

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, August 27, 2026**, at **5:00 PM** at the Swiss Hall, 4605 Brookfield Avenue, Tillamook, Oregon.

AGENDA

- 1. Call To Order**
- 2. Roll Call**
- 3. Acknowledgment of Resignation and Vacancy - Board Position 1**
- 4. Consideration of Applications for Appointment - Board Positions 1 and 2**
 - a) Doug Barker
 - b) Adam Nielsen
 - c) Jerry Dove
- 5. Board Officer Elections**
 - a) Resignation of James Huffman as Board Secretary
- 6. Grievances**
 - a) Consideration of Public Meetings Law Grievances
 - b) Consideration and approval of District response to Public Meetings Law Grievances
 - c) Consideration of Governance Grievance Submitted by General Manager Michael Ostensen
- 7. Ratification of Votes Taken at July 30, 2026 Meeting**
 - a) Direction to staff to write a letter to the City of Bay City
 - b) Approval of the June 2026 accounts payable report
 - c) Amendment and adoption of Resolution 2026-03, relating to Fairview Water District's Financial Management Policy
 - d) Authorization of a letter concerning Commissioner Rulifson's continued service on the Board
- 8. Approval of Minutes**
 - a) June 25, 2026 Regular Board Meeting
 - b) July 30, 2026 Regular Board Meeting
- 9. Financial Reports**
 - a) Accounts payable
 - b) Financial Status
 - c) Delinquency Summary
 - d) FY 2024-25 Audit
- 10. Board Presentation**
 - a) Announcement by James Huffman regarding SDAO Board Training
- 11. Adjournment**



FAIRVIEW WATER DISTRICT

403 Marolf Loop Road

Tillamook, OR. 97141

(503) 842-4333 • office@fairviewwater.com

BOARD OF COMISSIONERS APPLICATION

Name: Doug Barker

Street address: 3110 Aldercrest Rd

Mailing address: Tillamook Oregon 97141

Phone number: [REDACTED]

Email: [REDACTED]

Current occupation: Dairy Farmer

Number of years as a Fairview or Wilson Customer: 38 years

Registered Voter: Yes ☒ No ☐

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

run a dairy farm for 28 years

helped work on wilson river water district for 10 plus years

was on the board of Tillamook County Creamery Association for 8 years

The farmers in this water district and I believe that there needs to be a dairy farmer on this board. When 85% of the water goes to the dairy's we should represented on the board and I have the time to do it.



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: Jerry A Dove

Physical Address: 7510 Trask River Rd. 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 feel I can be an asset to the board and want to
keep make sure we have clean water and that
we keep our system running and fixed at all times.

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

8 years Tillamook County Commissioner
11 years Port of Tillamook Bay Commissioner
Founded volunteer fish hatchery in 1987
38 years president of the Tillamook Anglers

(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.

Signature

Date

8-13-2028

Public Meeting Grievance Notice

RE: Fairview Water District July 30, 2026 board meeting,

8/3/26

At the July 30, 2026 board meeting of the Fairview Water District, the meeting was called to order with a quorum of 3 board members, John Casteel, Gary Bond and Jim Huffman.

Approval of June 25, 2026 meeting minutes failed with a vote of 2-1.

The next item on the agenda was filling a board vacancy for position 2 that was declared vacant at the June 25th meeting. There were 3 applicants for the open position. During discussion, the board Chairman, John, announced that ORS allowed appointment by a vote of 2 board members. Jim moved to appoint one but there was no second to his motion. Gary moved to appoint Mark Sybouts to the board position. John seconded the motion. The vote was 2 for, 1 against. John, the chairman, declared the motion passed. Jim Huffman left the meeting at approximately 5:50. John swore in Mark as a board member, and the meeting continued with a few items of action that had motions and votes.

Additionally, as noticed on the agenda, an executive session was called. John, Gary and Mark were present and held an apparent executive session. On conclusion of the executive session, the public session was reconvened and a motion was made and voted on.

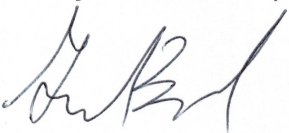
Being surprised by the declaration that 2 board members could appoint a new board member, I, Gary Bond, went to the Fairview Water District office on July 31, 2026 and asked the office manager, Melissa Rondeau, for the documentation about the ORS that authorized that. Melissa stated that there was no documentation and the declaration appeared to be false. She said that she was following up on the issue and would be providing more information when it was available.

On August 2, 2026 I received emails from John Casteel saying that he was incorrect on the issue and provided information from SDAO and the district legal counsel on the issue. He stated he would be resigning on August 3. John indicated he had notified Mark of the issue. I replied asking if he had notified Jim and have not had any response.

Based on that information, I believe that the appointment of Mark and all board actions after that are void.

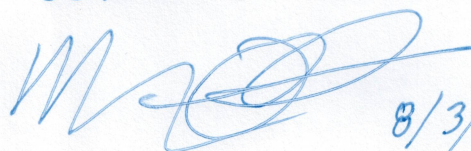
Submitted by

Gary Bond, Board position #4



RECEIVED

Michael Ostensen
General Manager



8/3/2026
11:49 AM

FAIRVIEW WATER DISTRICT

403 Marolf Loop Road
Tillamook, OR 97141

(503) 842-4333

www.fairviewwater.com

PUBLIC MEETINGS LAW GRIEVANCE

July 30, 2026 Fairview Water District Regular Board Meeting

To: The Fairview Water District Board of Commissioners

Date submitted: August 6, 2026

Submitted by: Michael Ostensen, General Manager, Fairview Water District
Melissa Rondeau, Office Manager, Fairview Water District

We, Michael Ostensen, General Manager, and Melissa Rondeau, Office Manager and meeting recorder for Fairview Water District, jointly submit this written grievance alleging violations of Oregon Public Meetings Law occurring during the July 30, 2026 regular meeting of the Fairview Water District Board of Commissioners. The factual allegations below are based upon our personal observations and District meeting records.

At the start of the meeting, the Board consisted of three sitting commissioners: John Casteel, Gary Bond, and James Huffman. Commissioner Boyd Rulifson was absent, and one Board position was vacant. The three sitting commissioners constituted a lawful quorum.

