

**FAIRVIEW WATER DISTRICT
BOARD OF COMMISSIONERS MEETING MINUTES
Regular Session | May 28, 2026 | 5:00 PM
403 Marolf Loop Road, Tillamook, Oregon**

1. CALL TO ORDER

Board Chair John Casteel called the meeting to order at 5:02 PM.

2. ROLL CALL

- a) Board Members Present: John Casteel, Gary Bond, James Huffman
- b) Board Members Absent: Dustin Burdick, Boyd Rulifson
- c) Staff Present: General Manager Michael Ostensen, Office Manager Melissa Rondeau
- d) Visitors Present: Jerry Dove, Rick Steel, Richard Obrist, Ryan Killgore, Brian Beeler, Jerry Markee

3. APPROVAL OF MINUTES

Motion by James Huffman and seconded by Gary Bond to approve the April 30, 2026 regular Board meeting minutes.

Vote: Aye: Casteel, Bond, Huffman

Nay: None

Abstain: None

Absent: Burdick, Rulifson

Motion passed 3-0

4. PUBLIC COMMENT (on Non-Agenda Items)

Jerry Dove expressed concern regarding an ongoing leak on the west side of Trask River Road near Fairview Acres Dairy Farm. Ostensen explained that the repair that had previously been completed was reopened after being damaged by a mower. Because the District does not possess the equipment necessary to complete the repair, and due to a general lack of contractor availability, completing the repair has been delayed. Dove expressed concern that the leak creates a safety hazard while mowing. The Board directed staff to prioritize the repair.

5. GENERAL MANAGER'S REPORT

Ostensen reported that per- and polyfluoroalkyl substance (PFAS/PFOS) testing results were received back from the State. Well 1 was the only well with a sample containing PFOS, showing a result of 3.42 ppt. This result exceeds half of the maximum contaminant level (MCL) of 4.0 ppt and the State will require quarterly testing of the well moving forward. Discussion moved to mitigation options should the well test over the 4.0 ppt MCL. Staff noted that construction of a new well may be more cost effective than treatment of the existing well. The Ditch Witch vac trailer is out of service with irreparable damage to the engine and suspected damage to the pump. A new engine has been ordered, and staff will determine the condition of the pump and take appropriate action to repair the equipment.

District staff recently assisted with a leak repair at the Tillamook County Fairgrounds. Staff received a card expressing appreciation from Fairgrounds personnel, and Ostensen noted the value of continued coordination between agencies in the County. Clyde Wagner of Wagner Water Works has asked Ostensen to attend Board meetings at Pleasant Valley Water Company (PVWC) regarding the sale of bulk water to their customers. Ostensen will update the Board as information becomes available.

Staff repaired a leak in the Blum Lane transmission line; however, upon completion of the repair, an additional leak was identified elsewhere in the same line. Ostensen reiterated that the entire line will require full replacement or abandonment in the near future and advised that staff will continue working in the area. A contractor is expected to assist with repairs to the leak located near the intersection of Sollie Smith Road and Latimer Road next week.

Discussion turned to the leak on Marvin Lane. This repair will require significant planning, permitting, and engineering, and it is expected to be a major expense for the District. Rick Steele expressed concern regarding potential impacts prior to repair; including loss of water service, falling trees, and sinkhole formation. Ostensen stated that the repair presents significant challenges and that using caution is necessary to avoid serious operational issues such as system pressure loss and the failure of the District's reservoir.

Ryan Kilgore expressed concern about the leak located on Wilson River Loop near the Latimer Quilt and Textile Museum and requested a timeline for repair. Staff advised that repairs are expected to be completed during the summer dry season.

6. OFFICE MANAGER'S REPORT

Rondeau presented an overview of her report to the Board, which was provided prior to the meeting. The District's 2025 Consumer Confidence Report will be sent out along with the May 2026 water utility bills to save on postal costs. A mailroom area has been created in the entry of the District office so that Board Members who elect to pick up their packets may do so freely during or after business hours. Lastly, Rondeau reported that the District filed its first utility lien for a delinquent account that defaulted on its repayment agreement. The responsible party has communicated with the District and has settled any outstanding water charges and associated fees. Staff will file a release of lien at the County as soon as the payment has been cleared by the District's financial institution.

