



Board Meetings

**ARCH CAPE SANITARY DISTRICT & ARCH
CAPE DOMESTIC WATER SUPPLY DISTRICT
JOINT PERSONNEL COMMITTEE
WILL MEET ON
THURSDAY, JUNE 18, 2026 AT 4:30 PM
IN PERSON AND VIA ZOOM**

**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:

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

AGENDA:

- I. Call to Order
- II. Executive Session: The Joint Personnel Committee will meet in Executive Session pursuant to ORS 192.660(2)(i) to review and evaluate the employment related performance of the Manager, Plants & Operations.

The Executive Session is closed to the general public. Representatives of the news media may attend the executive session but are directed not to disclose information discussed during the session.

- III. Reconvene in Open Session
- IV. Consider Recommendation to the Arch Cape Domestic Water Supply District Board regarding Manager, Plants & Operations compensation adjustment.
- V. Adjournment

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



Board Meetings

**ARCH CAPE SANITARY DISTRICT AND
ARCH CAPE DOMESTIC WATER SUPPLY
DISTRICT BOARD OF DIRECTORS
WILL MEET ON
THURSDAY, JUNE 18, 2026 AT 5:00 PM
IN PERSON AND VIA ZOOM**

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

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**Arch Cape Sanitary District Board of Directors will meet
at 5:00 p.m.**

**Arch Cape Domestic Water Board of Directors will meet
at 5:45 p.m.**

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



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

Thursday, June 18, 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 May 21, 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. Consider Manager of Plants & Operations Compensation Adjustment | Owen Dufka |
| VII. Asbury Waterline ODOT Agreement (Action) | Collin |
| VIII. Shared Work Truck, Cost Allocation, Financing | Collin |
| IX. Shared Mini-Excavator | Collin |
| X. Shared Transit Lodging Tax Revenue – Letter to Clatsop County Board of Commissioners | Collin |
| XI. Shared US Billing Software | |
| XII. Hug Point Road Relocation/Access Easement | Collin |
| XIII. Reports | |
| A. Staff Reports | Matt/Collin |
| B. Board Members’ Comments and Reports | All |
| July Meeting Agenda Items (Action) | |
| Public Comments | Owen Dufka |
| Adjournment | Owen Dufka |



**ARCH CAPE DOMESTIC WATER SUPPLY DISTRICT
BOARD OF COMMISSIONERS' MEETING
Thursday, May 21, 2026**

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

In attendance: Owen Dufka, Sam Garrison, Tevis Dooley, Absent: Richard Petrich and Jeff Slemaker; Staff: Collin Stelzig and Teri Fladstol; Public: Darr Tindall, Steve Hill, Bob Cerelli, Bill Campbell, Casey Short, Margaret Bax, Richard Gibson

Board Meeting was called to order by Owen Dufka at 5:45 pm.

Public Comments: None

Motion by Tevis Dooley to approve agenda with moving of Forest/Logging update before Budget Approval & Resolutions, second by Sam Garrison, motion carried.

Motion by Sam Garrison to approve the Minutes of April 16, 2026, meeting, second by Tevis Dooley, motion carried. Acceptance of Financial Reporting, Treasurer's Report, reconciled and approved by Sam Garrison.

Forest/Logging Update Presentation, information for the Board of Directors, presented by Bill Campbell with scenarios for moving forward and date by when action is recommended.

PUBLIC HEARING – opened from 6:45-6:47

Motion to approve adopt Resolution #26-0501WD, Adopting the 2026-27 Budget and Appropriations Schedule, second by Sam Garrison, motion carried.

Motion by Sam Garrison to adopt Resolution #26-0502WD, Resolution Superseding Resolution 2025-0515B-3, Establishing Base Rate Charges, Excess Usage Charges and Debt Surcharges for the Arch Cape Domestic Water Supply District, second by Tevis Dooley, motion carried.

Motion by Tevis Dooley to adopt Resolution #26-0503WD, Revising System Development Charges (SDC)/Equivalent Dwelling Unit (EDU) Fees for the Arch Cape Domestic Water Supply District, second by Sam Garrison, motion carried.

Correspondence requiring action regarding Cannon View Park included in packet. Owen Dufka discussed the Committee situation in response to public comment asking what the status was in moving forward and encouraging the Board of Directors exercise due diligence in researching the costs, who would be responsible for which costs (users vs Districts), engage with the Community and work with our Engineers for review of the process before a decision is made.

Memo regarding ODOT and Review from District Counsel included in packet, information only with a follow-up at the June meeting.

Update on billing software discussion with Board given the update from gWorks that migration is at minimum of a year out. Memo was included giving details of conversation with US Billing – staff to follow up at June meeting.

Reports:
Staff Reports – Updates
Board Member Comments

June Agenda Items: Cannon View Park Meger – Ad Hoc Committee; CVP Town Hall and Website Information for acquisition, TLT Funding, ODOT \$ and Funding, Vehicle Finance

Public Comments: Steve Hill expressed appreciation of everyone’s hard work.

Motion to adjourn by Tevis Dooley at 5:45 pm, second by Sam Garrison, motion carried.

Owen Dufka, Chair

Attest: Teri Fladstol, Secretary

DRAFT

	FY 25/26	1st Quarter	2nd Quarter	3rd Quarter	April 2026	May 2026	Fiscal Year to Date		
	Budget	Actual	Actual	Actual	Actual	Actual	Actual	Budget	%
01-6102 Auditing Service	\$ 9,000	\$ 7,500		\$ 4,500			\$ 12,000	\$ 9,000	133%
01-6103 Dues & Taxes		\$ 1,025	\$ 617	\$ 1,236			\$ 2,878		
01-6104 Legal Services	\$ 3,500	\$ 450					\$ 450	\$ 3,500	13%
01-6105 Liability & Property Insurance	\$ 12,512		\$ (59)	\$ 11,512			\$ 11,453	\$ 12,512	92%
01-6108 Project Maintenance	\$ 40,000	\$ 19,985	\$ 4,369				\$ 24,354	\$ 40,000	61%
01-6109 Recurring Maintenance	\$ 25,000	\$ 6,972	\$ 496	\$ 223	\$ 1,175		\$ 8,866	\$ 25,000	35%
01-6110 General Maintenance	\$ 30,000	\$ 3,724	\$ 6,677	\$ 8,838	\$ 4,242	\$ 627	\$ 24,108	\$ 30,000	80%
01-6111 Chemicals	\$ 6,000	\$ 4,199					\$ 4,199	\$ 6,000	70%
01-6112 Notices		\$ 131		\$ 446		\$ 809	\$ 1,386		
01-6113 Payroll Administration Service		\$ 219	\$ 177	\$ 118	\$ 39	\$ 39	\$ 592		
01-6114 Professional Services	\$ 1,000	\$ 545	\$ 1,080	\$ 1,100			\$ 2,725	\$ 1,000	273%
01-6116 Utilities	\$ 10,000	\$ 3,586	\$ 3,809	\$ 4,752	\$ 1,500	\$ 1,230	\$ 14,877	\$ 10,000	149%
01-7501 IFA Water Plant Upgrade - Princ	\$ 17,365		\$ 7,724				\$ 7,724	\$ 17,365	44%
01-7502 IFA Water Plant Upgrade - Int	\$ 3,407		\$ 1,424				\$ 1,424	\$ 3,407	42%
01-8000 Contingency - Gen Fund	\$ 78,000						\$ -	\$ 78,000	0%
01-8001 Unappropriated Bal - Gen Fund	\$ 55,074						\$ -	\$ 55,074	0%
Total 01-6000 REQUIREMENTS - General Fund	\$ 675,555	\$ 112,278	\$ 88,889	\$ 100,947	\$ 27,146	\$ 19,364	\$ 348,624	\$ 675,555	52%
02-4000 RESOURCES - CAPITAL FUND	\$ 106,943							\$ 106,943	
02-4100 REVENUE - Capital	\$ 355,000						\$ -	\$ 355,000	
02-4200 SDC Revenue	\$ 13,694	\$ 6,847	\$ 6,847	\$ 27,388			\$ 41,082	\$ 13,694	300%
02-4751 LGIP - Interest							\$ -		
Total 02-4000 RESOURCES - CAPITAL FUND	\$ 475,637	\$ 6,847	\$ 6,847	\$ 27,388	\$ -	\$ -	\$ 41,082	\$ 475,637	
02-6000 REQUIREMENTS - Capital Fund							\$ -		
02-7004 Asbury Creek Intake Move	\$ 355,000	\$ 10,767	\$ 18,099	\$ 14,185	\$ 18,100		\$ 61,150	\$ 355,000	17%
02-7005 Asbury Creek Relocation Project	\$ 24,000			\$ 23,005			\$ 23,005	\$ 24,000	96%
02-8000 Contingency - Capital Fund	\$ 36,000						\$ -	\$ 36,000	
02-8001 Unappropriated Balance	\$ 60,637							\$ 60,637	
Total 02-6000 REQUIREMENTS - Capital Fund	\$ 475,637	\$ 10,767	\$ 18,099	\$ 37,190	\$ 18,100	\$ -	\$ 84,155	\$ 475,637	18%
03-4000 RESOURCES - FOREST FUND	\$ 211,573							\$ 211,573	
03-4002 Beginning Bal - Restricted Fund	\$ 77,852						\$ -	\$ 77,852	
03-4100 REVENUE - Forest Fund							\$ -		
03-4300 Interest Income - Forest Fund	\$ 8,000	\$ 1,150	\$ 596	\$ 1,909	\$ 1,874	\$ 97	\$ 5,625	\$ 8,000	70%
03-4801 Business OR - ARPA	\$ 346,480	\$ 89,507	\$ 239,653	\$ 7,310		\$ 13,673	\$ 350,143	\$ 346,480	101%

	FY 25/26	1st Quarter	2nd Quarter	3rd Quarter	April 2026	May 2026	Fiscal Year to Date		
	Budget	Actual	Actual	Actual	Actual	Actual	Actual	Budget	%
03-4850 Private Donations Forest Fund	\$ 10,000			\$ 20,000			\$ 20,000	\$ 10,000	
Total 03-4000 RESOURCES - FOREST FUND	\$ 653,905	\$ 90,657	\$ 240,249	\$ 29,219	\$ 1,874	\$ 13,770	\$ 375,768	\$ 653,905	57%
03-6000 REQUIREMENTS - Forest Fund							\$ -		
03-6100 Materials & Services - Forest							\$ -		
03-6101 ODF - Fire Protection	\$ 3,028					\$ 408	\$ 408	\$ 3,028	
03-6102 Forest - Federal Audit	\$ 3,000						\$ -	\$ 3,000	
03-6103 Legal/Land Use Fees	\$ 4,000						\$ -	\$ 4,000	
03-6104 Finance Management	\$ 6,480	\$ 1,620	\$ 1,620	\$ 1,620	\$ 540	\$ 540	\$ 5,940	\$ 6,480	92%
03-6107 Road Management Consulting	\$ 25,000	\$ 9,809	\$ 2,083	\$ 1,650	\$ 452	\$ 1,118	\$ 15,111	\$ 25,000	60%
03-6108 Forest Management Consulting	\$ 3,000	\$ 363	\$ 2,277	\$ 3,064	\$ 2,026	\$ 1,938	\$ 9,668	\$ 3,000	322%
03-6110 Other Road Maintenance Services	\$ 125,000	\$ 54,083	\$ 75,507				\$ 129,590	\$ 125,000	104%
03-6111 Land Restoration	\$ 15,000	\$ 10,029	\$ 4,971				\$ 15,000	\$ 15,000	100%
03-6112 Miscellaneous	\$ 500						\$ -	\$ 500	
Total Materials & Services	\$ 185,008	\$ 75,903	\$ 86,458	\$ 6,334	\$ 3,019	\$ 4,003	\$ 175,716	\$ 185,008	95%
03-7000 Capital Outlay - Forest									
03-7001 Road Construction	\$ 125,000	\$ 125,000					\$ 125,000	\$ 125,000	100%
03-7002 Road Decommissioning	\$ 50,000	\$ 50,000					\$ 50,000	\$ 50,000	100%
03-8001 Contingency	\$ 60,501						\$ -	\$ 60,501	
03-8002 Restricted Balance	\$ 77,852							\$ 77,852	
7900 Interfund Transfer OUT	\$ 3,000							\$ 3,000	
03-8003 Unappropriated Balance	\$ 152,544							\$ 152,544	
Total 03-6000 REQUIREMENTS - Forest Fund	\$ 653,905	\$ 250,903	\$ 86,458	\$ 6,334	\$ 3,019	\$ 4,003	\$ 350,716	\$ 653,905	54%
Total Resources	\$1,805,097	\$ 186,047	\$ 379,500	\$ 195,147	\$ 39,290	\$ 63,643	\$ 863,626	\$1,805,097	
Total Expenditures	\$1,805,097	\$ 373,948	\$ 193,446	\$ 144,470	\$ 48,265	\$ 23,368	\$ 783,495	\$1,805,097	

FUND BALANCES:

Main Checking #1196	\$ 80,365
Forest Checking #8620	\$ 8,008
LGIP - General & Capital Fund	\$ 329,149
LGIP - Arch Cape Forest	\$ 202,259
LGIP - Arch Cape - Hollis Grant	\$ 77,853

