/ unexpected use of water to be a leak, new policy defined the criteria that would be used by the District Manager specifically and the District in general to determine what is a leak, and what is not a leak, i.e., excess water usage due "accident", "oversite" or "poor maintenance".
- New policy defined if, when and how billing adjustments would be done for leaks.
- New policy differentiated between a dwelling plumbing system and an irrigation system. Billing for accidental water usage within a dwelling plumbing system would be subject to appeal using a defined methodology. Billing for accidental water usage within an irrigation system would not be subject to appeal.

Since Board adoption of the polices, several homeowners have discussed/ appealed excess water usage with District Staff/ Board. In one case, extenuating circumstances were compelling enough for the Board to the adjust the billed amount to an amount lower than set in policy. (In this case, the excess usage of water occurred prior to initial adoption of the new policy and as such the adjustment would not set precedence going forward.) In all other cases, the policy was followed.

The current appeal is fully addressed by current Policy: 1) Homeowner did not monitor water usage, 2) Excess water usage was not due to a leak, 3) Excess water usage was not within the dwelling plumbing system, 4) Excess water usage was due to a broken irrigation hose. Adjusting the billed amount would create precedence that would expose the District to the risks of reopening previous decisions and to future appeals.

DETAIL

Background:

The just-previous board was concerned that the Water District was defined as a "Water Conservation District" and yet there was no corresponding action nor policy.

1) ***27 month - 15,000,000 gallon water leak***: From January 2021 to March 2023, the existence of a water leak was known to the then Board and District Manager, but no action was taken to find and fix it. To make up for the water lost to the leak, 80 gallons of water per minute was diverted from Shark Creek, rather than the permit-allowed 54 gallons per minute, which is a 48% increase over and above the State's permitted use for the District. The State was not informed. No action was taken to find and fix the leak until this issue was publicall\y highlighted at which point over 15,000,000 gallons were lost
2) ***Absence of financial measures to encourage conservation:*** Excess water usage rates were not increased since they were initially set in 2011, even though the standard usage fees were increased every year.
3) ***Absence of policy measures to encourage conservation***: Since 2017, a policy was in effect that only charged ratepayer $0.0038/gallon (as opposed to excess usage rates) for excess water consumption related to an accident by the homeowner

Direction Set from Just-Previous Board:

The just-previous Board took the following steps to set meaningful direction toward water conservation,

Financial Measures

1) Raised the excess usage rates to align with standard usage rates and keep them aligned every year: Spring 2024/2025.

Policy Measures

1) Dwelling Leak Policy: September 2023 - October 2024

   Major refinement of existing Water Leak Policy – last updated in 2017.

   a. Clearly differentiated between "*dwelling plumbing system*" and "*irrigation systems*".
   b. Clearly defined that a leak IS "*dwelling plumbing system failure or irrigation system failure beyond the control of the homeowner where the water meter continues to turn when all plumbing fixtures (e.g., toilets, sprinkler heads, etc.) are turned off…"*"

      [clarifying explanation: A leak is when all faucets, hose bibs and water control shut-off valves to all fixtures (e.g., toilets), appliances (e.g., refrigerators), swimming pools, saunas, hot tubs, sprinklers, etc., are turned to the off position and the water meter continues to turn. Per the Extraordinary Water Usage Policy, the District Manager is the one that determines if the excess water usage level was due to a leak.]

   c. Clearly defined that a leak IS NOT: "*where unintended water consumption was a result of failure of the homeowner to monitor water usage i.e., "accident",*

"oversight" "poor maintenance", such as but not limited to situations such as leaving running a hose, faucet, sprinkler setting, etc.

Established an Extraordinary Water Usage Policy to specifically address these "accident" situations.

[clarifying explanation: Everything that is not a leak is an "accident", "oversite" or "poor maintenance" either in the dwelling system or irrigation system.]

d. Clearly establishes that "*homeowners shall reasonably monitor water usage and timely repair dwelling plumbing systems and irrigation systems, upon discovery by the homeowner, or notice from the ACDWSD, of any leaks*"

[clarifying explanation: It is the homeowners responsibility to monitor water usage. Depending upon workload and demands of the District, District staff might or might not notice excess usage that is out of the ordinary for the house. If/when Staff does notice, they will notify the homeowner as a courtesy – but not as policy. If the Staff notices excess water usage and suspects/determines that excess usage is due to a leak, staff will notify the homeowner, by policy. If homeowner requests or if staff determines the critical need, staff will turn off the water at the meter – per policy.]