The agenda included consideration of applicants to fill the vacant Board position. During that discussion, the question arose whether an appointment could be made with only two affirmative votes. Casteel and Huffman initially stated that all three commissioners would need to vote in favor of an appointment. General Manager Michael Ostensen then stated that he believed that a special vacancy provision permitted the appointment. Office Manager Melissa Rondeau and Huffman expressed disagreement. Casteel responded that he had the applicable provision available with him.

Huffman then moved to appoint applicant Doug Barker. No second was received, and the motion died. A member of the audience asked for clarification on the number of votes required to fill the vacancy. Casteel reiterated that two votes were sufficient under the applicable regulation. Huffman stated his displeasure that the remaining two members did not vote for his choice of appointment and indicated that he intended to leave the meeting and break quorum.

Bond then moved to appoint applicant Mark Sybouts, and Casteel seconded the motion. Bond and Casteel voted in favor, Huffman voted against, and the motion was declared adopted by a vote of 2-1. Casteel administered the oath of office to Mr. Sybouts, who thereafter participated as a commissioner. Upon later review, Ostensen joins this grievance and agrees that the appointment and the Board actions that followed should be reviewed and corrected, as appropriate.

Huffman left the meeting after the oath of office at approximately 5:50 PM. If Mr. Sybouts was not officially appointed, only two lawful commissioners remained present at that time.

Commissioners Casteel and Bond, along with Mr. Sybouts, continued the meeting, received reports, discussed District business, made and voted upon motions, conducted an executive session to discuss personnel matters, and took final action afterward.

Because Mr. Sybouts' participation as a commissioner formed the basis for the continued conduct of Board business after Commissioner Huffman departed, the validity of his appointment is central to each of the alleged violations described below.

Alleged Violation 1: Conducting business without a quorum

We allege that the Board continued conducting District business after the loss of a quorum, violating Oregon Public Meetings Law. After Commissioner Huffman left the meeting, only two legal commissioners remained present. However, those in attendance continued discussing matters on the agenda and purported to take Board action, including:

1. Direction to staff to write a letter to the City of Bay City indicating the District's intent to cease meter fee payments on an unused intertie;
2. Approval of the June accounts payable report;
3. Amendment and adoption of Resolution 2026-03;
4. Authorization of a letter concerning Commissioner Rulifson's continued service on the Board;
5. Consideration of other District business;
6. Convening an executive session discussing personnel matters with a member of the public, excluding staff, not producing written minutes of the meeting; and
7. Taking action concerning the discipline of the General Manager.

Alleged Violation 2: Conducting an executive session without a quorum

Following the departure of Commissioner Huffman, Commissioners Casteel and Bond, along with Mr. Sybouts, entered into a discussion announced on the agenda as an executive session under ORS

192.660(2)(b). Because we allege that Mr. Sybouts had not been officially appointed, only two lawful commissioners were present. We therefore allege that the Board lacked the quorum necessary to convene an executive session under Oregon Public Meetings Law.

Alleged Violation 3: Including a member of the public in executive session

Mr. Sybouts remained and participated in the executive session as though he were a commissioner. Because we allege that this appointment was invalid, he remained a member of the public at the time the executive session was conducted. District staff and other members of the public were excluded from the discussion, which concerned personnel matters, while Mr. Sybouts was allowed to remain and participate. We therefore allege that the executive session was conducted in the presence of an individual who was not legally entitled to participate.

Alleged Violation 4: Failure to record or prepare minutes during executive session

Before leaving the room, Rondeau advised that the executive session must either be audio recorded or documented through written minutes. At the time of this submission, it is not known whether the executive session was recorded or whether written minutes were prepared. We request that the Board determine whether the required executive session record was produced. If neither an audio recording nor written minutes were made, we allege an additional violation of Oregon Public Meetings Law.

Alleged Violation 5: Final action without lawful quorum

Because we assert that a lawful quorum was not present, we allege that actions taken after executive session were not validly taken. After the executive session, those present returned to open session and approved a motion directing Commissioner Casteel to prepare a written reprimand for placement in the General Manager's personnel file.

We request that the Fairview Water District Board of Commissioners provide the written response required by Oregon law to the address below:

Fairview Water District
403 Marolf Loop Rd.
Tillamook, OR 97141

or by email to:

michaelostensen@fairviewwater.com, and
office@fairviewwater.com

We request that the Board:

1. Respond to each factual allegation and alleged violation contained in this grievance;
2. Confirm that no actions taken after the loss of quorum will be implemented as valid Board actions;
3. Identify, preserve, and submit to the District any recording, notes, written minutes, correspondence, or other records relating to the purported executive session that are not already in the District's custody, and ensure that any such record is filed with the District's official meeting records;
4. Repeat any necessary District business only at a properly noticed meeting with a lawful quorum;
5. Provide appropriate Public Meetings Law training to Board members; and
6. Take any additional corrective action recommended by District counsel, the Oregon Government Ethics Commission, or otherwise required by law.



Michael Ostensen, General Manager
Fairview Water District



Melissa Rondeau, Office Manager
Fairview Water District

FAIRVIEW WATER DISTRICT

403 Marolf Loop Road
Tillamook, OR 97141

(503) 842-4333

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

FAIRVIEW WATER DISTRICT
Accounts Payable Breakdown - June 2026 General Fund Bank Statement

