

**FAIRVIEW WATER DISTRICT**  
**BOARD OF COMMISSIONERS MEETING AGENDA**  
Regular Session | February 26, 2026 | 5:00 PM  
403 Marolf Loop Road, Tillamook, Oregon

**1. Call To Order**

**2. Roll Call**

**3. Approval of Minutes**

- a) January 29, 2026 Board of Commissioners Regular Meeting

**4. Public Comment (on Non-Agenda Items)**

**5. General Manager's Report**

**6. Office Manager's Report**

**7. Financial Reports**

- a) Accounts Payable Approval
- b) Financial Status Report
- c) Customer Delinquency Summary
- d) FY 2024-25 Audit Status

**8. Old Business**

- a) Draft General Manager Job Description
- b) Draft Financial Management Policy Update
- c) HydroCorp, Inc. Contract Update
- d) OAWU Water Rate Study

**9. New Business**

- a) First Reading of Ordinance 2026-01: *An Ordinance Clarifying How Water Rates Are Established, Maintaining Continuity Of Existing Rates, And Superseding Prior Rate Ordinances.*
- b) City of Tillamook Correspondence and Counsel Response
- c) General Manager Performance Evaluation (Open Session)

**10. Commissioner Reports/Presentations**

**11. Staff Concerns**

**12. Adjournment**



# FAIRVIEW WATER DISTRICT

403 Marolf Loop Road  
Tillamook, OR. 97141

(503) 842-4333  
[www.fairviewwater.com](http://www.fairviewwater.com)

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## GENERAL MANAGER'S REPORT

### FEBRUARY 26, 2026 - Board of Commissioner's Meeting

We have purchased a 22-foot tilt bed trailer with a 17,500-pound weight capacity, which should meet all foreseeable District needs. The trailer is currently stored inside the fencing at Well 4 alongside the vac trailer.

I conducted fusion training for staff on the Blum property in preparation for the upcoming branch line replacement. Our \$200 Amazon welder performed wonderfully while fusing two-inch HDPE pipe. I am awaiting delivery of additional pipe and fittings to complete the repair work.

EC Electric completed several items that were on our list of requests, including connecting the drawdown meter for Well 1, installing new space heaters in the office shop, connecting the new flow meter at the Wilson Well, and delivering materials needed to rebuild the power meter base and prepare for electrical upgrades. Well 4 has historically been difficult to take offline for extended periods, and I am moving forward with resolving electrical issues while the well is currently down.

Following discussions with Jaime Craig regarding reinstating the Wilson Well back to permanent status, the State has reset our water testing schedule. All required water quality testing must now be completed and submitted prior to returning the well to permanent operation.

Our current leak list is as follows:

- 1) Trask River Road (Cedarcrest to Hollyridge)
  - Line replacement is needed along 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 for completion.
- 2) Wilson River Loop: Approximately 0.23 miles east of Highway 101
  - A failed corporation "corp" stop has been identified and full replacement is planned.
- 3) Wilson River Loop/Sollie Smith Road
  - Investigation into the source of the leak is ongoing and work is proceeding.
- 4) Blum Lane
  - Plans to abandon the older line between Blum Lane and Wilson River Loop are underway and we hope to have this full line replacement completed quickly.
- 5) 3<sup>rd</sup> Street/Circle Drive
  - The service line requires excavation and replacement. Staff are developing an approach due to difficult site conditions.
- 6) Sollie Smith Road/Aldercrest Road
  - Service line excavation and repair are required, and planning is ongoing.
- 7) Marvin Road (near Myers Court)
  - Repairs at this location must occur during the dry season due to site constraints.
- 8) Makinster Road (at cul-de-sac loop)
  - Full replacement of the distribution line feeding the circular neighborhood loop is required.

**COMPLETED ON FEBRUARY 19, 2026**

**Michael Ostensen – General Manager**



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## OFFICE MANAGER'S REPORT FOR FEBRUARY 26, 2026

February has, for the most part, been spent reinforcing coordination and preparation efforts across multiple fronts, with most of my efforts being focused on audit readiness, budget development, policy work, and inter-agency communication while maintaining routine operational duties.

Audit preparation for fiscal year 2024-25 remains in progress. The Initial review of District records has been completed with our financial consultant, and SingerLewak has been formally engaged to perform audit services. Work will continue as supporting documentation or other needs pop up during the audit process.

Budget development for fiscal year 2026-27 is well underway. Information is currently being assembled to better support early discussion with the Board and Budget Committee. My goal is to provide these initial materials during the first week of March to allow for adequate review time prior to the first Budget Committee meeting.

