FAIRVIEW WATER DISTRICT BOARD OF COMMISSIONERS

NOTICE OF REGULAR BOARD MEETING

Notice is hereby given that the Fairview Water District Board of Commissioners will hold a regular Board meeting on **Thursday, September 24, 2026**, at **5:00 PM** at the Swiss Hall, 4605 Brookfield Avenue, Tillamook, Oregon.

AGENDA

1. **Call To Order**
2. **Roll Call**
3. **Consideration of Applications for Appointment: Board Position No. 4**
    a) Adam Nielsen
    b) Kim Barker
    c) David Harrison
4. **Mark Knudson, SDAO**
    a) Presentation and discussion regarding the manager evaluation process, Board and manager roles and working relationships, Board governance and decision making, and SDAO's proposed support services.
    b) Consideration to authorize the Board Chair to enter into a proposed agreement with SDAO for District Manager Performance Evaluation and Related Services.
5. **Approval of Minutes:**
    a) Amendment of June 25, 2026 Regular Meeting Minutes
    b) Approval of August 27, 2026 Regular Meeting Minutes
6. **Public Comment** (on Non-Agenda Items)
7. **Staff Reports**
    a) General Manager
    b) Office Manager
8. **Financial Reports**
    a) August 2026 Accounts Payable
    b) Budget v. Actuals Review
    c) Fiscal Year 2024-25 Annual Audit
9. **Old Business**
    a) Continued Discussion Regarding Oldenkamp Farms Email
    b) General Manager Governance Grievance
    c) Water Rate Discussion
    d) Discussion Regarding District Water Leaks
10. **New Business**
    a) Hunt Water District Annexation Petition
    b) Bank Account Signatories
    c) November and December 2026 Regular Meeting Dates and Location
    d) General Manager Planned Leave
11. **Board Member Presentations**
12. **Executive Session:** The Board of Commissioners will hold an executive session pursuant to ORS 192.660(2)(b) to consider complaints or charges brought against a public officer, employee, staff member, or individual agent who does not request an open hearing.
13. **Adjournment**

Remote Call-In - Audio Only • (503) 738-1011 • Extension 1002

Item 5(a) REVISED September 21, 2026

FAIRVIEW WATER DISTRICT

403 Marolf Loop Road
Tillamook, OR. 97141
(503) 842-4333 • office@fairviewwater.com

BOARD OF COMISSIONERS APPLICATION

Name: Adam Nielsen

Street address: 770 Marvin Rd, Tillamook OR 97141

Mailing address: 770 Marvin Rd, Tillamook OR 97141

Phone number: [redacted]

Email: [redacted]

Current occupation: Engineer

Number of years as a Fairview or Wilson Customer: 6 years

Registered Voter: Yes ☑ No ☐

List your qualifications and reason(s) for wanting to serve on the Fairview Water District Board of Commissioners:

Licensed Professional Engineer with a Specialty in Water Resources.

Experience writing grants for water utilities, complying with OHA regulations, water system design.

I would like to help the district run an efficient operation.

BOARD
John Casteel
Boyd Rulifson
Gary Bond
James Huffman

FAIRVIEW WATER DISTRICT

403 Marolf Loop Road
Tillamook, OR 97141

(503) 842-4333

GENERAL MANAGER

Michael Ostensen

Providing clean, safe drinking water since 1919

APPLICATION FOR APPOINTMENT TO THE BOARD OF COMMISSIONERS

Name: Kim Barker

Physical Address: 10365 Gilliam Court Tillamook OR 97141

Mailing Address (if different): _____

Phone: [redacted]

Email: [redacted]

Are you a registered voter residing within Fairview Water District?

☐ Yes ☐ No

Are you able to attend regular board meetings, usually held the last Thursday of each month at 5:00 PM?

☐ Yes ☐ No

Why are you interested in serving on the Fairview Water District Board of Commissioners?

I am running for the Fairview Water District Board because I care about our community and want to help ensure reliable, affordable water service. I hope to bring a practical perspective, listen to community members and make responsible decisions that protect our resources and serve the needs of both current and future residents.

Please describe any experience, skills, or community involvement you believe would benefit the District.

I bring strong problem-solving, communication, and organizational skills that would benefit the water district. I understand the importance of responsible decision-making, careful management of resources, and maintaining reliable essential services. I would bring a practical, thoughtful approach to helping ensure the community continues to receive safe, dependable water service.

(Continue on the reverse side if additional space is needed.)

I understand that the information provided in this application may be shared with the Fairview Water District Board of Commissioners for the purpose of evaluating applicants for appointment. I further understand that this application may be subject to disclosure under Oregon Public Records Law.

_____ 09/02/2026

Signature Date

BOARD
John Casteel
Boyd Rulifson
Gary Bond
James Huffman

FAIRVIEW WATER DISTRICT

403 Marolf Loop Road
Tillamook, OR 97141

(503) 842-4333

GENERAL MANAGER

Michael Ostensen

Providing clean, safe drinking water since 1919

APPLICATION FOR APPOINTMENT TO THE BOARD OF COMMISSIONERS

Name: David Harrison

Physical Address: 8055 Riverview Dr Tillamook OR 97141

Mailing Address (if different): _____

Phone: [redacted]

Email: [redacted]

Are you a registered voter residing within Fairview Water District?

X Yes ___ No

Are you able to attend regular board meetings, usually held the last Thursday of each month at 5:00 PM?

X Yes ___ No

Why are you interested in serving on the Fairview Water District Board of Commissioners?

As I enter retirement, I would like to continue serving my community in a meaningful way. I believe I still have valuable experience leadership, and problem-solving skills to contribute.

Please describe any experience, skills, or community involvement you believe would benefit the District.

* Leadership Role Wenner Meats – I can evaluate operations, ask informed questions, understand organizational challenges and make decisions that support reliable service. I am able to think strategically and can help both immediate needs and long term consequences
* Director of Purchasing & Receiving Tillamook Hospital – Skills in Managing operating budgets, capital projects and balancing competing priorities.

(Continue on the reverse side if additional space is needed.)

see reverse side

I understand that the information provided in this application may be shared with the Fairview Water District Board of Commissioners for the purpose of evaluating applicants for appointment. I further understand that this application may be subject to disclosure under Oregon Public Records Law.

David Harrison

Signature

9-16-26

Date

* My Leadership background skills gives me the ability to be Collaborative, listen to differing viewpoints, communicate clearly and make decisions as a team.

Special Districts Association of Oregon
Consulting Services Agreement

This Agreement ("Agreement") is made effective as of _____, by and between the Special Districts Association of Oregon (SDAO), 727 Center St NE, Salem, Oregon 97301, and the Fairview Water District (the District), 403 Marolf Road, Tillamook, OR 97141 (hereinafter "the Parties"). In this Agreement, the party who is contracting to receive services will be referred to as the "District" and the party who will be providing the Services will be referred to as "SDAO" or "Consultant."

1. **DESCRIPTION OF SERVICES**. Beginning on or about _____ SDAO will provide to the District the following services (collectively, the "Services") as part of SDAO's Consulting Services Program:

   General Manager Performance Evaluation Support and Related Services to support the District Board of Commissioners (the Board) to establish a process, schedule and criteria for evaluating the General Manager's (GM's) performance, facilitate the Board's evaluation of the GM's performance, and related services including board training and prioritization of District goals and GM performance expectations. A detailed Proposal for the Services, including a scope of work, is attached.