2) Extraordinary Water Use Billing Appeal Policy: October 2024 – May 2025

Developed & refined an Extraordinary Water Use Billing Appeal Policy for when a ratepayer is appealing the billing of extraordinary water usage for a given month due to an "accident", an "oversite" or "poor maintenance", i.e., for NOT a leak as defined in the Dwelling Leak Policy

a. Established the methodology for adjusting excess usage fees from accidents within a Dwelling System that was not from a leak (as defined in the Dwelling Water Leak Policy)

b. Established that no relief would be given if the usage was from an Irrigation system and was not related to a leak (as defined in the Dwelling Water Leak Policy)

See rationale in Topic Description below (from May 15, 2024 Board meeting)

[clarifying explanation: Relief is given for "accident", "oversite" or "poor maintenance" that are in the dwelling system. No relief is given for accident", "oversite" or "poor maintenance" that are in the irrigation system.

Past Appeals and Staff/ Board Action:

1. September 2024 / November 2024 – Ratepayer (# 3120) appealed to the Board a $17,139.18 charge which was due to a non-leak issue with their irrigation system.

Billed amount was reduced to $4,319 due to a unique set of extenuating circumstance that would not occur in the future and thus would not set precedence.

- The Dwelling Water Leak policy that was in place at the time of usage did not provide clarity nor rationale for the Board to determine what usage volumes should be billed and at what amounts.
- A new policy was developed and adopted in order to establish a rationale for considering any reduction in the bill being appealed along with any precedence for future bills to be appealed. ***That new policy took effect after their usage occurred.***
- The new policy set a usage cap of 40,000 gallons on base rate usage pricing which didn't exist in the previous policy. ***Since the deterrent wasn't in place before the usage occurred, it couldn't function as a viable deterrent, which was its intended purpose.***

2. September 22, 2024 – Ratepayer (#2000) questioned a $1,634.73 charge which was due to sprinkler usage. Staff explained the increase in excess usage fees and the policies and ratepayer paid the billed amount of a $1,634.73.

3. December 31, 2024 – Ratepayer (#3495) appealed a $623.35 charge which was due to an "expandable hose burst." Staff explained the policy re appeals and ratepayer paid the billed amount of $623.35.

4. February 12, 2025 – Ratepayer (# 1245) appealed a $7,815.96 charge which was due to a "leak" in the irrigation system. (Staff determined that it was not a "leak" per definition of Dwelling Leak Policy.) Staff explained the policy re appeals and ratepayer paid the billed amount of $7,815.96

Bottom line: Other than for ratepayer #3120 where there were compelling extenuating circumstances, excess usage charges from irrigation, including broken hose and sprinklers, no relief has been provided.

Current Appeal & Application of Existing Policies:

Appeal: "Broken soaker hose" Amount being appealed - $283.34

Application of Existing Policies;

1. Appeal situation is NOT A LEAK (as defined in Dwelling Leak Policy)

   Leak - where the water meter continues to turn when all plumbing fixtures (e.g., toilets, sprinkler heads, etc.) are turned off resulting in unintended water consumption

   Leak - does not include situations where unintended water consumption was a result of failure of the homeowner to monitor water usage i.e., "accident", "oversight" "poor maintenance", such as but not limited to situations such as leaving running a hose, faucet, sprinkler setting, etc.

2. Appeal situation IS RELATED TO AN IRRIGATION SYSTEM (as defined in Dwelling Leak Policy) and thus the Extraordinary Water Use Policy #2024-1017 WD will apply

   THAT the term "irrigation systems" as used herein is defined as an under-ground or aboveground system of pipes, fittings and sprinkler/distribution heads which when in operation dispense water onto lawns and landscape and is external to the dwelling plumbing system and is not directly or indirectly connected to the ACSD wastewater collection and treatment system

   "In the event of extraordinary water consumption related to an accident, oversight or poor maintenance by the homeowner resulting in extraordinary water use charges, the Extraordinary Water Use Policy #2024-1017 WD will apply."

3. Per policy – NO RELIEF IS TO BE GIVEN. (Extraordinary Water Use Billing Appeal Policy is clear)

   If the extraordinary usage was by an irrigation system, swimming pool, etc. and that usage was not related to a leak (as defined in the Water Leak Policy) no relief shall be granted for usage occurring during that period.

Precedent Consideration:

1. The Dwelling Leak Policy and Extraordinary Water Usage Billing Policy were refined/developed to establish, to rate payers, District Staff and Board, the importance of taking active efforts to conserve water and to provide enforcement guidance in how appeals will be handled.
2. Giving any relief in this case, especially to a previous Water District Board member, could suggest favoritism, raise questions about the standard application of the policies and create precedence that past appealers could use for the Board to reconsider their case and for future appealers.

***** From Board Packet – May 15, 20225 *****

Extraordinary Water Usage Appeal Policy - Topic Description
May 15, 2025

Action / Information: Action

Question:

Should the Policy be more restrictive so that all non-leak related extraordinary usage by an irrigation system, swimming pool, etc. are excluded from standard appeal consideration?

To be considered:

1) The intent of the policy is to direct staff in how to handle situations that occur, without involving the Board.