Work associated with the development of the District's financial management policy continues under Board and staff coordination. During this month, my focus has been directed towards budget preparation and audit readiness, while General Manager Michael Ostensen has taken on the coordinated staff input related to the operational and compliance components of the policy.

Communication has been provided to Hunt Water District regarding their requested annexation and merger exploration. This outreach is intended to support their internal discussion, and I will continue to make myself available for any follow-up interactions as the process continues.

As directed by the Board, I have reached out to Hydrocorp, Inc. regarding the close-out of the professional services agreement between our agencies. Final payment will be issued upon our receipt of any remaining contract deliverables.

Routine administrative operations, including financial processing, customer service, records management, and coordination of District communications, have all continued as usual.

As always, I'm available should the Board require clarification or additional information.

Melissa Rondeau, Office Manager  
02/19/26

**FAIRVIEW WATER DISTRICT GENERAL FUND**  
**Accounts Payable Breakdown - January 2026 1st Security Bank Statement**

Type	Date	Vendor	Notes	Amount	Total
Payroll Wages	01/29/26	Paychex, Inc.	Payroll - 01/2026	14,995.28	
Payroll Taxes	01/29/26	Paychex, Inc.	Payroll taxes - 01/2026	5,657.17	
Payroll Taxes	01/20/26	Paychex, Inc.	Payroll tax adjustment - 12/2025	0.01	
Payroll EIB	01/02/26	Paychex, Inc.	Payroll processing fee - 12/2025	229.10	
Payroll EIB	01/30/26	Paychex, Inc.	Payroll processing fee - 01/2026	341.60	
Retirement	01/12/26	Oregon PERS	Employer Contributions - 12/2025	4,624.04	
Retirement	01/12/26	Oregon PERS	Employee Contributions - 12/2025	1,158.43	
Health	01/26/26	Special District's Association of Oregon (Ch. 507)	Health premiums - 02/2026	4,523.00	<b>31,528.63</b>
Banking Fees	01/06/26	Gateway Banking Fees	Credit card processing fees	60.78	
Banking Fees	01/16/26	Gateway Banking Fees	Credit card processing fees	59.44	
Banking Fees	01/08/26	1st Security Bank	Returned ACH (reapplied)	108.22	
Banking Fees	01/30/26	1st Security Bank	1st Express Bundle Fee	30.00	<b>258.44</b>
Check 492	01/12/26	S-C Paving Company	12 yards 3/4- gravel	285.00	
Check 497	01/02/26	HDPE Supply	System supplies: Saddle, coupler	1,745.02	
Check 500	01/21/26	Jeff Naegeli's Tillamook Plumbing	Repair	140.00	
Check 501	01/06/26	Burden's Muffler, Towing & Crane Service, Inc.	Crane work on Blum Lane	700.00	
Check 502	01/15/26	Javelina Trading Company	Extension cords	101.55	
Check 503	01/06/26	HASCO Stations, LLC	Fuel	173.53	
Check 504	01/05/26	Rosenber Builder's Supply	System supplies	114.17	
Check 506	01/30/26	Tillamook Farmers' Co-Op	System supplies	206.21	
Check 508	01/27/26	Oregon Government Ethics Commission	Annual compliance fee	935.78	
Check 509	01/27/26	HASCO Stations, LLC	Fuel	115.78	
Check 510	01/27/26	CFO Selections	FY 24-25 audit prep review	300.00	
Check 513	01/30/26	Caswell/Hertel Surveyors, Inc.	Survey of Blum Lane property	3,540.00	
Check 514	01/28/26	HASCO Stations, LLC	Fuel	70.21	<b>8,427.25</b>
Online	01/02/26	Starlink, Inc.	Monthly Starlink internet service	120.00	
Online	01/02/26	Fred Meyer	Uniforms: supplies to complete	25.68	
Online	01/05/26	Computer Support Services	Monthly computer antivirus subscription	5.00	
Online	01/06/26	Amazon	Paper shredder	31.06	
Online	01/15/26	Tillamook People's Utility District	Electricity	3,372.38	
Online	01/16/26	Special District's Association of Oregon	Conference registration - J. Huffman	741.50	
Online	01/16/26	Ebb Tide Motel	Conference accommodations - J. Huffman	776.16	
Online	01/20/26	Adobe, Inc.	Monthly Adobe Acrobat Pro subscription	19.99	
Online	01/21/26	Amazon	Admin supplies: Charging cables, batteries	57.73	
Online	01/26/26	Ninja Transfers	Uniforms: sweatshirts & transfers	117.13	
Online	01/29/26	OOMA, Inc.	Monthly VoIP telephone service	34.22	
Online	01/30/26	Intuit	Monthly Quickbooks software subscription	115.00	<b>5,415.85</b>
<b>Total</b>				<b>45,630.17</b>	<b>45,630.17</b>