2. **PAYMENT FOR SERVICES.** In exchange for Services, the District will pay compensation to SDAO in the amount not to exceed $5,000.00. This fee will be invoiced monthly on a time and materials basis for services furnished in the previous month as described in the attached Proposal.

3. **TERM.** The specific term of the agreement will be outlined in the attached Proposal. If necessary, the parties can alter, by mutual agreement, the term of the project.

4. **CONFIDENTIALITY.** SDAO, and its employees, agents, or representatives will not at any time or in any manner, either directly or indirectly, use for personal benefit of SDAO, or divulge, disclose, or communicate in any manner, any information that is proprietary to the District. SDAO and its employees, agents and representatives will protect such information and treat it as strictly confidential. This provision will continue to be effective after the termination of this agreement.

   Upon termination of this Agreement, SDAO will return to the District all records, notes, documentation, and other items that were used, created, or controlled by SDAO during the term of this Agreement.

5. **LIMITATION OF LIABILITY.** Except for Consultant's confidentiality, Consultant's total liability to the District shall not exceed the total payment for services value regardless of whether any action or claim is based upon contract, tort (including negligence) or strict liability.

6. **ENTIRE AGREEMENT.** This Agreement contains the entire agreement of the parties, and there are no other promises or conditions in any other agreement whether oral or

written concerning the subject matter of this Agreement. This Agreement supersedes any prior written or oral agreements between the parties.

7. **SEVERABILITY.** If any provision of this Agreement will be held to be invalid or unenforceable for any reason, the remaining provisions will continue to be valid and unenforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision will be deemed to be written, construed, and enforced as so limited.

8. **TERMINATION**. Either party may, during the term of the Agreement, cancel the requested services with 30 days written notice. The parties will make a good faith effort to determine prorated costs, and a final invoice or payment shall be made within 30 days of the termination of the Agreement.

9. **AMENDMENT.** This Agreement may be modified or amended in writing by mutual agreement, if authorized by representatives of both Parties.

10. **GOVERNING LAW.** This Agreement shall be construed in accordance with the laws of the State of Oregon.

11. **NOTICE.** Any notice or communication required or permitted under this Agreement shall be sufficiently given if delivered in person or by email to Doug Barker, Board President, via certified mail, return receipt requested, to the address set forth in the opening paragraph or to such other address as one party may have furnished to the other in writing.

12. **SIGNATORIES.** This Agreement shall be signed on behalf of the District by Doug Barker, Board President, and on behalf of SDAO by Frank Stratton, Executive Director, and effective as of the date first written above.

Fairview Water District

By: _____ Date: _____
Doug Barker
Board President

Special Districts Association of Oregon

By: _____ Date: _____
Frank Stratton
Executive Director

SDAO Special Districts Association of Oregon

Proposal for Consulting Services

Project Title: General Manager Performance Evaluation Support and Related Services

Date: September 14, 2026

Agency: Fairview Water District
403 Marolf Road
Tillamook, OR 97141

Doug Barker, Board President

SDAO Representative: Mark Knudson, Senior Consultant, mknudson@sdao.com

Project Summary:

The Board of Commissioners (the Board) of the Fairview Water District (the District) wishes to establish a process, schedule, and criteria for evaluating the General Manager's (GM's) performance, obtain facilitation services for the Board's evaluation of the GM's performance, and obtain related services including Board training and prioritization of District goals and GM performance expectations. In support of the Board's efforts to achieve these objectives, the Special Districts Association of Oregon (SDAO) Consultant Services Program has prepared the following proposal for General Manager Performance Evaluation Support and Related Services.

Contract Term: Through February 28, 2027 or as amended by mutual agreement.

Project Description, Scope of Work, Schedule & Deliverables:

The scope and schedule for the services to be provided by SDAO may change over time depending on changes in requirements and expectations of the District Board of Commissioners as well as availability of Board Members and staff. Given these uncertainties, SDAO will provide services to the District on a time and materials basis as outlined below.

Mark Knudson will serve as the SDAO's Senior Consultant and project manager for this engagement. Shanta Carter, SDAO's Consulting Services Program Manager, will provide additional support as needed.

SDAO proposes to support the District by providing the following services:

Task 1: Project Management

1. Description: SDAO will provide ongoing project management throughout the duration of the project, including routine coordination with the District Board President and GM, as needed.

2. Deliverables: SDAO will provide monthly progress reports summarizing progress during the previous month and planned activities for the following month. If requested by the District, SDAO will conduct a monthly conference call with the District Board President and GM to review the monthly progress report.

3. Schedule: Work on this task will continue for the duration of the project.

Task 2: General Manager Performance Evaluation Support

1. Description. SDAO will provide services in support of the District Board of Commissioners' completion of a performance evaluation of the GM. These services will include:
   - Review and Update of Position Description – SDAO will review the GM's current position description and offer suggested updates and refinements. Suggested edits will be reviewed with the GM and Board, finalized, and submitted to the Board for adoption.
   - Proposed Evaluation Process & Schedule – SDAO will outline a proposed process and schedule for the Board to complete the performance evaluation.
   - Proposed Evaluation Criteria & Form – SDAO will review existing performance evaluation criteria based on the GM's updated position description and professional judgement of SDAO's Senior Consultant. A draft of suggested updates to the evaluation criteria and evaluation form will be provided to the Board President, GM, and General Counsel for review. The draft evaluation criteria and evaluation form will be updated based on the District's review comments.
   - Board Adoption – SDAO will attend a Board meeting in person to present the proposed evaluation process, evaluation period, schedule, criteria, and form. SDAO will request the Board formally adopt the proposed evaluation process, evaluation period, criteria, and form, with any changes as requested by the Board.
   - GM Self-Evaluation. The GM will complete their own self-evaluation using the Board-adopted evaluation criteria. Once complete, the GM's self-evaluation will be provided to each Board Member.
   - Board Member Evaluations and Summary – Each Board Member will independently complete a performance evaluation form and submit their evaluation to SDAO. SDAO will compile the Board Members' evaluations and prepare an anonymous summary of the evaluations for review by the full Board of Commissioners.
   - Evaluation Session – SDAO will attend a Board meeting in person to review the compiled evaluation summary; the Board will then meet with the GM to review the Board's evaluation.

2. Deliverables. SDAO will provide the following deliverables:
   - Draft and final version of updated GM position description.
   - Draft and final proposed evaluation process, schedule, criteria and form.

- Attend Board meeting #1 to review proposed updates to GM position description, and provide a summary of performance evaluation objectives, and proposed evaluation process and schedule.
- Attend Board meeting #2 to review and request Board adoption of the proposed evaluation process, schedule, criteria, and form.
- Distribute the GM's self-evaluation to Board Members.
- Prepare a compiled, anonymous summary of Board Members' evaluations.
- Attend Board meeting #3 to review the evaluation summary and assist the Board in presenting their evaluation to the GM.

3. Schedule. Work on this task will continue for the duration of the assignment with the following target dates for key activities:
   - Board meeting #1 to review evaluation objectives and proposed updates to GM position description: October 2026.
   - Board meeting #2 for Board adoption of evaluation criteria and form: November 2026.
   - Board meeting #3 to review summary of Board Members' evaluations and Board completes evaluation of GM: December 2026.

   This schedule is subject to change based on factors beyond the control of SDAO, such as delays in scheduling proposed Board meetings and completion of evaluations by the Board Members and GM.

