

**NETARTS-OCEANSIDE SANITARY DISTRICT  
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Minutes of the September 17, 2009 regular monthly meeting of the Netarts-Oceanside Sanitary District Board of Directors.

1. The regular monthly meeting of the Netarts-Oceanside Sanitary District (NOSD) Board of Directors was called to order at 6:30 P.M. by Vice-Chairperson, Elisabet Wilkerson. The meeting was held in the Netarts Community Club.

**BOARD MEMBERS PRESENT:**

Elisabet Wilkerson, Vice-Chairperson  
Dave Kratovil, Treasurer  
Robert Olsen, Secretary

**BOARD MEMBERS ABSENT:**

Craig Wakefield, Chairperson  
Bruce Lovelin, Member-at-Large

**EMPLOYEES PRESENT:**

Daniel Mello, District Superintendent  
Tami Walker, Office Manager  
Bud Hubbard, Lead Operator

**OTHERS PRESENT:**

John Yarnall, Engineer of Record

**GUESTS (In attendance):** None

2. Approval of Agenda. **Kratovil moved to approve the Agenda as presented. Olsen seconded. Motion passed by a vote of 3 to 0.**
3. **GUESTS:** Yarnall's report was done at the end of the District Report.
4. **PUBLIC COMMENTS:** None.
5. The Board reviewed the previously distributed **Minutes** of:

A. The August 20, 2009 regular Board meeting. The meeting was held in the Oceanside Community Club. There were two (2) corrections made to the minutes. All corrections are in **bold print** and were corrected on the original set of minutes. Page 3, ninth paragraph, tenth sentence reads: "This Treatment Plan Unit is the one that was kept empty for years." The sentence should read: "This Treatment **Plant** Unit is the one that was kept empty for years." Page 4, first paragraph, second sentence reads: "We have a 20-day Permit to complete the Outfall work." The sentence should read: "We have a 20-day **period** to complete the Outfall work." **Olsen moved to approve the minutes as corrected. Kratovil seconded. Motion passed by a vote of 3 to 0.**

The following questions on the minutes were answered: What is the status of the Telephone line installations at both the Netarts and Oceanside Community Clubs? Mello reported that both Telephone lines will be installed on September 21, 2009. Any news on the District's amended MAO from DEQ? Mello stated that the District has not heard anything from DEQ on our amended MAO with them. What is the status of staff and Legal Counsel working on changing the SDC verbiage? Mello reported that Balfour has some templates that the District will be working with, but nothing has been done yet. However, work on changing the SDC verbiage from the District taking the SDC payment once an approved Building Permit has been issued to the District wanting payment of the SDC up front, before the Sewer Availability Letter is even issued, will start soon. What is the status of the HDD/Global Outfall warranty issue? Mello reported that that topic will be updated on the District Report. Has the District received any inspection results from DEQ yet? Mello stated that the District has not heard anything from DEQ on the inspection results; no news is good news. Has the District heard anything from DEQ on our request for a \$600,000 loan? Walker reported that the District has not heard anything from DEQ on our request for an additional \$600,000 loan from them. Mello reported that he received a telephone call from Ron Young representing the Terrasea Homeowners and other property owners that are just now starting to receive Appraisal Reports on their properties, regarding the District's directional drilling the two (2) new pipelines between the existing Treatment Plant site and the new site. Mello stated that the property owners would like some kind of assurance by the District that if a sinkhole develops on their property, as a result of the directional drilling, that they will be covered by the District. Mello stated that the District has discussed inviting all property owners whose properties will be drilled under to a meeting to answer all questions and concerns. The meeting date is still to be determined. The District will invite all property owners involved to a meeting and will have the District's Legal Counsel and representatives from Right-of-Way and Associates, who are doing the Easement acquisition process, present to answer all questions and concerns. Wilkerson asked Olsen if he wrote-up the detail of how a User Fee 'discount' program would work. Olsen stated that he has not, as he went on vacation.

6. The Board reviewed the **Financial Statements** through August 31, 2009 for all Funds. Mello and Walker answered all questions to the Board's satisfaction. **It was the unanimous consensus of the Board to approve the Financial Statements as presented.**

7. August 21, 2009 through September 17, 2009 **Accounts Payable** were reviewed for:
  - A. General Fund in the amount of \$75,314.14.
  - B. Construction Fund II (Outfall project) in the amount of \$51,355.89.
  - C. Construction Fund III (WWTP project) in the amount of \$154,709.33.

