



# Board Meetings

## ARCH CAPE WATER & SANITARY DISTRICTS

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

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

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

<b>Meeting ID:</b>	<b>811 1394 7450</b>
<b>Meeting Passcode:</b>	<b>None Required</b>
<b>Assistance:</b>	<b>503-812-7578</b>
<b>Date:</b>	<b>Thursday, 16 October 2025</b>
<b>Time:</b>	<b>5:00 PM for Board Meetings</b>

**The Sanitary District Board Meeting will start at 5:00 pm.**

**The Domestic Water Supply District Board Meeting will start at 6:00 pm Session.**

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



**ARCH CAPE SANITARY DISTRICT  
BOARD OF COMMISSIONERS MEETING**

Thursday, October 16, 2025

5:00 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** Tom Mattia
  - II. **Public Comments** Tom Mattia
  - III. **Agenda Approval** (Action – Motion to Approve) Tom Mattia
  - IV. **Approve September 19, 2025, Meeting Minutes** (Action – Motion to Approve) Tom Mattia
  - V. **Financial & Administrative Reporting**
    - A. Accept Budget vs Actual Report Tom Mattia
    - B. Accept Payment of Accounts Tom Mattia
    - C. Treasurer’s Report Darr Tindall
  - VI. **Budget Transfer – Generator Resolution 25-1016-1 SD**
    - **Transfer of Appropriations – Generator** (Action) Tom Mattia
  - VII. **Budget Transfer – Webb Lift Station Closeout 25-1016-2 SD**
    - **Transfer of Appropriations – Webb Lift Station** (Action) Tom Mattia
  - VIII. **Incorporation – Authorization of Joint Response Letter** (Action) Tom Mattia
  - IX. **Reports**
    - A. Webb Upgrade/Payment Report Collin Stelzig/Teri Fladstol
    - B. Discussion – Community Emergency Preparedness Request and District Property Use  
(E. Eakins Legal Opinion) - See Email from Legal Counsel
    - B. Staff Reports Matt Gardner
    - B. Board Members’ Comments and Reports All
- November Meeting Agenda Items** (Action)
- Public Comments** Tom Mattia
- Adjournment**



**ARCH CAPE SANITARY DISTRICT BOARD  
OF COMMISSIONERS' MEETING  
Thursday, September 19, 2025**

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

In attendance: Tom Mattia, Mark Engberg, Casey Short, Doug Caffall, Absent: Darr Tindal; Staff: Collin Stelzig and Teri Fladstol; Public: Dale Mosby, Richard Gibson, Owen Dufka, Tevis Dooley, Richard Petrich, Sam Garrison, Jeff Slemaker, Bob Boehemer, John Hill, Becky Steckler, Rich Smith, Bob Brown, Karynn Fish

Board Meeting was called to order by Tom Mattia at 5:00 pm.

Public Comments – No Comments

Motion by Mark Engberg to approve agenda as presented, second by Casey Short, motion carried.

Motion by Casey Short, second by Mark Engberg to approve minutes of July 16<sup>th</sup> Meeting minutes, motion carried.

Financial & Administrative Reporting: need to address retainage of funds due to Webb Lift Station that were paid in August, later than expected due to punch list delay past last fiscal year. Discussion of how to address the carryover into the new fiscal year. Chair asked that all situations such as this come to the Board before an item is paid and direction given by the Board. Treasurer Report was not given due to absence of Treasurer.

Per internal policies, we will update the Bank Account to add Board Chair as an additional signer to Matt Gardner and Darr Tindall. Board to move payment of bills to a monthly process and to have checks brought to the Board meeting for signature at 4:30 pm (prior to start of the meeting).

Motion made by Mark Engberg to add Casey Short to LGIP Account Administrator list and remove Steve Hill, second by Casey Short, motion carried.

Motion by Casey Short to add Collin Stelzig to Sam.gov as an Administrator to be able to access federal grants and manage our status as eligible to do so; second by Mark Engberg, motion carried.

Motion by Casey Short to adopt the corrective action plan for the fiscal year 2023–2024 audit as presented and authorize staff to submit the signed response to the Oregon Secretary of State Audits Division. Second by Doug Caffall, motion carried.

