

BEAVER WATER DISTRICT

Meeting Minutes

August 13, 2026

1. Board Director McKillip called the meeting to order at 6:01pm
2. Directors present were, Larry Oberholtzer, Jason McKillip, Ron Smith and Dan Daggett. Ray Cloud was present by phone.
Employees present were Administrator Heidi Reid, Plant Manager Larry and Bradley Savage.

Guest Present was Kevin Shluka.

3. Guest Discussion

- a. Kevin Shluka with the Nestucca Jr. High project was present to give the Board an update on the project.
Kevin let the Board know he had asked for a letter of Availability. He explained he had forgotten he had changed the program since the last update. He let the Board know he has reduced the project to 30 apartments with one of those being slated for a daycare. If that does not progress it will be turned into an apartment. The library is still a part of the plan. They are going to try to resurrect the old commercial kitchen. This will be used by the library for culinary classes and community uses. He does not anticipate the water usage to be any more than initially proposed. He wanted to let the Board know the water use will probably be less than what was initially stated but he wanted to let the Board know of the changes to make sure they were still comfortable with issuing the letter of availability. Director Oberholtzer stated he did not see the changes affecting what the Board had initially voted on. Director Daggett agreed.

Kevin went on to mention Commissioner Bell and the Director of Tillamook County Economic Development Council reached out to him and want to apply to the Federal government, a tract of land that includes Beaver, Hebo and Pacific City into the Federal Opportunity Zone. There is an emphasis on rural development with this coalition. Essentially, if your investment in this zone meets the requirements, and you are invested for a specific period of time, your capital gains taxes are reduced or eliminated. The program is trying to stimulate development in areas that are struggling financially. He believes his project will be a good candidate for this opportunity. He mentioned other developers like Case Roos and the Daggett's could benefit from being within the opportunity zone. Kevin mentioned if the development does occur the District may be able to benefit from the funding to increase compacity to provide for the development. He has talked with Business Oregon and the Director of Rural Development with the USDA, Betsy Johnson among other representatives. He let the Board know he spoke with Mrs. Reid yesterday regarding a grant that is available through the drinking water program. The District could apply for that grant to update and/or

renew the District Master Plan, but the paperwork is due by Saturday August 15th. He understands this is short notice but it could be beneficial for the District to apply. He mentioned with an updated Master Plan it puts the District in a place to qualify for the grants and low interest loans. He asked Mrs. Reid if she has spoken to Melani Olson regarding the funding. Mrs. Reid stated she did speak with her and she received the paperwork; Larry is getting with the Engineer to see what it will cost to update the current plan. Mrs. Reid mentioned the short time frame to get the paperwork turned in, is an issue.

Kevin mentioned to the Board there is a rural infrastructure grant that was just announced and he believes they would have a good shot at getting a portion of that money. Each regional District will get a minimum of \$500,000 that money can go for potentially replacing the line across the river at 101 and/or the upgrades he will need for his water connection. He stated in order to receive this grant his project would have to partner with the Beaver Water District. The money is only available to entities or projects that are partnering with a Municipality. It is something he would like to participate in, he believes we have a good shot at getting the funding. Especially for the 101 project, he would like to see the Board agree to go into the collaboration for the funding. He let the Board know they are moving forward with the project.

Mr. Chitwood asked if the Library was still a part of the plan. Kevin stated it was. He mentioned it will not be attached to the new gym, but it will be placed in the old gymnasium. It will open up to a courtyard that will be created with a new building, housing 12 of the units. The courtyard will have a play structure, picnic tables and be a community space. He also wanted to let the Board know the YMCA has not been especially enthusiastic about taking on the gym. With this they are starting to pursue plan B, they are looking at taking on a non-profit. He would like to see the basket ball court stay and some kind of community activities take place there. It is a work in progress that they would like to see be a public space.

Director McKillip thanked Kevin for the update.

Mrs. Reid asked the Board if there was anything specific they would like addressed on the Availability Letter. The Board agreed they had already approved the project with the 32 units; at this time, it looks like there will be two less units and more community space. Mrs. Reid let the Board know she had sent over an initial availability letter and that is when Kevin let her know the plan had changed and it was agreed he should come to the Board meeting to update the Board on the changes. Director Smith asked if he had mentioned any dishwashers in the units. Mrs. Reid stated he did not. Director Daggett asked about the Community Kitchen and how much it would be used. He mentioned it could use more water than what was initially planned. Mrs. Reid

expressed, in her dealings with a community kitchen, it is not being used every day. Mostly on weekends and off and on during the week. Director Daggett stated he understands there is a food court going in across from the Shell Station and there has been talk about the community kitchen being used for their purposes. Director Oberholtzer mentioned the food court has been approved, as far as he knows. Director Daggett mentioned he thought they had to have their own commissary set up but if they can use the school's kitchen then they would not be required to have one of their own and if that is the case it could increase the water usage. Director Oberholtzer mentioned he did not think they ever resolved the issue of that being two lots. Mrs. Reid let the Board know it has been discussed and they will have to pay an additional SDC fee for the second lot to get water to it. There was a short discussion regarding water to the lot with the RV's and the possibility of the food carts. In the end the Board did not stipulate any additional comments on the availability letter.