Type	Date	Vendor	Notes	Amount	Total
Payroll Wages	06/30/26	Paychex, Inc.	Payroll - 06/2026	15,094.96	
Payroll Taxes	06/30/26	Paychex, Inc.	Payroll taxes - 06/2026	5,705.99	
Payroll Fees	06/01/26	Paychex, Inc.	Payroll Processing Fees	166.50	
Health	06/23/26	Special District's Association of Oregon	Health premiums - 07/2026, Check 601	4,018.00	
Retirement	06/26/26	Oregon PERS	Employer Contributions - 05/2026	4,857.94	
Retirement	06/26/26	Oregon PERS	Employee Contributions - 05/2026	1,217.03	\$ 31,060.42
Banking Fees	06/04/26	Gateway Banking Fees	Credit card processing fees	78.54	
Banking Fees	06/30/26	1st Security Bank	1st Express bundle fee	30.00	\$ 108.54
Check 577	06/01/26	HDPE Supply	HDPE system supplies	336.34	
Check 579	06/01/26	City of Bay City	Monthly intertie fee	68.00	
Check 584	06/02/26	CFO Selections, LLC	Accounting services	234.00	
Check 586	06/04/26	EC Electric	Electrical work at the Wilson Well	165.00	
Check 587	06/08/26	Crystal Haenggi	Refund of closed account	24.65	
Check 588	06/04/26	HASCO Stations, LLC	Fuel	287.39	
Check 589	06/05/26	Country Media, Inc.	Advertisement of surplus property sale	32.55	
Check 590	06/11/26	Tillamook Farmers' Co-op	System supplies and hardware	234.50	
Check 592	06/05/26	Department of Consumer & Business Services	Worker's Benefit Fund Payments	40.87	
Check 593	06/08/26	Rosenberg Builder's Supply	System supplies	106.40	
Check 594	06/10/26	Davison Auto Parts	System supplies	17.59	
Check 595	06/10/26	City of Bay City	Monthly intertie fee	68.00	
Check 596	06/24/26	OHA Cashier	Backflow certification fees	97.50	
Check 597	06/23/26	HASCO Stations, LLC	Fuel	390.65	
Check 598	06/23/26	Backflow Management, Inc.	Backflow assembly test kit	1,200.00	
Check 599	06/23/26	Oregon Association of Water Utilities	Conference attendance fees	1,170.00	
Check 600	06/24/26	EC Electric	Electrical work at the Marvin Rd. Pump Station	713.45	
Check 602	06/29/26	Alexin Analytical Laboratories	Sample testing from 4/15/26-5/20/26	465.00	\$ 5,651.89
Online	06/01/26	Intuit	Monthly Quickbooks Online subscription	115.00	
Online	06/01/26	Amazon	Office supplies-3 ring binders, mouse	24.13	
Online	06/01/26	Starlink	Monthly satellite internet subscription	120.00	
Online	06/02/26	Computer Support Specialists	Monthly computer antivirus subscription	5.00	
Online	06/09/26	Fred Meyer	Office supplies-janitorial	29.26	
Online	06/10/26	Tillamook County Clerk	Release of utility lien	94.29	
Online	06/16/26	Amazon	Office supplies-2 pk. wall fans	98.99	
Online	06/16/26	Amazon	Office supplies-2 pk. padded office chairs	199.98	

FAIRVIEW WATER DISTRICT
Accounts Payable Breakdown - June 2026 General Fund Bank Statement

Type	Date	Vendor	Notes	Amount	Total
Online	06/16/26	Tillamook People's Utility District	Monthly electricity charges	4,460.14	
Online	06/16/26	Amazon	Office supplies-padded office chair	109.98	
Online	06/16/26	Amazon	Office supplies-laptop computer	399.99	
Online	06/17/26	Amazon	Office supplies-4 pk. folding chairs	150.91	
Online	06/18/26	Adobe	Monthly Adobe Acrobat Pro subscription	19.99	
Online	06/23/26	USPS	Board packet shipping cost	2.72	
Online	06/24/26	GoDaddy	3 year subscription, Microsoft Office 365	554.04	
Online	06/29/26	OOMA, Inc.	Monthly VoIP telephone service	34.20	
Online	06/30/26	Amazon	Shop supplies-dustpans	81.67	
Online	06/30/26	Amazon	Office supplies-janitorial	111.69	
Online	06/30/26	Amazon	Office supplies-janitorial	11.97	
Online	06/30/26	USPS	Postage permit refill	2,000.00	
Online	06/30/26	Intuit	Monthly Quickbooks Online subscription	115.00	
Total				45,559.80	\$ 8,738.95
				\$	\$ 45,559.80

FAIRVIEW WATER DISTRICT

Financial Management Policy

Adopted by Resolution No. 2026-03 on July 30, 2026

1. Purpose

The purpose of this policy is to establish the framework for the District's financial management and stewardship of public funds. This policy applies to all District financial activities and is intended to promote accountability, continuity, and compliance with applicable law.

2. Governance & Responsibility

2.1. The Board of Commissioners provides governance and financial oversight through adoption of budgets, policies, expenditures, and other formal Board actions.

2.2. The General Manager administers the District's financial operations in accordance with Board-adopted policies, approved budgets, and delegated authority.

2.3. The Office Manager performs the District's routine financial and administrative functions, including accounting, billing, payroll processing, recordkeeping and financial reporting, and works under the direction of the General Manager.

2.4. District staff perform assigned duties in accordance with their job responsibilities and District policies.

3. Budgeting

3.1. The District's fiscal year runs from July 1 through June 30.

3.2. An annual budget is prepared and adopted each fiscal year to guide the responsible use of public funds and to support District operations. The budget serves as the District's financial plan and provides spending authority.

3.3. The Board appoints a Budget Officer, who is responsible for preparing the proposed budget and administering the budget process.

3.4. The District uses an appointed Budget Committee consisting of Board members and citizen members. The Committee reviews the proposed budget, receives public input, and recommends a budget for Board consideration.

3.5. Following Budget Committee approval, the Board reviews the proposed budget, holds a public hearing, and adopts the final budget and appropriations through formal Board action.

4. Financial Operations & Internal Controls

4.1. Accounting records are maintained primarily on a cash basis for internal financial management and reporting.

- 4.2. An accounting system appropriate to the District's size and operations is maintained. The system must support fund-level tracking, financial reporting, and audit requirements.
- 4.3. Internal controls are maintained to protect public funds and ensure accurate financial reporting. To the extent practicable, financial duties are separated so that no single individual is responsible for authorizing, processing, and reconciling the same transaction. Where staffing levels limit full separation of duties, supervisory review, documentation, and periodic oversight are used to reduce risk.
- 4.4. Financial records must be accurate, complete, documented, and retained in accordance with Oregon public records retention requirements.
- 4.5. Internal controls shall be documented periodically and adjusted as needed based on operational changes, staffing changes, or audit recommendations.

5. Banking, Funds & Investments

- 5.1. The District maintains operating, investment, and restricted accounts as necessary to support District operations and comply with applicable law.
- 5.2. Accounts may be maintained with qualified depositories and investment programs authorized by Oregon law, including Local Government Investment Pool (LGIP) accounts.
- 5.3. The Board designates authorized signers and account access. Account access does not constitute spending authority.
- 5.4. System Development Charge (SDC) funds are maintained separately and used only for purposes authorized by law.
- 5.5. Accounts are reconciled monthly and reviewed by management.
- 5.6. Account balances and activity are reported through regular financial reporting.