2) The policy does not prevent a rate-payer from appealing the result of the initial appeal to the Board due to extenuating circumstances

   From the policy**: "***The District retains the ability to review all excessive billing matters resulting from accidents and oversights and apply relief in manners they see appropriate due to unforeseen circumstances outside the policy as stated herein"*

Background

The rationale for ***NOT making the policy more restrictive*** is:

1) Accidents will happen
2) These "accidents" can result in a significant expense, which may be a financial burden to some homeowners.
3) The policy is structured so that it would only provide a discount for one accident every three years

The rationale for ***making the policy more restrictive***:

1) These "accidents" can result in a significant amount of water usage.
2) Irrigation/sprinkler systems, swimming pools, etc. are relatively uncommon amenities ("luxuries") and not necessities ("must haves"). The risk of accidental usage by these amenities is not equally shared by all home owners. (i.e., the reason appeals for accidental usage due to a hose being left on is that almost everyone has hoses so such an accident could happen to almost everyone.)

[clarifying explanation: If a hose bid is "accidently" left on after completing a specific task, e.g., using a hose to wash a car and forgot to turn it off, then excess water usage is subject to relief. If a hose bid is intentionally left on, e.g., using a hose or pipes or other connection to dispense water onto lawns and landscape and is not directly or indirectly connected to the ACSD wastewater collection and treatment system, then excess water usage is not subject to relief.]

3) Their primary usage of water is during the time periods when the District's water supply is at its lowest.
4) The District commonly refers to itself as a water conservation District.
5) If the rate payer believes that there is an extenuating circumstance, they always have the option of a further appeal to the Board and the Board always has the option of reversing the result of the initial appeal.

Attached: Policy #2024-1017 WD with relevant sections highlighted in yellow.

Motion:

Adopt refinements to the Extraordinary Water Usage Appeal Policy #2024-1017 WD

Policy Definition of Leak

THAT the term "leak" as used herein is defined as a dwelling plumbing system failure or irrigation system failure beyond the control of the homeowner where the water meter continues to turn when all plumbing fixtures (e.g., toilets, sprinkler heads, etc.) are turned off resulting in unintended water consumption

THAT the term leak as used herein does not include situations where unintended water consumption was a result of failure of the homeowner to monitor water usage i.e., "accident", "oversight" "poor maintenance", such as but not limited to situations such as leaving running a hose, faucet, sprinkler setting, etc. In the event of extraordinary water consumption related to an accident, oversight or poor maintenance by the homeowner resulting in extraordinary water use charges, the Extraordinary Water Use Policy #2024-1017 WD will apply.

AGENDA MEMORANDUM

TO: Arch Cape Domestic Water Supply District Board
FROM: Collin Stelzig, District Administrator
DATE: November 19, 2026
SUBJ: Revocable License for Community Club Access to CVP Tank Site (Hug Point Road)

BACKGROUND

The Arch Cape Community Club Emergency Committee has asked to move one of its two 20-foot emergency supply containers from the church parking lot to the Cannon View Park (CVP) water tank site, just south of Hug Point Road. The church site is being used for a new state resilience hub, and the CVP site is outside the tsunami inundation zone. CVP has agreed to the location.

To reach the site, the Club needs a key to the lower Hug Point gate near Highway 101 and permission to drive about 230 feet of Hug Point Road to the tank turnoff. Access is needed for site preparation, container delivery, and ongoing stocking and maintenance. The Club proposed a key that opens only the lower gate, so the upper gate and the rest of the forest would stay closed to it.

The District's goal is to help the Club if it legally can, without compromising the integrity of the District's property, water source, and environmental infrastructure.

STAFF REVIEW

Staff reviewed the recorded documents for the area, including CVP's water system easements (1969, 1975, and 1994), the 2004 spring protection covenant, CVP's 2010 purchase of its land from Stimson (deed, purchase agreement, and partition plat), the District's 2022 deed for the forest property, the 2001 reciprocal road agreement, and the easement research report prepared for the District this spring. CVP provided several of these documents.

Findings:

- The Hug Point Road strip (60 feet wide) belongs to the District. It was excluded from the land CVP bought in 2010.
- The container would sit on CVP's own land near its tanks, not on the District road.
- CVP's recorded rights to use the road are limited to operating and maintaining its water system. CVP cannot extend those rights to the Club, so the Club needs the District's permission.
- As owner of the road, the District can grant that permission. The simplest form is a written license that the District can revoke at any time. A license is permission only. It is not an easement and is not recorded.
- The 1975 Crown Zellerbach easement was given up by CVP in 1994 and is no longer in effect.

Items to confirm before signing:

- Whether the short driveway from Hug Point Road to the tanks is on CVP's land or on a District road strip. If it is District land, the license will include it.
- That a short road use license is consistent with the Forest Legacy covenants in the District's 2022 deed. Staff expects it is, but counsel should confirm.