4. Assumptions and support provided by the District will include:
   - Scheduling and logistical support for Board meetings, including but not limited to special meetings as well as public notice for all public meetings conducted as part of the project.
   - Legal services, as needed.
   - The District will print and distribute Board presentation materials.
   - The Board reaches agreement on the process, schedule and criteria for the evaluation.
   - The Board and GM complete their evaluations in a timely manner.
   - The Board reaches agreement on an evaluation summary to be provided to the GM.
   - SDAO will attend three Board meetings in-person in Tillamook; all other coordination with Board Members and staff will be via phone, email, or virtual meetings.

Task 3: Related Services

1. Description. SDAO will provide additional support services to the District Board of Commissioners and staff including:

   - Board Training – SDAO will attend an in-person meeting or work session of the District Board of Commissioners and district staff to present a training session on the following topics:
     - District & Board Authority

  - Board & Staff Expectations
  - Public Meetings
  - Ethics
  - Board Member Best Practices

  In general, the training will be based on existing SDAO board training presentations, and tailored to a water district (i.e., ORS 264). This session will NOT satisfy the statutory requirements for Oregon Public Meetings Law (i.e., ORS 192); however, the training will identify SDAO recommendations and best practices for Board meetings. This training is anticipated to last approximately 1½ to 2 hours. The District's legal counsel will be invited to attend the training session.

- District Goal Setting & Prioritization of GM Performance Expectations – SDAO will attend an in-person meeting or work session of the District Board of Commissioners and district staff to facilitate a discussion of the Board's priorities for District goals and GM performance expectations for the coming year and beyond.
  - SDAO will prepare a proposed agenda for the Board's meeting or work session on this topic and facilitate the public meeting.
  - SDAO will prepare a draft summary of the Board's input and comments provided during the work session. SDAO will submit the updated draft to the Board President and District staff for review and comment and will revise the final draft as needed based on the District's comments.
  - Board Review & Adoption – SDAO will provide staff with the proposed summary of District goals and GM performance expectations for inclusion in the meeting packet for a regular Board meeting. SDAO will attend a Board meeting in person to provide a brief overview of the work summary, receive input and answer questions from Board Members, and ask the Board to adopt the resulting summary of District goals and GM performance expectations.

2. Deliverables. SDAO will provide the following deliverables:
   - In-person attendance at a Board training session, including preparation of a District-specific PowerPoint presentation and handouts. This Board meeting may be held as part of one of the meetings identified in Task 2.
   - In-person attendance at a Board meeting or work session to facilitate identification and prioritization of District goal setting and GM performance expectations.
   - In-person attendance at a Board meeting for Board review and adoption of proposed District goals and performance expectations.

3. Schedule. Work on this task will continue for the duration of the assignment with the following target dates for key activities:
   - District Board Training presentation: November 2026
   - Board Goal Setting and Priorities: January 2027
   - Board Adoption of District Goals and Priorities: February 2027

This schedule is subject to change based on factors beyond the control of SDAO, such as delays in scheduling proposed meetings and completion of reviews by staff.

4. Assumptions and support provided by the District for this task are the same as outlined for Task 2.

Fee for Services, Billing & Billing Rates:

The fee for services provided under this scope of work will not exceed $5,000.00 including expenses, without prior written approval from the District. This fee includes an allowance of up to 8 hours of Senior Consultant time per calendar year through SDAO's Consulting Services Program.

SDAO will invoice the District monthly on a time and materials basis for the services furnished in the previous month. Labor for SDAO's Senior Consultants will be billed at $66.00 per hour. Expenses will be billed at actual cost.

FAIRVIEW WATER DISTRICT

BOARD OF COMMISSIONERS MEETING MINUTES

Special Session | August 27, 2026 | 5:00 PM
Tillamook Swiss Hall | 4605 Brookfield Avenue, Tillamook, OR

1. CALL TO ORDER

President Pro Tempore James Huffman introduced himself to those in attendance and called the meeting to order at 5:00 PM.

2. ROLL CALL

a) Board Members Present: Boyd Rulifson, Jerry Dove, James Huffman

b) Board Members Absent: None

c) Staff Present: General Manager Michael Ostensen, Office Manager Melissa Rondeau

d) Consultants Present: Eileen Eakins, District Legal Counsel (via telephone), Mark Knudson, Special Districts Association of Oregon (SDAO) (via telephone)

e) Members of the Public Present: Richard Obrist, Stephany Whitaker, Jessica Ostensen, Jeff LaTurner, Chris Rondeau, Doug Barker, Joseph Barker, Dan Leuthold, Matt Mumford, Barb Schmitz, Mike Schmitz, Larry Anderson, Jessi Coon, James Coon, Luke Oldenkamp, Ryan Killgore, Michael Tohl, Brian Beeler, Adam Nielsen

3. ACKNOWLEDGEMENT OF RESIGNATIONS AND APPOINTMENT TO BOARD POSITION NO. 2

President Pro Tempore Huffman acknowledged the recent resignations of Commissioners John Casteel and Gary Bond. He reported that the Tillamook County Board of Commissioners had appointed Jerry Dove to Board Position No. 2 on Tuesday, August 25, 2026.

Huffman administered the oath of office, after which Commissioner Dove was seated on the Board.

4. CONSIDERATION OF APPLICATIONS FOR APPOINTMENT TO BOARD POSITION NO. 1

President Pro Tempore Huffman introduced Board candidates Adam Nielsen and Douglas Barker and invited each candidate to speak.

Mr. Nielsen summarized his experience with water systems and his work as City Engineer for the City of Tillamook. He stated that his technical knowledge of water systems and grant-writing experience would benefit the District. Following Mr. Nielsen's remarks, Huffman introduced Matt Mumford, former general manager of the Tillamook County Transportation District. Huffman stated that, while he had served on the Transportation District board, he and Mr. Mumford worked cooperatively with the City of Tillamook.

Mr. Barker summarized his prior experience with the Wilson River Water District and his service on other boards in Tillamook County, including the Tillamook County Creamery Association Board of Directors. He expressed concern that dairy farmers were not represented on the Fairview Water District Board of Commissioners. He also stated that the District's operations needed significant improvement and expressed general dissatisfaction with the District's current direction.

DRAFT

President Pro Tempore Huffman thanked both candidates and requested appointments for Board Position No. 1.

> ***Motion*** *by Boyd Rulifson and seconded by Jerry Dove to appoint Douglas Barker to Fairview Water District Board of Commissioners Position No. 1.*
>
> *Vote: Aye: Dove, Rulifson, Huffman*
> *Nay: None*
> *Abstain: None*
> ***Motion passed 3-0-0***

Huffman administered the oath of office, after which Commissioner Barker was seated on the Board.

Immediately after the vote, Huffman stated that the Board should determine whether the candidates would receive a tie vote and moved to appoint Adam Nielsen to the same position. Commissioner Dove seconded the motion. Huffman called for a vote, but Mark Knudson of SDAO advised the Board to proceed to officer elections. No vote was completed.

Huffman stated that the motion would be stricken. No appointment resulted.

5. BOARD OFFICER ELECTIONS

President Pro Tempore Huffman proceeded to Board officer elections, expressed his desire to remain Board Secretary, and invited nominations for Board President.

