ARCH CAPE SANITARY DISTRICT
BOARD OF COMMISONERS' MEETING
Thursday, October 15, 2026

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

In attendance: Tom Mattia, Darr Tindall, Doug Caffall, Mark Engberg; Casey Short Staff: Matt Gardner, Collin Stelzig and Teri Fladstol; Public: Bill Campbell, Michael Miller, Jeff Slemaker, Richard Gibson, Richard Petrich, Owen Dufka.

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

Public Comments – Richard Gibson distributed a levy tax sheet to those present (attached). Richard explained that different tax codes were created to distinguish between utility districts, but this distinction wasn't properly applied in 2024, resulting in inappropriate water district taxes being applied to Cannon View Park properties that are served only by the Arch Cape Sanitary District, as they have their own water district. The point made was that there are differences between the tax codes in 3 Arch Cape that should have been applied to the Levy Calculation. Clarification was made that the Sanitary District authored the Levy and was sent to the voters. The County clarified to Mr. Gibson that the sponsoring District is responsible for the application of the tax codes, not them and suggested he go back to the sponsor.

Motion by Darr Tindall to approve agenda as presented, second by Mark Engberg, motion carried.
Motion by Darr Tindall to approve the Minutes of September 17, 2026, meeting, second by Mark Engberg, motion carried [note: Casey Short abstained due to being absent].
Acceptance of Financial Reporting, Treasurer's Report, reconciled and approved by Darr Tindall.

Report by Collin Stelzig regarding District Organization, Management and Staffing followed the memo attached.

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

Motion made by Darr Tindall to deny the request by Cannon View Park for a Local Option Levy Credit, second by Casey Short. Discussion ensued. Call to question by Tom Mattia, 4 yea, 1 nay; motion passed.

Reports by Staff:
Matt provided an update on projects that have been completed, what is scheduled for the next few months.
Update on the transition in billing migration/software and comparison between monthly and quarterly; see memo included in the Board packet.

Board Member Comments and Reports:

Public Comments: Richard Gibson asked for the attorney's response to the levy? Collin will confirm, but the attorney said it was confidential to the Board.

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

Motion by Darr Tindall, second by Casey Short to adjourn meeting at 6:03 pm

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Tom Mattia, Chair Attest: Teri Fladstol, Secretary

DRAFT

ARCH CAPE SANITARY DISTRICT
BOARD OF COMMISSIONERS MEETING
Thursday, November 19, 2026
5:00 PM Meeting Zoom & In Person

https://us02web.zoom.us/j/89288115294?pwd=Q5dwbbuzE4HHx3RGBBx3NzrVcmD0i2.1

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

I. Call to Order	Tom Mattia
II. Public Comments	Tom Mattia
III. Agenda Approval (Action – Motion to Approve)	Tom Mattia
IV. Approve October 15, 2026, Meeting Minutes (Action – Motion to Approve)	Tom Mattia
V. Financial & Administrative Reporting	
A. Accept Budget vs Actual Report	Tom Mattia
B. Accept Payment of Accounts	Tom Mattia
C. Treasurer's Report	Darr Tindall
VI. District Organization, Management and Staffing/Executive Summary Draft attached	Collin
VII. Transit Lodging Tax Revenue (follow-Up on Joint Letter to Clatsop County Board of Commissioners and possible meeting)	Tom
VIII. Webb FEMA Update	Collin
IX. RCAC Technical Assistance: Shared Operator Coverage and Potential District Merger, Update and Discussion	Collin
X. Reports	
A. Staff Reports / Billing Report	Collin
B. Board Members' Comments and Reports	All

December Meeting Agenda Items (Action)