4. Reading and Approval of June Meeting Minutes

- a. The Board was presented with the June minutes. They reviewed them and did not see any changes that needed to be made.

Motion

Director McKillip moved to approve the minutes as written.

Director Smith seconded the motion carried with five ayes.

5. Correspondence

- a. None

6. Financial Review

- a. Review/Approval of Payments for July 2026

The Board was presented with the payables for the month of July. Mrs. Reid explained payroll taxes were paid as always. She let the Board know Saif had been paid, Boli was for new labor law posters, Harland Clark was for the stamp for the new bank account, Waterlab was high this month because Larry did all of the Lead & Copper testing along with PFAS, Lowes was for parts for the water lines, Water Store was for a new circuit board for a filter at the well, American Backflow was for the annual backflow testing. All other invoices were normal for the month. Director Smith asked how Diamond maps was working. Mr. Chitwood stated it was working well. He has not been updating it over the summer due to other projects but would get back on it this winter when things slowed down. Director Oberholtzer asked Mrs. Reid why the payroll is not showing on the new banking. Mrs. Reid let him know she has updated it in QuickBooks and it should be showing up next month. It went through the old bank account last month. It is the only thing that went through that account last month. He also mentioned he noticed there was two Waterlab invoices. Mrs. Reid let him know one invoice was for the month prior. He mentioned the two invoices are almost our entire budget for testing for the year. Mr. Chitwood stated

these invoices covered the majority of the testing that needs to be done for the year.

There were no other questions from the Board.

Motion

Director McKillip moved to pay the invoices for July 2026.

Director Cloud seconded the motion carried with Five ayes.

b. Presentation of P&L and Balance Sheet

The Board was presented with P&L for the month of July. Mrs. Reid stated there was \$17,141 of fee income for the month. The total net income for the month was \$2,206.

The Board was presented with the Balance Sheet for the end of July. She stated the District had \$23,851 in the general fund at Umpqua Bank; the Capital Improvement savings there has \$472 and \$86,720 in the LGIP Capital Improvement fund. The general fund at Oregon Coast Bank has \$31,374 and the Oregon Coast Bank Capital Improvement fund has \$1,497. Mrs. Reid let the Board know she will be closing the Umpqua bank accounts hopefully this month. The Board did not have any other questions regarding the financial statements.

Director Smith asked if Mr. Chitwood had been using the Pacific City Branch. He said he utilizes both, they have both been great. No waiting in long lines and the employees are very helpful.

c. Delinquent Accounts

The Board was presented with the current delinquent list. Mrs. Reid explained they had \$1,210 in past due accounts. She let the Board know accounts 88 is locked off for nonpayment. The other two will be sent a delinquent notice and get locked off if they don't pay their bill on time. Director Daggett mentioned he has seen the people from the Bank at acct# 88 and it appears it is not fully in foreclosure as of yet but they expect it will be soon.

7. Plant Operators Report

The Board read over the Operator Report and it stated:

June, Highest recorded NTU: .160, Recorded Rainfall: 5.5", Water Loss: 11%

July, Highest recorded NTU: .05, Recorded Rainfall: .6" Water Loss: 18.4%

Repairs and upgrades:

We had very little problems at the intake over June and July mostly consisting of plugged water lines that are easily cleared by blowing off water backwards through the intake. This should be done with untreated water and may require a larger trash pump to move enough water to unstick debris if there is a bad clog. The new Cleanout for the intake is still under construction at M&H welding in Tillamook and should be done soon. The

plan is to keep costs down since things change so often in the creek. Everything we are doing is temporary and can easily be removed. If over the next couple years these problems get worse there may be a need for a more permanent solution that would have to be engineered and installed by a contractor.

The addition of the Stenner peristaltic metering pump was successful. The pump has been reliable so far and handles soda ash just fine. We may continue to phase out LMI pumps with them as needed.

There has been some corrosion that I have been battling over the last few years on the treatment tank that I will try to have a couple quotes on a permanent fix for at the next board meeting. I would like to have this done in the winter while the well is at full capacity since we will need to take the plant offline for up to a week for the repair. This will require completely draining the treatment tank removing filter media and re coating the tank inside and out. The project will not need to go through engineering because it is considered maintenance. Rob has offered to help advise us during the project and mentioned that Rockaway Beach recently had this done so I will contact their manager to hopefully discuss the project.