DECISIONS AND ROLES

Who may use District property, and on what terms, is a Board decision. The Plant and Operations Manager manages the property itself and carries out the access arrangements the Board approves. This license gives the Board a clear, written basis for access by an outside group.

GATE AND KEY OPTIONS

The District buys and keys all of the gate locks. Keys are currently held by many agencies and property owners, and staff plans to rekey or relock the gates after the current contract ends. Three options were considered:

- Option A, dual keyed lower lock (the Club's proposal): a new key opens only the lower gate. Existing keys continue to open both gates. Simple and inexpensive, but the new key holder could still drive past the tank turnoff toward the forest.
- Option B, new District gate at the end of the permitted route: a farm gate placed as close as possible to the end of the Club's route. The Club's key opens only the lower gate. CVP and other easement holders would need keys to the new gate. Best physical protection, with added cost and upkeep.
- Option C, one key plus camera (staff recommendation): one key issued to one named Club member who signs the license, with a camera at the end of the permitted route. Anyone who goes beyond the route loses access to District property. If problems occur, the District can add the Option B gate later. Quickest and least expensive.

The draft license is written for Option C. If the Board selects Option A or B, only the gate and key section (Section 4) changes.

DRAFT LICENSE

The draft license is modeled on the District's existing road access agreements (including the NCLC access easement and the ODF Hug Point Road easement). Key terms:

- Route limited to the lower gate and the road to the CVP tank turnoff (about 230 feet).
- Use limited to site preparation, container delivery and removal, and stocking and maintenance.
- One named Key Holder; numbered key marked Do Not Duplicate; gate locked behind every entry and exit.
- Contractors use the route only when the Key Holder is present; contractors receive no keys.
- Container, site work, and materials kept on CVP's land, not on the District road.
- Club responsible for road damage beyond normal use; District may repair and bill.
- Subject to all existing easements; the District may rekey, add gates, or close the road temporarily.
- Assumption of risk, indemnity of the District, and insurance with the District as additional insured.
- Revocable by the District on 30 days' notice, or immediately for a breach, including use beyond the route.

The draft was shared with the Club on November 2, 2026 for review. Any comments received before the meeting will be provided to the Board at the meeting.

CONDITIONS BEFORE SIGNING

Staff recommends approval now, with the license signed only after the following are complete:

- Final review by District counsel, including the Forest Legacy covenants.
- The Club's full legal name, the named Key Holder, and a certificate of insurance meeting the license.
- CVP's signed consent to the container on its property and to the Club's access across CVP's land.
- A map or aerial photo for Exhibit A, and staff confirmation of the route in the field.

If counsel's review results in substantive changes, staff will return the license to the Board.

FISCAL IMPACT

Minor. Costs include counsel review and, under Option C, a camera at the end of the route. Option B would add the cost of a farm gate, to be installed by District staff. The Club pays the cost to rekey if a key is lost or copied. The license is granted without a fee.

Proposed Motions

Option 1: Approve with Conditions (Staff Recommendation)

> "Move to approve a revocable license to the Arch Cape Community Club for use of the lower Hug Point gate and Hug Point Road to the CVP tank turnoff, using gate and key Option C, substantially in the form presented, and authorize the Chair to sign once the following are complete: review by District counsel, CVP's written consent, staff confirmation of the route in the field, and receipt of the Club's legal name, Key Holder, and proof of insurance."

Option 2: Approve with a Different Gate and Key Option

> "Move to approve the license as described in Option 1, using gate and key Option ___ instead of Option C."

Option 3: Direct Staff to Revise

> "Move to direct staff to revise the draft license as follows: _____, and return it to the Board for approval at the December meeting."

Option 4: Deny

> "Move to deny the Community Club's request for access over Hug Point Road."

DRAFT FOR BOARD AND COUNSEL REVIEW

REVOCABLE LICENSE AGREEMENT

Hug Point Road Access for Emergency Supply Container

This Revocable License Agreement ("License") is made on _____, 20___, between the ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT, an Oregon special district ("District"), and the ARCH CAPE COMMUNITY CLUB, *[confirm full legal name and entity type, for example an Oregon nonprofit corporation]* ("Licensee").

RECITALS

A. The District owns Un-surveyed Parcel 3 of Partition Plat 2010-020 (Instrument No. 201009566), conveyed to the District by Special Warranty Deed recorded June 9, 2022 as Instrument No. 202204146, Clatsop County Records, including the 60-foot-wide Hug Point Mainline road strip that lies between Parcels 1 and 2 of that plat (the "District Property").

B. Cannon View Park, Inc. ("CVP") owns Parcels 1 and 2 of Partition Plat 2010-020 under Statutory Warranty Deed recorded as Instrument No. 201010222, and has consented in writing to Licensee placing an emergency supply container on CVP's property near CVP's water tanks (Exhibit B).

