Minutes of the April 17, 2008 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 6:33 P.M. by Chairperson, Bruce Lovelin. The meeting was held in the Netarts Community Club.

   **BOARD MEMBERS PRESENT:**
   - Bruce Lovelin, Chairperson
   - Elisabet Wilkerson, Vice-Chairperson
   - Craig Wakefield, Secretary
   - Dave Kratovil, Treasurer
   - Robert Olsen, Member-at-Large

   **EMPLOYEES PRESENT:**
   - Daniel Mello, District Superintendent
   - Tami Walker, Office Manager

   **OTHERS PRESENT:**
   - Clark Balfour, Legal Counsel
   - Ray Bartlett, Financial Consultant
   - Vic Affolter, Land Use Consultant

   **GUESTS (In attendance):**
   - Richard Brounstein, Bob Deacon, Char Helgesen and Jim Carlson

2. Approval of Agenda. Lovelin stated that he would like to add “Open for Public Comment” to the Land Use Planning Discussion/Update topic under Old Business. Wakefield moved to approve the Agenda as amended. Wilkerson seconded. Motion passed by a vote of 5 to 0.

3. **GUESTS:** Lovelin stated that the District’s Consultants would talk at the end of the District Report.

4. **PUBLIC COMMENTS:** None at this time.

5. The Board reviewed the previously distributed Minutes of the March 20, 2008 regular Board meeting. The meeting was held in the Oceanside Community Club. One
correction was noted to the minutes. The correction is in **bold print** and was corrected on the original set of minutes. Page 4, second paragraph, ninth sentence reads, “At this time, Bob Deacon stated that it is critical that these drillings are done to ensure that the site in indeed okay for the new WWTP.” The sentence should read: “At this time, Bob Deacon stated that it is critical that these drillings are done to ensure that the site is indeed okay for the new WWTP.” **Kratovil moved to approve the Minutes as amended.** Wakefield seconded. Motion passed by a vote of 4, with Wilkerson abstaining as she was not present at the meeting.

6. The Board reviewed the Financial Statements through March 31, 2008 for all Funds. Mello and Walker answered all questions to the Board’s satisfaction. **It was the unanimous consensus of the Board to accept the Financial Statements as presented.**

7. March 21, 2008 through April 17, 2008 **Accounts Payable** were reviewed for:

   A. General Fund in the amount of $50,361.77.
   B. System Development Charge Fund II in the amount of $47,236.64.
   C. Construction Fund II in the amount of $10,296.25.

   Mello and Walker answered all questions concerning the Accounts Payable to the Board’s satisfaction. **Kratovil moved to pay the Accounts Payable for all Funds as presented.** Wilkerson seconded. Motion passed by a vote of 5 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 Outfall is no longer on bypass.

Mello reported that the SCADA Computer system for the Netarts Pump Station (NPS); Happy Camp Pump Station (HCPS); and the Ocean Highlands Pump Station (OHPS) has crashed. Tim Roach of Prevailing Communications is working on the system now. Roach has set-up a separate DSL phone line just for the Telemetry. Mello stated that the District has spent nearly $7,000 to-date on the system and it’s only two (2) years old. Since the computer system crashed, we have lost the ability to have the dialer call-out alarms. Mello stated that the alarm system has to work so he made an emergency decision to spend $3500 for Multitrode to train Roach to repair the system and give us 12 months of support. Roach feels that it will take him 3-5 days to repair the computer system. Mello reported that we also lost one of the probes at the NPS; as it broke in half. Mello stated that Grant Stayberg of Flygt gave us a $1,000 probe for free, as he has already surplused out all of his parts.

Mello reported that all of the other Pump Stations are working okay.
Mello reported that we hauled 33,000 gallons of sludge to the Port of Tillamook on March 6, 2008.

Mello reported that the Whisper Ridge Development Plans have been approved by DEQ.

Wilkerson asked Mello how much each treatment doughnut is designed to treat. Mello stated that each unit is designed to take 200,000 gallons per day.

Mello reported that all of the I & I repair work has been completed; the $40,000 that was budgeted for it has been spent.