Public Comments	Tom Mattia
Adjournment	Tom Mattia

2026-2027 ARCH CAPE SANITARY LOCAL OPTION LEVY

	Count	Count		Property Class	Assessed Valuation	Percentage Valuation
	625	Real Property				
		365	Residential Land-Improved	101	$ 198,772,051	64.1%
		168	Residential Land-Vacant	100	$ 93,373,024	30.1%
		21	Forest Land-Vacant	640	$ 20,041	0.0%
		16	Tract Land-Vacant	400	$ 1,492,195	0.5%
		16	Exempt-County – Vacant	950	$ 302,163	0.1%
		7	Tract Land-Improved	401	$ 6,743,452	2.2%
		6	Exempt-Port or Municipal	990	$ 428,023	0.1%
		6	Exempt-State-Vacant	960	$ 209,292	0.1%
		4	Commercial-Improved	201	$ 2,446,804	0.8%
		4	Exempt-Church - Vacant	910	$ 322,588	0.1%
		3	Residential-Unbuildable	010	$ 188	0.0%
		2	Exempt-Church - Improved	911	$ 1,527,759	0.5%
		2	Commercial-Vacant	200	$ 218,288	0.1%
		2	Exempt-Benevolent-Vacant	980	$ 14,088	0.0%
		2	Exempt-Port or Municipal-Improved	991	$ 2,726,175	0.9%
		1	Exempt-State-Improved	961	$ 37,587	0.0%
	71	Personal Property - Vacation Rentals				
		50	Vacation Rentals	P770	$ 301,783	0.1%
		21	Other Services	varied	$ 197,690	0.1%
	8	Utility Services			$ 934,875	0.3%
Total	704		Arch Cape Tax Accounts		$ 310,068,066	100.0%

		OUT	IN	
3 Tax Codes in Arch Cape				
	1007	City of Cannon Beach, SEPRD	CB RFPD, ACSD, ACWD	Most of Arch Cape
	1016	City of Cannon Beach, SEPRD, ACWD	CB RFPD, ACSD	Cannon View Park
	1019	City of Cannon Beach, CB RFPD, SEPRD	ACSD, ACWD	Exempt - Port or Municipal - Vacant Land
SEPRD		Sunset Empire Parks and Recreation District		
CB RFPD		Cannon Beach Rural Fire Protection District		

							Levy 2026-2027	for ACSD 2026-2027 53%	for ACWD 2026-2027 47%	for ACWD 2025-2027 total 2 years
			2026-2027 Local Option Levy Tax Rate	0.6430						
			Factor not to exceed $125,000 total	0.8801						
365		Residential Land-Improved (Prop Class 101)	$ 198,772,051							
	315	Tax Code 1007 (Most of Arch Cape)		$ 160,800,396	80.9%	$	90,998	$ 48,229	$ 42,769	$ 85,538
	50	Tax Code 1016 (Cannon View Park)		$ 37,971,655	19.1%	$	21,488	$ 11,389	$ 10,100	$ 20,199
168		Residential Land-Vacant (Prop Class 100)	$ 9,373,024							
	167	Tax Code 1007 (Most of Arch Cape)		$ 9,369,112	99.96%	$	5,302	$ 2,810	$ 2,492	$ 4,984
	1	Tax Code 1016 (Cannon View Park)		$ 3,912	0.04%	$	2	$ 1	$ 1	$ 2
7		Tract Land-Improved (Prop Class 401)	$ 6,743,452							
	7	Tax Code 1007 (Most of Arch Cape)		$ 6,743,452	100%					
	0	Tax Code 1016 (Cannon View Park)		$ -						
164		All Other Property Classes	$ 11,640,378			$	6,587	$ 3,491	$ 3,096	$ 6,192
					Total	$	124,378	$ 65,920	$ 58,457	$ 116,915

General Fund Budget vs. Actual

Arch Cape Sanitary District. FY 2026-27. Actuals through October 31, 2026. Cash basis.