AC Domestic Water Supply District
Check Detail Report
May 2026

Date	Type	Num	Name	Description	Amount
00-1000 #1196 Main Checking					
05/05/2026	Expense	EFT	Englund Marine	Parts	-147.50
05/06/2026	Check	2706	Pacific Power		-1,229.90
05/06/2026	Check	2707	SDIS		-57.00
05/06/2026	Check	2708	Jackson Oil		-210.48
05/06/2026	Check	2709	Daniel Becerra Lawn Care		-1,750.00
05/06/2026	Expense	EFT	M & N Clothing Astoria	Gear	-187.80
05/10/2026	Expense	EFT	Sure Payroll	Payroll Subscriptions	-39.32
05/12/2026	Expense	EFT	PERS	PERS - Employer	-697.91
05/13/2026	Check	2710	USA BlueBook	Parts	-35.92
05/13/2026	Check	2711	Cantel Barricade	Cones	-245.00
05/13/2026	Expense	EFT	Ricoh, USA Inc.	Copier	-102.43
05/14/2026	Expense	EFT	Sure Payroll	Payroll	-4,032.30
05/17/2026	Expense	EFT	Amazon.com		-14.99
05/21/2026	Check	2712	EO Media Group		-809.38
05/21/2026	Check	2714	Arch Cape Sanitary	#3360 paid Water & Sanitary in one check	-494.00
05/22/2026	Expense	EFT	Knox Company	Locks	-408.00
05/22/2026	Expense	EFT	Amazon.com	Parts	-706.90
05/24/2026	Expense	EFT	AT&T Mobility	Cell	-99.82
05/26/2026	Expense	EFT	QuickBooks Payments	Subscriptions	-115.00
05/27/2026	Check	2713	Jigsaw Consulting Services		-3,500.00
05/28/2026	Expense	EFT	PERS	PERS - Employer	-45.06
05/28/2026	Expense	EFT	Sure Payroll	Payroll	-4,032.33
05/29/2026	Expense	EFT	1st Security Bank		-10.00
05/29/2026	Expense	EFT	MODA Health	Health	-823.92
03-1000 Forest Fund #8620					
05/06/2026	Check	EFT	Springboard Forestry		-1,937.75
05/06/2026	Check	5031	Morgans Resource Management		-1,117.50
05/27/2026	Check	5032	Jigsaw Consulting Services		-540.00

AGENDA MEMORANDUM

TO: Arch Cape Domestic Water Supply District Board
FROM: Collin Stelzig, District Administrator
DATE: June 18, 2026
SUBJ: Approval of ODOT Cooperative Improvement Agreement for the Asbury Creek Waterline Relocation Project

BACKGROUND

ODOT is preparing the US 101 at Asbury Creek Fish Passage Project, State Transportation Improvement Program Key No. 18271. The highway project will replace the existing culvert at Asbury Creek with a fish-passable structure and complete associated roadway improvements. As shown on Exhibit A of the agreement, the work is located on US 101 between approximately mileposts 34.83 and 34.64.

The ODOT project affects two District facilities: the Asbury Creek water intake and the District's existing 8-inch water main crossing. Although the projects are related and must be coordinated, they have separate scopes and funding arrangements.

The intake relocation is being completed as a separate project under the District's existing utility-construction agreement with ODOT. In November 2025, the Board considered Amendment No. 01 to that agreement, which increased the reimbursable intake-relocation cost. The intake-relocation work remains fully reimbursable by ODOT, without a District matching contribution for that portion of the project.

The intake-relocation project is now moving into construction

The waterline relocation is a separate District obligation. The existing District water main must be relocated as part of the bridge project. The proposed Cooperative Improvement (Utility) Agreement, No. PO-73000-00060220, allows ODOT or its contractor to install the replacement waterline and related appurtenances as part of ODOT's larger bridge-construction contract. The agreement identifies this work as non-reimbursable utility work and requires the District to fund its actual cost.

REASON FOR THE AGREEMENT

The waterline work will be incorporated into ODOT's bridge project so the replacement water main is coordinated with the new bridge structure and the highway contractor's work. Under the agreement, ODOT will prepare the bid documents, administer the construction contract, pay the contractor directly, and complete the final cost reconciliation. The District will inspect its facilities and must review any waterline related change orders within five business days.

The relocation is necessary because the existing waterline conflicts with ODOT's bridge project. The agreement provides the administrative mechanism for completing the required relocation in coordination with the highway construction.

The District must deposit the estimated amount with ODOT in advance. After construction, ODOT will provide an itemized statement. The District will pay any additional actual cost or receive a refund if the deposit exceeds the final cost.

The District is pursuing a Business Oregon Special Public Works Fund loan for the waterline-relocation project. The cooperative agreement is an important supporting document for that

request because it establishes the scope, ODOT’s contracting role, the advance deposit requirement, and the initial construction estimate. In May 2026, Business Oregon advised that receipt of the agreement allowed staff to resume the funding recommendation and that the award can be finalized within a couple weeks. Business Oregon was still evaluating how to disburse funds before construction because the District must make an advance payment to ODOT rather than reimburse a contractor after the work is completed.

ODOT has indicated that the \$114,200 deposit will be needed by its October 12, 2026 PS&E milestone. The Business Oregon loan remains the District’s funding path. Staff has also asked ODOT to preserve the possibility of an irrevocable letter of credit if loan closing or disbursement timing does not align with the ODOT deadline.

The District’s FY 2026–27 budget carries \$160,995 for the Asbury waterline relocation and \$160,000 in anticipated waterline loan proceeds. That amount is higher than ODOT’s \$114,200 agreement estimate because the broader project budget previously prepared for Business Oregon included engineering, permitting, and contingency. Curran-McLeod’s October 2025 estimate was \$164,800, including permitting fees and a \$35,000 contingency for unforeseen conditions.

The ODOT agreement estimate appears to cover the ODOT-administered construction work, not necessarily every District cost associated with completing and financing the relocation.

TENTATIVE OVERALL SCHEDULE

Milestone	Tentative Timing
Intake relocation construction begins	Now
District waterline deposit due to ODOT	October 12, 2026
ODOT bridge construction	March 2027–January 2028
Waterline installation	During ODOT bridge construction

FINANCIAL IMPACT

Approval commits the District to the actual cost of the District owned waterline relocation. The current estimate is \$114,200. The FY 2026–27 budget includes sufficient authority for the anticipated project cost, and the District is working with Business Oregon to complete the related loan award.

RECOMMENDED ACTION

Approve Cooperative Improvement (Utility) Agreement No. PO-73000-00060220 and authorize the Board Chair to sign the agreement on behalf of the District. Authorize staff to remit the required advance deposit of up to \$114,200 once the Business Oregon funding and payment mechanism are finalized. Any requested increase above the approved amount should return to the Board for consideration.

SUGGESTED MOTION

I move to approve Cooperative Improvement (Utility) Agreement No. PO-73000-00060220 with the Oregon Department of Transportation for relocation of the District's water main as part of the US 101 at Asbury Creek Fish Passage Project; authorize the Board Chair to sign the agreement, including any non substantive corrections; and authorize staff to remit an advance deposit of up to \$114,200 once the Business Oregon funding and payment mechanism are finalized. Any request to increase the District's payment above \$114,200 shall be brought back to the Board for approval.

COOPERATIVE IMPROVEMENT (UTILITY) AGREEMENT
Project Name US101 at Asbury Creek

THIS AGREEMENT is made and entered into by and between the STATE OF OREGON, acting by and through its Department of Transportation, hereinafter referred to as "State or ODOT;" and the Arch Cape Domestic Water Supply District, acting by and through its elected officials, hereinafter referred to as "Agency," both herein referred to individually or collectively as "Party" or "Parties."

RECITALS

1. US 101, is a part of the state highway system under the jurisdiction and control of the Oregon Transportation Commission (OTC).
2. By the authority granted in Oregon Revised Statutes (ORS) [190.110](#), [366.572](#) and [366.576](#), ODOT may enter into cooperative agreements with counties, cities and units of local governments for the performance of work on certain types of improvement projects with the allocation of costs on terms and conditions mutually agreeable to the contracting parties.
3. ODOT, by ORS [366.220](#), is vested with complete jurisdiction and control over the roadways of other jurisdictions taken for state highway purposes. By the authority granted by ORS [373.020](#), the jurisdiction extends from curb to curb, or, if there is no regular established curb, then control extends over such portion of the right of way as may be utilized by ODOT for highway purposes. Responsibility for and jurisdiction over all other portions of a city street remains with the Agency.
4. By the authority granted in ORS [366.425](#), ODOT may accept deposits of money or an irrevocable letter of credit from any county, city, road district, person, firm, or corporation for the performance of work on any public highway within the State of Oregon. When said money or a letter of credit is deposited, ODOT shall proceed with the Project. Money so deposited shall be disbursed for the purpose for which it was deposited.
5. ODOT is conducting a project to replace a culvert with a fish passable structure to improve fish passage.. While the culvert is under construction, ODOT will use this opportunity to replace the Agency's non-reimbursable water lines.

NOW THEREFORE, the premises being in general as stated in the foregoing Recitals, it is agreed by and between the Parties hereto as follows:

TERMS OF AGREEMENT

1. Under such authority, ODOT and Agency agree that ODOT or its contractor shall install Agency's non reimbursable water lines located within the project, as required to complete ODOT's culvert project, hereinafter referred to as "Project." The location of the Project is approximately as shown on the sketch map attached hereto, marked Exhibit A, and by this reference made a part hereof.
2. The Project will be financed at an estimated cost of \$114,200 in Agency funds. The estimate for the total Project cost is subject to change. Agency shall be responsible for all work associated work as described in Exhibit B, attached hereto, and by this reference made a part hereof.
3. Agency and ODOT shall coordinate Change Order(s) affecting the Utility's facilities. The fillable Contract Change Order, form 734-1169, is available at the following web site:

[Highway - Construction Section ODOT Construction Forms](#)
4. The term of this Agreement shall begin on the date all required signatures are obtained and shall terminate upon completion of the Project and final payment or ten (10) calendar years following the date all required signatures are obtained, whichever is sooner.

AGENCY OBLIGATIONS

1. Agency grants ODOT the right to enter onto Agency right of way for the performance of duties as set forth in this Agreement.
2. During construction PSE programming and upon receipt of a fully executed copy of this Agreement and subsequent letter of request from ODOT, Agency shall forward to ODOT an advance deposit in the amount of \$114,200 for the Project, said amount being equal to the estimated total cost for the work performed by ODOT at Agency's request under ODOT Obligations, paragraph 2. Agency agrees to make additional deposits as needed upon request from ODOT. Depending upon the timing of portions of the Project to which the advance deposit contributes, it may be requested by ODOT prior to Preliminary Engineering, purchase of right of way, or approximately 4-6 weeks prior to Project bid opening.
3. Upon completion of the Project and receipt from ODOT of an itemized statement of the actual total cost of ODOT's participation for the Project, Agency shall pay any amount which, when added to Agency's advance deposit, will equal 100 percent of actual total ODOT costs for the Project. Any portion of said advance deposit which is in excess of the ODOT's total costs will be refunded or released to Agency.
4. All Agency waterline and appurtenances installed by ODOT or its contractor will require inspections by Agency. Agency personnel will work directly with ODOT personnel. Agency shall not contact or communicate with ODOT's contractor without

ODOT's consent. Agency will provide all necessary documentation to ODOT. ODOT shall present to Agency any Contract Change Order for review and written approval by Agency within 5 business day of receipt of ODOT's request.

5. Agency acknowledges and agrees that ODOT, the Oregon Secretary of State's Office, the federal government, and their duly authorized representatives shall have access to the books, documents, papers, and records of Agency which are directly pertinent to the specific Agreement for the purpose of making audit, examination, excerpts, and transcripts for a period of six (6) years after final payment (or completion of Project -- if applicable.) Copies of applicable records shall be made available upon request. Payment for costs of copies is reimbursable by ODOT.
6. Agency, if a City, by execution of Agreement, gives its consent as required by ORS 373.030(2) and ORS 105.760 to any and all changes of grade within the Agency limits, and gives its consent as required by ORS 373.050(1) to any and all closure of streets intersecting the highway, if any there be in connection with or arising out of the Project covered by the Agreement.
7. Agency's Project Manager for this Project is Matt Gardner (District Manager, 32065 East Shingle Mill Lane, Arch Cape, OR 97102, 503-812-7578, mattgardneracutil@gmail.com), or assigned designee upon individual's absence. Agency shall notify the other Party in writing of any contact information changes during the term of this Agreement.

ODOT OBLIGATIONS

1. ODOT, or its consultant, shall conduct the necessary field surveys, environmental studies, traffic investigations, preliminary engineering and design work required to produce and provide final plans, specifications and cost estimates for the Project; identify and obtain all required permits; perform all construction engineering, including all required materials testing and quality documentation; prepare all bid and contract documents; advertise for construction bid proposals; award all contracts; pay all contractor costs, provide technical inspection, project management services and other necessary functions for sole administration of the construction contract entered into for this Project.
2. ODOT shall, during construction PSE programming, forward to Utility a letter of request for an advance deposit in the estimated amount of \$114,200 for payment of water facilities. Requests for additional deposits shall be accompanied by an itemized statement of expenditures and an estimated cost to complete Project.
3. Upon completion of the Project, ODOT shall either send to Agency a bill for the amount which, when added to Agency's advance deposit, will equal 100 percent of the total ODOT costs for Project or ODOT will refund to Agency any portion of said advance deposit which is in excess of the total ODOT costs for Project.
4. ODOT shall perform the service under this Agreement as an independent contractor and shall be exclusively responsible for all costs and expenses related to its

employment of individuals to perform the work under this Agreement including, but not limited to, retirement contributions, workers' compensation, unemployment taxes, and state and federal income tax withholdings.

5. All employers, including ODOT, that employ subject workers who work under this Agreement in the State of Oregon shall comply with ORS [656.017](#) and provide the required Workers' Compensation coverage unless such employers are exempt under ORS [656.126](#). Employers Liability insurance with coverage limits of not less than \$500,000 must be included. ODOT shall ensure that each of its contractors complies with these requirements.
6. ODOT shall comply with all federal, state, and local laws, regulations, executive orders and ordinances applicable to the work under this Agreement, including, without limitation, the provisions of ORS [279C.505](#), [279C.515](#), [279C.520](#), [279C.530](#) and [279B.270](#) incorporated herein by reference and made a part hereof. Without limiting the generality of the foregoing, ODOT expressly agrees to comply with (i) [Title VI of Civil Rights Act of 1964](#); (ii) [Title V and Section 504 of the Rehabilitation Act of 1973](#); (iii) the [Americans with Disabilities Act of 1990](#), as amended, and ORS [659A.142](#); (iv) all regulations and administrative rules established pursuant to the foregoing laws; and (v) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.
7. ODOT's Project Manager for this Project is Nicole Frankl, State Utility Liaison, ODOT – Technical Services, 555 13th St. NE, Salem OR 97301, 503-385-6594, Nicole.Frankl@odot.oregon.gov, or assigned designee upon individual's absence. ODOT shall notify the other Party in writing of any contact information changes during the term of this Agreement.