> ***Motion*** *by Jerry Dove and seconded by Boyd Rulifson to elect Douglas Barker as President of the Fairview Water District Board of Commissioners.*
>
> *Vote: Aye: Dove, Rulifson, Huffman*
> *Nay: None*
> *Abstain: None*
> *Did Not Vote: Barker*
> ***Motion passed 3-0-0, with no vote recorded for Barker.***

President Barker assumed the chair and presided over the remainder of the meeting.

Chair Barker called for nominations for Vice President.

> ***Motion*** *by Boyd Rulifson and seconded by James Huffman to elect Jerry Dove as Vice President of the Fairview Water District Board of Commissioners.*
>
> *Vote: Aye: Barker, Dove, Rulifson, Huffman*
> *Nay: None*
> *Abstain: None*
> ***Motion passed 4-0-0***

Chair Barker called for nominations for Secretary.

> ***Motion*** *by Boyd Rulifson and seconded by Jerry Dove to elect James Huffman as Secretary of the Fairview Water District Board of Commissioners.*
>
> *Vote: Aye: Barker, Dove, Rulifson, Huffman*
> *Nay: None*
> *Abstain: None*
> ***Motion passed 4-0-0***

DRAFT

Chair Barker called for nominations for Treasurer.

Motion *by James Huffman and seconded by Jerry Dove to elect Boyd Rulifson as Treasurer of the Fairview Water District Board of Commissioners.*

Vote: Aye: Barker, Dove, Rulifson, Huffman
Nay: None
Abstain: None
Motion passed 4-0-0

Following the officer elections, Commissioner Dove asked whether the Board would consider appointing Adam Nielsen to vacant Position No. 4. Commissioner Huffman stated that the vacancy would be considered at a future meeting.

6. GRIEVANCES

a) Consideration of Public Meetings Law Grievances and District Response

Commissioner Huffman invited attendees to take copies of the grievances made available at the meeting. District Counsel Eileen Eakins explained that the District had received two Oregon Public Meetings Law grievances arising from the July 30, 2026 regular Board meeting. One grievance was submitted by then-Commissioner Gary Bond and the other by General Manager Michael Ostensen. Counsel outlined the grievance process and the District's obligations in responding. She stated that Office Manager Melissa Rondeau had followed Counsel's direction regarding cancellation of the previously scheduled meeting and submission of the grievance materials to the Oregon Ethics Commission following the Board resignations earlier that week. In response to Commissioner Huffman's question, Counsel confirmed that the submission deadline had been met.

b) Consideration of Governance Grievance Submitted by General Manager Michael Ostensen

District Counsel introduced the grievance and recommended that the Board acknowledge its receipt and agree to discuss the item at a future Board meeting.

Motion *by James Huffman and seconded by Jerry Dove acknowledging a governance grievance submitted by General Manager Michael Ostensen and recognizing that the item will be addressed in a future meeting.*

Vote: Aye: Barker, Dove, Rulifson, Huffman
Nay: None
Abstain: None
Motion passed 4-0-0

7. RATIFICATION OF VOTES TAKEN AT JULY 30, 2026 REGULAR BOARD MEETING

District Counsel explained the ratification process why actions taken during the July 30, 2026 meeting required confirmation by the current Board before they could be treated as approved Board actions.

a) Direction to Staff to Write a Letter to the City of Bay City

Adam Nielsen summarized this action for the Board, stating that staff had been directed to write a letter informing the City of Bay City of the District's intent to end payment on the monthly intertie fee.

DRAFT

***Motion** by Jerry Dove and seconded by Boyd Rulifson to ratify the direction given to staff during the July 30, 2026 meeting to prepare a letter to the City of Bay City regarding the payment of the intertie fee.*

Vote: Aye: Barker, Dove, Rulifson, Huffman
Nay: None
Abstain: None
Motion passed 4-0-0

b) Approval of the June 2026 Accounts Payable Report

***Motion** by Jerry Dove and seconded by James Huffman to ratify the June 2026 accounts payable approval made during the July 30, 2026 meeting.*

Vote: Aye: Barker, Dove, Rulifson, Huffman
Nay: None
Abstain: None
Motion passed 4-0-0

c) Amendment and Adoption of Resolution 2026-03, Relating to Fairview Water District's Financial Management Policy.

***Motion** by Jerry Dove and seconded by James Huffman to ratify the adoption of Resolution 2026-03, relating to the Fairview Water District's Financial Management Policy, made during the July 30, 2026 meeting.*

Vote: Aye: Barker, Dove, Rulifson, Huffman
Nay: None
Abstain: None
Motion passed 4-0-0

d) Authorization of a Letter Concerning Commissioner Rulifson's Continued Service on the Board.

Office Manager Rondeau explained that the letter concerning Commissioner Rulifson's continued service on the Board had been written by then-President Casteel and that its authorization was among the actions taken during the July 30, 2026 meeting. Commissioner Rulifson stated that he had not received a telephone call concerning the matter and had not opened previous correspondence sent to him.

***Motion** by James Huffman and seconded by Douglas Barker not to approve the letter concerning Commissioner Rulifson's continued service on the Board.*

Vote: Aye: Barker, Dove, Rulifson, Huffman
Nay: None
Abstain: None
Motion passed 4-0-0

The July 30, 2026 authorization of the letter was not ratified.

8. APPROVAL OF MINUTES

a) June 25, 2026 Regular Board Meeting

DRAFT

Commissioner Huffman requested that the full statement of complaint made against General Manager Michael Ostensen, read aloud by Josh Henderson during the June 25, 2026 meeting, be incorporated verbatim into the minutes and be posted online.

Commissioner Huffman asked District Counsel whether his proposed addition was allowed. Commissioner Dove asked how he should proceed with the approval of minutes for a meeting he had not attended. Counsel stated that Dove may abstain or rely on the word of others. No response to Huffman's question was provided.

> ***Motion*** *by Jerry Dove and seconded by James Huffman to approve the June 25, 2026 regular Board meeting minutes as amended by James Huffman.*
>
> *Vote: Aye: Barker, Dove, Rulifson, Huffman*
> *Nay: None*
> *Abstain: None*
> ***Motion passed 4-0-0***

b) July 30, 2026 Regular Board Meeting

District Counsel recommended that the Board make any requested corrections and approve only the portion of the minutes through Commissioner Huffman's departure from the meeting.

Commissioner Huffman requested that the minutes reflect his remarks that he would not attend an executive session without legal counsel present, as well as his comments regarding the District's former Board stipend, which he described as a $50 monthly or per diem payment that had been discontinued in 2023 because of potential legal concerns.

> ***Motion*** *by Jerry Dove and seconded by James Huffman to approve the July 30, 2026 regular Board meeting minutes as amended by James Huffman, and with the official minutes concluding when Commissioner Huffman left the meeting.*
>
> *Vote: Aye: Barker, Dove, Rulifson, Huffman*
> *Nay: None*
> *Abstain: None*
> ***Motion passed 4-0-0***

9. FINANCIAL REPORTS

a) Approval of the July 2026 Accounts Payable Report

> ***Motion*** *by Douglas Barker and seconded by James Huffman, to approve the July 2026 payments as presented.*
>
> *Vote: Aye: Barker, Dove, Rulifson, Huffman*
> *Nay: None*
> *Abstain: None*
> ***Motion passed 4-0-0***

b) July 2026 Budget v. Actuals Report

The Board, staff, and members of the public discussed fiscal year 2025-26 year-end expenses, water consumption revenue, and District spending.

No action was taken.