Community Club Grant Concept information was shared in the packet and Tom Mattia asked if the Board is interested in pursuing this? Dale Mosby and Bob Boehmer shared a few details in status of the grant at this point. Board Chair will reach out to SD attorney to verify the process and to make sure that the District is able to participate in this process to allow grant funds to 'pass-thru' the District, no action at this time.

Staff Report: Collin Stelzig gave report on Webb Lift and final payment from OEM and when we can expect that payment.

Board Report: No Reports or Comments

Agenda Items: Resolution regarding Webb Lift, Board Chair will report on Grant pass-thru conversation with attorney.

Public Comment: Dale Mosby inquiry where to place Connexus Boxes for Emergency Management, would it be possible to place on SD Property? Tom Mattia will follow up with Matt and Collin to see if that property is available and discussion came down to explore further but not agreement to do anything at this point.

Meeting moved to Joint Session: Arch Cape Water District Board of Directors called to order at 5:45 pm for Joint Session, in attendance: Owen Dufka, Tevis Dooley, Richard Petrich, Sam Garrison;

Motion by Casey Short to adjourn the meeting, second by Doug Caffall, meeting adjourned at 6:29 pm.

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Thomas Mattia, Board Chair

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Attest: Teri Fladstol, Secretary

DRAFT



<b>01-8000 Contingency &amp; Unapp Bal - General Fund</b>					\$ -	\$ -	
01-8001 Contingency - General Fund	\$ 129,625				\$ -	\$ 129,625	0%
01-8100 USDA Loan Required Reserve	\$ 6,923				\$ -	\$ 6,923	0%
01-8500 Unappropriated Bal - General F	\$ 178,129				\$ -	\$ 178,129	0%
<b>Total 01-8000 Contingency &amp; Unapp Bal - General Fund</b>	<b>\$ 314,677</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 314,677</b>	<b>0%</b>
<b>02-6000 REQUIREMENTS - CAPITAL FUND</b>					\$ -	\$ -	
02-7000 Capital Outlay - Capital Fund	\$ 20,000				\$ -	\$ 20,000	0%
02-7100 Webb Lift Station		\$ 22,550			\$ 22,550	\$ -	
<b>Total 02-7000 Capital Outlay - Capital Fund</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ 22,550</b>	<b>\$ -</b>	<b>\$ 22,550</b>	<b>\$ 20,000</b>	<b>113%</b>
<b>Total 02-6000 REQUIREMENTS - CAPITAL FUND</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ 22,550</b>	<b>\$ -</b>	<b>\$ 22,550</b>	<b>\$ 20,000</b>	<b>113%</b>
<b>02-8000 Contingency &amp; Unapp Bal - Capital Fund</b>					\$ -	\$ -	
02-8001 Contingency - Capital Fund	\$ 100,000				\$ -	\$ 100,000	0%
02-8500 Unappropriated Bal - Capital	\$ 53,156				\$ -	\$ 53,156	0%
<b>03-6000 REQUIREMENT - GO BOND DEBT FUND</b>					\$ -	\$ -	
03-7500 Debt Service - SD Go Bond Debt					\$ -	\$ -	
03-7510 USDA Plant Upgrade - Principle	\$ 77,058				\$ -	\$ 77,058	0%
03-7511 USDA Plant Upgrade - Interest	\$ 67,542				\$ -	\$ 67,542	0%
<b>Total 03-6000 REQUIREMENT - GO BOND DEBT FUND</b>	<b>\$ 144,600</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 144,600</b>	<b>0%</b>
<b>03-8000 Contingency &amp; Unapp Bal - GO BOND Debt Fund</b>					\$ -	\$ -	
03-8500 Unappropriated Balance GO	\$ 6,742				\$ -	\$ 6,742	0%
<b>04-6000 LO Levy Requirements</b>					\$ -	\$ -	
04-6100 Professional Services	\$ 125,000				\$ -	\$ 125,000	0%
<b>Total 04-6000 LO Levy Requirements</b>	<b>\$ 125,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 125,000</b>	<b>0%</b>
<b>04-8000 Contingency &amp; Unappropriated Balance</b>					\$ -	\$ -	
04-8001 LO Levy - Contingency	\$ 50,000				\$ -	\$ 50,000	0%
04-8500 LO Levy - Unappropriated Balance	\$ 5,000				\$ -	\$ 5,000	0%
7900 Interfund Transfer Out	\$ 50,000				\$ -	\$ 50,000	0%
<b>Total Expenses</b>	<b>\$ 1,426,376</b>	<b>\$ 23,656</b>	<b>\$ 44,224</b>	<b>\$ 25,055</b>	<b>\$ 92,935</b>	<b>\$ 1,426,376</b>	<b>7%</b>