C. Licensee maintains emergency supplies for the Arch Cape community and has asked to use a short section of Hug Point Road on the District Property, and the lower Hug Point gate, to reach the container site.

D. The District's Board of Directors approved this License on _____, 20___. The District grants this License to support community emergency preparedness, in a way that does not compromise the District's property, water source, or environmental infrastructure.

AGREEMENT

1. Grant of License

The District grants Licensee a revocable, non-exclusive, personal license to use the Licensed Route (Section 2) for the Permitted Use (Section 3), on the terms of this License. This License is permission only. It is not an easement and does not create any interest in real property. It will not be recorded.

2. Licensed Route

The "Licensed Route" is the portion of Hug Point Road on the District Property from the lower Hug Point gate near Highway 101 to the turnoff to the CVP tank site, approximately 230 feet, as shown on Exhibit A. *[If the field check shows the driveway from Hug Point Road to the tanks is on the District's spur road strip, add: "and the District's 60-foot spur road strip from Hug Point Road to the CVP tank site."]*

Licensee shall not use any District road or land beyond the Licensed Route.

3. Permitted Use

Licensee may use the Licensed Route, by vehicle or on foot, only to: (a) prepare the container site on CVP's property; (b) deliver, place, and remove one 20-foot emergency supply container; and (c) stock, inspect, and maintain the container and its supplies, including during an emergency.

Licensee shall not park, stage, store materials, or leave vehicles or equipment on the Licensed Route, and shall not block the road for other users. The container, site work, and all related materials shall be located entirely on CVP's property and not on the District Property.

4. Gate and Key Arrangement

[OPTION C shown. Replace this Section if the Board selects Option A or B.]

(a) The District will issue one key to the lower Hug Point gate to the person named in Exhibit C ("Key Holder"). The key will be numbered and marked "Do Not Duplicate." Licensee and the Key Holder shall not copy the key or lend it to anyone else.

(b) The gate shall be closed and locked behind every entry and exit.

(c) The District may install a camera at the end of the Licensed Route to monitor compliance, and Licensee consents to that monitoring.

(d) The District may rekey or replace locks, or install additional gates, at any time. The District will provide the Key Holder a key to any lock controlling the Licensed Route.

(e) A lost key shall be reported to the District within 24 hours. Licensee shall pay the District's reasonable cost to rekey if a key is lost or copied.

(f) The Key Holder may be changed only by written request from Licensee and written approval by the District.

[Option A text: the key opens the lower gate only; existing keys continue to open both gates. Option B text: the key opens the lower gate only; the District will install a gate at the end of the Licensed Route that the Licensee's key does not open.]

5. Contractors and Notice

Licensee's contractors (including site preparation and container delivery) may use the Licensed Route only when the Key Holder is present to open and close the gate. Contractors shall not receive keys.

Licensee shall give the District at least 48 hours' notice before site preparation, container delivery, or container removal. Routine stocking and maintenance visits by the Key Holder do not require advance notice.

Licensee is responsible for its contractors' compliance with this License, and shall require each contractor to carry the insurance in Section 9.

6. Condition of Road; Damage and Repair

Licensee accepts the Licensed Route in its present condition. The District makes no representation about the condition of the road, the gate, or their fitness for Licensee's use, and does not assume any duty to maintain the road for Licensee.

Licensee shall repair, at its cost, any damage to the road, gate, ditches, culverts, or District Property caused by Licensee, the Key Holder, or Licensee's contractors beyond normal and prudent use. If Licensee does not make repairs within 30 days after written notice, the District may make them, and Licensee shall reimburse the District within 30 days after billing.

7. Existing Rights; District's Reserved Rights

This License is subject to all existing easements, agreements, and matters of record, including the rights of CVP, the State of Oregon (Board of Forestry), L&C Tree Farms, LLC, North Coast Land Conservancy, Inc., Arch Cape Sanitary District, and other easement holders. Licensee shall not interfere with their use of Hug Point Road.

The District reserves all rights not granted, including the right to use the Licensed Route, to grant rights to others, to impose traffic rules, and to close or limit use of the road temporarily for fire danger, weather, road damage, forest operations, or public safety.

8. Assumption of Risk; Indemnity; Hazardous Materials

Licensee, the Key Holder, and Licensee's contractors use the Licensed Route at their own risk and assume all risk of injury, death, or property damage in connection with that use.

Licensee shall defend, indemnify, and hold harmless the District, its directors, officers, employees, and agents from all claims, damages, losses, costs, and expenses (including attorney fees) arising from any act or omission of Licensee, the Key Holder, Licensee's contractors, or anyone using the Licensed Route under this License, except to the extent caused by the District's sole negligence.

Licensee shall not store, release, or dispose of fuel, chemicals, or other hazardous materials on the District Property. Licensee shall promptly report any spill to the District and to the agencies required by law, and shall pay all response and restoration costs.