DRAFT

c) Delinquent Accounts Summary from June and July 2026

Office Manager Rondeau presented the delinquent accounts summary to the Board.

No action was taken.

d) Fiscal Year 2024-25 Audit

Office Manager Rondeau reported that Singer Lewak was completing the audit and that completion was expected soon. She expressed hope that work on the fiscal year 2025-26 audit will begin soon and be completed by the end of 2026.

10. BOARD PRESENTATION

a) Commissioner Huffman thanked Mark Knudson of SDAO for attending and requested Board training. Knudson explained that SDAO provides the District with up to eight hours of annual support, of which approximately two to three hours had been used to date. He described SDAO's standard two-hour training covering Board authority, Board and staff roles, public meetings, ethics, and the Best Practices Program. Knudson recommended scheduling the training after the remaining Board vacancy was filled. Chair Barker stated that the Board would contact him when ready.

b) Commissioner Dove asked whether Position No. 4 could be filled that evening. Knudson and District Counsel Eakins explained that the agenda identified Positions 1 and 2 but that the Board could amend the agenda if they wished. Counsel explained that the immediate objective was to establish a functioning Board. Commissioner Huffman commented that additional qualified members should be considered so that the Board could work together as a team.

Although a public-comment period was not announced, comments from the public were received at this time.

c) Richard Obrist requested that the remaining vacancy be advertised, stating that many members of the public were unaware of it and that additional applicants should be considered. Chair Barker agreed that the vacancy was not widely known.

d) Mr. Obrist also requested that written comments previously submitted by Luke Oldenkamp and reviewed by the Board in June 2026 be placed on the next meeting agenda for further consideration. Commissioners Huffman, Dove, and Barker indicated support for the request.

11. ADJOURNMENT

Chair Barker declared the meeting adjourned at approximately 6:01 PM. No motion to adjourn was made, and no vote was taken.

DRAFT

FAIRVIEW WATER DISTRICT

403 Marolf Loop Road
Tillamook, OR 97141

(503) 842-4333
www.fairviewwater.com

GENERAL MANAGER'S REPORT
SEPTEMBER 24, 2026 - Board of Commissioner's Meeting

We were alerted to a leak located in the field behind 615 Makinster Road during the 2nd week of September. After exposing the leak, we discovered a section of pipe that was not shown on any map. The pipe was buried between 12- and 20-inches deep, and the material consisted of 2" Schedule 40 PVC. Neither the material nor the depth was ideal for the soil conditions and placement, so it was decided to excavate the back to its source. Approximately 700 feet of new 2-inch pipe has been installed next to the old line at a depth of 36-inches. New services are being created for the four customers connected to this line.

Westwood now has a new pump station online. One new customer has connected, and we are awaiting an System Development Charge (SDC) payment from another. The system currently has a zero-leak rate and is designed to handle significantly more demand than it serves at present. One more resident has requested a connection, and we hope to get started on that connection next month.

We now have a second operational vehicle. This, I believe, will be extremely helpful to operations. Staff will have the opportunity to divide their time more appropriately between field assignments.

We currently have little to no financial wiggle room. I will be spending as little as possible until the District can recoup some cash flow to its accounts. I plan to finish the projects we have already started, including Makinster Road and Westwood. We still have bills to pay related to these projects, and once those are paid, we will effectively have no discretionary funds remaining. I will not allow our cash on hand to fall below the amount needed to cover three months of expenses unless there is a severe emergency that threatens the water system, property or lives.

CURRENT LEAKS

1) **Aldercrest Rd./Juniper Ln.**

   Leak was excavated and identified as irreparable. Replacement of the intersection is necessary to stop the leak. Approximate current leak rate: <1GPM (Gallons Per Minute). Leak requires shutoff and boil water notice of approximately 80 connections.

2) **Donaldson Rd., North of HWY 6**

   A leak was discovered on 7/21/2026 by Taylor Aufdermauer and I was notified the same day. On 7/22/2026 I investigated and discovered a 2-inch line about 12-inches down leaking in the ditch next to the highway. Approximate leak rate: <5GPM. I will schedule a time with Taylor to excavate and attempt repair of the leak.

3) **3rd St., Near Circle Dr., Located in Private Driveway**

   Leak was excavated and identified as irreparable while energized. Leak is currently isolable with depressurization of about 70 homes and plans are being made to do just that. Due to the need to shut down so much of the system, I would like to replace all of the pipe transiting under 3rd St. as well as a

section of the 10-inch mainline. This job would look very similar to the one completed in front of the Tillamook County Fairgrounds last year. Approximate leak rate: <5GPM.

4) **Circle Dr., Near 3rd St., Located on Property Line of Several Backyards**

   The leak requires excavation and inspection to develop a plan. With the onset of the dry season, more thought will be put towards this leak as ground water intrusion becomes less of a problem.

5) **Trask River Rd., From Hollyridge Dr. to Cedar Crest Dr.**

   Line replacement is needed throughout this segment. Due to the challenges of length and placement, additional planning and technical evaluation by staff will be required. Contracted services, additional equipment, and extra safety measures will be necessary. <5GPM

6) **Fairview Rd., South of Randall Corner Rd. - COMPLETE**

   Suspected leak appeared near sample station on Fairview Rd. Likely cause is flange leakage like we had before, will be vac trailering to inspect. Possible solution is replacement of stainless fasteners with hardened fasteners. Last time bolt stress due to pipe deflection caused the bolts to stretch to the point where the flange began to leak a little. Approx. leak rate <2GPM**.**
   UPDATE: replaced flange gasket and installed new grade 8 flange bolts.

7) **Myers Ct., Located on Private Property**

   A small pinhole has developed in the mainline.

8) **Marvin Ln., Near Myers Ct.**

   I have received a quote from Advanced Excavation Inc. for replacement of the main line at this location. Due to the risk associated with this section of line, this will be a large project requiring thorough planning.

9) **Valley View Dr. Standpipe**

   A standpipe leak has been identified in the elbow below ground. Water is flowing into a drainage ditch. This repair will be included in the next round of work with contractors when they are available.

COMPLETED on September 18, 2026
Michael Ostensen – General Manager

FAIRVIEW WATER DISTRICT

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Office Manager's Report for September 24, 2026

A warm welcome to our new members of the Board. This month's report is a little different from my normal format, and perhaps a bit longer. Because several Board members are new, and there have been many recent changes at the District, I thought it would be helpful to bring everyone up to date on the some of the administrative work underway.

For some background, much of my role at the District includes billing, finance, records management, Board administration, human resources support, customer service, and governing/regulatory compliance. I am available to assist our Board members with administrative questions and requests for District records, policies, and financial information. Please feel free to contact me by telephone at the office at (503) 842-4333, or by email at office@fairviewwater.com. Be sure to leave me a voicemail if I am unable to answer the phone.

Since joining the District in mid-2024, I have worked to update administrative systems and practices, improve District records retention, develop and administer internal controls, and address outstanding regulatory requirements. The District is a relatively small public agency, but it is still responsible for meeting all state administration requirements related to audits, records retention, privacy, public meetings, and water-system management.

One of the major ongoing projects I was assigned is bringing the District's annual audits up to date. I am happy to report that the fiscal year 2023-24 audit is complete and the fiscal year 2024-25 is just about done. It seems like we'll be able to start on fiscal year 2025-26 very soon. My goal is to bring the audits current by the new year. Because the Board previously requested monthly updates regarding audit progress, I will continue to provide information until the District's audits are current.