GENERAL PROVISIONS

1. This Agreement may be terminated by either Party upon thirty (30) days notice, in writing and delivered by certified mail or in person.
2. Either Party may terminate this Agreement effective upon delivery of written notice to the other Party, or at such later date as may be established by that Party, under any of the following conditions:
 - a. If the other Party fails to provide the services called for by this Agreement within the time specified herein or any extension thereof.
 - b. If the other Party fails to perform any of the other provisions of this Agreement, or so fails to pursue the work as to endanger performance of this Agreement in accordance with its terms, and after receipt of written notice from the other Party fails to correct such failures within ten (10) days or such longer period as the other Party may authorize.
 - c. If either Party fails to receive funding, appropriations, limitations or other expenditure authority sufficient to allow that Party, in the exercise of its reasonable

administrative discretion, to continue to advance this Project or the terms of this Agreement.

- d. If federal or state laws, regulations or guidelines are modified or interpreted in such a way that either the work under this Agreement is prohibited or Agency is prohibited from paying for such work from the planned funding source.
3. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the Parties prior to termination.
 4. If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 ("Third Party Claim") against ODOT or Agency with respect to which the other Party may have liability, the notified Party must promptly notify the other Party in writing of the Third Party Claim and deliver to the other Party a copy of the claim, process, and all legal pleadings with respect to the Third Party Claim. Each Party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by a Party of the notice and copies required in this paragraph and meaningful opportunity for the Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to that Party's liability with respect to the Third Party Claim.
 5. With respect to a Third Party Claim for which ODOT is jointly liable with Agency (or would be if joined in the Third Party Claim), ODOT shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Agency in such proportion as is appropriate to reflect the relative fault of ODOT on the one hand and of Agency on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of ODOT on the one hand and of Agency on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. ODOT's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if ODOT had sole liability in the proceeding.
 6. With respect to a Third Party Claim for which Agency is jointly liable with ODOT (or would be if joined in the Third Party Claim), Agency shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by ODOT in such proportion as is appropriate to reflect the relative fault of Agency on the one hand and of ODOT on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Agency on the one hand and of ODOT on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent

the circumstances resulting in such expenses, judgments, fines or settlement amounts. Agency's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if it had sole liability in the proceeding.

7. The Parties shall attempt in good faith to resolve any dispute arising out of this Agreement. In addition, the Parties may agree to utilize a jointly selected mediator or arbitrator (for non-binding arbitration) to resolve the dispute short of litigation.
8. This Agreement may be executed in several counterparts (facsimile or otherwise) all of which when taken together shall constitute one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original.
9. This Agreement and attached exhibits constitute the entire agreement between the Parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind either Party unless in writing and signed by both Parties and all necessary approvals have been obtained. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of ODOT to enforce any provision of this Agreement shall not constitute a waiver by ODOT of that or any other provision.
10. Electronic Signatures. The Parties agree that signatures showing on PDF documents, including but not limited to PDF copies of the Agreement and amendments, submitted or exchanged via email are "Electronic Signatures" under ORS Chapter 84 and bind the signing Party and are intended to be and can be relied upon by the Parties. ODOT reserves the right at any time to require the submission of the hard copy originals of any documents.

THE PARTIES, by execution of this Agreement, hereby acknowledge that their signing representatives have read this Agreement, understand it, and agree to be bound by its terms and conditions.

This Project is in the 2024-2027 Statewide Transportation Improvement Program (STIP), (Key #18271) that was adopted by the Oregon Transportation Commission on July 13, 2023 (or subsequently by amendment to the STIP).

ODOT/ Arch Cape Domestic Water Supply District
Agreement No. PO-73000-00060220

Arch Cape Domestic Water Supply District, by
and through its elected officials

STATE OF OREGON, by and through
its Department of Transportation

By _____

By _____

Title _____

Date _____

Date _____

APPROVAL RECOMMENDED

**LEGAL REVIEW APPROVAL (If required in
Agency's process)**

By _____
State Utility and Rail Liaison

By _____
Agency Counsel

Date _____

Date _____

**APPROVED AS TO LEGAL
SUFFICIENCY**

Agency Contact:

Matt Gardner, District Manager
32065 East Shingle Mill Lane
Arch Cape, OR 97102
503-812-7578
mattgardneracutil@gmail.com

By N/A
Assistant Attorney General (If Over
\$250,000)

Date _____

ODOT Contact:

Nicole Frankl
State Utility and Rail Liaison
ODOT – Technical Services
555 13th St. NE
Salem OR 97301
503-385-6594
Nicole.Frankl@odot.oregon.gov

EXHIBIT A – Project Location Map

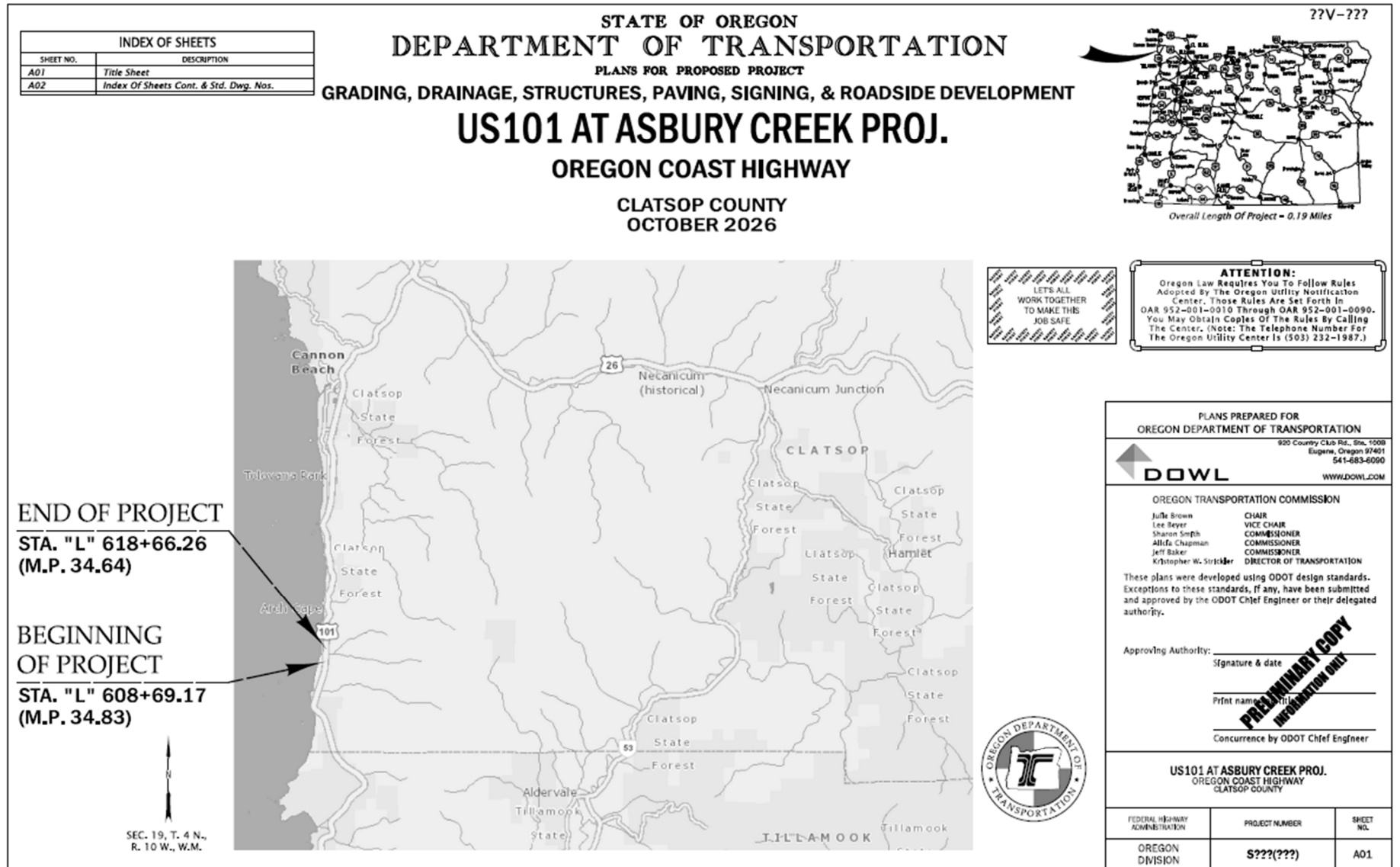


EXHIBIT B – Cost Estimate

Item	Cost	Quantity	Total
Hanger	\$1,000/EA	16 units	\$ 16,000
8" Diameter Pipe	\$300/LF	204 ft	\$ 61,200
8" Fittings (compression couplings, 45 bends)	\$2,000/EA	6 units	\$ 12,000
Water main connection each end including new valve			\$ 25,000
		TOTAL	\$ 114,200

AGENDA MEMORANDUM

TO: Arch Cape Sanitary District
Arch Cape Domestic Water Supply District Board

FROM: Collin Stelzig, District Administrator

DATE: June 18, 2026

SUBJ: Shared Work Truck Purchase, Cost Allocation, and Water District Financing Authorization

BACKGROUND

The Arch Cape Domestic Water Supply District and Arch Cape Sanitary District share staff and certain operational expenses under the districts’ existing Intergovernmental Agreement for Services. The existing IGA provides for the allocation of shared vehicle expenses between the districts.

The districts included funding in their adopted FY 2026–27 budgets for the purchase of a replacement work truck. The vehicle will be used for the operational needs of both districts.

The adopted budgets provide a combined vehicle-purchase allowance of \$85,000:

District	Budgeted Amount	Budget Approach
Arch Cape Domestic Water Supply District	\$42,500	Vehicle loan proceeds
Arch Cape Sanitary District	\$42,500	Cash contribution
Total Budgeted Vehicle Purchase	\$85,000	

The Water District budget also includes \$10,000 for annual debt service associated with the vehicle loan.

VEHICLE QUOTE

Staff obtained pricing through the State of Oregon cooperative purchasing process. Kendall Ford of Bend provided the attached factory order quote for a 2027 Ford F-250 Super Cab 4x4 with a Knapheide service body and ladder rack. The quote references Oregon State Contract PO-10700-00004358.

Item	Amount
Vehicle MSRP, including upfit and destination charge	\$75,240.00
State contract discount	(\$7,282.01)
Oregon privilege tax and estimated corporate activity tax	\$602.11
Total Quoted Purchase Price	\$68,560.10

The current quote is \$16,439.90 (\$8,219.95 each district) below the combined amount budgeted by the districts. At the quoted price, each district’s 50 percent share would be \$34,280.05.

Because factory pricing and vehicle availability may change before the transaction is completed, staff recommends authorizing the purchase of the quoted vehicle or a substantially equivalent replacement vehicle available through an applicable cooperative purchasing contract, subject to a total purchase price cap of \$75,000.

PROPOSED COST ALLOCATION AND OWNERSHIP ARRANGEMENT

Staff recommends that the boards approve the following arrangement for this specific vehicle purchase:

1. The vehicle will be acquired for the shared operational use of the Water and Sanitary Districts.
2. Each district will be responsible for 50 percent of the acquisition cost.
3. For administrative convenience, the vehicle will be purchased, titled, registered, insured, and recorded as a capital asset in the name of the Arch Cape Domestic Water Supply District.
4. The Sanitary District will reimburse the Water District for 50 percent of the acquisition cost.
5. Ongoing fuel, maintenance, repair, and replacement expenses will be allocated in accordance with the districts' existing IGA.
6. Any future trade in value, sale proceeds, or insurance proceeds associated with the vehicle will be allocated equally between the districts.
7. The Water District intends to fund its share of the acquisition cost using available unrestricted Water District funds, subject to confirmation of the appropriate accounting and budget treatment. If staff determines that financing is necessary or prudent to preserve adequate unrestricted working capital, the Water District may use commercial financing or an interfund transfer

WATER DISTRICT FUNDING OPTIONS

The adopted Water District FY 2026–27 budget assumed \$42,500 in vehicle loan proceeds and included \$10,000 for annual vehicle loan debt service.

At the current quoted vehicle price of \$68,560.10, the Water District's 50 percent share would be \$34,280.05. Following adoption of the budget, staff reviewed the Water District's current cash position and determined that a cash purchase may be feasible. The District maintains pooled cash in its checking and LGIP accounts. Those pooled balances include amounts attributable to unrestricted Water funds, restricted SDC funds, and separate Forest Fund balances. Staff is confirming the proper accounting treatment, with auditor, before completing the transaction.

Staff recommends using available unrestricted Water District funds for the purchase if the accounting review confirms that sufficient unrestricted cash is available. Restricted SDC funds would not be used as the funding source for the truck, and the truck would remain recorded as an unrestricted Capital Fund expenditure.

Commercial financing would remain available as a backup if staff determines that financing is necessary or prudent to preserve adequate unrestricted working capital.

First Security Bank has provided a preliminary quote for a five year business equipment loan with monthly principal and interest payments. The currently quoted interest rate is 6.763 percent, consisting of the current five year Federal Home Loan Bank rate of 4.263 percent plus 2.5 percent. The loan fee would be 1 percent of the financed amount, plus title costs.