Account #	Account	Q1 (Jul to Sep)	October	YTD Actual	Annual Budget	Remaining	% of Budget
Resources							
Beginning Fund Balance							
01-4002	Unrestricted Beginning Balance	-	-	-	259,396.00	259,396.00	0.0%
01-4003	Operating Reserve	-	-	-	78,000.00	78,000.00	0.0%
03-4002	USDA Loan Required Reserve	-	-	-	6,923.00	6,923.00	0.0%
Total Beginning Fund Balance		**-**	**-**	**-**	**344,319.00**	**344,319.00**	**0.0%**
Operating Revenue							
01-4201	User Fees	121,637.86	11,770.17	133,408.03	414,960.00	281,551.97	32.1%
01-4202	Excess Usage Charges	6,056.02	345.93	6,401.95	29,048.00	22,646.05	22.0%
01-4203	Debt Service Surcharges	11,343.01	1,078.56	12,421.57	38,702.00	26,280.43	32.1%
01-4300	Interest Income - General Fund	5,629.34	2,022.80	7,652.14	2,050.00	(5,602.14)	373.3%
01-4400	WD Facilities Use Charge	-	-	-	4,056.00	4,056.00	0.0%
01-4501	Meter Install Fee	-	-	-	400.00	400.00	0.0%
Total Operating Revenue		**144,666.23**	**15,217.46**	**159,883.69**	**489,216.00**	**329,332.31**	**32.7%**
Transfers In							
4900	Transfer In from Levy Fund (loan repayment)	-	-	-	40,000.00	40,000.00	0.0%
Total Transfers In		**-**	**-**	**-**	**40,000.00**	**40,000.00**	**0.0%**
Total Resources		**144,666.23**	**15,217.46**	**159,883.69**	**873,535.00**	**713,651.31**	**18.3%**
Requirements							
Materials and Services							
01-5999	Water District IGA Charges	51,029.45	-	51,029.45	221,271.00	170,241.55	23.1%
01-6120	Liability & Property Insurance	-	-	-	22,000.00	22,000.00	0.0%
01-6121	Licenses	-	-	-	4,000.00	4,000.00	0.0%
01-6122	Dues & Taxes	3,752.32	673.00	4,425.32	11,000.00	6,574.68	40.2%
01-6123	Professional Services	-	-	-	6,500.00	6,500.00	0.0%
01-6124	Emergency Sanitation	-	-	-	500.00	500.00	0.0%
01-6125	Auditing Service	5,000.00	-	5,000.00	18,500.00	13,500.00	27.0%
01-6126	Legal Services	-	1,190.00	1,190.00	3,000.00	1,810.00	39.7%
01-6127	Notices	-	-	-	750.00	750.00	0.0%
01-6128	Utilities	11,026.12	3,665.49	14,691.61	55,000.00	40,308.39	26.7%
01-6129	Lone Worker GPS	-	-	-	800.00	800.00	0.0%
01-6200	Maintenance	17,909.40	884.97	18,794.37	103,200.00	84,405.63	18.2%
01-6201	Chemicals	1,289.06	-	1,289.06	6,500.00	5,210.94	19.8%
01-6202	Inflow & Infiltration	-	2,100.00	2,100.00	10,000.00	7,900.00	21.0%
Total Materials and Services		**90,006.35**	**8,513.46**	**98,519.81**	**463,021.00**	**364,501.19**	**21.3%**
Debt Service							
01-7510	OECD Facility Loan - Principal	-	-	-	18,477.00	18,477.00	0.0%
01-7511	OECD Facility Loan - Interest	-	-	-	843.00	843.00	0.0%
01-7520	IFA Water Plant Upgrade - Principal	-	-	-	14,162.00	14,162.00	0.0%
01-7521	IFA Water Plant Upgrade - Interest	-	-	-	5,220.00	5,220.00	0.0%
Total Debt Service		**-**	**-**	**-**	**38,702.00**	**38,702.00**	**0.0%**
Interfund Transfers							
7910	Transfer Out to Capital Fund	-	-	-	171,000.00	171,000.00	0.0%
7920	Transfer Out to Levy Fund (cash flow loan)	-	-	-	40,000.00	40,000.00	0.0%
Total Interfund Transfers		**-**	**-**	**-**	**211,000.00**	**211,000.00**	**0.0%**
Contingency and Ending Balance							
01-8001	Contingency - General Fund	-	-	-	78,000.00	78,000.00	0.0%
01-8100	USDA Loan Required Reserve	-	-	-	6,923.00	6,923.00	0.0%
01-8500	Unappropriated Bal - General Fund	-	-	-	75,889.00	75,889.00	0.0%
Total Contingency and Ending Balance		**-**	**-**	**-**	**160,812.00**	**160,812.00**	**0.0%**
Total Requirements		**90,006.35**	**8,513.46**	**98,519.81**	**873,535.00**	**775,015.19**	**11.3%**
Net Activity		**54,659.88**	**6,704.00**	**61,363.88**	**-**		
Maintenance detail (rolls into 01-6200 above; not added again)							
	BioSolids	*11,050.00*	-	*11,050.00*			
	Blower Factory Service	-	-	-			
	Lab Tests & Supplies	*413.60*	*238.74*	*652.34*			