**Budget v Actual Report - Fairview Water District**

**Periods 1-7 Year 2026 (July 2025-January 2026)**

Account	Description	Budget	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	YTD	Variance	%
014004	Revenue - Sales/Service/Labor	500.00									500.00	
014006	Revenue - Late Payment Fee	500.00			40.00	55.00	235.00	365.00	240.00	935.00	(435.00)	187.00
014162	Revenue - Miscellaneous	2,500.00	322.81	359.93	283.36	262.84	389.26	360.17	345.66	2,324.03	175.97	92.96
014163	Revenue - Property Taxes	31,000.00					32,063.71			32,063.71	(1,063.71)	103.43
014164	Revenue - LGIP Interest	15,000.00	921.25	843.18	819.06	747.26	658.80	643.87	691.43	5,324.85	9,675.15	35.50
	Total Revenue	439,500.00	1,244.06	1,203.11	1,142.42	1,065.10	33,346.77	1,369.04	1,277.09	40,647.59	398,852.41	9.25
014007	Revenue - Base Rate	240,000.00	19,464.51	19,774.57	19,725.82	19,762.51	19,837.67	20,416.37	20,490.45	139,471.90	(100,528.10)	58.11
014008	Revenue - Consumption	270,000.00	24,724.52	32,875.63	11,347.40	22,172.81	21,822.19	22,826.63	19,540.41	155,309.59	(114,690.41)	57.52
014001	Revenue - Water Sales	510,000.00	44,189.09	52,650.20	31,073.22	41,935.32	41,659.86	43,243.00	40,030.86	294,781.55	215,218.45	57.80
	Total Water Revenue	510,000.00	44,189.09	52,650.20	31,073.22	41,935.32	41,659.86	43,243.00	40,030.86	294,781.55	215,218.45	57.80
	TOTAL REVENUE	949,500.00	45,433.15	53,853.31	32,215.64	43,000.42	75,006.63	44,612.04	41,307.95	335,429.14	614,070.86	
017000	Payroll Benefits & Taxes	125,000.00	11,099.95	11,467.99	3,703.10	8,312.65	22,847.25	9,214.15	10,921.23	77,566.32	47,433.68	62.05
017100	Payroll Wages & Taxes	315,000.00	15,605.00	15,605.00	16,048.31	16,006.81	18,089.43	20,244.85	20,652.45	122,251.85	192,748.15	38.81
	Total Payroll Expenses	440,000.00	26,704.95	27,072.99	19,751.41	24,319.46	27,788.15	29,459.00	31,573.68	199,818.17	240,181.83	45.41
017130	Insurance	14,000.00	587.87	240.12	587.89			365.88		1,781.76	12,218.24	12.73
017135	Engineering/Easements/Surveys	10,000.00							3,540.00	3,540.00	6,460.00	35.40
017138	Compliance/Operating Costs	3,000.00	56.59		134.04	136.00	54.99	143.00	1,003.78	1,528.40	1,471.60	50.95
017139	Audit/Accounting	16,000.00			66.00	2,000.00		750.00	300.00	3,116.00	12,884.00	19.48
017140	Legal Services	3,000.00				1,197.00	(735.00)	171.00	741.00	1,374.00	1,626.00	45.80
017141	Licenses/Dues/Certs/Memberships	1,500.00		45.00	492.50	140.00	195.00	642.00		1,514.50	(14.50)	100.97
017154	Security Forest Patrol	600.00					443.77			443.77	156.23	73.96
017155	County Rent/Lease Agreement	200.00									200.00	
017156	Contractor Services	20,000.00		3,330.00	11,458.74	350.00	2,002.50	3,740.00		20,881.24	(881.24)	104.41
017157	Contracted Services	15,000.00	1,519.54	1,946.02	56.64	3,246.14	138.16	108.14	120.22	7,134.86	7,865.14	47.57
017158	System Repairs & Materials	45,000.00	2,525.44	1,382.87	3,064.64	2,751.66	6,092.36	4,484.50	1,796.18	22,097.65	22,902.35	49.11
017159	Building Maintenance	10,000.00				569.39		81.38		650.77	9,349.23	6.51
017164	Water Tests & Compliance	6,000.00	4,565.00		122.00		3,495.00		700.00	8,882.00	(2,882.00)	148.03
017166	Training & Education	3,500.00	170.00	55.00			212.00	63.58		500.58	2,999.42	14.30
017170	Electricity	55,000.00	3,909.39	4,213.04	4,680.33	4,645.82	3,739.25	3,406.72	3,372.38	27,966.93	27,033.07	50.85
017195	Shop Truck Maintenance	3,500.00			1,580.00			137.00		1,717.00	1,783.00	49.06
017196	Fuel	6,000.00	332.23	677.71	332.85	266.91	208.85	260.54	185.99	2,265.08	3,734.92	37.75
017215	Public Notices	1,000.00									1,000.00	
017216	Budget & Election	1,000.00	379.44							379.44	620.56	37.94
017221	Board Training/Miscellaneous	3,500.00			155.00				1,517.66	1,672.66	1,827.34	47.79
017225	Communication	3,000.00	154.15	154.15	154.15	753.55	154.20	196.38	274.22	1,840.80	1,159.20	61.36
017247	Miscellaneous	500.00				281.48	85.64		176.21	543.33	(43.33)	108.67
017250	Office/Administration/Postage	20,000.00	816.32	3,505.89	850.58	227.89	2,289.21	2,371.93	213.79	10,275.61	9,724.39	51.38
017272	Refunds & Charge-offs	300.00	13.14							13.14	286.86	4.38
	Total Material & Services	241,600.00	15,029.11	15,549.80	23,735.36	16,565.84	18,375.93	16,922.05	13,941.43	120,119.52	121,480.48	49.72
017581	Capital Equipment & Tools	60,000.00		1,116.46	4,750.42	70.98				5,937.86	54,062.14	9.90
017582	Capital Engineering/Easements/Surveys	15,000.00									15,000.00	
017587	Capital System Improvements & Repairs	175,000.00	24,981.70		33,917.81		14,532.25		51.21	73,482.97	101,517.03	41.99
	Total Capital Outlay	250,000.00	24,981.70	1,116.46	38,668.23	70.98	14,532.25		51.21	79,420.83	170,579.17	31.77
	TOTAL EXPENSES	931,600.00	66,715.76	43,739.25	82,155.00	40,956.28	60,696.33	46,381.05	45,566.32	399,358.52	1,330,958.52	
017800	CONTINGENCY	17,900.00									17,900.00	
	Total Contingency	17,900.00									17,900.00	