6. Billing, Receivables, & Cash Handling

- 6.1. The District bills customers for water service on a monthly billing cycle. Billing practices are administered by staff in accordance with Board-adopted rates and fees.
- 6.2. Payments are due on the date specified on the customer bill. Accounts not paid by the due date are considered delinquent. Late fees may be assessed beginning on the 10th day of the month following the due date, in accordance with Fairview Water District Ordinance 89-1, as amended. Delinquent accounts and unpaid charges remain attached to the property and are subject to collection actions authorized by Ordinance No. 89-1 and applicable law.
- 6.3. Cash receipts shall be handled in accordance with District administrative procedures.

7. Spending, Procurement, & Contracts

- 7.1. The Board establishes spending authority for District staff through policy or resolution. Staff may approve expenditures consistent with the adopted budget and applicable procurement

requirements within their delegated authority. Expenditures exceeding delegated authority require approval as provided below. Spending authority applies to a single transaction and may not be divided to avoid approval thresholds.

7.1.1. The General Manager may approve expenditures of up to \$5,000 per transaction. Purchases above this amount require Board approval.

7.1.2. The Office Manager may approve expenditures of up to \$1,000. Purchases above this amount require General Manager approval.

7.1.3. The Board of Commissioners approves purchases above \$5,000, contract awards, and any purchase not clearly included in the adopted budget.

7.1.4. Payroll and payroll-related costs are authorized through the adopted budget and approved staffing levels. Routine payroll processing is not subject to per-transaction spending limits but remains subject to budgetary control and applicable employment law.

7.1.5. Individual Board members have no spending authority unless specifically authorized through formal Board action.

7.1.6. No individual may approve or process payment for their own reimbursement or financial transaction.

7.2. All purchases and contracts must comply with Oregon Public Contracting Code (ORS Chapters 279A, 279B, and 279C). Procurement methods and documentation requirements are determined by statute based on the type and value of the purchase.

7.3. In emergency situations where immediate action is required to protect life, property, or District infrastructure, the General Manager may authorize purchases above normal spending limits. Emergency expenditures are reported to the Board at the next regular meeting.

8. Audit & Records

8.1. The District undergoes an independent financial audit as required by Oregon law. The Board engages the independent auditor. District staff shall facilitate the audit by providing requested records and information, and the Board shall cooperate with the audit process in fulfilling its governance responsibilities. Audit results are presented to the Board, and any findings or recommendations shall be addressed as appropriate.

8.2. Records are maintained in accordance with applicable records retention requirements and are made available for audit, financial reporting, and lawful public records requests.

9. Policy Review & Continuity

9.1. This policy will be reviewed annually and updated as needed. Revisions require Board approval.

- 9.2. Changes in staffing or organizational structure do not invalidate this policy. Temporary operational adjustments may be made as needed, provided appropriate internal controls and oversight are maintained.
- 9.3. This policy becomes effective upon adoption by the Board of Commissioners.

DRAFT

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***

July 30, 2026

Boyd Rulifson
10355 Gould Ave.
Tillamook, OR 97141

Dear Commissioner Rulifson,

At its regular meeting on July 30, 2026, the Fairview Water District Board of Commissioners, authorized me, as Chair of the Board, to write to you regarding your continued absence from Board meetings and to respectfully request your resignation from the Board of Commissioners.

Your attendance has been an important concern for the Board for several months. Because regular participation by all commissioners is necessary for the effective governance of the District, the Board respectfully requests that you submit your written resignation from the Board of Commissioners.

Enclosed is a resignation form for your convenience. If you choose to resign, please return the signed form to the District office at your earliest convenience.

If the Board does not receive your resignation, it will consider the options available under Oregon law to address the vacancy.

We thank you for your past service to the Fairview Water District and for your consideration of this request.

Sincerely,

John Casteel
President, Board of Commissioners
Fairview Water District

**FAIRVIEW WATER DISTRICT
BOARD OF COMMISSIONERS MEETING MINUTES**

Regular Session | June 25, 2026 | 5:00 PM
403 Marolf Loop Road, Tillamook, Oregon

1. CALL TO ORDER

Board Chair John Casteel called the meeting to order at 5:01 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: Josh Henderson, Luke Oldenkamp, Logan Lancaster, Ryan Kilgore, Ethan Obrist, Richard Obrist, Michael Tohl, Jerry Markee, Christopher Rondeau

3. APPROVAL OF MINUTES

Motion by James Huffman and seconded by Gary Bond to approve the May 28, 2026 regular Board meeting minutes.

Vote: Aye: Casteel, Bond, Huffman

Nay: None

Abstain: None

Absent: Burdick, Rulifson

Motion passed. 9_6

4. PUBLIC COMMENT (on Non-Agenda Items)

- a) Josh Henderson addressed the Board regarding a personnel complaint. Henderson described the events that led to the complaint and requested that the Board consider the matter. No Board action was taken during public comment.
- b) Richard Obrist commented on the proposed Hunt Water District annexation into Fairview Water District and thanked District staff for responding to a recent water leak affecting his property. Obrist also commented on a leak near 3rd Street and confirmed with staff that the District was aware of the leak.

5. GENERAL MANAGER'S REPORT

General Manager Michael Ostensen provided an overview of his written report, which had been provided to the Board prior to the meeting. Ostensen reported that staff member Stephany Whitaker has earned multiple certifications since joining the District in late 2025. In addition to Water Distribution Level 1 certification and Cross Connection Specialist certification, she recently completed her Backflow Tester certification. Ostensen reported that the District intends to provide backflow testing services to customers within the District at a reduced rate, noting a shortage of certified backflow testers in the local area.

Ostensen discussed the District's increasing need for equipment to address deferred maintenance and complete routine maintenance activities in-house. He explained that the limited availability of outside contractors has made it increasingly necessary for the District to acquire equipment that will allow staff to perform more work in-house. Discussion followed regarding equipment needs and appropriate equipment size.

The Board reviewed the District's current leak list with Ostensen, and it was noted that several previously identified leaks have been completed and are no longer active. He provided an update on the remaining leaks requiring attention. Discussion followed.