# AC Sanitary District

## Check Detail

### September 2025

Date	Type	Num	Name	Memo/Description	Amount
<b>00-1000 #1218 Main Checking</b>					
09/02/2025	Expense		Spectrum Business		-259.99
09/04/2025	Check	9425	Eds Septic		-2,800.00
09/04/2025	Check	9426	Correct Equipment		-2,105.00
09/04/2025	Check	9427	Quality Control Services, Inc.		-950.00
09/04/2025	Check	9428	DEQ		-3,516.24
09/04/2025	Check	9429	Accuity, LLC		-5,500.00
09/04/2025	Check	9430	Haglund Kelley LLP		-100.00
09/04/2025	Check	9431	Cannon Beach Electric		-4,851.75
09/04/2025	Check	9432	Pacific Power		-3,517.01
09/04/2025	Check	9433	Recology Western Oregon		-83.97
09/04/2025	Check	9434	City of Cannon Beach		-601.56
09/10/2025	Expense		Safeway		-29.90
09/11/2025	Check	9435	Curran McLeod		-190.00
09/12/2025	Expense		RWO Astoria Transfer		-32.60
09/19/2025	Expense		Amazon.com		-14.99
09/21/2025	Expense		Microsoft		-8.25
09/22/2025	Expense		Seaside Auto		-66.80
09/23/2025	Expense		Google Domains		-1.99
09/26/2025	Expense		QuickBooks Payments		-115.00
09/26/2025	Expense		Safeway		-29.97
09/30/2025	Expense		Spectrum Business		-259.99
09/30/2025	Expense		1st Security Bank		-10.00
09/30/2025	Expense		1st Security Bank	Returned Check Charge	-10.00
09/30/2025	Expense			Returned Check	-900.09

## AGENDA MEMORANDUM

TO: Arch Cape Sanitary District Board  
FROM: Collin Stelzig, District Administrator  
DATE: October 16, 2025  
SUBJ: Transfer of Appropriations – Generator Purchase

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### SUMMARY

The adopted FY 2025–26 budget included \$70,000 in the General Fund Capital Outlay for the purchase of a sanitary generator. Owens Pump & Equipment has provided the final invoice, which totals \$76,286.25 (generator and freight).

In addition, an estimated \$1,000 will be required for electrical/start-up connections (to be invoiced separately).

This brings the total expected project cost to approximately \$77,300, exceeding the current appropriation by about \$7,300.

ORS 294.463 allows the governing body to transfer up to 15 percent of a fund’s appropriations from Contingency to another category within the same fund by resolution. The proposed transfer of \$10,000 meets this limit and provides a modest buffer.

### GENERAL FUND – FY 2025-26 (Adopted vs. Amended)

Category / Project	Adopted Budget	Proposed Amended Budget	Notes
Capital Outlay - Generator	\$70,000	\$80,000	Covers final invoice + electrical + buffer
Contingency	\$129,625	\$119,625	Transfer to Capital Outlay
Other General Fund lines	No Change	No Change	No change
Total General Fund	\$557,201	\$557,201	Fund total unchanged

### RECOMMENDATION/SUGGESTED MOTION

“I move to adopt Resolution 25-0XX SD transferring \$10,000 of appropriations from the General Fund Contingency to General Fund Capital Outlay for the generator purchase.”