If the Water District financed its current \$34,280.05 share under those terms, the estimated monthly payment would be approximately \$675. Total interest over five years would be approximately \$6,218, and the 1 percent loan fee would be approximately \$343. Paying cash would therefore avoid approximately \$6,560 in interest and loan fees. This savings would be

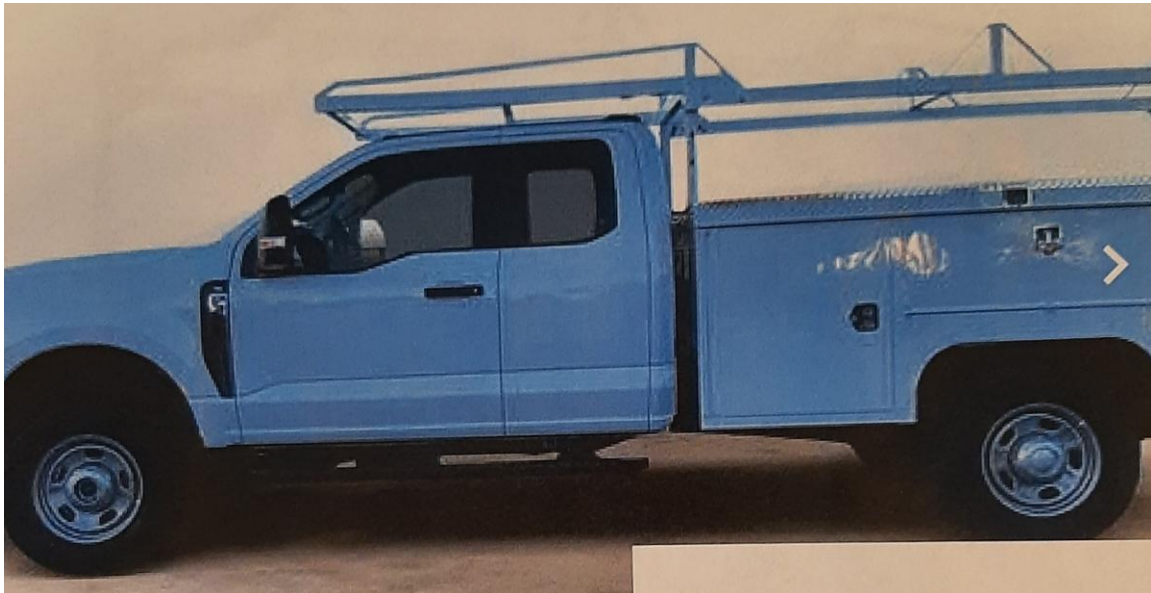
partially offset by the investment earnings the District would forgo by using cash currently held in the LGIP.

If a cash purchase is not appropriate after review of the available unrestricted balances, staff will compare the available commercial financing options and select the most favorable option that remains within the parameters authorized by the Board.

A formal interfund loan from unrestricted Forest Fund cash could also be considered if needed. Because an interfund loan would require a separate Board resolution establishing the amount, purpose, interest rate, and repayment terms, staff would return that option to the Water District Board for approval before proceeding.

TIMING

The purchase is included in the FY 2026–27 budgets. No payment, deposit, delivery, title transfer, or binding financial obligation will occur before July 1, 2026.



RECOMMENDED SANITARY DISTRICT ACTIONS

Motion 1 — Approve Shared-Vehicle Arrangement

Move to approve the shared work-truck cost-allocation and ownership arrangement described in the agenda memorandum, pursuant to the existing Intergovernmental Agreement for Services between the Arch Cape Domestic Water Supply District and the Arch Cape Sanitary District.

Motion 2 — Authorize Sanitary District Contribution

Move to authorize the Arch Cape Sanitary District to contribute 50 percent of the acquisition cost for the 2027 Ford F-250 Super Cab 4x4 with Knapheide service body and ladder rack described in the attached Kendall Ford quote, or a substantially equivalent vehicle available through an applicable cooperative purchasing contract, provided that the Sanitary District's contribution does not exceed \$37,500. Payment shall be made to the Arch Cape Domestic Water Supply District after July 1, 2026.

RECOMMENDED WATER DISTRICT ACTIONS

Motion 1 — Approve Shared Vehicle Arrangement

Move to approve the shared work truck cost allocation and ownership arrangement described in the agenda memorandum, pursuant to the existing Intergovernmental Agreement for Services between the Arch Cape Domestic Water Supply District and the Arch Cape Sanitary District.

Motion 2 — Authorize Vehicle Purchase

Move to authorize the purchase of the 2027 Ford F-250 Super Cab 4x4 with Knapheide service body and ladder rack described in the attached Kendall Ford quote, or a substantially equivalent vehicle available through an applicable cooperative purchasing contract, for a total purchase price not to exceed \$75,000. No payment, deposit, delivery, title transfer, or binding financial obligation shall occur before July 1, 2026.

Motion 3 — Authorize Financing and Execution of Documents

If staff determines, that commercial financing is necessary, move to authorize the Water District Chair to finalize commercial financing for the Water District's share of the vehicle purchase and execute the necessary loan documents, provided that the financed principal does not exceed \$37,500, the repayment term does not exceed five years, and the loan payments remain within the Water District's available budget authority.

Attachments

1. Kendall Ford of Bend Factory-Order Quote, dated May 28, 2026

Prepared for:

Arch Cape Water and Sanitary Districts

Prepared by: Matt Schmitz

05/28/2026



Kendall Ford of Bend | 2100 N. E. Third Street Bend Oregon | 977013692

2027 F-250 4x4 SD Super Cab 8' box 164" WB SRW XL (X2B)

Price Level: 715 | Quote ID: AC27X2B

As Configured Vehicle

Code	Description	MSRP
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Base Vehicle

X2B	Base Vehicle Price (X2B)	\$51,535.00
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Packages

600A	Order Code 600A <i>Includes:</i> - Engine: 7.3L 2V DEVCT NA PFI V8 Gas - Transmission: TorqShift-G 10-Speed Automatic <i>Includes SelectShift and selectable drive modes: normal, eco, slippery roads, tow/haul and off-road.</i> - Wheels: 17" Argent Painted Steel <i>Includes painted hub covers/center ornaments.</i> - HD Vinyl 40/20/40 Split Bench Seat <i>Includes center armrest, cupholder, storage and driver's side manual lumbar.</i> - Radio: AM/FM Stereo w/MP3 Player <i>Includes 6 speakers.</i> - Ford Connectivity Package (1-Year Included) <i>Includes unlimited Wi-Fi hotspot. Included for one-year from warranty start date. Requires activation via Ford app with credit card authorization; customer may cancel at any time. Evolving technology/cellular networks/vehicle capability may limit functionality and prevent operation of connected features. Ford may temporarily slow data speeds if such data usage reaches or exceeds 50GB within a billing cycle or due to network limitations. If a customer uses more than 50% of their data usage in a roaming country during a 60-day period, Ford may remove or limit the customer's data plan.</i> - SYNC 4 w/8" Center Display <i>Includes wireless Apple CarPlay and Android Auto compatibility, embedded apps digital owner's manual and 911 Assist.</i>	N/C
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Emissions

425	50-State Emissions System	STD
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Powertrain

99N	Engine: 7.3L 2V DEVCT NA PFI V8 Gas	Included
44F	Transmission: TorqShift-G 10-Speed Automatic <i>Includes SelectShift and selectable drive modes: normal, eco, slippery roads, tow/haul and off-road.</i>	Included
X3E	Electronic-Locking w/3.73 Axle Ratio	\$430.00
NONGV	GVWR: 9,900 lbs	Included

Wheels & Tires

TBM	Tires: LT245/75Rx17E BSW A/T <i>Spare may not be the same as road tire.</i>	\$165.00
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Prices and content availability as shown are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information.

Prepared for:

Arch Cape Water and Sanitary Districts

Prepared by: Matt Schmitz

05/28/2026

Kendall Ford of Bend | 2100 N. E. Third Street Bend Oregon | 977013692

**2027 F-250 4x4 SD Super Cab 8' box 164" WB SRW XL (X2B)**

Price Level: 715 | Quote ID: AC27X2B

As Configured Vehicle (cont'd)

Code	Description	MSRP
64A	Wheels: 17" Argent Painted Steel <i>Includes painted hub covers/center ornaments.</i>	Included
Seats & Seat Trim		
A	HD Vinyl 40/20/40 Split Bench Seat <i>Includes center armrest, cupholder, storage and driver's side manual lumbar.</i>	Included
Other Options		
164WB	164" Wheelbase	STD
PAINT	Monotone Paint Application	STD
STDRD	Radio: AM/FM Stereo w/MP3 Player <i>Includes 6 speakers.</i> <i>Includes:</i> - Ford Connectivity Package (1-Year Included) <i>Includes unlimited Wi-Fi hotspot. Included for one-year from warranty start date. Requires activation via Ford app with credit card authorization; customer may cancel at any time. Evolving technology/cellular networks/vehicle capability may limit functionality and prevent operation of connected features. Ford may temporarily slow data speeds if such data usage reaches or exceeds 50GB within a billing cycle or due to network limitations. If a customer uses more than 50% of their data usage in a roaming country during a 60-day period, Ford may remove or limit the customer's data plan.</i> - SYNC 4 w/8" Center Display <i>Includes wireless Apple CarPlay and Android Auto compatibility, embedded apps digital owner's manual and 911 Assist.</i>	Included
473	Snow Plow Prep Package <i>Includes computer selected springs for snowplow application. Note 1: Restrictions apply; see supplemental reference or body builders layout book for details. Note 2: May result in deterioration of ride quality when vehicle is not equipped with snowplow.</i> <i>Includes:</i> - 350 Amp Dual Alternators <i>Includes 190 Amp + 160 Amp.</i>	\$350.00
66D	Pickup Box Delete <i>Includes rear view camera and prep kit. Deletes tailgate, tie down hooks, rearview camera and 7/4 pin connector. Incomplete vehicle package - requires further manufacture and certification by a final stage manufacturer. In addition, Ford urges manufacturers to follow the recommendations of the Ford incomplete vehicle manual and the Ford truck body builder's layout book (and applicable supplements).</i> <i>Includes:</i> - Rear Bumper Delete - Spare Tire, Wheel, Jack & Tire Carrier Delete - GVWR: 9,900 lbs <i>The selection of 66D Pickup Box Delete adjusts the curb weight, but does not modify the payload. For payload information, contact your upfitter (final stage manufacture) or review the Body Builder Advisory Service (BBAS) website (www.fordbbas.com).</i>	-\$625.00
18J	Vehicle Integration System 2.0	\$400.00

Prices and content availability as shown are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information.

Prepared for:

Arch Cape Water and Sanitary Districts

Prepared by: Matt Schmitz

05/28/2026



Kendall Ford of Bend | 2100 N. E. Third Street Bend Oregon | 977013692

2027 F-250 4x4 SD Super Cab 8' box 164" WB SRW XL (X2B)

Price Level: 715 | Quote ID: AC27X2B

As Configured Vehicle (cont'd)

Code	Description	MSRP
	FIN code required to program the module. <i>Includes programmable vehicle integration system. Recommended for trucks that will utilize upfit aftermarket equipment.</i>	
86M	Dual AGM 68 AH Battery	\$210.00
67A	350 Amp Dual Alternators <i>Includes 190 Amp + 160 Amp.</i>	Included
52B	Trailer Brake Controller <i>Includes smart trailer tow connector.</i>	\$300.00
18B	Platform Running Boards	\$445.00
66S	Upfitter Switches (6) <i>Located in overhead console.</i>	\$250.00
153	Front License Plate Bracket <i>Standard in states requiring 2 license plates and optional to all others.</i>	N/C

Fleet Options

WARANT	Fleet Customer Powertrain Limited Warranty Requires valid FIN code. <i>Ford is increasing the 5-year 60,000-mile limited powertrain warranty to 5-years, 100,000 miles. Only Fleet purchasers with a valid Fleet Identification Number (FIN code) will receive the extended warranty. When the sale is entered into the sales reporting system with a sales type fleet along with a valid FIN code, the warranty extension will automatically be added to the vehicle. The extension will stay with the vehicle even if it is subsequently sold to a non-fleet customer before the expiration. This extension applies to both gas and diesel powertrains. Dealers can check for the warranty extension on eligible fleet vehicles in OASIS. Please refer to the Warranty and Policy Manual section 3.13.00 Gas Engine Commercial Warranty. This change will also be reflected in the printed Warranty Guided distributed with the purchase of every new vehicle.</i>	N/C
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Exterior Color

Z1_01	Oxford White	N/C
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Interior Color

AS_03	Medium Dark Slate w/HD Vinyl 40/20/40 Split Bench Seat	N/C
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Upfit Options

SB	Knapheide Service Body w/ Ladder Rack	\$18,985.00
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SUBTOTAL	\$72,445.00
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Prices and content availability as shown are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information.

Prepared for:

Arch Cape Water and Sanitary Districts

Prepared by: Matt Schmitz

05/28/2026



Kendall Ford of Bend | 2100 N. E. Third Street Bend Oregon | 977013692

2027 F-250 4x4 SD Super Cab 8' box 164" WB SRW XL (X2B)

Price Level: 715 | Quote ID: AC27X2B

As Configured Vehicle (cont'd)

Code	Description	MSRP
Destination Charge		\$2,795.00
TOTAL		\$75,240.00

Prices and content availability as shown are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information.

Prepared for:

Arch Cape Water and Sanitary Districts

Prepared by: Matt Schmitz

05/28/2026



Kendall Ford of Bend | 2100 N. E. Third Street Bend Oregon | 977013692

2027 F-250 4x4 SD Super Cab 8' box 164" WB SRW XL (X2B)

Price Level: 715 | Quote ID: AC27X2B

Pricing Summary - Single Vehicle

		MSRP
<i>Vehicle Pricing</i>		\$75,240.00
Subtotal		\$75,240.00
<i>Discount Adjustments</i>		-\$7,282.01
Subtotal		\$67,957.99
<i>Sales Taxes</i>		
Code	Description	MSRP
Oregon Tax	Oregon Privilege Tax	\$339.79
CAT	Estimated Corporate Activity Tax	\$262.32
Subtotal		\$68,560.10
Total		\$68,560.10

Customer Signature

Acceptance Date

Prices and content availability as shown are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information.