6. OFFICE MANAGER'S REPORT

Office Manager Melissa Rondeau provided an overview of her report, which had been provided to the Board ahead of the meeting. Rondeau reported that June included several unanticipated administrative projects in addition to regular operational duties, audit preparation, and website updates. Staff continue to implement improvements that modernize District administrative processes.

7. FINANCIAL REPORTS

a) Approval of the May 2026 Accounts Payable Report

Board members asked questions regarding the purchase of a replacement motor for the Ditch Witch vacuum trailer and the Variable Frequency Device (VFD) at Well 3.

Motion by Gary Bond and seconded by Jim Huffman, to approve all payments for May 2026 as presented.

Vote: Aye: Casteel, Bond, Huffman

Nay: None

Abstain: None

Absent: Burdick, Rulifson

Motion passed 9_6

b) Budget v. Actuals Report

The Board discussed lower than estimated consumption revenue for the 2025-26 fiscal year.

c) Delinquent Accounts Summary

Rondeau presented her summary to the Board, including an update to the number of delinquent accounts since she initially submitted the information to the Board.

d) Fiscal Year 2024-25 Audit

This item was reviewed earlier under the Office Manager's report.

8. OLD BUSINESS

a) Water Rate Review and Board Direction

The Board reviewed the current and proposed water rate structures. General Manager Michael Ostensen explained the proposed rate structure, including higher consumption charges for out-of-district customers of \$3.50 per 1,000 gallons compared to \$2.25 per 1,000 gallons for in-district customers. Chair Casteel noted that out-of-district customers represent less than one percent of the District's customer base.

Discussion then focused on the District's long-term approach to future rate adjustments. Casteel expressed support for reviewing water rates annually and considering adjustments based on the Consumer Price Index (CPI) and the District's financial needs.

Board members and members of the public asked questions regarding the proposed increase to monthly base rates, the District's annual property tax revenue, statutory limitations on rate increases, and the balance between fixed and consumption-based charges. Ostensen explained that monthly base rates are determined by meter size, that property tax revenue is not a reliable funding source for District operations, and that the proposed rate structure is intended to maintain an approximate balance of 50 percent fixed base rate charges and 50 percent consumption charges. He further stated that the District has historically estimated annual water consumption with reasonable accuracy.

Additional discussion addressed annual water production and customer communication regarding the proposed rate structure. Richard Obrist requested an update regarding Beaver Water District. Ostensen and Casteel advised that Fairview Water District is not affiliated with Beaver Water District and were not aware of its current operational status. Ostensen also advised that he remains available to discuss customer accounts and the proposed rate structure with interested customers outside of Board meetings.

Discussion concluded with comments regarding the District's agricultural customer base. James Huffman expressed appreciation for the agricultural community and concern regarding the potential effect of the proposed rate increase. Ostensen stated that maintaining financially sustainable rates is necessary to preserve District operations and noted that, should the District ultimately fail, water service would likely be assumed by the City of Tillamook at substantially higher customer rates.

b) Staff Job Descriptions

Rondeau provided an update on the ongoing revision of District staff job descriptions and stated that staff would present a revised General Manager job description to the Board for consideration during the July Board meeting.

c) Financial Management Policy

Rondeau presented the revised Financial Management Policy for Board review. The Board reviewed the draft and discussed several provisions. Staff and Board members worked collaboratively

through the proposed revisions during the meeting, resulting in a revised draft. The policy will be presented at the July meeting in resolution form for Board consideration.

d) Board Attendance, Vacancy Procedures, and Board Direction

Rondeau informed the Board that Commissioner Dustin Burdick submitted a signed letter of resignation.

Motion by Gary Bond and seconded by James Huffman, to accept the resignation of Dustin Burdick as Board Commissioner Position 2 of Fairview Water District and declare a vacancy.

Vote: Aye: Casteel, Bond, Huffman
Nay: None
Abstain: None
Absent: Burdick, Rulifson
Motion passed. 9_6

Motion by John Casteel and seconded by Gary Bond, directing District staff to advertise a vacancy of Position 2 of the Fairview Water District Board of Commissioners.

Vote: Aye: Casteel, Bond, Huffman
Nay: None
Abstain: None
Absent: Rulifson
Motion passed. 9_6

The Board discussed Commissioner Boyd Rulifson's continued absence from regular Board meetings and whether any statutory or policy provisions provide a means for addressing a prolonged vacancy due to non-attendance. Following discussion, the Board directed staff to seek legal guidance from Special District's Association of Oregon (SDAO) regarding the Board's available options.

Motion by John Casteel and seconded by Gary Bond, authorizing staff to contact SDAO legal to obtain guidance regarding the Board's options for addressing the prolonged vacancy of Commissioner Boyd Rulifson.

Vote: Aye: Casteel, Bond, Huffman
Nay: None
Abstain: None
Absent: Rulifson
Motion passed. 9_6

9. NEW BUSINESS

a) SDAO Board Practices Assessment and Board Direction

Chair Casteel introduced discussion regarding the Board Practices Assessment offered by SDAO. Casteel advised the Board that SDAO representative Mark Knudson had requested Board direction regarding scheduling the assessment and asked whether the Board would like to participate.

Ostensen stated that Knudson was inclined to visit the District regardless to provide Board training. Discussion followed regarding the purpose of the assessment, the value of Board training, the potential insurance premium discount associated with participation, and the benefit of completing the assessment following the appointment of a new Board member.

Following deliberation, the Board expressed support for scheduling an assessment with SDAO.

Motion by Gary Bond and seconded by John Casteel, authorizing staff to coordinate with SDAO to schedule the Board Practices Assessment and related Board training.

Vote: Aye: Casteel, Bond, Huffman

Nay: None

Abstain: None

Absent: Rulifson

Motion passed. 9_6

b) Surplus Property Declaration

The Board discussed declaring two black polyethylene water storage tanks, approximately 10 feet in diameter and 12 feet high; and one 2008 Ford F-350 as surplus property in accordance with the District's Surplus Property Policy.

Motion by John Casteel and seconded by Gary Bond, to declare two water tanks and one truck as surplus District property.