Mello reported that the lift gate on the District’s Ford 1/2 –ton is broke. Mello has gotten a couple of Quotes on replacing it; one from a Company in Portland and the other one is from Burden’s. Mello stated that the Quote from Burden’s is approximately $1,000 less than the one from the Company in Portland. Wakefield moved to authorize Mello to have Burden’s replace the lift gate, per their Quote of $2,150. Kratovil seconded. Motion passed by a vote of 5 to 0.

Mello reported that Bud Hubbard, the District’s Trainee, has taken his Grade Level I test and passed. Mello also reported that Andrew Hunt took his Grade Level II test and passed. Mello stated that Hunt is now licensed to sign the DEQ reports if Mello is not here.

Westech Engineering, John Yarnall’s, Progress Report Status:
Mello stated that per Yarnall’s Progress Report Status, the Terrasea bore, which is part of the new WWTF (Wastewater Treatment Facility) pipeline alignment, will be done on Huckleberry Lane and Ridgewood. The drilling will be done in the Districts’ Sewer Easements or in the road right-of-ways, and not on private properties. At this time, Bob Deacon stated that he would like to see a copy of Foundation Engineering’s Proposal to do the test bores for the new WWTF pipeline alignment. Mello and Walker stated that they would get Deacon a copy of the Proposal.

Ocean Outfall Project-Mello reported that the District has awarded the Bid for the Outfall project to The HDD Company, which is based in Cameron Park, California. Mello stated that within the next few weeks The HDD Company should start mobilizing their equipment at the Treatment Plant. The HDD Company will be digging a ten-foot pit on the South side of the District’s property to stick the drill rig in. A discussion ensued regarding the District contacting Ken O’Toole from the Headlight Herald to see if he would like to take some pictures for the Newspaper. Mello will contact O’Toole once the equipment starts arriving.

Mello reported that the Maxwell Mountain Sewerline Extension has been approved and will serve three (3) homes.
At this time, Balfour stated that the District has a lot of activities going on. Balfour stated that the NOSD/Green Crow Property Amendment was passed at last month’s Board meeting and the District is moving forward with the ‘due diligence’ items.

At this time, Ray Bartlett, the District’s Financial Consultant, explained that he is working on the new WWTF Applications with USDA Rural Development, DEQ SRLF (State Revolving Loan Fund) Program and the OECDD (Oregon Economic Community Development Department). Bartlett explained that the District is applying for a Loan and Grant with Rural Development, which has the lowest Interest rate. Rural Development is trying to come up with a $15 Million dollar Loan and a $1.6 Million dollar Grant, but they won’t know until August 2008 how much money the District can actually get from them. Deacon asked if there are any pre-payment penalties and what the term length is. Bartlett stated that RD has a 30-year payback schedule and that there are no pre-payment penalties. Bartlett explained that right now, the DEQ SRF program and the OECDD program have no money. The OECDD Wastewater Program must go back to the Legislature to ask for funding, but they won’t know until spring 2009 what amount they will get, if any. Bartlett explained that the DEQ SRLF program has no money, as EPA is holding up their funding from last year and this year, as they are not happy with the way they are running their program. Bartlett stated that the Municipal Bond Market is the most expensive source of funding and they also have the highest Interest rate. The Municipal Bond Market has pre-payment penalties for the first 10-12 years; they only fund for 20-25 years; and they will also require that the District fund a one-year Debt Service account that is 125% of the Annual debt to reduce their financing risk. Bartlett stated that Rural Development is, therefore, the cheapest Lender. There being no further questions or comments for Bartlett, he left the meeting.