### ALTERNATIVE

1. Approve a smaller transfer amount (e.g., \$7,300 to match current known costs).
2. Take no action

### FISCAL IMPACT

This action transfers appropriation authority from Contingency to Capital Outlay within the General Fund. The total General Fund appropriation remains unchanged..

**ARCH CAPE SANITARY DISTRICT  
RESOLUTION 25-1016-1 SD, TRANSFER OF APPROPRIATIONS IN THE 2025-26 BUDGET**

WHEREAS, the FY 2025–26 Sanitary General Fund budget provided \$70,000 in Capital Outlay for the purchase of a sanitary generator; and

WHEREAS, the final invoice from Owens Pump & Equipment totals \$76,286.25, with additional electrical/start-up costs anticipated, exceeding the adopted appropriation; and

WHEREAS, ORS 294.463 authorizes the governing body to transfer appropriations from Contingency to another category within the same fund, provided the transfer does not exceed 15 percent of the fund’s total appropriations;

BE IT RESOLVED by the Arch Cape Sanitary District Board of Directors that \$10,000 of General Fund Contingency be transferred to General Fund Capital Outlay for the generator purchase, as detailed in Attachment A.

ADOPTED this 16<sup>th</sup> day of October, 2025.

BY:

ATTEST:

\_\_\_\_\_  
Thomas Mattia, Board President

\_\_\_\_\_  
Teri Fladstol, District Secretary

ATTACHMENT A  
FY 2025-26 GENERAL FUND APPROPRIATION

**ADOPTED BUDGET**

Capital Outlay - Generator	\$ 70,000
Contingency	\$ 129,625
Total Fund	\$ 557,201

**AMENDED BUDGET**

Capital Outlay - Generator	\$ 80,000
Contingency	\$ 119,625
Total Fund	\$ 557,201

## AGENDA MEMORANDUM

TO: Arch Cape Sanitary District Board  
FROM: Collin Stelzig, District Administrator  
DATE: October 16, 2025  
SUBJ: Transfer of Appropriations – Webb Lift Station Closeout

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### SUMMARY

The Webb Lift Station project was substantially completed in FY 24-25, but the contractor required additional time to finish punch list items. Final project closeout costs of \$22,132.50 (retainage to DSL Builders) and \$417.50 (engineering charges from Curran McLeod) were paid in FY 25-26, for a total of \$22,550. These payments were made before sufficient appropriations were transferred to the Capital Outlay category, resulting in an over-expenditure at the time of payment.

It is important to note that the Webb Lift Station project is being reimbursed through the Oregon Emergency Management (OEM) program. The District will receive \$166,120.25 in reimbursement revenue related to this project this fiscal year, which was not included in the FY 25-26 budget under Grant Revenue. As a result, while this appropriation transfer addresses the budget alignment for expenditures, the project itself is fully supported by grant funds and does not create a financial shortfall for the District.

Because these payments created an over-expenditure, staff consulted with the District's auditor to confirm how best to handle the situation. He reviewed the timing of the Webb Lift Station closeout payments and the draft transfer resolution we prepared. The auditor emphasized that budget law is about appropriation authority at the time an expenditure is made. Since the District issued the checks before appropriation was transferred to Capital Outlay, the error has already occurred and cannot be corrected retroactively.

Based on his review, the auditor advised the following:

- Audit outcome: The over-expenditure will appear as a formal audit finding ("expenditures in excess of appropriations") during the FY 25-26 audit. The District will be required to submit a corrective action memo to the State, which is a standard step in these situations.
- Effect of a transfer now: Adopting a transfer resolution at this point would not change the audit outcome, since the deficiency existed when the checks were issued. The auditor cautioned that aligning the Budget vs. after the fact could be misunderstood by the public as an attempt to 'clean up' the numbers, even though the audit report will still document it.
- Common practice: Many districts adopt year-end "cleanup" resolutions to realign appropriations, like this one, but auditors still classify these as deficiencies and require a corrective memo.
- Future expenditures: Because the over-expenditure has already occurred, the District may continue spending from this fund even without adopting a transfer. The audit finding will not be compounded by additional expenditures under the same line; it will remain a single finding tied to the timing of the Webb payments.