Vote: Aye: Casteel, Bond, Huffman

Nay: None

Abstain: None

Absent: Rulifson

Motion passed. 9_6

10. BOARD MEMBER PRESENTATIONS

- a) Casteel presented Ordinance 89-1, which was shared with the Board at the start of the meeting as an additional document for later consideration. Rondeau informed the Board that the policy is outdated and requires revision. Additionally, staff are creating a new application for water service, which will mirror the provisions contained within Ordinance 89-1 and make both the form and ordinance available for customer access on the District's website.
- b) Gary Bond expressed his desire to update the District's vehicle policy, stating further that he intends to present an revised policy to the Board for consideration at an upcoming meeting.

11. EXECUTIVE SESSION

Board Chair John Casteel closed the regular meeting and convened executive session at 6:47 PM pursuant to ORS 192.660(2)(b), to consider the dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member, or individual agent who does not request an open hearing.

Executive session concluded at 7:01 PM. Chair Casteel reconvened the regular meeting at 7:01 PM.

Motion by Gary Bond and seconded by James Huffman to appoint Gary Bond to conduct the Board's investigation regarding the personnel complaint.

Vote: Aye: Casteel, Bond, Huffman

Nay: None

Abstain: None

Absent: Rulifson

Motion.passed.9_6

12. ADJOURNMENT

Motion by John Casteel and seconded by Gary Bond to adjourn the meeting at 7:03 PM.

Vote: Aye: Casteel, Bond, Huffman

Nay: None

Abstain: None

Absent: Rulifson

Motion.passed.9_6.

**FAIRVIEW WATER DISTRICT
BOARD OF COMMISSIONERS MEETING MINUTES**

Regular Session | July 30, 2026 | 5:00 PM
Tillamook Swiss Hall, 4605 Brookfield Avenue, Tillamook, Oregon

1. CALL TO ORDER

Board Chair John Casteel called the meeting to order at 5:06 PM.

2. ROLL CALL

- a) Board Members Present: John Casteel, Gary Bond, James Huffman
- b) Board Members Absent: Boyd Rulifson
- c) Staff Present: General Manager Michael Ostensen, Office Manager Melissa Rondeau
- d) Visitors Present: Mark Sybouts, Doug Barker, Jacob Lafferty, Larry Anderson, Don Aufdermauer, Rick Steel, Matt Mumford, Ryan Kilgore, Michael Tohl, Jerry Dove, Richard Obrist, Dan Leuthold, Michael Lummus, Denis Schmitz, Luke Oldenkamp

3. APPROVAL OF MINUTES

Commissioner Huffman expressed concern that the June 25, 2026 regular Board meeting minutes did not include the complete statement read aloud by Josh Henderson during Public Comment. Huffman requested that the statement be included verbatim.

Motion by Gary Bond and seconded by John Casteel to approve the June 25, 2026 regular Board meeting minutes as presented.

Vote: Aye: Casteel, Bond

Nay: Huffman

Abstain: None

Absent: Rulifson

Motion failed 2-1

4. BOARD VACANCY - BOARD POSITION 2

The Board considered applications to fill the vacant Board position. Applicants Doug Barker and Mark Sybouts were present at the beginning of the discussion. Adam Nielsen arrived at approximately 5:20 PM.

Chair Casteel reviewed the responsibilities of a Board member, applicable laws, and available training opportunities. Richard Obrist asked about reimbursement for attendance at out-of-town training, and Casteel explained the reimbursement process. The applicants were invited to address the Board.

Mark Sybouts shared that he had lived in the community for many years, is a retired CPA, has a background in finance, has served on budget committees at the District and elsewhere, and previously worked as a school district business manager.

Doug Barker spoke about his family's experience running the former Wilson River Water District, that he serves on the board of the Tillamook County Creamery Association, and that he is a dairy farmer. Barker stated that agricultural customers represent a substantial portion of District water use and that he wanted agricultural interests represented on the Board.

Adam Nielsen stated that he is a licensed professional engineer in Oregon with approximately ten years of experience in water resources and currently works for the City of Tillamook. Nielsen discussed his experience with grant funding and expressed his interest in helping the District find outside funding and plan for long-term future needs.

Members of the public also communicated with the applicants and had several comments. Jerry Dove stated that agricultural customers are among the District's largest water users and expressed support for agricultural representation on the Board. Richard Obrist mentioned that he had worked with Barker through the dairy industry and expressed concern about a possible conflict of interest due to Nielsen's employment with the City of Tillamook.

Additional discussion included District spending, the recent rate study, grant opportunities, infrastructure needs, proposed rate increases, and whether the applicants planned to continue serving beyond the remainder of the current term.

Motion by James Huffman to appoint Doug Barker to Board Position 2.

There was no second, and the motion died for lack thereof.

Motion by Gary Bond and seconded by John Casteel to appoint Mark Sybouts to Board Position 2.

Vote: Aye: Casteel, Bond
Nay: Huffman
Abstain: None
Absent: Rulifson

The Board treated the motion as approved, and Mark Sybouts subsequently participated in the meeting as a member of the Board. The appointment was later determined not to have been valid.

Commissioner Huffman stated that he was considering leaving the meeting.

Chair Casteel administered an oath of office to Mark Sybouts at approximately 5:45 PM.

5. PUBLIC COMMENT (on Non-Agenda Items)

- a) Matt Mumford addressed the Board regarding the proposed water rate increase and expressed concern about the financial impact on District customers, particularly agricultural users.

- b) Jerry Dove thanked General Manager Ostensen for repairing a leak and raised concern about a pipe protruding from the ground near an area marked by traffic cones. Ostensen discussed the condition of the pipe and the need for repair.

Commissioner Huffman left the meeting at approximately 5:50 PM.

Following his departure, Chair Casteel and Commissioner Bond remained and conducted the meeting with Mr. Sybouts participating as a Board member.

The following record documents events that occurred after Huffman's departure. Because the appointment of Mr. Sybouts was later determined not to have been valid, the motions and votes below are recorded as they occurred and should not be read as valid Board actions.

6. GENERAL MANAGER'S REPORT

General Manager Michael Ostensen reviewed his written report, which had been provided to the Board before the meeting.

Ostensen reported that staff member Stephany Whitaker had begun work on the District's new backflow testing program. Forms are being distributed to customers with backflow assemblies, with information about signing up for the service.