9. OLD BUSINESS:
   A. Land Use Consultant Vic Affolter, regarding the Land Use Planning Discussion; Update; and, taking Public Comments. Lovelin stated that he and Affolter attended both the April 2008 ONA meeting and the CPAC meeting on the last two (2) Saturdays. Lovelin stated that two (2) of the Tillamook County Commissioner’s showed up at the CPAC meeting and took the floor for approximately one hour and ten minutes; so Affolter’s time was cut short. Lovelin stated that Affolter did an excellent job explaining to the public the Land Use criteria; requirements, etc. Affolter stated that it is extremely important to be clear, open and transparent with the public on the Land Use process. Affolter stated that he felt good about both the ONA and CPAC meetings. Affolter felt that both of the meetings were positive and constructive. Affolter stated that the District does not have to do a Zone Change. The District must do a Conditional Use request and apply for an Exception to Goal 4, which is Forest Land. The District will also have to go through a Major Partition. Affolter stated that there is a packet of information in tonight’s Board meeting packet, as well as copies available at the District office, of the one (1) page Summary; 19 pages of the Application, so far; and 9 pages of Findings, which are used to address concerns. Affolter explained that the District does not have to do an
Exception to Goal 12, which is the transportation issue (256 Road for public access); but will need to address the provisions of Goal 12. Affolter stated that he works well with the DLCD (Division of Land Conservation Department) Field Representative; which let him know that the District does not have to do the Goal 12 Exception; just address the Provisions. Affolter stated that the Land Use Application is approximately 95% complete right now. Affolter stated that Tillamook County has 150 days to complete the local process requirement, once the Application is submitted. If the Application is submitted in May 2008, the District may have closure on it from Tillamook County by November or December 2008. Per Affolter’s hand-out, “Status of Application,” he needs to get documentation from Yarnall, which is the critical part of the Application, showing the nine (9) sites that the District looked at for the placement of the new WWTF and a statement from him on why those sites were not feasible. Bob Deacon stated that the Preliminary Report from Foundation Engineering on the selected site showed some concern about sliding and that is the reason that the District needs to do the deep drilling bore holes. Deacon stated that the GeoTech work is important to both the District and Affolter’s work for the Land Use Application. Affolter stated that he hopes to have the final Application ready for the Board’s approval at the May 2008 Board meeting. A discussion followed. As a result of the discussion, Wakefield moved to grant the Board Chair the authority to approve the new WWTF Land Use Application and Goal Exception, so that Affolter can submit it to Tillamook County in May 2008, once he has completed it. Olsen seconded. Motion passed by a vote of 5 to 0. Olsen asked Affolter how long the Major Partition Application will take to complete. Affolter stated that the District should probably get started with the Major Partition Application very soon. Affolter stated that he will email Lisa Phipps at Tillamook County and ask her when a Major Partition Application could be accepted or filed and if the District has to wait for the Conditional Use approval first. Affolter stated that the Major Partition Application process should go pretty quickly compared to the Conditional Use Application. Since the Major Partition was not included in Affolter’s original Agreement with the District, a new Agreement will have to be submitted for Affolter to do the Major Partition. There being no further questions or comments for Affolter, he left the meeting.

10. NEW BUSINESS:
   A. CAC (Citizen’s Advisory Committee) Report-Scott Campbell. Lovelin tabled this topic as Carlson left the meeting early. The Board all concurred that Campbell’s letter was done very well, with some minor errors, but overall, it was a good letter.

   B. Resolution 08-02, “A Resolution Establishing a New Fund Called-Construction Fund III. Kratovil explained that the Construction Fund III is being established to track the new WWTP project expenditures. Lovelin read Resolution 08-02 for the benefit of everyone in attendance. Wakefield moved to approve Resolution 08-02 as presented. Kratovil seconded. Motion passed by a vote of 5 to 0.
11. **CORRESPONDENCE:** None.

12. **PUBLIC COMMENTS:**

   Bob Deacon stated that this is the first time that he’s heard pretty definitely that $23 Million is what the new WWTF will cost.

   Wilkerson stated that she will not be at the May 2008 Board meeting, as she is having company in town from Sweden.

   Lovelin thanked everyone for attending the Board meeting tonight.

13. There being no further business, Lovelin **adjourned** the meeting at 8:15 P.M. The next regularly scheduled Board meeting will be May 15, 2008 in the Oceanside Community Club.

Respectfully submitted,

Craig Wakefield, Secretary  
CW/tw  
April08min