Well Level:

We ran the well at around 18 GPM through June 23rd while the well residual level slowly went down around 12.5 feet. On June 24 we lowered the flow rate to 14 GPM, this raised the static level to 13 feet. On July 1st we changed the point the reservoir called for the pumps to turn on to 13.5 feet from 13 feet to shorten the amount of time the pumps ran before the reservoir was full and they shut off, this raised the Static level to 14.5 feet lowering the drawdown to only around 1.5 feet.

At this time we are still running the well alongside the main plant at an average 14GPM with a Static level of 13 feet and a residual level of around 11.9 feet with no signs of cavitation or changes in water quality. The length of each run varies depending on time of day (usage during run) but shortening the runtimes had a much better impact on residual levels than lowering speed which is useful information for future operations.

Director Smith asked why Mr. Chitwood thought the water loss was higher in July than June. Mr. Chitwood stated they has to do a lot of backflushing on the intake. It was plugging up and not drawing water so they had to run water backwards through the pump and it's hard to gauge because there is not a meter on it. He is basically timing the cycle and doing the math for the pump. Director Oberholtzer let Mr. Chitwood know he had calculated once what the flow rate was. He believed it was 750gl per minute. He said he would see if he could find the calculation and give it to Mr. Chitwood. Mr. Chitwood mentioned once they get the new cleanout basin installed they may not have to run backwash as often if at all.

Director McKillip asked about the tank corrosion issue. Director Oberholtzer mentioned he thought that had been fixed when the holes in the bottom of the tank were fixed. Mr. Chitwood explained that was before he started. The issues are on the outside of the tank this time. He figured if they had to have someone come out to fix that he would have them recote the whole thing.

There were no other questions from the Board.

8. Old Business

a. Oregon Coast Bank update

This was talked about during the financial review.

9. New Business

a. Further Discussion re: School Project

This was talked about during the guest discussion.

b. Website Cost Change

Mrs. Reid let the Board know Streamline had been purchased by CivicPlus. Our current subscription is \$73 per month with a total yearly cost of \$876. We received the new invoice from CivicPlus and it was for \$3,000 for the year, \$250 per month. She let the Board know she had called the rep and let them know we could not afford the increase and we would be dropping the service. She let the Board know he talked to his supervisor and they will honor the current price of \$876 this year but it will go up to \$1,500 for the year. Mrs. Reid let the Board know she is going to see if she can find a different company with more reasonable pricing. She let the Board know she has put a lot of time and effort into the current website and it makes getting the information out to the public easy. She is going to see if she can find a better option and a different company to do the on-line payments. Mr. Chitwood asked if there were any new services that came with the increase. Mrs. Reid stated there is not. Director McKillip asked if we own the domain name, Mrs. Reid stated she believed we did but she can check into it to make sure. Mr. Chitwood mentioned the Nestucca Valley Sanitary Service has a nice website, maybe we could look into who they use.

c. Possible Grant Funding for New Facilities Master Plan

Mrs. Reid let the Board know she did speak with Meloni Olson at Business Oregon. The funding Kevin was talking about was not a grant it is a loan through the Clean Water Revolving Fund. The loan has the potential to be relieved but it is not a guarantee. Also, it is only for up to \$50,000. Mrs. Reid let the Board know it is due by Saturday August 15th. At this point she is not sure she would have time to get it done and submitted. Mr. Chitwood mentioned this seems to be something that happens a couple times of year. It seems to be a pretty common loan that comes up. Mrs. Reid said she could work on getting the paperwork completed and next time it opens up she can submit it.

Director Oberholtzer asked what the requirement was for updating the Master Plan, how long is it good for. Mrs. Reid let him know initially when DEQ began requiring these it was supposed to be good for 20 years. Now it's roughly 10 to 12 maybe 15 depending on the technology involved. Director Oberholtzer was worried with an outdated Master Plan the District would not be able to charge SDC fees. Mrs. Reid stated the Master Plan simply outlines the projects or updates the District will need to support the current and projected customer base. It is required to get loans or grants. It is the document that DEQ, Business Oregon, USDA and other entities will review to see what we actually need for updates and/or upgrades to the plant. Mr. Chitwood let the Board know the revised Plan would have the project for the water line across the creek. The Board agreed there was no need to push to get the paperwork in on this loan process. We would wait until the next time it comes available.

10. Safety Tip

a. Oregon Wildfire Smoke Rule

The Board was presented with a handout from WHA regarding the Oregon Wildfire Smoke Rule. There was a short discussion regarding health effects of exposure and symptoms of smoke exposure. They talked about respirators and protective measures.

11. Unscheduled Business

a. None

12. Next Scheduled Meeting Date

September 10, 2026

13. Adjourn

Board Director McKillip adjourned the meeting at 7:02pm

Motion

Director McKillip moved to adjourn the meeting.

Director Daggett seconded the motion carried with five ayes.

These Minutes were approved by the Board of Directors by the following votes:

Aye: _____ Nay: _____ Abstain: _____ Absent: _____ Attest: _____

Board Member

Board Member

Minutes transcribed and submitted by Heidi Reid, Office Administrator