Current water leaks and system conditions were discussed. Richard Obrist asked for an update regarding the water leak on Trask River Road near Hollyridge and Cedar Crest Drives. Ostensen stated that there was no new update.

Richard Steel asked about District revenue and the cost of producing water. Steel indicated that he would like to meet with Ostensen to discuss the subject further.

7. OFFICE MANAGER'S REPORT

Office Manager Melissa Rondeau provided an overview of her report, which had been provided to the Board before the meeting.

Rondeau requested that the delinquent accounts summary be moved to the Office Manager's report in the future. She explained that the District's billing software doesn't accurately generate reports on past-due accounts and that maintaining the separate legacy report currently provided to the Board can take several hours each month. Rondeau further stated that providing total past due balances each month would be simpler and more useful.

8. FINANCIAL REPORTS

a) Approval of the May 2026 Accounts Payable Report

The Board discussed the historical agreement involving the City of Bay City and the former Wilson River Water District intertie. The original agreement has expired, but Fairview Water District continues to pay a meter fee that has increased over time.

Motion by Gary Bond and seconded by John Casteel, to notify the City of Bay City that Fairview Water District considers the intertie agreement expired and does not intend to continue paying the associated costs.

Vote: Aye: Casteel, Bond, Sybouts
Nay: None
Abstain: None
Absent: Huffman, Rulifson

Motion by Gary Bond and seconded by John Casteel, to approve the payments for June 2026 as presented.

Vote: Aye: Casteel, Bond, Sybouts
Nay: None
Abstain: None
Absent: Huffman, Rulifson

b) Budget v. Actuals Report

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

c) Delinquent Accounts Summary

Rondeau presented the delinquent account summary to the Board.

d) Fiscal Year 2024-25 Audit

Rondeau reported that Singer Lewak was changing software and that the change had delayed portions of the audit process, but that the audit is continuing to move forward. Rondeau advised that Board members may receive fraud questionnaires directly from the auditors and asked that they complete and return them promptly so that the audit can continue.

9. OLD BUSINESS

a) Water Rate Adjustment

The Board, staff, and members of the public continued discussion of a possible water rate increase. Discussion included staffing costs, keeping employees versus hiring contracted services, regulatory requirements, infrastructure needs, and grant funding.

i. Oldenkamp Farms Email

Luke Oldenkamp asked whether the District had completed a formal comparison of the cost of District employees versus contracting utility services. Commissioner Bond discussed past staffing levels and stated that the District previously operated with fewer

employees, He explained that additional staff had been hired to meet regulatory and operational needs.

General Manager Ostensen discussed state regulatory and operational requirements and explained that contractors could not replace all work that must be completed by qualified District staff. Ostensen also discussed past compliance problems and the need for an appropriate chain of command.

Adam Nielsen discussed possible infrastructure costs, including meter replacement and other capital needs. Nielsen also discussed grant opportunities and the staff time as well as matching funds that may be needed to obtain and manage grants.

Oldenkamp requested additional information comparing employee costs with potential subcontracting costs.

Motion by Gary Bond and seconded by John Casteel, to use an informational memorandum prepared by Office Manager Melissa Rondeau as the District's response to the email submitted by Luke Oldenkamp.

Vote: Aye: Casteel, Bond, Sybouts

Nay: None

Abstain: None

Absent: Huffman, Rulifson

ii. Staff Request for Board Direction on Proposed Rates

This item is postponed until August 2026.

iii. Payroll Cost Breakdown

Office Manager Rondeau distributed a payroll cost breakdown to those in attendance. Commissioner Bond expressed concern about the breakdown and stated that he has additional questions that he intends to address at another time.

b) Financial Management Policy

Commissioner Bond suggested postponing consideration of this item until Mr. Sybouts had time to review it. Mr. Sybouts stated that he had reviewed the proposed policy and was comfortable discussing it.

Bond proposed changing Section 4.5 from: "Internal controls may be reviewed periodically and adjusted by the General Manager as needed based on operational changes, staffing changes, or audit recommendations." to "Internal controls shall be documented by the General Manager and adjusted as needed based on operational changes, staffing changes, or audit recommendations."

Motion by Gary Bond and seconded by Mark Sybouts, to amend the proposed Financial Management Policy as stated.

Vote: Aye: Casteel, Bond, Sybouts
Nay: None
Abstain: None
Absent: Huffman, Rulifson

Motion by Gary Bond and seconded by John Casteel, to adopt Resolution No. 2026-03, adopting the Fairview Water District Financial Management Policy.

Vote: Aye: Casteel, Bond, Sybouts
Nay: None
Abstain: None
Absent: Huffman, Rulifson

c) Board Attendance and Vacancy Status Update

Chair Casteel stated that Commissioner Rulifson had not attended a Board meeting since December 2025. Casteel asked that a letter be sent to Rulifson regarding his continued participation on the Board.

Motion by Gary Bond and seconded by Mark Sybouts, to send a letter from John Casteel to Boyd Rulifson asking him to participate in Board meetings or resign from the Fairview Water District Board of Commissioners.

Vote: Aye: Casteel, Bond, Sybouts
Nay: None
Abstain: None
Absent: Huffman, Rulifson

d) SDAO Board Practices Assessment

General Manager Ostensen reported that the Special Districts Association of Oregon (SDAO) planned to conduct a Board Practices Assessment at 3:00 PM on August 27, 2026, before the regular Board meeting.

10. NEW BUSINESS

a) Customer Request: Water Rate Adjustment for Leak Repair

The Board discussed a request from Jacob Lafferty for a one-time billing adjustment related to a private water line leak. Commissioner Bond expressed concern about continuing the District's existing leak-adjustment practice. General Manager Ostensen discussed issues involving leak detection, monthly meter-reading, and customer notification.

No action was taken.

b) Water Leak Adjustment Policy: Discussion and Consideration

The Board discussed Ordinance No. 89-1, as amended by Ordinance No. 2000-1, and the District's process for handling requests for billing adjustments caused by leaks in private water lines.

Luke Oldenkamp asked whether the District notifies customers when a possible leak is found. General Manager Ostensen explained that the District does not continuously monitor private water lines between monthly meter readings but does notify customers when staff identify a possible problem.

Chair Casteel asked whether the Board wanted to reconsider the existing Ordinance. Commissioner Bond expressed concern about the financial effect of repeated billing adjustments for private water leaks.