Nothing in this License waives any protection available to the District under the Oregon Tort Claims Act, ORS 30.260 through 30.300.

9. Insurance

Before using the Licensed Route, Licensee shall provide the District a certificate of insurance showing: (a) commercial general liability insurance of at least $1,000,000 per occurrence and $2,000,000 aggregate; and (b) automobile liability insurance of at least $500,000 per occurrence for any vehicle Licensee uses on the Licensed Route. *[Limits follow the NCLC access easement; confirm with counsel and the District's insurer.]*

The District, its directors, officers, employees, and agents shall be named as additional insureds. The policies shall provide 30 days' notice to the District before cancellation. Each contractor using the Licensed Route shall carry the same coverage and provide a certificate before starting work.

10. Term, Revocation, and Termination

This License begins when signed by both parties and continues until terminated.

The District may revoke this License at any time, for any reason, by 30 days' written notice to Licensee.

The District may revoke this License immediately by written notice if Licensee, the Key Holder, or Licensee's contractors use any District road or land beyond the Licensed Route, copy or lend a key, fail to keep required insurance, or otherwise breach this License. Any person who uses District property beyond the Licensed Route may be barred from all District property, including the Licensed Route.

Licensee may terminate this License at any time by written notice to the District.

On termination, Licensee shall return all keys within 7 days. If the container is still on CVP's property, the District will allow escorted access over the Licensed Route, at times set by the District, for up to 60 days to remove it.

11. General Terms

(a) Compliance with laws. Licensee shall comply with all applicable laws, including fire restrictions.

(b) No assignment. Licensee may not assign or transfer this License.

(c) No fee. This License is granted without charge, in consideration of the covenants in this License.

(d) Notices. Notices shall be in writing and delivered by hand, mail, or email to the addresses below.

(e) Entire agreement; changes. This License is the entire agreement on its subject and may be changed only in writing signed by both parties.

(f) Governing law. Oregon law governs this License.

(g) Counterparts. This License may be signed in counterparts and by electronic signature.

SIGNATURES

ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT

By: _____
Name: _____
Title: Chair, Board of Directors
Date: _____

ARCH CAPE COMMUNITY CLUB

By: _____
Name: _____
Title: _____
Date: _____

Notice address:

Notice address:
32065 E. Shingle Mill Lane
Arch Cape, OR 97102
districtadmin@archcapewater.org

_____
_____
Email: _____

EXHIBIT A: LICENSED ROUTE

[Attach a map or aerial photo showing the lower Hug Point gate, the Licensed Route (approximately 230 feet), the turnoff to the CVP tank site, and the container location on CVP property.]

EXHIBIT B: CVP CONSENT

[Attach written consent from Cannon View Park, Inc., signed by an authorized officer, to placement of the container on CVP's property and to Licensee's access across CVP's property.]

EXHIBIT C: KEY HOLDER ACKNOWLEDGMENT

I have received key No. _____ to the lower Hug Point gate. I have read the Revocable License Agreement between the Arch Cape Domestic Water Supply District and the Arch Cape Community Club. I agree to:

- use the key only for the Permitted Use and only on the Licensed Route;
- not copy the key or lend it to anyone;
- close and lock the gate behind every entry and exit;
- be present to open and close the gate for any contractor;
- report a lost key to the District within 24 hours; and
- return the key when asked by the District or when I am no longer the Key Holder.

I understand that if I use District property beyond the Licensed Route, I may be barred from all District property.

Key Holder signature: _____ Date: _____

Printed name: _____ Phone: _____

Issued by (District): _____ Date: _____

Arch Cape Domestic Water Supply District and Arch Cape Sanitary District

Organizational Assessment: Executive Summary (DRAFT)

Collin Stelzig, District Administrator

Draft, November 4, 2026

DRAFT for Board review. The detailed findings and appendices are also in draft and will be published in December. This summary gives my assessment and recommendations; the detailed findings support them.

Disclosure. I prepared this assessment as the Districts' contract Administrator, as required by my contract. I have told the Boards I would certainly discuss continuing after June 2027 if requested. Please weigh my recommendations about the Administrator role with that in mind; the Boards may wish to have them reviewed independently.

Sustainability at a glance

The Districts are well run day to day but thinly staffed. One certified employee, the Manager of Plants and Operations, runs both plants and is effectively on call every day of the year. Scheduled relief ended in mid October 2026, and the second operations position has been vacant since September. Administration of the Districts depends on a contract Administrator funded by a Sanitary levy that ends June 30, 2027. The Boards are volunteers with limited time and regular turnover.

Together, these mean the Districts are one illness, resignation or levy decision away from a serious gap. The near term work is to add depth: certified backup, a second operations employee and a lasting plan for administration. The longer term question is whether two small Districts with two volunteer Boards should keep operating separately, or combine or partner to gain stability.