Account	Description	Budget	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	YTD	Variance	%
	* CURRENT YEAR SURPLUS		(21,282.60)	10,114.06	(49,939.36)	2,044.14	14,310.30	(1,769.01)	(4,258.37)	(63,929.38)	63,929.38	

Account	Description	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	YTD
04-4008	Revenue-SDC LGIP Interest	346.45	347.80	337.86	348.27	327.70	326.26	320.69	2,355.03
04-4009	Revenue-SDC Charges	-	-	-	-	2,952.39	(2,952.39)		-

END-OF-MONTH ACCOUNT BALANCES									
	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026		
<b>SDC LGIP Account Balance</b>	\$ 89,024.25	\$ 89,372.05	\$ 89,709.91	\$ 90,058.18	\$ 90,385.88	\$ 90,712.14	\$ 91,032.83		
<b>SDC Checking Account Balance</b>	\$ 1,626.30	\$ 1,626.30	\$ 1,626.30	\$ 1,626.30	\$ 4,578.69	\$ 1,626.30	\$ 1,626.30		
<b>1st Security General Fund Account Balance</b>	\$ 73,261.77	\$ 47,474.87	\$ 44,539.03	\$ 36,513.07	\$ 27,594.62	\$ 29,228.97	\$ 26,822.35		
<b>LGIP Account Balance</b>	\$ 215,821.49	\$ 216,664.57	\$ 217,483.63	\$ 193,230.89	\$ 162,889.64	\$ 195,597.22	\$ 196,288.65		