The proposed resolution would transfer \$18,000 from Capital Fund Contingency to Capital Outlay, which is the maximum allowed under ORS 294.463 (15% of appropriations in this fund: Capital Outlay + Contingency). While this does not fully cover the \$22,550 Webb closeout costs,

it brings Capital Outlay into closer alignment and preserves funding for the remaining pump station work.

This \$18,000 transfer will not provide the full funds originally planned for both the North and Asbury pump stations, but it will be adequate for the work currently planned. Matt is preparing to order parts for one pump station, and this transfer will allow that work to proceed.

In summary, the project is fully funded through OEM reimbursement, but the timing of the final payments caused a technical over-expenditure that will appear as an audit finding. The Board may either follow the auditor’s recommendation and take no action, or consider adopting the transfer resolution as a housekeeping measure to better align the budget for the remainder of the year.

**CAPITAL FUND – FY 2025-26 (Adopted vs. Amended)**

<b>Category / Project</b>	<b>Adopted Budget</b>	<b>Proposed Amended Budget</b>	<b>Notes</b>
North Lift Station	\$10,000	\$10,000	No change
Asbury Lift Station	\$10,000	\$10,000	No change
Webb Lift Station	\$ 0	\$18,000	Final retainage + engineer closeout
Capital Outlay	\$20,000	\$38,000	Increase funded by contingency transfer
Contingency	\$100,000	\$82,000	Decrease to fund Capital Outlay
Unappropriated Balance	\$53,156	\$53,156	No change
Total Capital Fund	\$173,156	\$173,156	Fund total unchanged

**RECOMMENDATION/SUGGESTED MOTION**

“I move to adopt Resolution 25-1016-2SD transferring \$18,000 of appropriations from the Capital Fund Contingency to Capital Outlay for the final closeout of the Webb Lift Station project.”

**ALTERNATIVE**

1. Approve a different transfer amount.
2. Take no action (recommendation by the Auditor)

**FISCAL IMPACT**

- This transfer moves \$18,000 from Capital Fund Contingency (reduced from \$100,000 to \$82,000) into Capital Outlay (increased from \$20,000 to \$38,000).
- The total Capital Fund budget remains unchanged at \$173,156.
- The Webb project itself is fully reimbursable through OEM, with an additional \$166,120.25 in grant revenue expected. Therefore, the project does not create a financial shortfall for the District.
- The transfer does not eliminate the audit finding, but it aligns appropriations going forward and preserves budget authority for pump station parts already ordered.

**ARCH CAPE SANITARY DISTRICT**  
**RESOLUTION 25-1016-2SD, TRANSFER OF APPROPRIATIONS IN THE 2025-26 BUDGET**

WHEREAS, the Webb Lift Station project was substantially completed in the prior fiscal year, but the contractor required additional time to finish punch list items; and

WHEREAS, final project closeout charges of \$22,132.50 (release of retainage to DSL Builders) and \$417.50 (engineering charges from Curran McLeod) were not paid until the current fiscal year; and

WHEREAS, the FY 2025-26 Capital Fund budget provided \$20,000 in Capital Outlay for the North and Asbury lift stations and no funds for Webb Lift Station, but actual closeout costs for Webb Lift Station were incurred in the current year; and

WHEREAS, ORS 294.463 authorizes the governing body to transfer appropriations from Contingency to another category within the same fund, provided the transfer does not exceed 15 percent of the fund's total appropriations;

BE IT RESOLVED by the Arch Cape Sanitary District Board of Directors that \$18,000 of Capital Fund Contingency be transferred to Capital Outlay for the final closeout of the Webb Lift Station project, as detailed in Attachment A.

ADOPTED this 16<sup>th</sup> day of October, 2025.