Mello and Walker answered all questions concerning the Accounts Payable to the Board's satisfaction. **Olsen moved to pay the Accounts Payable for all Funds as presented. Kratovil seconded. Motion passed by a vote of 3 to 0.**

8. **DISTRICT REPORT:** (A copy of Mello's Operation and Maintenance Summaries is attached. The following additional information was presented and discussed):

Mello reported that the Ocean Outfall is taking full flows. The District has not by-passed to the beach since November 30, 2008.

Mello reported that all Pump Stations are working okay. The Oceanside Pump Station mag-starter has been replaced.

Mello reported that they shut down Treatment Plant #1 for repairs; so there were two (2) sludge hauls in August.

Mello reported that there has been no Development activity.

Mello reported that the Treatment Plant is operating within our Permit limits.

Mello reported that the 6-inch ductile iron Grit Chamber return pipes' brackets rusted and the pipe fell off this morning. The pipe was not damaged and the Operators have it back in place, bandaged up and operating now.

Mello reported that the south Chlorine Contact chamber is not working; the Operators have it plugged and we are only using the north unit.

Mello reported that the telephone lines will be installed at both the Netarts and Oceanside Community Clubs on September 21, 2009. The telephone line is what they call a 'vacation line' and will be turned on and off as needed. The cost will be \$35.67 per month. The telephone line will be placed in 'vacation mode' after each Board meeting.

Collection System I & I work update-Mello reported that there is nothing major to report; there is some root intrusion in the sewerline at some of the higher elevations, which will be taken care of later.

District Capital Improvement Projects Updates:

Ocean Outfall Update-Mello reported that he speaks with Vince Rybel, of CH2M Hill, every night and that they are saying that they will be done for sure by Saturday, September 26, 2009; however, they will try to complete it sooner. Mello reported that the connection from the elbow to the rock outcrop has been completed, and, that the diffuser tripod legs were cut-down to 2-foot lengths. Mello stated that Nate England at Rural Development signed the Work Change Directive today. Yarnall stated that all of the piping has been installed and the tripod work should be completed tonight and then they will finish with placing the rocks, hopefully, by Friday or Saturday. Yarnall stated that The HDD Company's subcontractor must come in and finish the final connection on land, which should be about two (2) days worth of work. The new Outfall will then be placed into service, which would complete the Outfall construction. Yarnall stated that he discussed with HDD, that as soon as the marine work is completed, it would be in their best interest to complete the land connection as soon as possible. Westech will then prepare the Pay Request for approximately \$115,000 for the mobilization costs. Yarnall explained that Westech, HDD and the Mello will then sign the Pay Request and Walker will then request funds from Rural Development. Yarnall explained that per the letter from the Department of State Lands (DSL), the original Outfall easement will expire shortly. At the end of the easement life or if the Outfall goes out of service, the letter states that it must be removed, which would be a great and costly undertaking for the District. However, there are new provisions out, that may let the District keep it as a "backup" Outfall. Our intent is to meet the provisions and keep the old Outfall as a "backup," which would be the most cost effective for the District. Yarnall stated that he will talk with DEQ to see if they will allow the existing Outfall to be used as an emergency backup, if the new Outfall pump fails. Yarnall stated that he will call The HDD Company and remind them to coordinate with the District to finish the land connections. The District will be able to open and close the existing Outfall with a gate valve inside the manhole.

New WWTP Update-Yarnall reported that the new WWTP design is moving forward very quickly. The 90% design will be submitted to the District on October 20, 2009 and will concurrently be sent to DEQ, RD and the Oregon Health Division. The Netarts Water District new waterline portion of the Design is what will be sent to the Oregon Health Division. Yarnall stated that he is hopeful that RD and DEQ will review the design post haste; and, that we may have to keep on them to get the review done as quickly as possible. Yarnall stated that we should advertise for bid at the beginning of January 2010; act on the bids at the February 2010 Board meeting; award the bid in March 2010 and start construction in May 2010 with completion of the project being October 2011.

256 Road Culvert Replacement Update-Yarnall reported that the old 24-inch culvert has been removed and the new 72-inch culvert has been installed. Yarnall reported that per the requirements from the Oregon Department of Fish & Wildlife (ODFW), the culvert had to be replaced and workers out of the stream by September 15, 2009, which was met. Per ODFW, 15-inches of rock had to be placed in the bottom of the culvert for fish habitat. The road work should be finished next week. Yarnall will have the road re-surveyed when completed.