7. FINANCIAL REPORTS

a) Approval of the April 2026 Accounts Payable Report

Bond inquired about the training costs listed on the report. Ostensen clarified that the amount listed was for cross connection specialist certification for staff member Stephany Whitaker, and that the Board will see additional training costs as Whitaker works toward becoming a certified backflow tester. Recent struggles to secure a local backflow tester since the retirement of a local contractor have been an ongoing concern, and Ostensen is happy to be able to promote a member of staff to fill this need.

Motion by James Huffman and seconded by John Casteel, to approve all payments for April 2026 as presented.

Vote: Aye: Casteel, Bond, Huffman

Nay: None

Abstain: None

Absent: Burdick, Rulifson

Motion passed 3-0

b) Budget v. Actuals Report

Casteel observed that consumption revenue is less than budgeted for fiscal year 2025-26. Ostensen confirmed that the District appears likely to finish the fiscal year below budgeted revenue predictions.

c) Delinquent Accounts Summary

Rondeau offered an update on the number of delinquent accounts listed on the summary that had been presented to the Board prior to the meeting.

d) Fiscal Year 2024-25 Audit

Rondeau continues to work with SingerLewak and is hopeful that the audit will be completed soon.

8. OLD BUSINESS

a) **Proposed Water Rate Adjustment**

Casteel continued discussion regarding the water rate study completed by the Oregon Association of Water Utilities (OAWU) in December 2025. At the request of the Board, Ostensen presented a rate recommendation utilizing a summary of information compiled by Gary Bond. Ostensen discussed the relationship between fixed base-rate revenue and unpredictable consumption-based revenue, industry-standard rate structures, and the findings of the OAWU study. Ostensen stated that his recommendation was less than the rates identified in the study, and that additional revenue would ultimately be needed to address the District's operational needs. Huffman expressed opposition to a rate increase and emphasized the importance of considering the concerns of District customers, particularly agricultural users. Discussion followed regarding the District's current rate structure, lack of reserve funding, infrastructure needs, and the potential impact of rate increases on customers. Members of the public expressed their concerns: Jerry Markee asked whether additional revenue would allow the District to address ongoing leak repairs. Ostensen responded that increased revenue would assist the District in addressing infrastructure needs and other system repairs. Ryan Kilgore stated that major infrastructure projects should be planned and funded over a period of years. Ostensen responded that many of the infrastructure challenges currently facing the District are the result of deferred maintenance that has accumulated over several decades. Bond noted that the District has replaced and repaired multiple wells in recent years but stated that significant portions of the distribution

system remain beyond their expected lifespan. Ostensen discussed the age of large portions of the distribution system, their condition, and the need for continued capital investment. Failure to address ongoing infrastructure and financial needs will create significant challenges for the District in the future. Huffman reiterated concerns that rate increases could encourage higher-use customers to seek alternative water sources. No action was taken.

b) Revised General Manager Job Description

No discussion was held.

c) Financial Management Policy Review Update

No discussion was held.

d) Water Use Billing Adjustments for Leak Repairs

No discussion was held.

9. NEW BUSINESS

a) Approval of Fiscal Year 2023-24 Audit Report

The Board discussed the financial report submitted by SingerLewak for the fiscal year 2023-24. Bond noted a recurrent typo on the audit report and requested clarification about a point on page 24 that states “*the historical amounts of resources and requirements for the General Fund and the System Development Charges Fund did not agree with the actual amounts reported in the June 30, 2023 audited financial statements*”. Rondeau stated that she would obtain the information from SingerLewak and report back to the Board.

b) Reimbursable Work Order with Tillamook People’s Utility District for Underground Electrical Service Transfer

Motion by Gary Bond and seconded by James Huffman to approve an expenditure of funds payable to Tillamook People’s Utility District (TPUD) to facilitate the underground installation of electrical lines to District facilities on Blum Lane.