Capital Fund Budget vs. Actual

Arch Cape Sanitary District. FY 2026-27. Actuals through October 31, 2026. Cash basis.

Account #	Account	Q1 (Jul to Sep)	October	YTD Actual	Annual Budget	Remaining	% of Budget
Resources							
Beginning Fund Balance							
02-4002	System Dev. Charges Account	-	-	-	240,137.00	240,137.00	0.0%
Total Beginning Fund Balance		**-**	**-**	**-**	**240,137.00**	**240,137.00**	**0.0%**
Operating Revenue							
02-4200	SDC Revenue (Restricted)	10,447.00	-	10,447.00	20,594.00	10,147.00	50.7%
02-4251	Grant Revenue (Unrestricted)	-	-	-	9,459.00	9,459.00	0.0%
02-4800	Grant Revenue - Capital Fund	-	-	-	-	-	
Total Operating Revenue		**10,447.00**	**-**	**10,447.00**	**30,053.00**	**19,606.00**	**34.8%**
Transfers In							
4900	Transfer In from General Fund	-	-	-	171,000.00	171,000.00	0.0%
Total Transfers In		**-**	**-**	**-**	**171,000.00**	**171,000.00**	**0.0%**
Total Resources		**10,447.00**	**-**	**10,447.00**	**441,190.00**	**430,743.00**	**2.4%**
Requirements							
Capital Outlay - SDC Projects							
02-6100	SDC Planning & SDC Update	-	-	-	30,000.00	30,000.00	0.0%
Total Capital Outlay - SDC Projects		**-**	**-**	**-**	**30,000.00**	**30,000.00**	**0.0%**
Capital Outlay - Unrestricted Projects							
02-7400	UP - North Pump Station Rehab	-	-	-	7,000.00	7,000.00	0.0%
02-7401	UP - Asbury Pump Station Rehab	-	-	-	10,000.00	10,000.00	0.0%
02-7402	Aerzen Blower Swap Program	14,305.00	-	14,305.00	20,000.00	5,695.00	71.5%
02-7403	RAS Pump #1 Replacement	-	-	-	10,000.00	10,000.00	0.0%
02-7404	Anoxic Zone Clean/Sluice Gate	-	-	-	4,000.00	4,000.00	0.0%
02-7405	WWTP VFD Replacements	-	-	-	5,000.00	5,000.00	0.0%
02-7406	Metric Plugs & Wiring Replacement	-	1,734.65	1,734.65	1,500.00	(234.65)	115.6%
02-7407	Mini Excavator	19,581.38	-	19,581.38	17,000.00	(2,581.38)	115.2%
02-7408	Generator Power Boxes (Asbury)	-	-	-	14,000.00	14,000.00	0.0%
02-7409	Truck (50%)	33,993.88	-	33,993.88	42,500.00	8,506.12	80.0%
Total Capital Outlay - Unrestricted Projects		**67,880.26**	**1,734.65**	**69,614.91**	**131,000.00**	**61,385.09**	**53.1%**
Contingency and Ending Balance							
02-8001	Contingency - Capital Fund	-	-	-	30,000.00	30,000.00	0.0%
02-8002	SDC Contingency	-	-	-	100,000.00	100,000.00	0.0%
02-8500	Unappropriated Bal - Capital	-	-	-	19,459.00	19,459.00	0.0%
02-8502	SDC Unappropriated Balance	-	-	-	130,731.00	130,731.00	0.0%
Total Contingency and Ending Balance		**-**	**-**	**-**	**280,190.00**	**280,190.00**	**0.0%**
Total Requirements		**67,880.26**	**1,734.65**	**69,614.91**	**441,190.00**	**371,575.09**	**15.8%**
Net Activity		**(57,433.26)**	**(1,734.65)**	**(59,167.91)**	**-**		