BY:

ATTEST:

\_\_\_\_\_  
Thomas Mattia, Board President

\_\_\_\_\_  
Teri Fladstol, District Secretary

ATTACHMENT A  
FY 2025-26 CAPITAL FUND APPROPRIATION

**ADOPTED BUDGET**

Capital Outlay	\$ 20,000
Contingency	\$ 100,000
Unappropriated Balance	\$ 53,156
Total Fund	\$ 173,156

**AMENDED BUDGET**

Capital Outlay	\$ 38,000
Contingency	\$ 82,000
Unappropriated Balance	\$ 53,156
Total Fund	\$ 173,156



**ARCH CAPE  
FALCON COVE BEACH  
COMMUNITY CLUB**

79729 Highway 101, Arch Cape, OR 97102

October 05, 2025

Arch Cape Water District

Arch Cape Sanitary District

Arch Cape, Oregon

Re: Feasibility Study (Incorporation of Arch Cape and Falcon Cove Beach)

Dear Chair Dufka and Chair Mattia:

Thank you again for the opportunity to speak with your Boards at the joint September 18 meeting. We greatly appreciate your time and your willingness to engage with the Incorporation Study process.

As noted in our presentation, we are asking each District to review the attached Draft Arch Cape Falcon Cove Beach Incorporation Study (Chapters 1–4). If you see any corrections or additional information that should be reflected in the sections discussing the Special Districts, please don't hesitate to reach out to me or to Becky Steckler (cc'd on this email). Becky is currently updating the financial estimates for the Arch Cape Sanitation District to include operating expenses and debt service, based on her recent conversation with Casey Short. We also ask that the Arch Cape Water District review the estimates in the draft study and confirm whether they should reflect Total Expenditures only (from page 4 of the Arch Cape Domestic Water District Long-range Plan, attached) or Total Requirements.

In addition, we respectfully request that each Special District Board share your Board's preference regarding future governance if incorporation moves forward—whether you would wish to remain an independent Special District or be integrated into the new city. It would be very helpful to receive your input by October 31,

2025. If your Board needs additional time to make this decision, please let us know.

Thank you again for your thoughtful consideration and continued partnership in this process. Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in blue ink that reads "Bob Boehmer". The signature is written in a cursive, flowing style.

Bob Boehmer  
Chair, Arch Cape Falcon Cove Beach Incorporation Steering Committee

cc: ECONorthwest Attn: Becky Steckler

Clatsop County, Oregon Attn: Elissa Gertler

Mr. Robert Boehmer

AC FC Incorporation Study Steering Committee

Dear Bob,

Following your committee's presentation at the September 18 joint meeting of the Arch Cape Utility Districts you requested we provide the committee with the districts' position on involvement with the proposed new municipality. Specifically, the committee asked whether the utility districts would want to be included in the new municipal organization when it is proposed to voters or remain separate entities.

After careful consideration and discussion, the boards believe the committee has not provided sufficient detail on its proposed incorporation plan for the boards to develop a position. For the boards provide meaningful feedback the committee on developing a proposal for voters, the committee would need to present a draft city charter that clearly outlined the structure and functioning of the proposed municipality. The boards are happy to engage in the development of the charter and see that as the opportunity to decide districts' governance.

Without a draft charter, the boards could not in good faith engage in the incorporation process and would communicate that position publicly. With a charter, the boards would be comfortable indicating their desire to function as part of, or external to, the proposed municipality.

We remain open to further discussion.

Sincerely,

Tom Mattia

## **AGENDA MEMORANDUM**

TO: Arch Cape Sanitary District Board  
FROM: Collin Stelzig, District Administrator  
DATE: October 16, 2025  
SUBJ: Community Emergency Preparedness Request and District Property Use

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### **BACKGROUND**

Board Chair Mattia requested inclusion of the attached correspondence with District Counsel (Eileen Eakins) regarding the Community Club's request for the Districts to support community emergency preparedness efforts. The Club previously asked whether the Districts could act as a fiscal pass-through for grant funds and/or allow storage of community emergency supplies on District property.

### **SUMMARY**

Counsel advised that special districts may only use funds for purposes directly related to their statutory authority, in this case providing sanitary sewer or water service. Permissible uses could include emergency response planning or physical improvements that protect the sewer or water systems, but not broader community preparedness activities.

While the attorney's opinion addressed funding rather than property use, the same principle may apply. District assets, including land, may only be used for purposes directly related to providing water or sewer service.