Current situation: strengths and weaknesses

Area	Strengths	Weaknesses
Plants, systems and equipment	OHA's 2026 survey found the water plant well run; permits and reporting are current; SCADA at both plants and at the Webb and Sallys Alley pump stations; satellite internet, cloud storage of District information and secure IT infrastructure at both plants; radio read meters; a work order system	With one operator, some work has to wait: phone and text alarm callouts at the plants need to be updated to match the two newer pump stations, SCADA is planned for the remaining pump stations, and some preventive maintenance waits until a second person is available; the wastewater discharge permit renewal is with DEQ Much of the underground infrastructure is 40 or more years old and is degrading IT support depends on one contractor under a contract renewed each year, and response times can vary.

Area	Strengths	Weaknesses
Plant management and operations	A capable, dedicated Manager who holds every required certificate, knows both systems and consistently gives far more than the job requires	One person carries all certified responsibility, every day; no dependable backup since relief ended; only ten operators in Clatsop and Tillamook counties hold all four Arch Cape certificates, and most work elsewhere
District management and administration	An Administrator, with some volunteer help, has kept budgets, contracts, grants, policies and Board support on track since July 2025	The position is funded by a levy that ends June 30, 2027; the work (about 960 hours a year, including forest administration) needs a permanent home
Office, billing and bookkeeping	A contracted office and bookkeeping person at about $42,000 a year, a common model for a district this size; a written scope of services A District website for posting and storing required documents A new billing system with online payment starting December 2026	The scope and service standards need review and updating; an individual contractor brings continuity risk (retirement or departure, and knowledge that is hard to transfer), while a service brings more depth at a higher cost. Resolutions, ordinances and other records are not current on the website, and the cloud storage is not yet fully used for District records
Contracting and engineering	Established contractors and vendors, cooperative purchasing, a mutual assistance agreement with a neighboring city for emergencies, and an Engineer of Record	Contracts, procurement and vendor oversight take steady administrative time; upcoming capital projects in the long range plans will also need engineering review and project management, bought as needed; the Engineer of Record has merged with a much larger firm, and the engineers most familiar with the Districts' systems have retired; requests for project contracts have been slow to get a response, and as a small client the Districts may receive less attention and face higher rates
Forest-Watershed	District ownership of the forest around the water source gives the District control over land use in the watershed that supplies the water plant; recent road improvements are complete, with project costs shared under written agreements, and some easement holders have committed to sharing maintenance	The forest has been a significant demand on District time and a subject of public debate; administration has relied on a volunteer and the general forester arrangement is ending; current grant funding will run out unless harvest revenue is realized, and the community is not fully in agreement on logging; not all easement holders have committed to sharing road maintenance
Finances	Rates fund operations; long range financial plans exist for both Districts	The Water fund is drawing on reserves (about $63,000 left by FY 2029-30), the Sanitary plant faces a $350,000 membrane replacement that year, and administration must move from the levy onto rates Grants and loans are already being used for capital projects, and alternative revenue sources warrant consideration

Key risks to manage

1. **Board capacity and duplication:** The Boards are engaged, committed volunteers, but two five member Boards have limited time; members change every two to four years, so knowledge is

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hard to keep; finding candidates is difficult; and the two Boards duplicate meetings, budgets, audits and administrative time.

2. **Shutdown of plant operations:** The Districts depend on one certified employee without dependable backup. A sudden illness, injury or resignation could leave the plants without certified operation, and within days water treatment and wastewater service could be interrupted, with risks to public health and permit compliance. It is unclear whether, or how quickly, a qualified operator can be recruited. Until backup is in place, a written contingency plan is the minimum protection.

   If one can be found, hiring a second employee will help, but a partly certified operator will still need purchased coverage while earning the remaining certificates. Nearby backup operators have other jobs, and the outside providers contacted, traveling from their normal bases, have not offered emergency response within an hour. If recruitment and backup agreements do not produce a workable arrangement, the Boards will need to turn to contract operations or a public agency partnership, using priced proposals and confirmed availability. Continuing administrative duties also need an assigned provider and dependable funding before the levy and the current Administrator contract end on June 30, 2027.