New Treatment Plant Site Water Improvements Update-Yarnall reported that the new Treatment Plant site will be getting water from the Netarts Water District (NWD). The District will put in a new Pressure Reducing Valve (PRV) Station downstream from their current one; and, build a new waterline to the new Treatment Plant site. Yarnall reported that he has met with Mike Slibsager, the NWD Watermaster, and they have reviewed the water improvement plans, incorporated comments and have also reviewed cost-sharing ideas with the Sewer District. Yarnall explained that the District will pay the entire cost of the PRV Station; NWD will pay the difference in the cost of the pipe from the new Treatment Plant, as NWD wants the waterline extended approximately 950-feet beyond the new Treatment Plant, north towards Cape Meares Loop Road, to be able to loop their existing waterline. The approximately 950-feet will be paid by NWD. Yarnall stated that he designed the 950-foot waterline extension for NWD. Yarnall reported that there were 15 conditions on the District's Conditional Use approval from Tillamook County, with the most onerous condition being the Fire protection. The District received letters from both the Netarts-Oceanside Rural Fire Protection District (NORFPD) and the Department of Forestry (DOF) stating that they agreed with the fire protection design and that they would both cover the District. Yarnall sent copies of the letters to Tillamook County; and, the County is agreeable to our fire protection.

Yarnall reported that the District will need to get permits from the Tillamook County Road Department and the Oregon Department of Transportation (ODOT). Yarnall stated that the Tillamook County Road Department is agreeable with the design with the exception to the Oceanside Pump Station (OPS). The ODOT permit is for working at the existing Treatment Plant site. Yarnall stated that County officials want SHPO (State Historic Preservation Office) approval first on the Oceanside Pump Station improvements, as it is listed as an archeological site. The District will be converting the OPS from a wet-well/dry-well Pump Station to a submersible Pump Station. We must have a Cultural Resource Study done; which we have received a Proposal from SWCA for. Yarnall stated that the environmental work is a lot more involved then originally thought to be.

Pipelines Easements Acquisition Update-Yarnall explained that these Easements are for the pipelines and water improvements; as we need the Appraisals and backup Appraisals completed. Yarnall stated that Westech's original Contract with the District was for 12 easements; but we actually need 23 easements. Westech must do a Contract Change Order, as we must have all of the easements completed before we can go out to bid.

Yarnall stated that Mello and Walker are working with Bartlett of Economic & Financial Analysis on the Funding package; however, the District must be aware and follow all of the Letter of Conditions from Rural Development, as they will not be too forgiving if the District does not follow them.

New WWTP Engineering Service Agreement Amendment-Yarnall reported that he is asking the District and Rural Development for a Contract Amendment, which must be done in Rural Development's format, for four (4) items. The four (4) Contract Amendment items that Westech needs amended are listed as follows: 1) the original Agreement between the District and Westech was for 12 easements and we actually need 23 easements; which will be charged at an hourly not-to-exceed cost of an additional \$50,500 for the extra 11 easements; 2) on the original Agreement the Environmental and Cultural Resources work was minimal, but that is not the case and we need an in-depth study done; the original cost to do the Environmental and Cultural Resource work was \$12,500, and Westech is requesting an additional \$14,000 for a total of \$26,500; 3) on the original Agreement for the 256 Roadway, we did not anticipate having to make the road wider, from 20-foot wide to 26-foot wide, or having to do extra culvert work, but Green Crow wants the Road to County standards, so Westech is requesting an additional amount of \$10,700 for the extra work; and, 4) we must do a Cultural Resources Survey for the Oceanside Pump Station at an additional cost of \$3,650. Yarnall stated that the total cost of the Agreement amendments he is requesting is \$78,850. Yarnall stated that he would like the Board to authorize Mello and Wakefield to sign the Contract Amendments on behalf of the District upon Wakefield's return from vacation. Olsen asked Yarnall if Westech's services on the original Agreement included the Appraisals, etc. Yarnall stated, that yes, Westech's services on the Agreement does include the Appraisals, but does not include any condemnation proceedings costs. Yarnall stated that the District may have to establish a minimum easement value, e.g. \$250-\$350 minimum value. A brief discussion ensued. **As a result of the discussion, Kratovil moved to approve Westech's Engineering Services Contract Amendment Agreement in the not-to-exceed additional amount of \$78,850 and to authorize Mello and Wakefield to sign the Contract Amendment Agreement on behalf of the District. Olsen seconded. Motion passed by a vote of 3 to 0.**

9. **OLD BUSINESS:** None.

10. **NEW BUSINESS:** None.

11. **CORRESPONDENCE:** None.

12. **PUBLIC COMMENTS:** None.

13. **There being no further business, Wilkerson adjourned the meeting at 7:57 P.M.** The next regularly scheduled Board meeting will be October 15, 2009 in the Oceanside Community Club.

Respectfully submitted,

Robert J. Olsen, Secretary  
RJO/tw  
Sept09min