GO Bond Fund Budget vs. Actual

Arch Cape Sanitary District. FY 2026-27. Actuals through October 31, 2026. Cash basis.

Account #	Account	Q1 (Jul to Sep)	October	YTD Actual	Annual Budget	Remaining	% of Budget
Resources							
Beginning Fund Balance							
03-4001	Beginning Bal - GO Bond Debt Fund	-	-	-	20,742.00	20,742.00	0.0%
Total Beginning Fund Balance		**-**	**-**	**-**	**20,742.00**	**20,742.00**	**0.0%**
Operating Revenue							
03-4055	Property Taxes	3,411.72	6,510.01	9,921.73	144,600.00	134,678.27	6.9%
03-4201	Bond Interest	-	-	-	-	-	
03-4300	LGIP Interest - SD GO Bond Debt	125.30	-	125.30	5,000.00	4,874.70	2.5%
Total Operating Revenue		**3,537.02**	**6,510.01**	**10,047.03**	**149,600.00**	**139,552.97**	**6.7%**
Total Resources		**3,537.02**	**6,510.01**	**10,047.03**	**170,342.00**	**160,294.97**	**5.9%**
Requirements							
Debt Service							
03-7510	USDA Plant Upgrade - Principal	-	-	-	83,538.00	83,538.00	0.0%
03-7511	USDA Plant Upgrade - Interest	-	-	-	61,062.00	61,062.00	0.0%
Total Debt Service		**-**	**-**	**-**	**144,600.00**	**144,600.00**	**0.0%**
Contingency and Ending Balance							
03-8500	Unappropriated Balance GO	-	-	-	25,742.00	25,742.00	0.0%
Total Contingency and Ending Balance		**-**	**-**	**-**	**25,742.00**	**25,742.00**	**0.0%**
Total Requirements		**-**	**-**	**-**	**170,342.00**	**170,342.00**	**0.0%**
Net Activity		**3,537.02**	**6,510.01**	**10,047.03**	**-**		

Local Option Levy Budget vs. Actual

Arch Cape Sanitary District. FY 2026-27. Actuals through October 31, 2026. Cash basis.

Account #	Account	Q1 (Jul to Sep)	October	YTD Actual	Annual Budget	Remaining	% of Budget
Resources							
Beginning Fund Balance							
04-4000	Beginning Bal - Local Option Levy	-	-	-	10,000.00	10,000.00	0.0%
Total Beginning Fund Balance		**-**	**-**	**-**	**10,000.00**	**10,000.00**	**0.0%**
Operating Revenue							
04-4001	Local Option Levy Proceeds	2,146.33	5,304.16	7,450.49	125,000.00	117,549.51	6.0%
04-4300	LO Levy - Interest	104.88	-	104.88	5,000.00	4,895.12	2.1%
Total Operating Revenue		**2,251.21**	**5,304.16**	**7,555.37**	**130,000.00**	**122,444.63**	**5.8%**
Transfers In							
4900	Transfer In from General Fund (cash flow loan)	-	-	-	40,000.00	40,000.00	0.0%
Total Transfers In		**-**	**-**	**-**	**40,000.00**	**40,000.00**	**0.0%**
Total Resources		**2,251.21**	**5,304.16**	**7,555.37**	**180,000.00**	**172,444.63**	**4.2%**
Requirements							
Materials and Services							
04-6100	Professional Services	-	-	-	120,000.00	120,000.00	0.0%
Total Materials and Services		**-**	**-**	**-**	**120,000.00**	**120,000.00**	**0.0%**
Interfund Transfers							
7900	Transfer Out to General Fund (loan repayment)	-	-	-	40,000.00	40,000.00	0.0%
Total Interfund Transfers		**-**	**-**	**-**	**40,000.00**	**40,000.00**	**0.0%**
Contingency and Ending Balance							
04-8001	LO Levy - Contingency	-	-	-	10,000.00	10,000.00	0.0%
04-8500	LO Levy - Unappropriated Balance	-	-	-	10,000.00	10,000.00	0.0%
Total Contingency and Ending Balance		**-**	**-**	**-**	**20,000.00**	**20,000.00**	**0.0%**
Total Requirements		**-**	**-**	**-**	**180,000.00**	**180,000.00**	**0.0%**
Net Activity		**2,251.21**	**5,304.16**	**7,555.37**	**-**		