Prepared for:

Arch Cape Water and Sanitary Districts

Prepared by: Matt Schmitz

05/28/2026

Kendall Ford of Bend | 2100 N. E. Third Street Bend Oregon | 977013692



2027 F-250 4x4 SD Super Cab 8' box 164" WB SRW XL (X2B)

Price Level: 715 | Quote ID: AC27X2B

Please Note:

- Oregon State Contract: PO-10700-00004358

AGENDA MEMORANDUM

TO: Arch Cape Sanitary District
Arch Cape Domestic Water Supply District Board
FROM: Collin Stelzig, District Administrator
DATE: June 18, 2026
SUBJ: Shared Mini-Excavator Purchase and Ownership Arrangement

BACKGROUND

The Arch Cape Domestic Water Supply District and Arch Cape Sanitary District share staff, equipment, and certain operational expenses under the districts’ existing Intergovernmental Agreement for Services.

The districts included funding in their adopted FY 2026–27 budgets for the purchase of a shared mini excavator. Each district budgeted \$17,000, for a combined estimated purchase amount of \$34,000.

Staff obtained the attached quote from Peterson CAT for one new Caterpillar Model 301.7 compact excavator. The quoted machine is appropriately sized for smaller excavation and maintenance work and can be transported and used for operational needs of both districts.

QUOTED EQUIPMENT AND PRICE

Peterson CAT Quote No. 247535-01 includes:

- One new Caterpillar Model 301.7 compact excavator;
- expandable undercarriage;
- manual dual-lock coupler;
- 12-inch digging bucket;
- 39-inch grading bucket;
- hydraulic thumb;
- delivery to Arch Cape; and
- a 24-month or 2,000-hour standard warranty.

Item	Amount
Equipment sell price before cooperative-purchasing discount	\$48,676.00
Sourcewell member discount	(\$9,735.20)
Net balance	\$38,940.80
Corporate activity surcharge	\$221.96
Total quoted price	\$39,162.76

Because the quote will need to be refreshed and the quoted stock unit may no longer be available, staff recommends authorizing the quoted machine or a substantially equivalent Caterpillar Model 301.7 compact excavator available through the cooperative purchasing contract, for a total purchase price not to exceed \$40,000.

PURCHASING PROCESS

The purchase would be made through Sourcewell Contract No. 011723-CAT.

Sourcewell is a governmental cooperative purchasing organization that competitively solicits and awards contracts for use by participating governmental entities. Oregon law allows a contracting agency to purchase goods through a qualifying interstate cooperative procurement under ORS 279A.205 and ORS 279A.220.

The District is not bypassing competition. Instead, it is relying on the competitive solicitation already completed by Sourcewell. The District therefore does not need to conduct a separate local bid or three quote process for this purchase.

Before placing the order, staff will confirm the District’s eligibility to use the Sourcewell contract and complete any Oregon cooperative procurement notice or documentation required under ORS 279A.220.

BUDGET IMPACT

Each district budgeted \$17,000 for its share of the mini excavator. The current quote results in a cost of \$19,581.38 per district, which is \$2,581.38 above the mini excavator estimate.

Both districts also budgeted \$42,500 for their respective shares of the jointly used replacement work truck. The current truck quote is below the budgeted amount. As a result, the combined truck and mini excavator purchases remain below the total amount budgeted by each district for the two capital purchases.

Each District’s Share	Budgeted Amount	Current Estimate
Replacement work truck	\$42,500.00	\$34,280.05
Mini excavator, as quoted	\$17,000.00	\$19,581.38
Combined total	\$59,500.00	\$53,861.43
Amount remaining below combined budget		\$5,638.57

PROPOSED OWNERSHIP AND PAYMENT ARRANGEMENT

Staff recommends that the boards approve the following arrangement for this specific purchase:

1. The mini excavator will be acquired for the shared operational use of the Water and Sanitary Districts.
2. Each district will be responsible for 50 percent of the acquisition cost.
3. For administrative convenience, the mini excavator will be purchased, insured, and recorded as a capital asset in the name of the Arch Cape Domestic Water Supply District.
4. Each district will pay its respective 50-percent share directly to Peterson CAT. Both payments will be applied to a single invoice issued to the Water District.
5. Ongoing fuel, maintenance, repair, insurance, and replacement expenses will be allocated in accordance with the districts’ existing IGA.
6. Any future trade in value, sale proceeds, insurance proceeds, or other funds received from disposition of the mini excavator will be allocated equally between the districts unless the boards agree otherwise.

Approval of this memorandum and the associated motions by both boards will document the arrangement for this purchase. No amendment to the existing IGA is proposed.

HYDRAULIC-THUMB OPTION

The attached quote includes a hydraulic thumb, with a listed price of \$2,326.

The hydraulic thumb can be useful for handling rocks, logs, roots, and other debris. Matt has indicated that the districts can operate the excavator without this attachment if the boards prefer to reduce the purchase cost.

After applying the Sourcewell discount and corresponding surcharge adjustment, removing the hydraulic thumb is expected to reduce the total purchase price by approximately \$1,871.41. Peterson CAT will need to confirm the revised price.

Configuration	Estimated Total Cost	Estimated 50% Share for Each District
As quoted, with hydraulic thumb	\$39,162.76	\$19,581.38
Without hydraulic thumb	Approximately \$37,291.35	Approximately \$18,645.68
Estimated savings	Approximately \$1,871.41	Approximately \$935.70

RECOMMENDED SANITARY DISTRICT MOTION

Move to approve the shared mini-excavator arrangement described in the agenda memorandum and authorize the Sanitary District to pay 50 percent of the acquisition cost of the quoted Caterpillar Model 301.7 compact excavator, or a substantially equivalent unit available under a Sourcewell Contract, in an amount not to exceed \$20,000. No payment shall occur before July 1, 2026.

Optional Amendment — Remove Hydraulic Thumb

If the Board wishes to remove the hydraulic thumb, a board member may move to amend the pending motion before the Board votes:

Move to amend the pending motion to remove the hydraulic thumb from the mini-excavator order and reduce the Sanitary District’s maximum contribution from \$20,000 to \$19,000, subject to confirmation of the revised configuration and price by Peterson CAT.

The Board should vote on the amendment first and then vote on the main motion, as amended if the amendment passes.

RECOMMENDED WATER DISTRICT MOTION

Move to approve the shared mini excavator arrangement described in the agenda memorandum and authorize the Water District to purchase the quoted Caterpillar Model 301.7 compact excavator, or a substantially equivalent unit available under a Sourcewell Contract, for a total purchase price not to exceed \$40,000, with each district responsible for 50 percent of the acquisition cost. Authorize the Water District Chair to sign the purchase order and other documents reasonably necessary to complete the transaction after applicable procurement requirements have been satisfied. No payment or binding financial obligation shall occur before July 1, 2026.

Optional Amendment — Remove Hydraulic Thumb

If the Board wishes to remove the hydraulic thumb, a board member may move to amend the pending motion before the Board votes:

Move to amend the pending motion to remove the hydraulic thumb from the mini-excavator order and reduce the maximum authorized purchase price from \$40,000 to \$38,000, subject to confirmation of the revised configuration and price by Peterson CAT.

The Board should vote on the amendment first and then vote on the main motion, as amended if the amendment passes.



AGENDA MEMORANDUM

TO: Arch Cape Sanitary District
Arch Cape Domestic Water Supply District Board

FROM: Collin Stelzig, District Administrator

DATE: June 18, 2026

SUBJ: Transient Lodging Tax Revenue – Joint Letter to Clatsop County Board of Commissioners

PURPOSE

Consider approval of a joint letter requesting that the Clatsop County Board of Commissioners evaluate the use of Arch Cape generated Transient Lodging Tax (TLT) revenue to help address tourism related impacts on Arch Cape water and sanitary infrastructure.

BACKGROUND

At the May 21, 2026 District meetings, Bill Campbell provided public comment regarding the County's treatment of Transient Lodging Tax (TLT) revenue collected from lodging within Arch Cape. The Boards discussed the issue and indicated that a joint letter should be sent to the County.

The Districts understand that Clatsop County Ordinance No. 25-12 changed the prior treatment of Arch Cape-generated TLT revenue. Beginning in Fiscal Year 2027–28, revenue collected in Arch Cape will no longer be specifically allocated for projects within Arch Cape. Arch Cape road and drainage projects will instead compete with projects countywide, and no Arch Cape-specific allocation has been established for water or sanitary infrastructure.

House Bill 4148 was enacted by the Oregon Legislature in 2026, with amendments operative January 1, 2027. The legislation expressly allows qualifying local TLT revenue to fund city or county services, whether emergency or nonemergency, when those services are provided by a special district in lieu of the city or county. It also increases the allowable local-services share of qualifying TLT revenue from 30% to 50%.

Arch Cape is an unincorporated community. Its essential water and sanitary services are not provided directly by a city or the County. They are provided by the Arch Cape Domestic Water Supply District and Arch Cape Sanitary District. The Districts therefore fit the framework established by HB 4148 for County consideration of TLT support.

DISCUSSION

Arch Cape water and sanitary services are directly affected by tourism. Visitor demand increases water consumption, wastewater flows, operating demands, and long term wear on infrastructure. Reliable water infrastructure is also necessary for fire protection and emergency response.

Preliminary information suggests that in Fiscal Year 2024–25, lodging within Arch Cape generated approximately 32.7% of the County's total TLT revenue, even though Arch Cape represents less than 1% of the County's population. District estimates also indicate that visitor activity accounts for approximately 37% of annual water and sanitary system demand.]

The attached draft letter does not request a predetermined dollar amount. Instead, it asks the County Board to:

1. Recognize water and sanitary services as tourism impacted services eligible for consideration under the County's TLT policy;
2. Consider amending Ordinance No. 25-12, if needed, to allow an equitable portion of Arch Cape generated discretionary TLT revenue to support Arch Cape water and sanitary infrastructure; and
3. Schedule a work session with representatives of the Districts to discuss documented needs and an appropriate funding process.

FISCAL IMPACT

There is no direct fiscal impact associated with sending the letter. Any future revenue allocation would require additional discussion and action by the County and the District Boards.

RECOMMENDATION

Approve the attached joint letter and authorize the Board Chairs to sign and transmit it to the Clatsop County Board of Commissioners.

Suggested Motion – Sanitary District

“Move to approve the joint letter to the Clatsop County Board of Commissioners regarding the use of Arch Cape generated Transient Lodging Tax revenue for tourism related impacts on Arch Cape water and sanitary infrastructure; authorize the Sanitary District Board Vice-Chair to sign the letter on behalf of the District; and authorize staff to transmit the letter and request a County work session.

Suggested Motion – Water District

“Move to approve the joint letter to the Clatsop County Board of Commissioners regarding the use of Arch Cape generated Transient Lodging Tax revenue for tourism related impacts on Arch Cape water and sanitary infrastructure; authorize the Water District Board Chair to sign the letter on behalf of the District; and authorize staff to transmit the letter and request a County work session.



June 18, 2026

Mark Kujala, Chair
Clatsop County Board of Commissioners
800 Exchange Street, Suite 410
Astoria, OR 97103

Re: Arch Cape Generated Transient Lodging Tax Revenue and Water and Sanitary Infrastructure**

Dear Chair Kujala and Members of the Board:

The Arch Cape Domestic Water Supply District and Arch Cape Sanitary District respectfully request an opportunity to discuss the use of Transient Lodging Tax (TLT) revenue generated within Arch Cape to help address tourism related impacts on Arch Cape water and sanitary infrastructure.

The Districts understand that Ordinance No. 25-12 changed the County's prior treatment of TLT revenue collected from lodging in Arch Cape. Beginning in Fiscal Year 2027–28, Arch Cape generated revenue will no longer be specifically allocated for projects within Arch Cape. We understand that the County made this change to better address the impacts of tourism on critical public-safety services throughout the County.

The Districts support that objective. We also believe that Arch Cape water and sanitary services warrant consideration as tourism impacted services that are essential to public safety and the continued viability of tourism.

Arch Cape is an unincorporated coastal community with a relatively small year round ratepayer base and substantial seasonal visitor demand. Visitors directly use the community's water and sanitary systems. During periods of peak tourism, demand increases water consumption, wastewater flows, operational demands, and wear on infrastructure. Reliable water supply and distribution infrastructure are also necessary to support fire protection and emergency response.

Preliminary information suggests that in Fiscal Year 2024–25, lodging within Arch Cape generated approximately 32.7% of the County's total TLT revenue, even though Arch Cape represents less than 1% of the County's population. District estimates also indicate that visitor activity accounts for approximately 37% of annual water and sanitary system demand.

House Bill 4148, enacted by the Oregon Legislature in 2026 and operative January 1, 2027, provides counties with additional flexibility in the use of local TLT revenue. The legislation allows qualifying revenue to fund city or county services, whether emergency or nonemergency, when those services are provided by a special district in lieu of the city or county. The legislation also increases the allowable local-services share of qualifying TLT revenue from 30% to 50%.

Arch Cape is precisely the type of unincorporated community for which this flexibility is important. Water and sanitary services are not provided directly by a city or the County. They are provided by the Arch Cape Domestic Water Supply District and Arch Cape Sanitary District. These essential services support public health, fire protection, emergency response, and a functioning tourism economy.

The Districts respectfully request that the County Board:

1. Recognize water and sanitary services as tourism-impacted services eligible for consideration under the County's TLT policy;
2. Consider amending Ordinance No. 25-12, if necessary, to allow an equitable portion of Arch Cape generated discretionary TLT revenue to support stabilization, maintenance, and rehabilitation of Arch Cape water and sanitary infrastructure; and
3. Schedule a work session with representatives of the Districts to review documented infrastructure needs and discuss an appropriate funding process.

