

## 2<sup>nd</sup> BUDGET MESSAGE FY2025 - 2026



### Arch Cape Domestic Water Supply District

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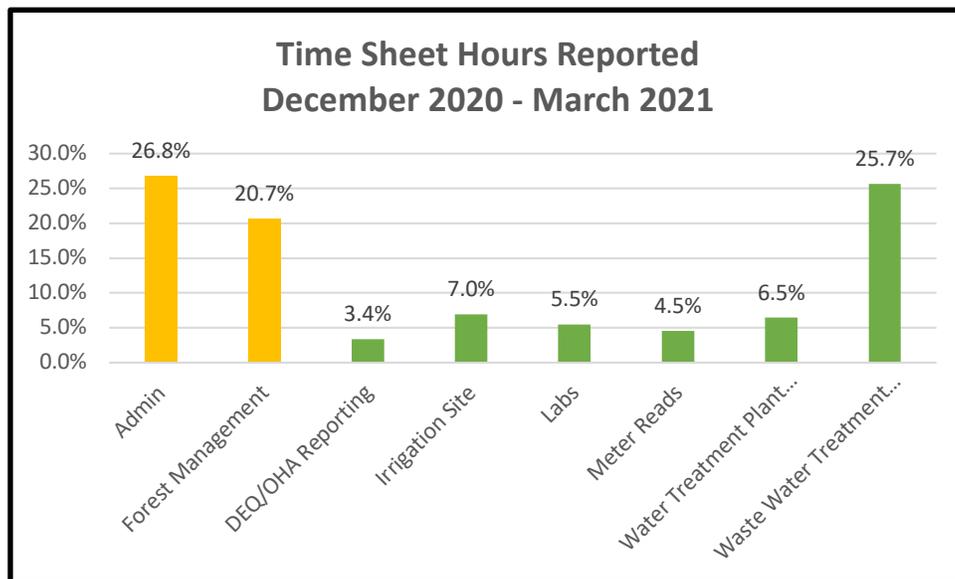
### Appendix: Explanatory Rationale for the Staffing Direction

Note: The information presented in the charts below has been extracted from District records.

- December 2020 – March 2021: Time Sheets
- 2010 – 2022: Paper Maintenance Logs
- December 2023 – March 2025: Work Order Records from the new automated Asset Management System

#### **A. The Districts' historical staffing model was inadequate to keep up with even the basic requirements of operating and maintaining the plants and equipment.**

The Districts have always budgeted for 2 full time staff to operate/maintain the plants **and to** administer the Districts.



During the period of 2016 – 2022, staff reported their time as:

- 40%-50% was spent on administrative and forest activities.
- 10% was spent on compliance activities (DEQ/OHA & Labs)
- 4.5% was spent reading meters

- 32% was spent on Waste Water Plant related work (no level of specificity reported)
- 6.5% was spent on Water Plant related (no level of specificity reported)

With this staffing allocation, the following were neglected by District staff:

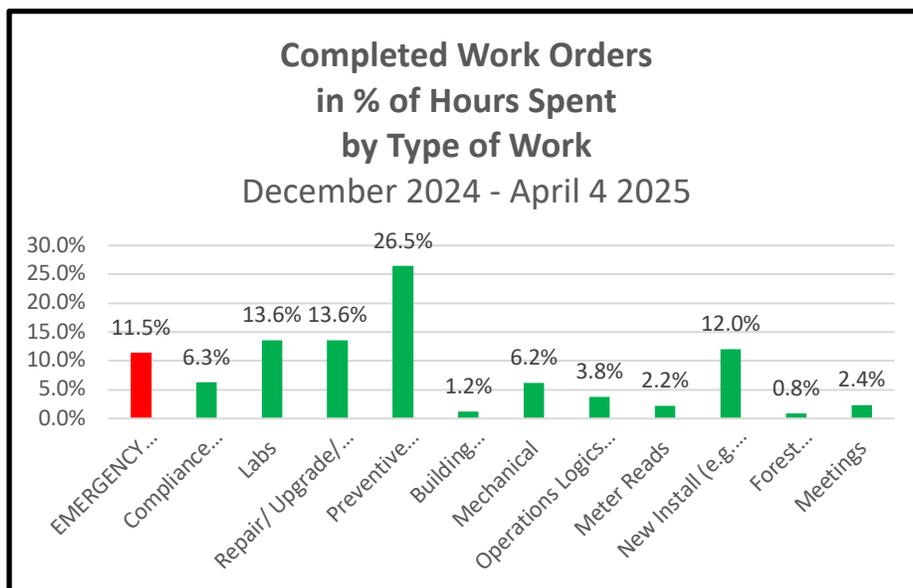
No preventative maintenance on plant and equipment. ( <a href="#">click here for detailed charts</a> ).
No testing/ refurbishing/ replacement of underground valves, gates, pumps
No monitoring and repairs of sewer pipes for I&I
No annual identification and budgeting of required projects
No long range planning

**B. The Districts’ staffing model since 2023 along with discoveries about the status of the underground infrastructure suggests that a minimum of 2 full time staff focused exclusively on the plants, equipment and projects are necessary to keep the Districts operating at an acceptable and viable standard.**

In July 2023, in response to the District’s Professional Engineer report and the findings in the maintenance logs, the Boards took on the responsibility for all Administrative activities and for almost all Forest-Watershed management activities so that District staff could focus exclusively on the operations and maintenance of the plant and on authorized District projects.