Additionally, we have been working to improve records management, document security, privacy practices, and compliance with state and employment law. Recent improvements include better office and facility security, better control of District keys and facility access, improved internal and cloud-based backup of digital records, secure storage for sensitive documents, and improved use of District security cameras for better transparency in cash handling.

I continue to review District processes for possible cost savings and better use of staff time. For example, the Board recently agreed to discontinue the separate delinquent accounts report and include a summary in the Office Managers report each month instead. The District's billing software was developed in 1997 and has been in use at Fairview since at least 1999. It no longer produces a reliable delinquency report. Preparing the former report for the Board required many hours of manual review, calculating, and reformatting for correct numbers and ease of viewing each month. The summary below will continue to give the Board a useful update each month while reducing the staff time needed to produce it.

An account is considered delinquent when a balance is more than 30 days past-due. All past-due accounts are charged a $5 late fee. Accounts that are more than 60 days past-due are charged another late fee and receive notice of service disconnection during the following month. When service is disconnected, all past-due charges and any other applicable fees must be paid before service can be restored. The District offers repayment arrangements and works with customers whenever possible. At this time, there are no repayment arrangements in place, and no accounts are disconnected for nonpayment.

Delinquencies as of September 17, 2026

36 delinquent accounts

- 30 accounts more than 30 days past-due
- 6 accounts more than 60 days past-due

Total past-due balances: $1,697.18

Total current balances on delinquent accounts: $3,390.38

District resolutions, ordinances, policies, financial information, and other public records are available through the District office. If you would like information about a particular subject, please contact me. I will be happy to provide it or help you locate the appropriate place to find it. Many of the actions the office oversees are governed by regulatory requirements, so there may be specific reasons why a task or request must be handled in a particular way. Some records contain protected information and may have legal limits on how they can be accessed, copied, or removed. When these restrictions apply, I will explain them and help provide access in whatever way I can.

If a topic requires more time for consideration than is available during a regular Board meeting, the Board may schedule a properly noticed work session or special meeting. These meetings could be especially helpful for extended discussions on limited topics while making sure that Board deliberations remain open to the public. I am happy to facilitate any additional meetings the Board wishes to hold.

Lastly, your electronic Board packet will be sent by e-mail each month; usually about a week before the Board meeting. I always aim for Thursday prior, though critical or unexpected issues may sometimes cause a delay. If you would like a printed Board packet in addition to the electronic packet, please let me know. You can choose to pick up your packet at the District office, mailed to your home, or made available at the Board meeting. To save time and supplies, printed packets will only be provided upon request. You can call, email, or let me know in person if you want a printed packet, but please make sure to let me know so that I can accommodate you.

Questions are always welcome, and since no question is foolish, I hope that you don’t hesitate to ask.

I look forward to working with each of you.

FAIRVIEW WATER DISTRICT

Accounts Payable Breakdown - August 2026

Type	Date	Vendor	Notes	Amount	Total
Insurance	08/13/26	Special District's Association of Oregon	Health insurance premiums - 09/2026 (Ck. 618)	4,156.00	
Retirement	08/27/26	Oregon PERS	Employee Contributions - 07/2026	1,217.03	
Retirement	08/27/26	Oregon PERS	Employer Contributions - 07/2026	4,857.94	**$ 10,230.97**
Banking Fees	08/04/26	Gateway Banking Fees	Credit card processing fees	35.78	
Banking Fees	08/24/26	1st Security Bank	Stop payment fee	30.00	
Banking Fees	08/31/26	1st Security Bank	1st Express bundle fee	30.00	**$ 95.78**
Returned check	08/14/26	1st Security Bank	Returned check - Insufficient funds	21.27	
Returned check	08/14/26	1st Security Bank	Returned check charge	10.00	
Returned check	08/24/26	1st Security Bank	Returned check - Insufficient funds	98.95	
Returned check	08/24/26	1st Security Bank	Returned check charge	10.00	**$ 140.22**
Check 604	08/03/26	Alexin Analytical Laboratories	Water testing fees	70.00	
Check 615	08/12/26	City Sanitary Service	Garbage service	97.20	
Check 616	08/12/26	Country Media, Inc.	Advertising for board vacancy	43.40	
Check 617	08/17/26	City of Bay City	Monthly intertie fee	68.00	
Check 621	08/24/26	Tillamook Swiss Society	Swiss hall rental fee	50.00	
Check 622	08/14/26	HASCO Stations, LLC	Fuel	99.69	
Check 624	08/11/26	Rosenberg Builders Supply	System repair supplies	110.91	
Check 625	08/18/26	Tillamook Farmers' Co-op	System repair supplies	14.54	
Check 626	08/31/26	Cable Huston, LLP	Legal fees	1,170.90	
Check 627	08/31/26	American Business Software	Annual maintenance subscription	1,330.00	
Check 630	08/26/26	HASCO Stations, LLC	Fuel	230.92	
Check 631	08/28/26	Ferguson Enterprises, LLC	System repair supplies	3,090.61	
Check 632	08/31/26	Aufdermauer Trucking & Excavation	Excavation services and labor charges	2,564.00	
Check 637	08/31/26	HASCO Stations, LLC	Fuel	239.06	**$ 9,179.23**
Online/POS	08/03/26	Starlink	Monthly internet service	130.00	
Online/POS	08/04/26	USPS	Certified mail fees	22.04	
Online/POS	08/05/26	Amazon	AA-1/2 batteries for pressure gauges	9.49	
Online/POS	08/07/26	Amazon	Brother inkjet printer for office	389.99	
Online/POS	08/11/26	Zoom	Annual fee - virtual meeting service	169.90	
Online/POS	08/12/26	Amazon	Conference speaker/microphone	98.99	
Online/POS	08/13/26	Tillamook People's Utility District	Electricity	4,546.01	
Online/POS	08/17/26	Ninja Transfers	FWD sweatshirts and decals	86.00	
Online/POS	08/17/26	USPS	Stamps	166.85	

Type	Date	Vendor	Notes	Amount	Total
Online/POS	08/17/26	NASCO Supply, LLC	Quick test adapters for backflow tester	260.94	
Online/POS	08/17/26	Amazon	Brass float valve	8.09	
Online/POS	08/17/26	Amazon	14x11 calendar	8.54	
Online/POS	08/18/26	Angelina's of Seaside	Conference meal for 3 staff	84.00	
Online/POS	08/18/26	Adobe	Monthly Adobe Acrobat Pro subscription	19.99	
Online/POS	08/20/26	Amazon	File boxes	25.47	
Online/POS	08/20/26	Chevron Nehalem	Fuel	20.00	
Online/POS	08/21/26	Twisted Fish Steakhouse	Conference meal for 3 staff	112.99	
Online/POS	08/21/26	USPS	Board packet shipping cost	3.72	
Online/POS	08/25/26	Amazon	Document embosser	32.77	
Online/POS	08/31/26	OOMA, Inc.	Monthly VoIP telephone service	34.20	
Online/POS	08/31/26	Intuit	Monthly Quickbooks Online subscription	140.00	
Online/POS	08/31/26	DiscoverValve	System repair supplies	590.14	**$ 6,960.12**
			Total	**26,606.32**	**$ 26,606.32**