The Districts are not requesting that the County commit to a specific dollar amount at this time. We are asking for an opportunity to work collaboratively with the County to develop an equitable approach that recognizes the direct impacts of tourism on Arch Cape infrastructure and supports a safe, healthy, and sustainable coastal community.

Thank you for your consideration. We would appreciate the opportunity to meet with the Board at a future work session.

Sincerely,

Owen Dufka, Board Chair
Arch Cape Domestic Water Supply District

Casey Short, Vice-Chair
Arch Cape Sanitary District

cc: Clatsop County Manager

AGENDA MEMORANDUM

TO: Arch Cape Domestic Water Supply District Board & Arch Cape Sanitary District Board
FROM: Teri Fladstol, Admin Assistant
DATE: June 18, 2026
SUBJ: Billing Software Status & Transition Plan - UBMax to USBilling Online

UPDATE

Tasked by the Board to determine if US Billing is able to provide the services we are looking for, I have spoken with their IT support services to verify that they are able to run a quarterly billing alongside our current UBMax billings to verify that the migration is working properly. They have 28 years of experience working with utilities and continue to develop the systems asked for by small utility companies. They have asked if there is anything else the Board would like to see as we move through this process.

- 1) Each month's usage can be listed on the billing (example below). The example also shows sewer listed, an option if we wanted to submit one combined bill, which would require one bank account (see Bank Accounts below).

METER READ	04/30/2026 10503	06/03/2026 11816	USAGE 1313	SRV ADDR 123 main street2
Previous Balance			\$207.92	
05/30/2026 WATER1		1167 gal	\$25.38	BILL DATE 06/03/2026
03/03/2026 WATER1		1334 gal	\$25.76	DUE DATE 07/03/2026
Payments			-\$145.00	AMT DUE \$103.96
WATER1			\$25.71	IF LATE PAY \$114.36
Sewer			\$15.33	ACCT NO 197808
Total:			\$103.96	

Return this stub with payment

DOUG SMITH
123 main street2
Minneapolis, MN 55343

- 2) Website portal for users to log in and pay their bill. Payment options (ACH draft and/or credit cards) are still being discussed.
- 3) We will maintain two billing systems so that both Districts keep their own billing processes and payments. Migrating to one combined system remains an option for later (see Bank Accounts below).
- 4) I am working in the sand-box and will be able to see how the June 10th billing looks in their system, from the admin side as well as user-facing. We can test card-style or full-page billings; full-page has been preferred by many in our community.

WHAT WILL HAPPEN

USBilling will run alongside UBMax, not in place of it, for a full quarterly cycle and they will be loading the most recent June 2026 billing to compare against. September 2026 billing will be produced by both systems; customers receive the normal UBMax bill while staff reconciles the USBilling output against it. Only after the two systems match does USBilling issue its first real bills, with the December 2026 billing. This parallel period is the safeguard against a repeat of the gWorks problems: no customer sees a bill from the new system until it has proven it can reproduce our quarterly cycle (base rates billed in advance, tiered consumption billed in arrears) correctly. US Billing has confirmed they can support this parallel verification approach.

DATA TRANSFER

A minimum of 3 years of historical Water and Sanitary billing data (2023 to 2026), including accounts, payment history, consumption readings, and balances, will be migrated in July and verified account by account against UBMax before parallel billing begins. IT felt they could bring in the history from that is in UBMAX currently, which would be optimal.

BANK ACCOUNTS & PAYMENT HANDLING

USBilling can bill both Districts from one interface, but how payments are deposited is a separate decision with two options:

- Two systems (proposed for go live): each District keeps its own bank account and receives its own payments, exactly as today. Customers see separate Water and Sanitary charges; checks remain payable to the specific District. No change to fund handling, accounting, or audit treatment for either District.
- One combined bill (future option): customers would see a single bill and make one payment. This requires a single bank account receiving all payments that are done online [checks mailed to each District would still be deposited to the individual District account], plus a documented process for splitting and transferring each District's share. That is an accounting and audit question for two separate municipal corporations and needs to be worked out with the bank and reviewed before adoption.

Recommendation: go live in December with the two-system approach (no change to fund handling) and revisit the combined bill once the new software has operated smoothly.

CUSTOMER COMMUNICATION

- September billing: insert in every bill plus website notice announcing the change and the December switch date.
- November (one month before switch): special mailer to all rate payers with user friendly, step by step directions for creating an online account, and the deadline to do so. Staff available by phone and in person to help.
- Online bill pay requires a customer account; checks remain payable to the specific District as today and are unaffected.

PROPOSED SCHEDULE

When	Milestone
June 2026 (underway)	Sandbox testing: the June 10 quarterly billing is being replicated in USBilling, viewed from both the admin and customer side; full page bill format being tested. Authorize contract (\$356 onboarding now; \$3,567 on July 1 for a 3 year cycle, both Districts).
July 2026	Contract signed; onboarding begins. Migration of at least 3 years of Water and Sanitary billing history (2023 to 2026): accounts, payments, consumption readings, balances.
August 2026	Migrated data verified account by account against UBMax. Staff training.
September 2026	Quarterly bills go out as normal from UBMax. The same billing run is generated in USBilling in parallel and reconciled line by line. Bill insert and website notice announce the upcoming change.
October 2026	Parallel operation continues. Boards confirm online payment options (ACH draft and/or credit card). Customer portal opens for early account setup.
November 2026	Special mailer to every rate payer: plain language, step by step directions for creating an online account, with the December deadline. Office assistance available by phone or in person.
December 2026	GO LIVE. December quarterly billing is the first issued from USBilling, with monthly usage shown on the bill. Online payment becomes available.
Jan to Mar 2027	UBMax history exported and archived for reference before the paid subscription ends December 31, 2026 (no gWorks renewal, saving \$5,260/yr). March 2027 billing completes a second clean cycle on USBilling.

FALLBACK

If September parallel results do not fully reconcile, the December billing stays on UBMax and go live moves to the March 2027 billing. Because UBMax is paid only through the end of 2026, this would require renewing gWorks for another full year (about \$5,260 for both Districts), so it is the absolute worst case, not a planned option. Customers are not exposed to an unverified system.

AGENDA MEMORANDUM

TO: Arch Cape Domestic Water Supply District Board
FROM: Collin Stelzig, District Administrator
DATE: June 18, 2026
SUBJ: Hug Point Road Relocation — Easement Amendment and Replacement District Access Easement

BACKGROUND

At its May meeting, the Board discussed the ongoing slope instability affecting the eastern portion of the Hug Point Road system, the planned relocation and decommissioning work, and the need to address access easements associated with the project.

Since that meeting, the Oregon Department of Forestry (ODF) has provided a draft memorandum of agreement and an amendment to its existing recorded Hug Point Road easement. ODF has requested that the necessary easement documents be completed before new road construction or road decommissioning work proceeds.

The contractor is currently onsite. The District also has a limited opportunity to use available grant funds for eligible road work before the August 31, 2026 expenditure deadline. Prompt conditional authorization will allow the work and legal documentation to move forward without requiring an additional Board meeting solely to approve final drafting revisions.

EASEMENT AMENDMENT

ODF currently holds an existing recorded easement for access over portions of the Hug Point Road system. Due to the continuing slope instability, portions of the existing route are being relocated to a more stable alignment.

The proposed amendment will update and relocate the affected portions of ODF's existing access easement generally consistent with the proposed road alignment and exhibits. The final legal descriptions and document language remain subject to review by District staff and legal counsel.

REPLACEMENT DISTRICT ACCESS EASEMENT

The relocated road also includes a segment across property owned by L&C Tree Farms, LLC. Once the unstable portion of the existing road is decommissioned, the District will need continued access over the relocated route to reach the eastern portion of its property.

The District is therefore seeking a permanent, recordable access easement from L&C Tree Farms over the necessary portion of the relocated road. The easement should be generally consistent with the existing road access easements and sufficient for District staff, contractors, vehicles and equipment.

COST ALLOCATION

Cost allocation and invoicing for the road work are being coordinated administratively within the District's existing budget and contracting authority. No separate Board policy direction is requested as part of this agenda item.

RECOMMENDATION

Staff recommends conditional authorization so that the Chair, staff and legal counsel can complete the necessary easement documents promptly while preserving the District's long-term access rights.

PROPOSED MOTION

I move that the Board authorize the Chair to execute an amendment to the existing Hug Point Road System Easement and any related memorandum of agreement necessary to relocate the existing ODF access easement generally consistent with the draft documents and proposed road alignment, subject to the following conditions:

1. Final review and approval of the documents by District legal counsel and the District staff;
2. Receipt by the District of a permanent, recordable access easement over the relocated road on L&C Tree Farms, LLC property, on terms reasonably consistent with the existing road easements and approved by District legal counsel;
3. Confirmation that any District cost participation is within the adopted budget and applicable administrative and contracting authority; and

The Chair is authorized to sign the final documents, and staff is authorized to take the related administrative steps necessary to complete the transaction

MEMORANDUM OF AGREEMENT RE: HUG POINT ROAD EASEMENT AND COST SHARE

The State of Oregon acting by and through the Board of Forestry, on behalf of the Oregon Department of Forestry (ODF) was granted an easement by Weyerhaeuser Company on Hug Point Road in portions of Sections 17, 18, 19, and 20, T4N, R10W, W.M., Clatsop County, Oregon. Current landowners over portions of the easement: Arch Cape Water District (ACWD) in portions of Sections 19 and 20 and L&C Tree Farms, LLC c/o Nuveen Natural Capital (L&C) in portions of Sections 17 and 20.

A portion of the existing road has become blocked and an ongoing maintenance issue due to geotechnical instability. The parties have identified an alternate location for long term access and wish to amend the existing easement to include new road segments and remove the old road segments. The parties have agreed to cost share portions of the work.

Therefore, ODF, L&C, and ACWD agree to amend said easements following the terms and conditions as outlined below.

1. ODF agrees to prepare and execute the documents to amend the Easement (ODF Ref #311.04613) which will add and remove road segments as identified in subsequent sections of this agreement.
2. L&C agrees to amend existing easement over new roads to be constructed and existing roads and remove old road segments as shown on Exhibit A and proposed legal descriptions.
3. ACWD agrees to amend existing easement over new roads to be constructed and existing roads and remove old road segments as shown on Exhibit A and proposed legal descriptions.
4. L&C and ACWD agree that all other conditions shall remain the same as exist in ODF's existing Easement (ODF Ref #311.04613).
5. L&C and ACWD agree to contract all portions of new road construction, road improvements, and road decommissioning with a contractor approved by all parties. Road construction and decommissioning work shall be completed by August 31, 2026.
6. ODF agrees to review new road construction and improvement plans and provide feedback prior to and during work.
7. ODF and L&C agree to share the costs of new road construction and road improvements at a share of 50 percent each, at a total estimate before cost share of \$45,000. Any amount above this estimate shall be approved by both parties. The contractor shall invoice each party separately for their share of the work.
8. ODF, L&C, and ACWD agree to share the costs of road decommissioning at a share of 1/3 each, at a total estimate before cost share of \$18,500. Any amount above this estimate shall be approved by all parties. The contractor shall invoice each party separately for their share of the work.
9. Each party shall be responsible for having their amendment document recorded and will provide the other party with a copy of the recorded amendment.
10. The amendment documents shall be executed as soon as is practical upon completion of the road work.