Recommended direction

Near term (now to about 18 months)

1. **Contract with backup operators.** Sign contract agreements now with at least two nearby certified operators for weekends, holidays, on call and emergencies, and with an outside contract provider for vacations, weekday absences and a long absence of the Manager.
2. **Hire a second operations employee.** Recruit a wastewater certified operator first (Grade I or II, working toward the water certificates), with a utility worker plus purchased backup as the fallback. Recommendation: decide by spring 2027, based on who applies and whether backup agreements are signed. Until a new operator is fully qualified, typically one to three years, backup must still be bought.
3. **Retain an Administrator after the levy.** Keep a half time Administrator, either a part time employee (about $70,000 to $95,000 a year) or a contractor (about $82,000 to $144,000 a year). Recommendation: decide which by January 2027 so the transition is complete before June 30, 2027.
4. **Secure an ongoing arrangement for office and bookkeeping.** Review and update the scope and service standards, decide whether the next contract should be with an individual or a service, and compare options before the current contract ends June 30, 2027.
5. **Secure the Forest-Watershed.** Assign forest administration to the Administrator, and put an on call forestry contract in place for road failures, fire risk advice and patrols.
6. **Increase plant reliability.** Once a second person is on staff, update the alarm callouts, add SCADA at the remaining pump stations and catch up deferred maintenance.
7. **Maintain reporting structure.** The Board Presidents give the Administrator general direction, with the Sanitary President as the lead contact; the joint personnel committee makes recommendations on hiring, reviews and pay, and the Water Board decides; the full Boards set policy, adopt budgets and approve contracts. The Administrator works with the Manager on budget, purchasing and policy, and the Manager keeps direct access to the Boards and regulators on safety and compliance. The Administrator oversees the office and bookkeeping

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contract, the Treasurers independently review reconciliations, and the independent auditor reports to the Boards.

What this costs. With a qualified second operator, the full annual staffing and administration cost is about $370,000 to $450,000 with a contract Administrator, or about $360,000 to $400,000 with an employee Administrator. A utility worker with purchased backup costs about the same ($365,000 to $455,000, or $355,000 to $405,000). Compared with this year's comparable budget ($352,825, excluding the levy funded Administrator), that is about $5,000 to $50,000 a year more with an employee Administrator, or $15,000 to $100,000 more with a contract Administrator, mostly because administration moves from the levy onto rates. Both fit within the staffing the Water long range plan provides for FY 2027-28 (about $480,600), once the second operator is qualified; the first training year of a certified hire could run up to about $50,000 above that.

The main options cost about the same. The real differences are reliability and control: an in house team with signed local backup can respond within an hour, which none of the outside providers contacted could.

Mid to long term (about 12 to 36 months)

Increase Board stability and efficiency. The Boards should seriously consider a merger of the two Districts. One Board instead of two would mean fewer volunteer seats to fill, one budget, one audit and less work to keep institutional knowledge.

Cash savings are modest (about $11,000 to $15,000 a year from one audit, fewer notices and no IGA legal costs, plus some administrative time). A first study would cost about $15,000 to $30,000; a full merger would take about 18 to 30 months and needs counsel's review, Oregon Department of Forestry consent for the forest, and voter approval in both Districts.

Consider alternatives to in house staffing. If in house staffing and backup cannot be secured, these become the main path rather than a fallback**.** Two are worth exploring, and they can be combined:

- **An intergovernmental agreement (IGA) with a neighboring city or larger district** to operate the systems or share staff. It scored highest in this assessment because a city has staff depth and leave coverage, but no neighboring agency has capacity today. Keep the door open.
- **Outsourcing to a private firm,** for some or all functions. Outsourcing parts of the work (selected routine operations tasks, backup coverage, bookkeeping, management support) is workable. Full contract operations would likely cost the most (about $430,000 to $610,000 a year at published rates). Priced proposals would replace these estimates with real offers.

Specific next steps

When	Step
December 2026 joint meeting	Authorize negotiation of backup agreements (two nearby operators and an outside provider). Confirm recruitment of the second operations position. Decide whether to study a merger of the two Districts, and whether to request priced proposals for outsourcing.
November to December 2026	File DEQ and OHA backup designations. Prepare a written contingency plan for a sudden or long absence of the Manager: notify the Boards, confirm which backup operators are available, and notify and set expectations with the community and regulators. Request a written classification review from DEQ. Prepare a task by task inventory of Administrator duties, and identify any that would need another provider if the role changes.

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When	Step
	With Board direction, seek preliminary service and pricing information from qualified outsourcing providers.
By January 2027	Decide how the Administrator role is filled after June 2027 and begin recruitment or solicitation. Review the office and bookkeeping scope and decide the approach for the next contract. Put an on call forestry contract in place. Confirm current IT support coverage and put an updated written agreement in place. Meet with the Engineer of Record to confirm staffing, response times and rates for upcoming projects; if service does not improve, request qualifications from other firms. Bring resolutions, ordinances and required records current on the website and in cloud storage.
Spring 2027	Decide between a certified operator and a utility worker with purchased backup, based on who applies and whether backup agreements are signed. Adopt FY 2027-28 budgets and rates for the chosen staffing model. Certify a Cross Connection Specialist (required by April 18, 2027).
By June 30, 2027	New administrative arrangement in place when the levy and the current Administrator contract end.
2027 to 2029	If the Boards proceed, complete the study of a merger of the two Districts and any outsourcing proposals, and return with recommendations.

The detailed findings, cost buildups and research behind this summary will be published in December.

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