**Delinquent Accounts Summary**

2/26/2026 Board Meeting

**36** Delinquent accounts

-- Past due account balances: \$ 3,878.77

-- Total account balances: \$ 4,063.96

**6** Accounts noticed for shut off

**24** Accounts noticed of delinquency

**2** Accounts on repayment plans

**1** Account in violation of repayment plan

**2** Accounts have credit balance system errors

**1** Account is a lease agreement - payment pending

Last Payment	Past Due	Balance	Note
02/02/26	119.57	31.58	Not late; system error
01/14/26	41.41	62.05	Late notice
12/02/25	29.30	65.57	Late notice
01/16/26	65.05	128.55	Shut-off notice
12/08/25	23.29	51.78	Late notice
12/05/25	26.06	54.58	Late notice
02/17/26	99.33	135.67	Repayment plan
12/18/25	30.48	66.24	Late notice
09/13/23	51.60	61.60	Shut-off notice
	43.75	75.69	Shut-off notice
09/16/25	80.13	45.58	Late notice
01/06/26	29.45	45.95	Late notice
12/11/25	26.17	53.79	Late notice
01/23/26	33.90	65.57	Late notice
12/04/25	55.35	66.55	Late notice
12/24/25	33.95	71.35	Late notice
02/17/26	32.85	68.40	Shut-off notice
02/17/26	174.90	199.90	Repayment plan in progress
12/01/25	48.79	56.13	Late notice; system error
02/10/26	77.83	68.28	Late notice
10/20/25	110.53	37.67	Not late; system error
01/27/25	200.00	216.67	Lease agreement
01/15/26	42.05	89.10	Late notice
12/16/25	24.17	52.22	Late notice
12/16/25	27.75	57.40	Late notice
10/22/25	154.15	91.23	Shut-off notice
01/05/26	971.03	1,031.55	Notice of repayment violation
10/31/25	122.10	98.10	Shut-off notice
12/05/25	62.61	70.23	Late notice
12/17/25	93.19	67.92	Late notice
02/11/26	39.85	48.10	Late notice
02/03/26	155.27	157.85	Late notice
02/11/26	270.22	394.31	Late notice
12/10/25	284.90	66.50	Late notice
12/22/25	46.06	49.43	Late notice
12/09/25	151.73	60.87	Late notice

3,878.77 4,063.96

\* Delinquencies accurate as of 02/20/26

\* "System error" seems to be a result of a credit balance in the system during the late period.

## FAIRVIEW WATER DISTRICT

### ORDINANCE 2026-01

AN ORDINANCE CLARIFYING HOW WATER RATES ARE ESTABLISHED, MAINTAINING CONTINUITY OF EXISTING RATES, AND SUPERSEDING PRIOR RATE ORDINANCES.

WHEREAS, the Fairview Water District is authorized under Oregon Revised Statutes (“ORS”) 264.310 to set and collect charges for water service; and

WHEREAS, water rates and charges have been established over time through a combination of ordinances and resolutions adopted by the District’s Board of Commissioners (“Board”); and

WHEREAS, the Board seeks to consolidate and clarify prior rate-related ordinances in order to provide a clearer and more consistent framework for establishing water rates going forward;

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE FAIRVIEW WATER DISTRICT HEREBY ORDAINS AS FOLLOWS:

1. From the effective date of this ordinance, the Board shall adopt or modify District water rates, fees, and charges by resolution without requiring amendment of any ordinance.
2. All water rates, fees, and charges in effect as of the effective date of this ordinance are hereby affirmed and shall remain in effect unless and until modified by resolution of the Board.
3. Any provisions of the following ordinances that establish specific water rate amounts or schedules are superseded by this ordinance. All other provisions of the ordinances listed below, and all provisions of other District ordinances not related to the establishment of specific water rate amounts, are hereby ratified and shall remain in full force and effect unless modified or repealed by future actions of the Board:
  - 2.1 Ordinance No. 2019-1
  - 2.2 Ordinance No. 2019-2
  - 2.3 Ordinance No. 2000-1
  - 2.4 Ordinance No. 2021-1
4. Nothing in this ordinance is intended to interrupt the District’s authority to bill and collect charges and fees for water delivery, nor to create any lapse in the rates currently in effect.
5. This ordinance shall take effect thirty (30) days following its adoption.
6. In compliance with ORS 198.560, a copy of the adopted ordinance shall be filed in the District records, and a certified copy shall be filed with the Tillamook County Clerk and made available for public inspection.

**IT IS HEREBY APPROVED:**

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSTENTIONS: \_\_\_\_\_

**SIGNED:**

\_\_\_\_\_  
Board Chair

\_\_\_\_\_  
Date

**ATTEST:**

\_\_\_\_\_  
Board Secretary

\_\_\_\_\_  
Date

**FIRST READING:** \_\_\_\_\_, 2026

**SECOND READING:** \_\_\_\_\_, 2026

**EFFECTIVE DATE:** \_\_\_\_\_, 2026