EXHIBIT A – MAPS

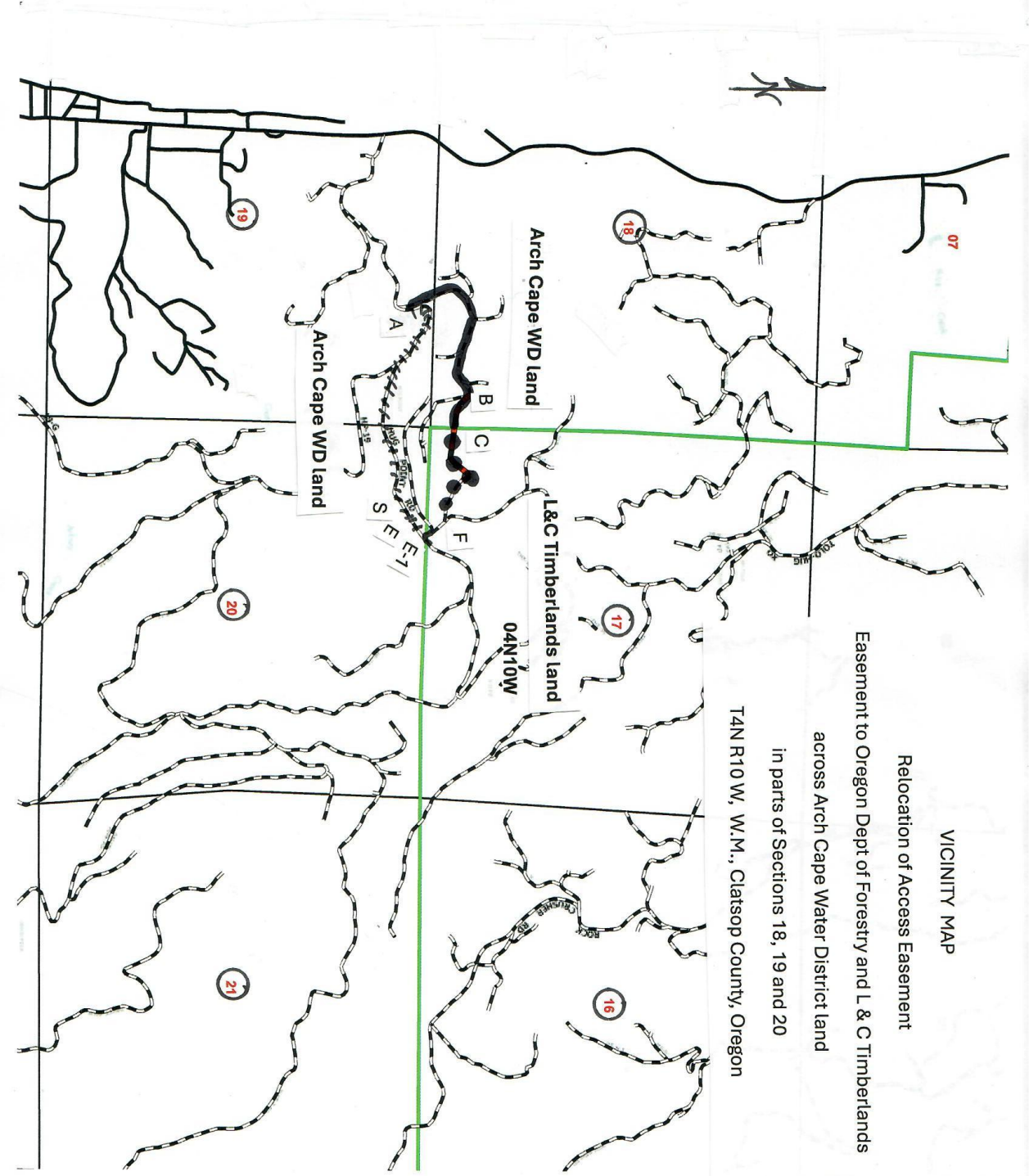
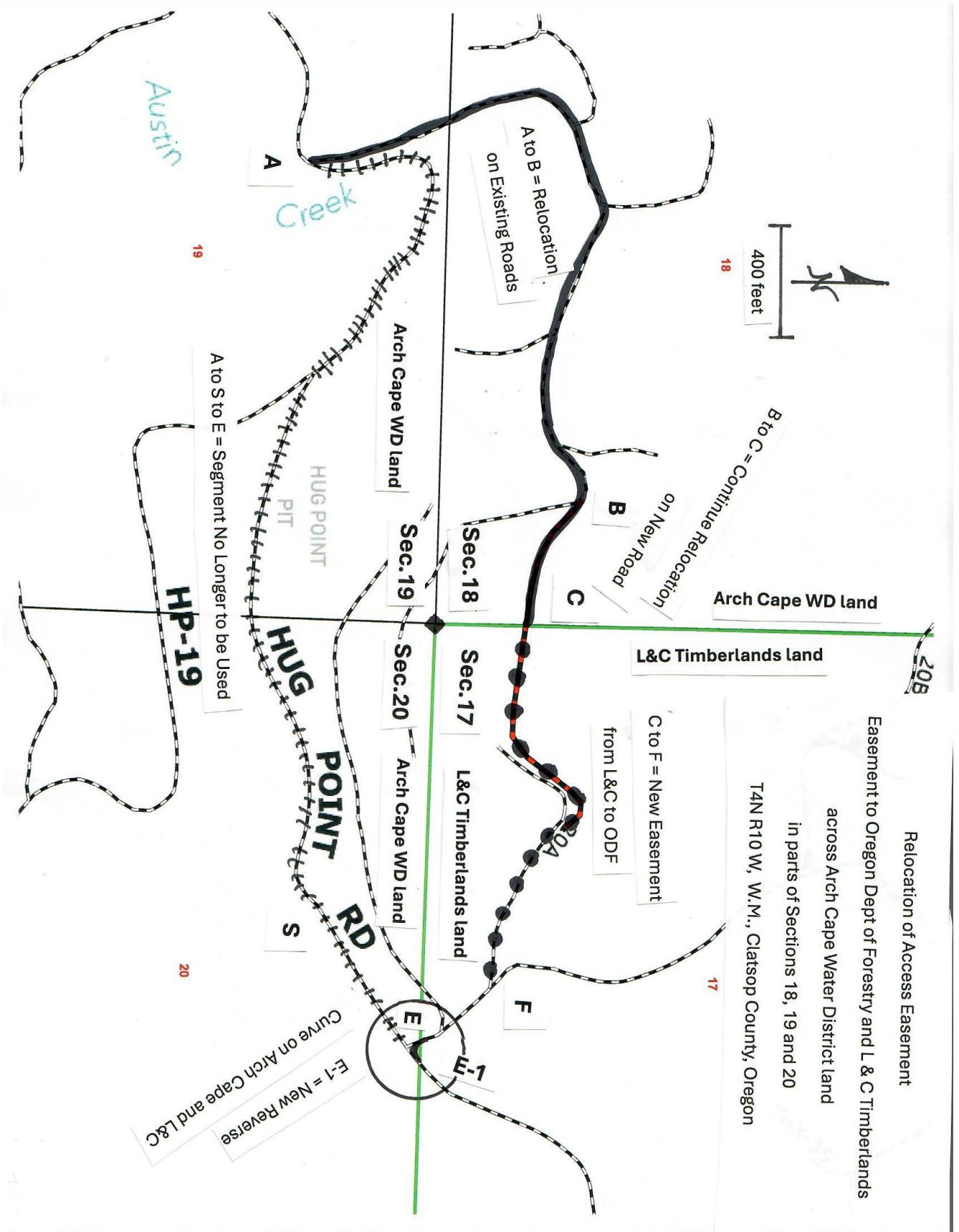


EXHIBIT A – MAPS

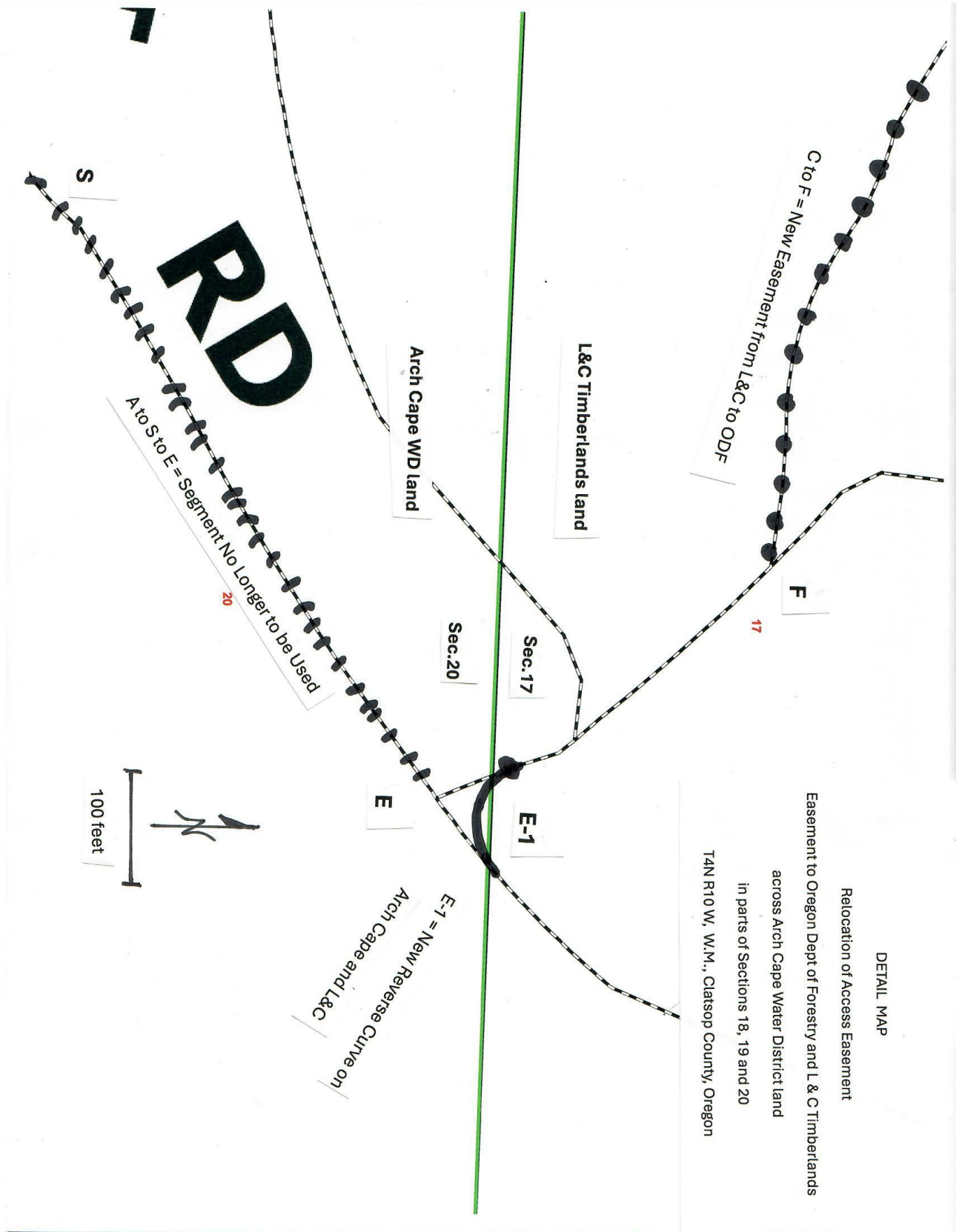


Relocation of Access Easement
 Easement to Oregon Dept of Forestry and L & C Timberlands
 across Arch Cape Water District land
 in parts of Sections 18, 19 and 20
 T4N R10 W, W.M., Clatsop County, Oregon

20B

E-1 = New Reverse Curve on Arch Cape and L&C

EXHIBIT A – MAPS



Relocation of Access Easements
Easement to Oregon Dept of Forestry and L & C Timberlands
across Arch Cape Water District land
in parts of Sections 18, 19 and 20
T4N R10W, W.M., Clatsop County, Oregon

Proposed Easement C to B to A - from Arch Cape to ODF

An amended location segment of an existing easement for ingress and egress, the approximate centerline of which is depicted on attached exhibit maps, and which is described as follows: Beginning at the Southeast corner of Section 18, in Township 4 North, Range 10 West of the Willamette Meridian, Clatsop County, Oregon, running thence northerly along the east line of said Section 18, a distance of approximately 320 feet to the center of a proposed new road to be built, and the true point of beginning;
Running thence Northwesterly along the centerline of a new road segment to be built as approximately depicted on the attached exhibit maps, a distance of approximately 520 feet to an existing road,
Thence along existing roads as shown on the attached exhibit maps for a distance of approximately 2,600 feet to a junction of these existing roads with the existing easement at the Hug Point Mainline road.

Proposed Easement E-1 – from Arch Cape to ODF

An amended curved location segment of an existing easement for ingress and egress, the approximate centerline of which is depicted on the attached Detail exhibit map, and which is described as follows:
Beginning at the Northwest corner of Section 20, in Township 4 North, Range 10 West of the Willamette Meridian, Clatsop County, Oregon, running thence easterly along the north line of said Section 20, a distance of approximately 1450 feet to the center of an existing road at a point northwest of an existing 3-way road junction and the true point of beginning;
Running thence on a curve concave to the north, in a southeasterly to northeasterly direction to rejoin the existing Hug Point Mainline Road, the purpose of this new road segment being to enable truck and lowboy traffic to travel an improved curve at this road junction from a southeast to a northeast direction.

Additional Segments of Access Easement
Easement to Oregon Dept of Forestry
across L&C Timberlands land
in parts of Section 17
T4N R10W, W.M., Clatsop County, Oregon

Proposed Easement C to F - from L&C to ODF

An amended additional location segment of an existing easement for ingress and egress, the approximate centerline of which is depicted on attached exhibit maps, and which is described as follows:

Beginning at the Southeast corner of Section 18, in Township 4 North, Range 10 West of the Willamette Meridian, Clatsop County, Oregon, running thence northerly along the east line of said Section 18, a distance of approximately 320 feet to the center of a proposed new road to be built, and the true point of beginning;

Running thence Easterly and Northeasterly through Section 17, along the centerline of a new road segment to be built as approximately depicted on the attached exhibit maps, a distance of approximately 815 feet to an existing road, thence continuing southeasterly on that existing road to a junction with an existing road and existing ODF easement.

Proposed Easement E-1 – L&C to ODF

An amended curved location segment of an existing easement for ingress and egress in Section 17, the approximate centerline of which is depicted on the attached Detail exhibit map, and which is described as follows:

Beginning at the Northwest corner of Section 20, in Township 4 North, Range 10 West of the Willamette Meridian, Clatsop County, Oregon, running thence easterly along the north line of said Section 20, a distance of approximately 1450 feet to the center of an existing road at a point northwest of an existing 3-way road junction and the true point of beginning;

Running thence on the northwest end of a curve concave to the north, in a northwesterly direction to rejoin the existing easement road, the purpose of this new road segment being to enable truck and lowboy traffic to travel an improved curve at this road junction from a southeast to a northeast direction.

<i>Space above for Recorder's Use</i>	
After recording return to: L&C Tree Farms, LLC c/o Nuveen Natural Capital PO Box 2865 Gearhart, OR 97138 CONSIDERATION: \$0 and covenants herein	Send Tax Statements To: No Change Tax IDs #

311.04613

EASEMENT AMENDMENT
FIRST AMENDMENT TO HUG POINT ROAD SYSTEM EASEMENT

RECITALS

A. Weyerhaeuser Company conveyed an easement to the State of Oregon, acting by and through its Board of Forestry ("STATE") dated September 18, 2003, recorded on October 2, 2003 as Instrument No. 200314953, Clatsop County Records ("Easement");

B. L&C Tree Farms, LLC ("L&C") and Arch Cape Water District ("ACWD") are now the current owners and successor in interest to Weyerhaeuser's ownership interest in certain lands subject to the Easement, and are the current owners of the lands over which this Amendment pertains;

C. Portions of the easement roads on L&C and ACWD lands have become unstable, and the easement provides for the opportunity to relocate the easement;

D. STATE, L&C and ACWD desire to amend said easement as set forth below;

E. The parties hereto, STATE, L&C, and ACWD, desire to relocate portions of the

easement roads to a more suitable route and provide for cost sharing on construction of the new route and closure of the unstable portions of the old route

AGREEMENTS

NOW, THEREFORE, for zero (\$0) dollars and the covenants and promises herein, the parties hereto, STATE, L&C, and ACWD agree as follows:

1. The Easement is hereby amended to add that ACWD grants to STATE the segments as relocated segments of existing roads and roads to be constructed located in in parts of Sections 18, 19 and 20 of Township 4 North, Range 10 West, Willamette Meridian, Clatsop County, Oregon, as described in Exhibit "A" hereto and depicted on the maps on Exhibit C hereto, on the same terms and conditions as contained in the Easement;
2. The Easement is hereby amended to add that L&C grants to STATE the segments as relocated segments of existing roads and roads to be constructed located in in parts of Sections 17 of Township 4 North, Range 10 West, Willamette Meridian, Clatsop County, Oregon, as described in Exhibit "B" hereto and depicted on the maps on Exhibit C hereto, on the same terms and conditions as contained in the Easement;
3. The parties shall decommission and cease to use those existing road segments depicted for decommissioning in Exhibit C.
4. L&C and ACWD will contract for all portions of new road construction required by this amendment, road improvements, and road decommissioning with a contractor approved by all parties. STATE will review new road construction and improvement plans and provide feedback prior to and during work.