Vote: Aye: Casteel, Bond, Huffman

Nay: None

Abstain: None

Absent: Burdick, Rulifson

Motion passed 3-0

c) Board Attendance and Vacancy Information

Casteel has drafted a letter to send to Board member Boyd Rulifson, who has not been in attendance at Board meetings since December 2025, requesting that he resume attendance at Board meetings or resign so that the position may be declared vacant. Huffman expressed displeasure that the letter was not written as a group. Board members signed the letter, and staff will send it via Certified Mail as soon as possible.

d) Board Meeting Time

Casteel presents a request to hold Board meetings at 6:00 PM instead of 5:00 PM to better allow for those who work during the day to attend meetings. Huffman opposed the proposal, and no further discussion was held.

e) Online Publication of Board Packets

Bond requested additional discussion regarding the online publication of Board packets. Staff stated that online publication of Board packets had previously been discussed by the Board and implemented as part of normal public information practices. Staff further stated that public access to meeting materials provides community members with an opportunity to review and consider information prior to Board meetings. Discussion followed regarding public access to meeting materials and the timing for packet publication. Ostensen stated that preparation and publication of Board packets is an administrative function and would continue to be handled by District staff. No action was taken.

f) Unmetered Water Use and Accounting for Water Loss

No discussion was held.

g) SDIS Best Practices Program

No discussion was held.

10. BOARD MEMBER PRESENTATIONS

No Board presentations were made.

11. ADJOURNMENT

Motion by Gary Bond and seconded by John Casteel to adjourn the meeting at 6:52 PM.

Vote: Aye: Casteel, Bond, Huffman

Nay: None

Abstain: None

Absent: Burdick, Rulifson

Motion passed 3-0



FAIRVIEW WATER DISTRICT

403 Marolf Loop Road
Tillamook, OR. 97141

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www.fairviewwater.com

GENERAL MANAGER'S REPORT

MAY 28, 2026 - Board of Commissioner's Meeting

Jason Brooks from Oregon Association of Water Utilities (OAWU) visited and gave me some clarification on the PFAS/PFOS (per- and polyfluoroalkyl substances) ruling. He explained that the Department of Environmental Quality (DEQ) will conduct the first round of samples, and he believes these were the samples that they took in the beginning of April. Fairview Water District will be responsible for the second round of testing, which is due 5-7 months from now. I'm waiting for confirmation from the State on this matter.

I assisted the Tillamook County Fairgrounds on a sizable leak located under the pavement of the parking lot. The leak was located in their fire main, and a new repair band donated by the District has successfully been installed. Fortunately, I keep a small store of repair supplies that are no longer used by the District and was able to provide it to them.

We have experienced mechanical failures in our vac trailer, and it is not currently usable. The blower has seized and we will need to repair or replace it. Being that in order to service it requires the removal of most of the appurtenances; we will be upgrading the powerhead and the pressure pump to make the vac trailer more accommodating to our needs.

I've been asked by Clyde Wagner of Wagner Water Works to attend several Board meetings at Pleasant Valley Water Company. It is my understanding that they remain interested in discussing alternatives related to water service in the area. I intend to use this opportunity to discuss the possibility of more official mutual aid and labor-sharing agreements between neighboring districts. Clyde and I currently maintain an informal arrangement to assist one another during emergency situations or staff absences.

My reasoning behind this is to continue to promote cooperation between surrounding water districts and have broader discussions regarding the idea of a regional water authority. If all of the surrounding districts can work together and create beneficial partnerships, it will foster an environment that is more likely to produce success. I have no intention of making Fairview Water District the sole provider of effort in this type of regional solution. We not only lack the resources to support that approach, but it would be fundamentally wrong for one district to carry a disproportionate share of the burden in any regional partnership.