Staff are currently reviewing whether it would be legally permissible for the District to provide space for the group's proposed storage. Based on initial review, it appears that if this were to proceed, the appropriate route would likely involve leasing or another arrangement with a public entity that has authority for community preparedness activities.

Staff have also reached out to the Special Districts Association of Oregon (SDAO) for any examples or guidance that may clarify allowable options, risk, and liability considerations.

### **Next Steps:**

- Discuss whether the Board wishes to continue exploring potential property use options.
- Review SDAO guidance once available.

### **Attachments:**

1. Email exchange between Tom Mattia and Eileen Eakins, September 22, 2025

**From:** Eileen Eakins <[eileen@lgl-advisors.com](mailto:eileen@lgl-advisors.com)>  
**Subject: RE: Introduction and question**  
**Date:** September 22, 2025 at 1:35:07 PM PDT  
**To:** Thomas Mattia <[thomasmacutil@gmail.com](mailto:thomasmacutil@gmail.com)>  
**Cc:** Casey Short <[cshortacutil@gmail.com](mailto:cshortacutil@gmail.com)>

Hi, Tom:

Nice to “meet” you. I think I need some clarification on the process being proposed and how the funds would be used, but I’ll give you some general responses and we can go from there.

As a municipal corporation, the sanitary district can apply for and receive funds of any kind (including grant funds) for purposes within its statutory authority, i.e., to purchase equipment for and provide services relating to sanitary sewer service.

In my opinion, the sanitary district does not have the authority to obtain grants as a “stand-in” for another entity and distribute the funds to others for any purpose except those directly related to the sanitary sewer system. Permissible uses might include funding the development of emergency response plans or physical improvements to protect the sanitary sewer system itself in the event of an emergency (e.g., earthquake, terrorist act). The funds also could probably be used to help sanitary district customers install or improve their own systems if doing so would benefit the system itself. The funds could not be distributed to the community at large for purposes other than protecting the sewer system or providing sanitary sewer services.

Eileen G. Eakins  
Northwest Local Government Legal Advisors, LLC  
(503) 607-0517  
<https://localgovernmentlegal.net/>

**From:** Thomas Mattia <[thomasmacutil@gmail.com](mailto:thomasmacutil@gmail.com)>  
**Sent:** Monday, September 22, 2025 9:28 AM  
**To:** Eileen Eakins <[eileen@lgl-advisors.com](mailto:eileen@lgl-advisors.com)>  
**Cc:** Casey Short <[cshortacutil@gmail.com](mailto:cshortacutil@gmail.com)>  
**Subject:** Introduction and question

Hi Eileen,

I wanted to introduce myself as the new chair of the Arch Cape Sanitary District Board, and to ask you a question in that capacity. The board has been approached by the local emergency preparedness committee to act as a financial “pass-through” partner in obtaining federal grants, to wit:

The Community Club plans to obtain grant funds via the Federal government and its Department of Homeland Security (DHS) to help Arch Cape and Falcon Cove prepare for emergencies. We have a recent history of doing this successfully for another group Dale and I belong to. Our partner at the county on this project, Tiffany Brown, the emergency manager, let us know that the Arch Cape Water and Sanitary board is an already authorized party to receive such funds on behalf of our task.

We would do all the grant writing, all we would need to submit the application is approval and signature by the Board(s) and the funds would move through the Water or Sanitary entities. Recently, we have informed Arch Cape (& Falcon Cove) of this.

Our goal is to have AC FC prepared and to help protect our citizens the same way Cannon Beach has spent money over the past few years to obtain this goal. You may know that heretofore, little has happened here toward that goal. In a phrase, We want to Save Lives.

Since the county will not help directly, we want to take advantage of grant funding. This will not cost the Water or Sanitary Boards or their customers one cent, it is simply a pass through.

Before the board considers this proposal I wanted your opinion as to whether board participation would place the board or the district and its rate payers in any legal jeopardy. We are here to help the community but I do not want to put us in any risk.

Thanks, and I look forward to working with you.

Tom Mattia