5. STATE and L&C will share the costs of new road construction and road improvements at a share of 50 percent each, at a total estimate before cost share of \$45,000. Any amount above this estimate shall be subject to approval by both parties. STATE, L&C, and ACWD will share the costs of road segment decommissioning of old roads at a share of 1/3 each, at a total estimate before cost share of \$18,500. Any amount above this estimate shall be approved by all parties.
6. L&C and ACWD grant to STATE and each other such temporary easements necessary for construction and work in and around the areas to be constructed and decommissioned. The parties shall restore such areas used to the extent reasonably feasible after completion of the work.
7. L&C and ACWD shall jointly share in the costs of recording of this amendment.
8. That, except as amended or provided for herein, all the terms and conditions of said easement shall be and remain in full force and effect.

GRANTORS:

L&C Tree Farms, LLC,
a Delaware limited liability company,

By:
Its:

Arch Cape Water District,
an Oregon nonprofit corporation
under ORS Chapter 554

By:
Its:

GRANTEE:

STATE OF OREGON, acting by and
through the Oregon Department of Forestry
on behalf of its Board of Forestry

Michael A. Wilson
State Forests Division Chief

ACKNOWLEDGEMENTS ON FOLLOWING PAGE

STATE OF OREGON)
)
County of Marion)

The instrument was acknowledged before me on this _____ day of _____,
20____, by Michael A. Wilson as the authorized representative of the State of Oregon.

Notary Public for Oregon

My Commission expires: _____

STATE OF OREGON)
)
County of _____)

The instrument was acknowledged before me on this _____ day of _____,
20____, by _____ as the authorized representative of L&C Tree
Farms, LLC, a Delaware limited liability company.

Notary Public for Oregon

My Commission expires: _____

STATE OF OREGON)
)
County of _____)

The instrument was acknowledged before me on this _____ day of _____,
20____, by _____ as the authorized representative of Arch Cape
Water District, an Oregon nonprofit corporation under ORS Chapter 554.

Notary Public for Oregon

My Commission expires: _____

DRAFT

EXHIBIT A
Relocation of Access Easements
Easement to State of Oregon Dept of Forestry and L & C Timberlands
across Arch Cape Water District land
in parts of Sections 18, 19 and 20
T4N R10W, W.M., Clatsop County, Oregon

New Easement Segment C to B to A from ACWD TO STATE

An amended location segment of an existing easement for ingress and egress, the approximate centerline of which is depicted on Exhibit C, and which is described as follows:

Beginning at the Southeast corner of Section 18, in Township 4 North, Range 10 West of the Willamette Meridian, Clatsop County, Oregon, running thence northerly along the east line of said Section 18, a distance of approximately 320 feet to the center of a proposed new road to be built, and the true point of beginning;

Running thence Northwesterly along the centerline of a new road segment to be built as approximately depicted on the attached exhibit maps, a distance of approximately 520 feet to an existing road,

Thence along existing roads as shown on the attached exhibit maps for a distance of approximately 2,600 feet to a junction of these existing roads with the existing easement at the Hug Point Mainline road.

New Easement segment E-1 – from ACWD to STATE

An amended curved location segment of an existing easement for ingress and egress, the approximate centerline of which is depicted on Exhibit C, and which is described as follows:

Beginning at the Northwest corner of Section 20, in Township 4 North, Range 10 West of the Willamette Meridian, Clatsop County, Oregon, running thence easterly along the north line of said Section 20, a distance of approximately 1450 feet to the center of an existing road at a point northwest of an existing 3-way road junction and the true point of beginning;

Running thence on a curve concave to the north, in a southeasterly to northeasterly direction to rejoin the existing Hug Point Mainline Road, the purpose of this new road segment being to enable truck and lowboy traffic to travel an improved curve at this road junction from a southeast to a northeast direction.

EXHIBIT B
Additional Segments of Access Easement
Easement to State of Oregon Dept of Forestry
across L&C Timberlands land
in parts of Section 17
T4N R10W, W.M., Clatsop County, Oregon

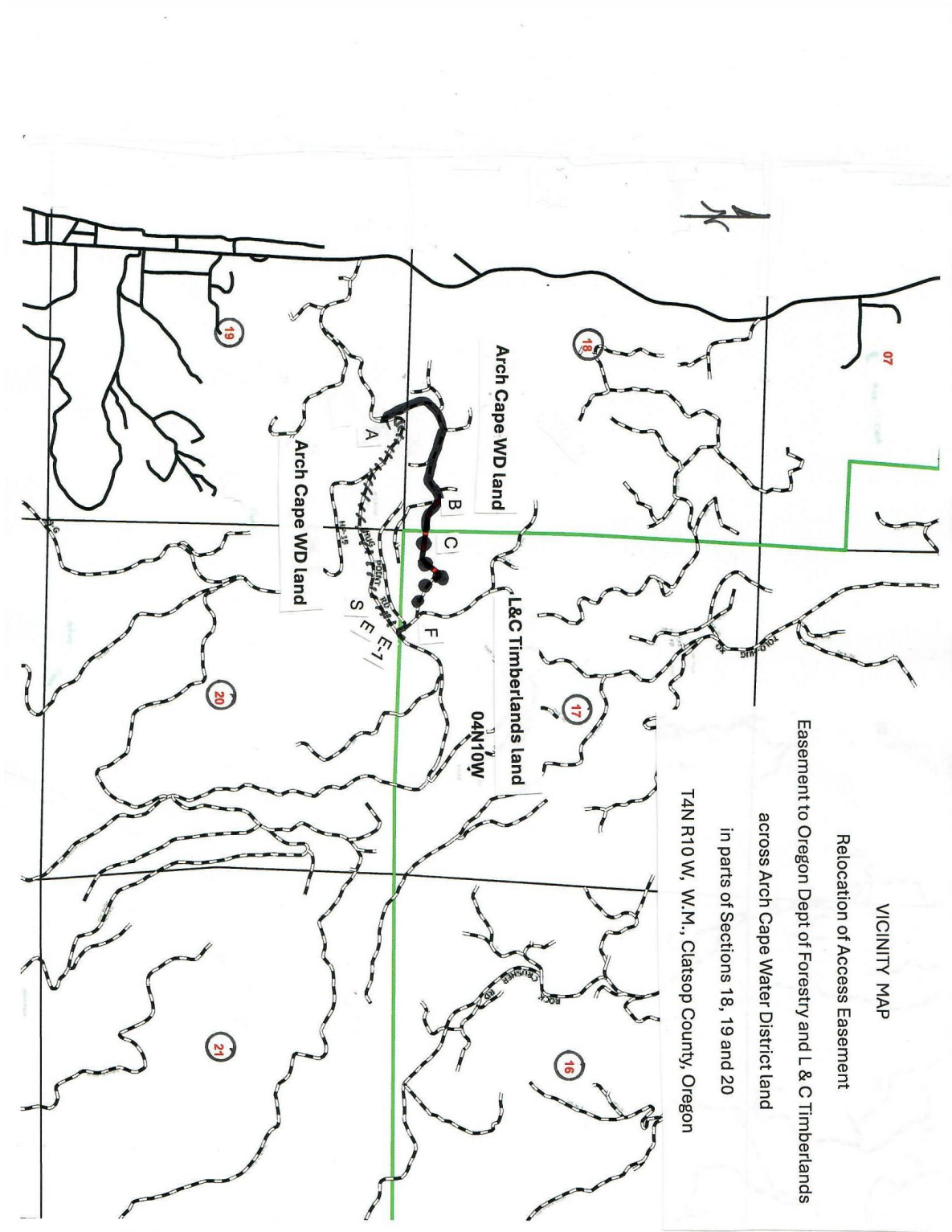
New Easement segment C to F from L&C to STATE

An amended additional location segment of an existing easement for ingress and egress, the approximate centerline of which is depicted on Exhibit C, and which is described as follows: Beginning at the Southeast corner of Section 18, in Township 4 North, Range 10 West of the Willamette Meridian, Clatsop County, Oregon, running thence northerly along the east line of said Section 18, a distance of approximately 320 feet to the center of a proposed new road to be built, and the true point of beginning; Running thence Easterly and Northeasterly through Section 17, along the centerline of a new road segment to be built as approximately depicted on the attached exhibit maps, a distance of approximately 815 feet to an existing road, thence continuing southeasterly on that existing road to a junction with an existing road and existing ODF easement.

New Easement Segment E-1 from L&C to STATE

An amended curved location segment of an existing easement for ingress and egress in Section 17, the approximate centerline of which is depicted on the Exhibit C, and which is described as follows: Beginning at the Northwest corner of Section 20, in Township 4 North, Range 10 West of the Willamette Meridian, Clatsop County, Oregon, running thence easterly along the north line of said Section 20, a distance of approximately 1450 feet to the center of an existing road at a point northwest of an existing 3-way road junction and the true point of beginning; Running thence on the northwest end of a curve concave to the north, in a northwesterly direction to rejoin the existing easement road, the purpose of this new road segment being to enable truck and lowboy traffic to travel an improved curve at this road junction from a southeast to a northeast direction.

EXHIBIT C



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EXHIBIT C

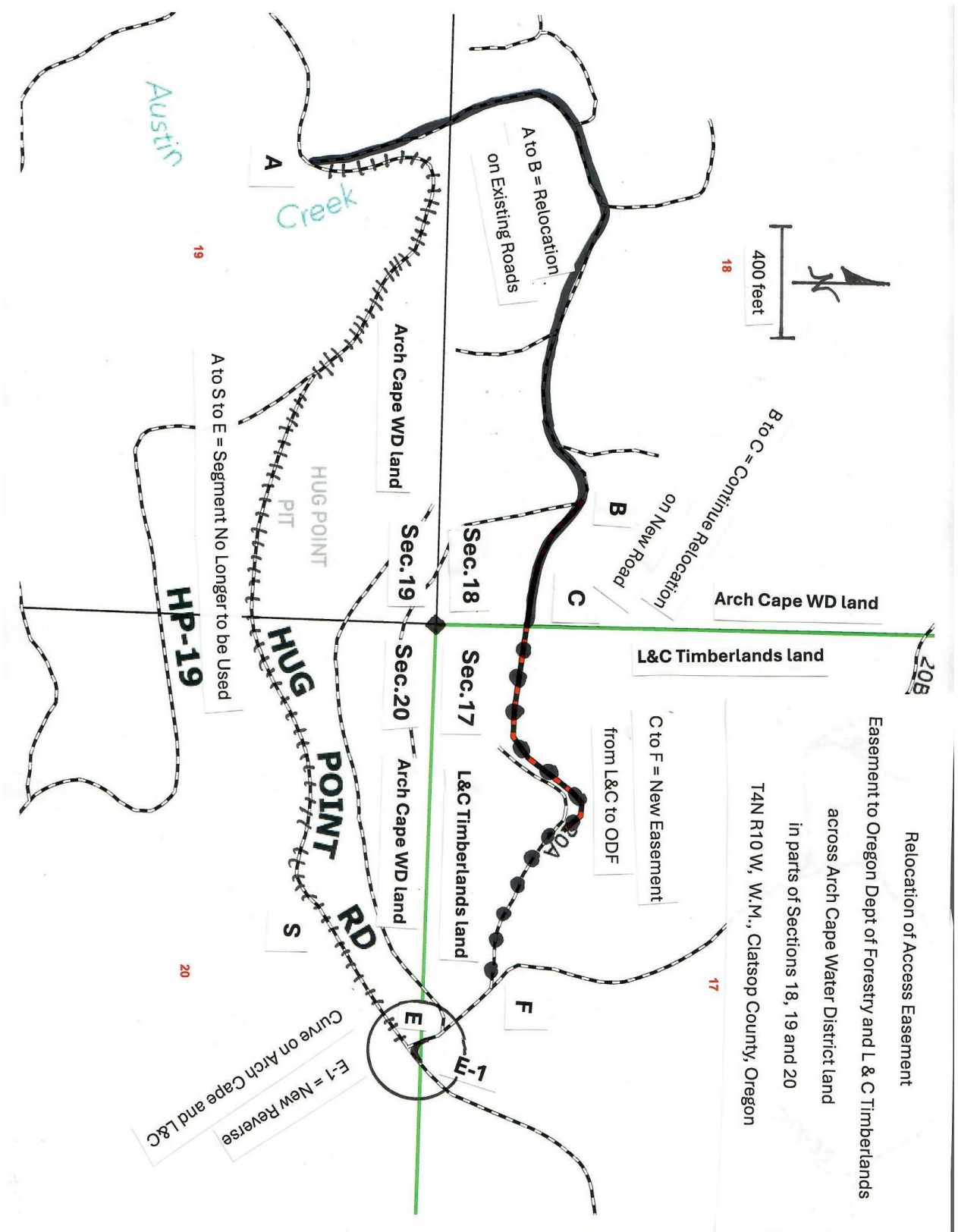


EXHIBIT C