Fairview Water Distrct - Budget vs. Actual

Fiscal Year 2026-27 | July 2026 to August 2026

	Jul-26	Aug-26	FY Actual	Total Budget	Over Budget	% of Budget
General Fund Revenue						
01-4001 Revenue - Sale of Water	40,186.26	38,604.28	78,790.54	510,000.00	(431,209.46)	15.45%
01-4004 Revenue - Sales/Service/Labor			0.00	500.00	(500.00)	0.00%
01-4006 Revenue - Late Payment Fee	175.00	175.00	350.00	1,000.00	(650.00)	35.00%
01-4162 Revenue - Miscellaneous Income	8,844.02	352.48	9,196.50	500.00	8,696.50	1839.30%
01-4163 Revenue - Property Taxes			0.00	32,000.00	(32,000.00)	0.00%
01-4164 Interest Revenue	501.11	494.26	995.37	4,800.00	(3,804.63)	20.74%
Total General Fund Revenue	**49,706.39**	**39,626.02**	**89,332.41**	**548,800.00**	**(459,467.59)**	**16.28%**
General Fund Expenditures						
01-7000 Payroll Benefits	4,337.50	10,230.97	14,568.47	130,000.00	(115,431.53)	11.21%
01-7100 Payroll Wages & Taxes	20,800.97	21,511.96	42,312.93	310,000.00	(267,687.07)	13.65%
01-7130 Insurance	568.02		568.02	16,000.00	(15,431.98)	3.55%
01-7135 Engineering/Easements/Surveys			0.00	5,000.00	(5,000.00)	0.00%
01-7138 Compliance/Operating Costs	1,193.00	68.00	1,261.00	3,000.00	(1,739.00)	42.03%
01-7139 Accounting & Auditing			0.00	23,000.00	(23,000.00)	0.00%
01-7140 Legal Services	840.00	1,330.00	2,170.00	3,500.00	(1,330.00)	62.00%
01-7141 Licenses/Dues/Certs/Membership	97.50		97.50	1,800.00	(1,702.50)	5.42%
01-7154 Security & Forest Patrol			0.00	600.00	(600.00)	0.00%
01-7155 County Rent/Lease Agreements			0.00	200.00	(200.00)	0.00%
01-7156 Contractor Services	3,165.00	2,564.00	5,729.00	25,000.00	(19,271.00)	22.92%
01-7157 Contracted Services	147.98	35.78	183.76	14,000.00	(13,816.24)	1.31%
01-7158 System Repair & Material	550.63	4,084.72	4,635.35	45,000.00	(40,364.65)	10.30%
01-7159 Building Maintenance	34.92		34.92	5,000.00	(4,965.08)	0.70%
01-7164 Water Compliance/Reports/Testing		70.00	70.00	8,000.00	(7,930.00)	0.88%
01-7166 Training & Education		196.99	196.99	3,000.00	(2,803.01)	6.57%
01-7170 Electricity	4,637.68	4,546.01	9,183.69	53,000.00	(43,816.31)	17.33%
01-7195 Shop Truck Maintenance/Expenses	138.00		138.00	2,500.00	(2,362.00)	5.52%
01-7196 Fuel	453.11	589.67	1,042.78	5,000.00	(3,957.22)	20.86%
01-7215 Public Notices Published		43.40	43.40	900.00	(856.60)	4.82%
01-7216 Budget & Election Expenses			0.00	1,000.00	(1,000.00)	0.00%
01-7221 Board of Commissioners Expenses		50.00	50.00	3,000.00	(2,950.00)	1.67%

	Jul-26	Aug-26	FY Actual	Total Budget	Over Budget	% of Budget
01-7225 Communications	164.20	164.20	328.40	3,000.00	(2,671.60)	10.95%
01-7247 Miscellaneous Expense		86.00	86.00	800.00	(714.00)	10.75%
01-7250 Office/Administration/Postage	652.60	2,406.36	3,058.96	17,000.00	(13,941.04)	17.99%
01-7272 Charge-Offs & Refunds			0.00	300.00	(300.00)	0.00%
01-7581 Capital Equipment & Tools			0.00	21,000.00	(21,000.00)	0.00%
01-7582 Capital Engineering /Easements/Surveys			0.00	5,000.00	(5,000.00)	0.00%
01-7587 Capital Improvements/Repairs			0.00	41,000.00	(41,000.00)	0.00%
Total Expenditures	**37,781.11**	**47,978.06**	**85,759.17**	**746,600.00**	**(660,840.83)**	**11.49%**
Net Operating Revenue	**11,925.28**	**(8,036.65)**	**3,888.63**	**(197,800.00)**	**201,688.63**	**-1.97%**
SDC Fund Revenue						
04-4008 SDC Interest Revenue	314.39	315.39	629.78	4,200.00	(3,570.22)	14.99%
04-4009 Revenue - SDC Charges	6,232.00		6,232.00	4,978.00	1,254.00	125.19%
Total SDC Revenue	**6,546.39**	**39,941.41**	**46,487.80**	**9,178.00**	**37,309.80**	**506.51%**

Closing Account Balances	Jul-26	Aug-26
1st Security General Fund	35,320.65	54,986.31
1st Security SDC Fund	10,347.30	12,836.30
LGIP	148,004.95	141,499.21
SDC LGP	92,856.23	93,171.62
Total	**286,529.13**	**302,493.44**

Outlook

Questions Regarding the Proposed Water Rate Increase

From Luke Oldenkamp <[redacted]>
Date Fri 7/10/2026 3:29 PM
To Fairview Water District <office@fairviewwater.com>

Could this be included in the agenda at the July board meeting and could this email be sent out to all board members.
Thank you.

Dear Fairview Water District Board Members,

I appreciate the work that goes into operating and maintaining our water system. I understand that infrastructure, regulatory requirements, and operating costs continue to increase over time. However, after reviewing the adopted budgets from the past several years and the December 2025 Water Rate Study, I have several concerns regarding the proposed water rate increase.

The Water Rate Study appears to begin with the assumption that the District requires a $750,000 annual budget and then develops rates necessary to generate that amount of revenue. My concern is that the study explains how to collect $750,000, but it does not fully explain why that level of spending is necessary or whether less costly alternatives were evaluated.

Specifically, I would appreciate additional information regarding the following:

1. Personnel
- The personnel budget has increased substantially over the past several budget cycles.
- What analysis was completed comparing the cost of hiring additional employees versus continuing to subcontract this work?
- What long-term savings are expected from bringing these services in-house?

2. Capital Improvements
- The rate study assumes approximately $250,000 in annual capital improvements.
- Could the Board provide the Capital Improvement Plan identifying the projects to be completed, their estimated costs, and the priority assigned to each project?
- Were alternative funding methods or phased implementation considered to reduce the immediate impact on ratepayers?

3. Rate Study
- Since the rate study relies upon the adopted budget, was there any independent evaluation of whether the proposed expenditures represent the most cost-effective approach to operating the District?
- Were alternative budget scenarios evaluated before recommending a significant rate increase?

4. Water Loss

- The study identifies approximately 28% unaccounted-for water, representing a significant operational concern.
- What specific actions are planned to reduce water loss, and what measurable goals has the District established?
- How much of the proposed budget is dedicated to reducing these losses?

5. Ratepayer Impact
- A 45% increase in the volumetric water rate represents a significant financial burden, particularly for customers with high but legitimate water use, including agricultural operations.
- Was a phased implementation over multiple years considered instead of a single large increase?

I fully support maintaining a reliable and safe water system. However, before asking customers to absorb a substantial increase, I believe the District should clearly demonstrate that every reasonable effort has been made to control operating costs, prioritize capital projects, improve system efficiency, and evaluate all available alternatives.