I attended Special District Association of Oregon's (SDAO) Board Member 101 training on May 20. I was happy to see Board members John Casteel and Gary Bond in attendance, as well as Office Manager Melissa Rondeau. Following the meeting, I had a brief discussion with a board member from Pleasant Valley Water Company (PVWC) and Clyde Wagner from Wagner Waterworks. The board member from PVWC expressed interest in purchasing bulk water from Fairview Water District. I have asked Clyde to obtain consumption and expenditure information so that I can prepare cost analyses between Fairview Water District and the City of Tillamook. I hope to continue discussions with their full board in the future.

CURRENT LEAKS

1) Trask River Road (Cedarcrest to Hollyridge)

Line replacement is needed throughout this segment. Due to the challenges of length and placement, in-house engineering will be required. Contracted services, additional equipment, and extra safety measures will be necessary.

2) Wilson River Loop: Approximately 0.23 miles east of Highway 101

A failed corporation stop has been identified and full replacement is planned.

3) Wilson River Loop/Sollie Smith Road

Investigation into the source of the leak has been identified, due to limited resources repairs will take place as time is available. Easements for adequate access to the line are missing, and any property boundary conflicts need to be resolved before replacement can be discussed.

4) Blum Lane

Plans are underway to abandon the older line between Blum Lane and Wilson River Loop. We are working to complete this replacement as quickly as possible. **UPDATE 05/28/26:** Two leaks have been located in this line. One leak has been repaired successfully, but due to the deterioration of the system as a whole, the severity of the other leaks has increased. The remaining leak(s) are flowing in the field and not onto private residential property anymore.

5) 3rd Street/Circle Drive

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

6) Sollie Smith Road/Aldercrest Road

Service line excavation and repair are required. Planning is ongoing.

7) Marvin Lane (near Myers Court)

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.

8) Makinster Road (at cul-de-sac loop)

The materials used to create this section of line have proven unreliable and conditions are similar to those found during the Blum Lane project. Due to the condition of the system, excavation work will most likely expose additional system failures. Full replacement is the most effective long-term solution and is recommended for this section of line.

COMPLETED ON MAY 18, 2026

Michael Ostensen – General Manager



FAIRVIEW WATER DISTRICT

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OFFICE MANAGER'S REPORT FOR MAY 28, 2026

The 2025 Consumer Confidence Reports (CCRs) will be included with the May billing statements later this month. As they did last year, customers will receive a paper billing statement along with their CCR. Combining these mailings helps us to reduce costs while continuing to provide customers with printed copies of the report.

I have received input from multiple parties regarding the publication of District updates and have been exploring cost-effective (and more modern methods) of doing so. While many customers still prefer traditional forms of communication, we are hopeful that newer methods may allow the District to provide more frequent updates and improve our public outreach.

The fiscal year 2024-25 audit is progressing without too much difficulty. We are working with a different auditor through Singer Lewak this year, and I'm hopeful that we will get everything wrapped up quickly.

A mail room area has been created in the entryway of the District office for Board packet pickup during and after business hours. Each member of the Board has been assigned a designated mail slot. In addition to locking the front door behind you if you pick up items after business hours, please remember that if you wish to receive a printed Board packet that you will need to let me know. Printed Board packets will now only be provided upon request, but your e-packet will continue to be delivered to your District email address each month.

I had the opportunity to attend the Special Districts Association of Oregon (SDAO) Board Training held at the Port of Tillamook Bay on May 20, 2026. I found the training informative and well-presented. One topic discussed during the training was the importance of elected officials being aware of and understanding the Oregon Revised Statutes (ORS) governing their Districts. Fairview Water District is governed specifically by ORS 264 (Domestic Water Supply Districts) and ORS 198 (Special Districts Generally). If a matter is not addressed within ORS 264, ORS 198 may be able to provide the information that you need.

Lastly, the District has filed a utility lien for a property that had defaulted on its repayment agreement. The mortgage holder has been notified of the lien, and staff are working with them to resolve the outstanding balance. They are aware that water service will not be restored to the property until all outstanding costs have been paid in full. This item is being provided for informational purposes only and does not require Board action.

Melissa Rondeau | Office Manager
Prepared 5/21/2026