In July 2024, an automated Asset Management system was purchased to: 1) drive and report the work to be done, and 2) provide the Board with information about the status of plant and equipment and emerging concerns.

That system was refined and put in place in December 2024.

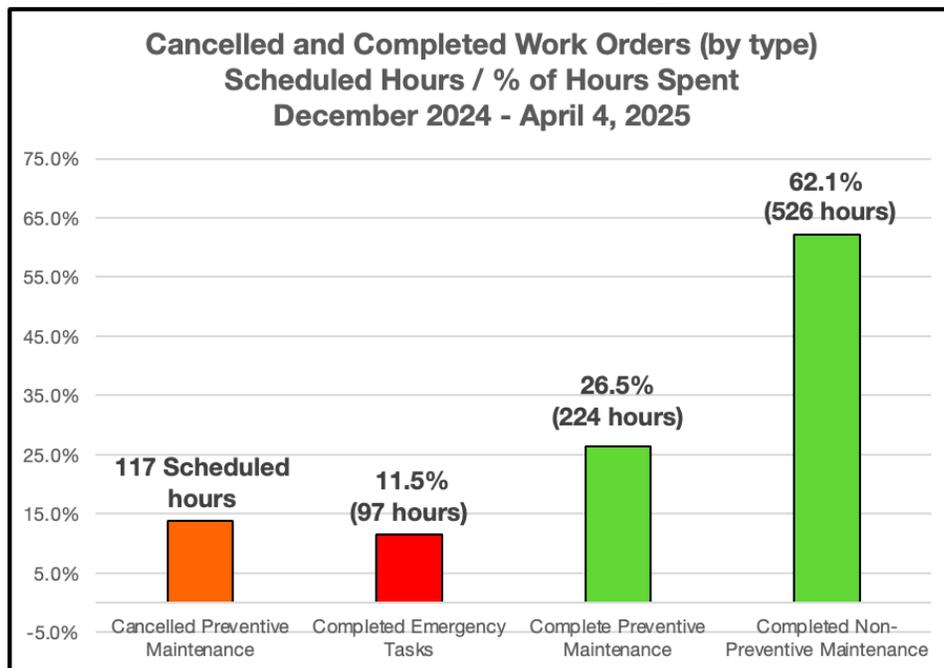


For comparative purposes, from December – March (a comparable 4 month period as above), the Asset Management System show:

- 3.2% of time was spent on administrative and forest activities (vs 40%-50%)
- 20% of time was spent on compliance activities -- DEQ/OHA & Labs (vs 10%)
- 2.2% of time was spent reading meters (vs 4.5%)
- 25% of time was spent on Emergency and other repairs & upgrades
- 27% of time was spent of Preventive and other types of maintenance
- 12% of time was spent on the installation of the new Webb Lift Station

NOTE: These allocation of time are in addition to general monitoring and management activities which are not categorized as work orders.

**There is still a significant backlog in Preventive Maintenance:** From a preventive maintenance perspective, catching up with the previously delayed maintenance needs is daunting. So far, Matt has only been able to load about 40% of the Manufacturer’s Recommended Preventive Maintenance requirements into the Asset Management system for reporting & tracking. (That means that potential issues are hidden within the 60% of requirements that are not yet loaded.) And, even after loading the 40% of requirements, Matt has not been able to get to 117 hours of identified preventive maintenance needs due to more pressing tasks.



**The aging of the Underground Infrastructure is becoming apparent.:** Recently, malfunctions of the underground infrastructure – pipes, pumps, gates, valves, fittings, etc. – have begun to occur. These events have revealed that rust and corrosion over the 50 year

lifespan of the infrastructure are taking their toll and the extent is likely widespread across the District. Work on the underground infrastructure is essential and all of that required work is in addition to the Districts' preventive maintenance work, newly identified projects and general ongoing operations.

***In addition to taking on the previously neglected work, new technical and administrative requirements continue to present themselves.***

Increased operations compliance requirements by the State
Upgrade and maintenance of Information Technology infrastructure
Oversite /management of the forest-watershed
Grant application and management, e.g., rebuild of Webb Lift Station, relocation of Asbury Creek intake

**Bottom Line:** Operating and maintaining our Districts' plants, equipment and below-ground water & wastewater infrastructure REQUIRES us to have two full time, experienced operations staff.

***C. Administration of the District is an essential activity that is distinct from the technical work of operating the plants and equipment.***

For the past two years, individual Board members have picked up District management and administration responsibility in order to: a) allow Matt time to focus on rejuvenating and operating the District, and b) get a better idea about what it really take to run the Districts, separate from running the plants and operations. With the Board Members terms ending in June, a 2-year Interim District Manager is being contracted to do this work and to make recommendation to the Boards about what the staffing requirements are long term. For the next 2 years, the cost of Administration will be paid with tax monies.

At the end of that 2 year period, administration of the Districts will continue to be a required activity, the exact level of which will be known in the next 12-18 months. Given a) the level of work required to manage and maintain the technical aspects of the District, and b) the difference in skill set for technical work for Administration, putting the responsibility of Administration back onto the technical staff, will reduce their effectiveness to pre-2023 levels.

It is prudent and fiscally responsible to budget for District Administration as an ongoing cost of doing business.