I respectfully request that the Board make the supporting analyses, cost comparisons, and capital planning documents available to the public so ratepayers can better understand the basis for these decisions.

Thank you for your consideration and for your service to our community.

Sincerely,

Oldenkamp farms.

FAIRVIEW WATER DISTRICT

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www.fairviewwater.com

To the Fairview Water District Board of Commissioners:

I, Michael Adam Ostensen, appointed General Manager of Fairview Water District, have a list of grievances I would ask the Board to take under advisement.

1. The Board and its members, both as a group and individually, have on many occasions advocated for select groups and individuals within the District. Legal counsel, advisors, and staff have on numerous occasions asked the Board to stay narrowly focused on the needs of the entire District. Each time the Board strays from this, it creates ethical and operational difficulties for staff.

   We have provided what I believe has been adequate time for the Board to be trained and instructed on proper conduct befitting publicly elected officials. Due to the lack of adherence to this guidance, staff have struggled unnecessarily. Financial needs have gone missing or unattended to, and many other deficiencies have started to accumulate.

   My staff and I hold Oregon's requirements for public officials to be the mandatory standard of how public agents conduct themselves. The Board has repeatedly ignored or dismissed the continued advice of professional sources from both outside and inside the District, and my observation is they have instead relied upon local advice or personal interpretation.

   I've been asked on several occasions to participate in activities that I believe were improper. My staff and I have also been asked to participate in conversations and conduct that placed us in uncomfortable and inappropriate positions. This degrades the morale and welfare of my staff and myself and interferes with our ability to perform the work of the District.

   One of the most difficult aspects of these concerns is that many incidents have occurred outside of public meetings, making them difficult to document. Fortunately, a significant amount has occurred on the public record, in written communications, or in other documented circumstances. I am willing to go back through that record and identify specific examples supporting these grievances. If the Board desires to address and correct these grievances, I implore you to reach out to me so that we can find a way to solve the difficulties these circumstances have placed upon staff and the District.
2. Activities of the Board have tarnished our credibility in the community. We've been asked by the Tillamook County Board of Commissioners to further our relationships with water systems around us, and due to the problems within our own Board of Commissioners, we have been sidelined from advancement in those areas. I've personally communicated with representatives of other districts that would like partnerships with Fairview but have expressed reluctance to move forward until we have a fully cooperative and functioning Board. Any uneasiness created by the Board greatly weakens our relationships with other districts. We live in a small community and word travels quickly.
3. My grievances include:
   a) Requests for confidentiality in communications that should not be treated as confidential.

b) Actual or potential conflicts of interest and advocacy for individual interests inconsistent with the Board's responsibility to the District as a whole.
c) Improper conduct relating to public meetings.
d) Conduct affecting the rights, privacy, and working conditions of District personnel.
e) Potential violations of labor or employment law.
f) Conduct relating to executive sessions and Oregon Public Meetings Law.
g) Elected officials failing to conduct themselves according to the standards required of public officials, including reliance upon "this is the way we've always done it" instead of current law, District policy, professional guidance, and established procedures.
h) Individual Board members attempting to direct, assign, or control the work of District employees outside of the authority granted to them by the Board as a governing body and contrary to established District policy.
i) Requests by individual Board members for access to administrative, financial, payroll, personnel, security, and other District systems or records without an established operational need, appropriate authorization, or adherence to applicable privacy, internal control, and District procedures.
j) Board actions or individual Board member conduct that bypasses, disregards, or contradicts the District's adopted Board policies, delegation of authority, or chain of command.
k) Repeated interference with management and staff responsibilities that has diverted staff time and District resources away from necessary operational, financial, administrative or regulatory work.
l) Failure to inconsistently follow the advice and direction of Legal counsel, professional advisors, and established governance resources after those issues have been brought to the Board's attention.
m) Conduct that has caused unnecessary disruption, reduced employee morale, and created working conditions that interfere with staff's ability to perform the duties necessary to operate the District.

I'm asking the Board to take these grievances seriously, review the conduct described, obtain professional guidance where necessary, and work with management to correct the governance problems that are placing unnecessary strain on District staff and operations.

Prepared August 19, 2026

ALBRIGHT KITTELL PC
- ATTORNEYS AT LAW -

Advising Tillamook County for over 45 years

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Tillamook, OR 97141

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(503) 842-4540

attorneys@albrightkittell.com
www.albrightkittell.com

September 17, 2026

Melissa Rondeau
Fairview Water District, Office Manager
403 Marolf Loop Road
Tillamook, OR 97141

Via email: office@ fairviewwater.com
Originals Hand Delivered 9.17.2026

Re: Annexation of Hunt Water District into Fairview Water District
ORS 198.850 et. seq.

Dear Ms. Rondeau:

I am enclosing the original Petition for annexation into the Fairview Water District by the Hunt Water District members. This Petition has been signed by a majority of electors within the District as well as being signed by electors owning more than ½ of the land area with the Hunt Water District (81.74%), as is shown on the last assessment roll.

If possible, please put on your September 24, 2026 District Board agenda. Please let me know. I will ask Hunt Water District to have a representative at the meeting in the event that the Board has questions. Please note that there is a place for the Fairview Water District to sign the Petition once it has been approved by the Board.

If the Fairview Water District approves the Annexation Petition, it needs to be submitted to the Board of County Commissioners for their approval. If you submit it, please copy me with the transmittal correspondence. Otherwise, you could return the signed Annexation Petition to my office and I will submit it to the Board of County Commissioners.

Sincerely,

Lois A. Albright

COPY

LAA/laa
Cc: Hunt Water District

COPY

HUNT WATER DISTRICT

ANNEXATION PETITION

(HUNT WATER DISTRICT ANNEXING TO THE FAIRVIEW WATER DISTRICT AND DISSOLUTION OF THE HUNT WATER DISTRICT WITHOUT AN ELECTION)

ORS 198.850 et. seq.

We, the undersigned property owners within the Hunt Water District, an Oregon Special District, wish to annex into the Fairview Water District, which District has agreed to service the Hunt Water District area.

If the annexation is approved by the Tillamook County Board of Commissioners, the Hunt Water District shall be dissolved and its physical assets transferred to the Fairview Water District, along with all of the District's liquid funds, after payment of all the District's bills.

Signature	Print	Address
Todd A Heathold	Todd A Heathold	2360 McCormick Lp Tillamook
Rita Hogan	Rita Hogan	2614 First St. Tillamock
Richard Obrist	Richard Obrist	2580 McCormick Lp
Kevin Soeler	Kevin Durrer	2890 McCormick Lp Rd. Tillamook
Brian Beeler	BRIAN BEELER	6525 GRAND View HT TILLAMOOK

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Signature	Print	Address
Chad Martin	Chad Martin	1820 Mardf Loop Rd
Jim Heffernan	JIM HEFFERNAN	3345 NIELSEN RD.
Roy Braden	Roy BRADEN	2710 McCormick Lp
John Boortz	John Boortz	2480 McCormick Loop Rd.
Daniel E Leuthold	Daniel E Leuthold	2425 McCormick Loop

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ENDORSEMENT

Fairview Water District Board of Directors has approved the annexation of the Hunt Water District to the Fairview Water District, subject to the dissolution of the Hunt Water District as set forth in this Annexation Petition.

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_____, Chairman

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