Arch Cape Sanitary District Monthly Disbursement Register

Month: **October 2026**

Total payments **$10,248.11**

Date	Check/Ref #	Payee	Amount	Bank account	Method	Fund	Budget Account	Notes
10/5/2026		Safeway	10.74	00-1000 #1218 Main Checking	Electronic	General Fund	01-6200 - Maintenance	
10/6/2026		Starlink	160.00	00-1000 #1218 Main Checking	Electronic	General Fund	01-6128 - Utilities	
10/12/2026	9631	Cable Huston	1,190.00	00-1000 #1218 Main Checking	Check	General Fund	01-6126 - Legal Services	
10/12/2026	9632	North Central Lab	44.77	00-1000 #1218 Main Checking	Check	General Fund	01-6200 - Maintenance	
10/14/2026		TELEDYNE Instruments	296.00	00-1000 #1218 Main Checking	Electronic	General Fund	01-6200 - Maintenance	
10/15/2026	9633	Recology Western Oregon	189.69	00-1000 #1218 Main Checking	Check	General Fund	01-6128 - Utilities	
10/15/2026	9634	Pacific Power	3,315.80	00-1000 #1218 Main Checking	Check	General Fund	01-6128 - Utilities	
10/15/2026	9635	Arch Cape Water District	4,009.65	00-1000 #1218 Main Checking	Check	General Fund	01-6200 - Maintenance	
10/18/2026		Amazon.com	14.99	00-1000 #1218 Main Checking	Electronic	General Fund	01-6200 - Maintenance	
10/21/2026	9636	North Central Lab	66.05	00-1000 #1218 Main Checking	Check	General Fund	01-6200 - Maintenance	
10/21/2026		Microsoft	8.25	00-1000 #1218 Main Checking	Electronic	General Fund	01-6200 - Maintenance	
10/23/2026		Google Domains	1.99	00-1000 #1218 Main Checking	Electronic	General Fund	01-6200 - Maintenance	
10/26/2026		QuickBooks Payments	140.00	00-1000 #1218 Main Checking	Electronic	General Fund	01-6200 - Maintenance	
10/28/2026	9637	Mission Communications, LLC	673.00	00-1000 #1218 Main Checking	Check	General Fund	01-6122 - Dues & Taxes	
10/28/2026		Safeway	21.48	00-1000 #1218 Main Checking	Electronic	General Fund	01-6200 - Maintenance	
10/29/2026		Hach	95.70	00-1000 #1218 Main Checking	Electronic	General Fund	01-6200 - Maintenance	
10/30/2026		1st Security Bank	10.00	00-1000 #1218 Main Checking	Electronic	General Fund	01-6200 - Maintenance	

Arch Cape Domestic Water Supply District and Arch Cape Sanitary District

Organizational Assessment: Executive Summary (DRAFT)

Collin Stelzig, District Administrator

Draft, November 4, 2026

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

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

Sustainability at a glance

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

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

Current situation: strengths and weaknesses

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

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

Key risks to manage

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

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

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

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

Recommended direction

Near term (now to about 18 months)

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

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

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

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

Mid to long term (about 12 to 36 months)

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

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

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

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

Specific next steps

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

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

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

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