No action was taken.

c) Future Meeting Location: Discussion and Board Direction

The Board briefly discussed alternative meeting locations.

Motion by Gary Bond and seconded by Mark Sybouts, to hold future Board meetings at the Swiss Hall, located at 4605 Brookfield Avenue in Tillamook, when needed to accommodate audience size.

Vote: Aye: Casteel, Bond, Sybouts
Nay: None
Abstain: None
Absent: Huffman, Rulifson

11. BOARD MEMBER PRESENTATIONS

There were no Board member presentations.

12. EXECUTIVE SESSION

Chair Casteel recessed the regular meeting at approximately 7:39 PM.

General Manager Ostensen and Office Manager Rondeau were asked by Commissioner Bond to leave the room for executive session. Bond declined the use of an audio recording device and stated that he would prepare written minutes.

Chair Casteel announced an executive session at 7:41 PM pursuant to ORS 192.660(2)(b), to consider the dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member, or individual agent who does not request an open hearing.

The executive session ended at approximately 8:15 PM. Chair Casteel reconvened the regular meeting at approximately 8:16 PM.

No audio, video, or digital recording was made of the executive session. No written minutes were available at the time these minutes were prepared.

Motion by Gary Bond and seconded by Mark Sybouts to prepare a written reprimand to be placed in the General Manager's personnel file.

Vote: Aye: Casteel, Bond, Sybouts

Nay: None

Abstain: None

Absent: Huffman, Rulifson

13. ADJOURNMENT

Motion by Gary bond and seconded by Mark Sybouts to adjourn the meeting at 8:17 PM.

Vote: Aye: Casteel, Bond, Sybouts

Nay: None

Abstain: None

Absent: Huffman, Rulifson

FAIRVIEW WATER DISTRICT

Accounts Payable Breakdown - July 2026 General Fund Bank Statement

Type	Date	Vendor	Notes	Amount	Total
Payroll Wages	07/30/26	Paychex, Inc.	Payroll - 07/2026	15,094.98	
Payroll Taxes	07/30/26	Paychex, Inc.	Payroll taxes - 06/2026	0.02	
Payroll Taxes	07/20/26	Paychex, Inc.	Payroll taxes - 07/2026	5,705.97	
Payroll Fees	07/01/26	Paychex, Inc.	Payroll Processing Fees - 06/2026	166.50	
Payroll Fees	07/31/26	Paychex, Inc.	Payroll Processing Fees - 07/2026	166.50	
Health	07/30/26	Special District's Association of Oregon	Health insurance premiums - 07/2026, Check 601	4,156.00	
Retirement	07/10/26	Oregon PERS	Employer Contributions - 06/2026	15.00	\$ 25,304.97
Banking Fees	07/06/26	Gateway Banking Fees	Credit card processing fees	76.44	
Banking Fees	07/23/26	Gateway Banking Fees	Credit card processing fees	71.54	
Banking Fees	07/31/26	1st Security Bank	1st Express bundle fee	30.00	\$ 177.98
Insufficient Funds	07/17/26	1st Security Bank	ACH debit - Insufficient funds	41.00	
Insufficient Funds	07/23/26	1st Security Bank	Returned check - Insufficient funds	47.50	
Insufficient Funds	07/23/26	1st Security Bank	Returned check charge	10.00	
Insufficient Funds	07/23/26	1st Security Bank	Returned check - Insufficient funds	34.39	
Insufficient Funds	07/23/26	1st Security Bank	Returned check charge	10.00	\$ 142.89
Check 603	07/08/26	HASCO Stations, LLC	Fuel	245.70	
Check 605	07/27/26	Rosenberg Builder's Supply	System repair, landscaping, and office supplies	652.90	
Check 607	07/30/26	HASCO Stations, LLC	Fuel	207.41	
Check 608	07/31/26	Tillamook Farmers' Co-op	System repair, landscaping	49.18	
Check 609	07/31/26	City of Bay City	Intertie fee	68.00	
Check 610	07/28/26	City Sanitary Service	Garbage	29.85	
Check 611	07/28/26	SAIF Corporation	Insurance premiums	568.02	
Check 612	07/28/26	Cable Huston, LLP	Legal advice: General Manager complaint	840.00	
Check 613	07/28/26	OHA Cashier	2026 Annual Water System Fee	1,125.00	
Check 614	07/28/26	Aufdermauer Trucking & Excavation	Backhoe and hauling charge	3,165.00	\$ 6,951.06
Online	07/01/26	Starlink	Monthly satellite internet subscription	130.00	
Online	07/02/26	USPS	Stamps	144.95	
Online	07/02/26	Oregon Health Authority	Cros-connection and backflow certification	97.50	
Online	07/02/26	Amazon	Laminating sheets	16.96	
Online	07/02/26	Computer Support & Services	Monthly computer antivirus subscription	5.00	
Online	07/08/26	Valvoline Instant Oil Change	Oil change	138.00	
Online	07/16/26	Tillamook People's Utility District	Monthly electrical charges	4,637.68	
Online	07/17/26	Amazon	Digital voice recorder, printer ink	110.28	
Online	07/20/26	Adobe	Monthly Adobe Acrobat Pro subscription	19.99	
Online	07/22/26	Amazon	No parking signs (Qty: 2)	34.92	
Online	07/22/26	Amazon	Clipboard with storage	25.98	
Online	07/24/26	USPS	Board packet shipping cost	3.14	

FAIRVIEW WATER DISTRICT

Accounts Payable Breakdown - July 2026 General Fund Bank Statement

Type		Date	Vendor	Notes	Amount	Total
Online		07/29/26	OOMA, Inc.	Monthly VoIP telephone service	34.20	
Online		07/30/26	Intuit	Monthly Quickbooks Online subscription	115.00	\$ 5,513.60
Total					38,090.50	\$ 38,090.50

Fairview Water District - Budget vs. Actuals

Fiscal Year 2026-27 | July 2026

	Jul-26	FY Actual	Total Budget	Over Budget	% of Budget
General Fund Revenue					
01-4001 Revenue - Sale of Water	40,213.73	40,213.73	510,000.00	(469,786.27)	7.89%
01-4004 Revenue - Sales/Service/Labor		0.00	500.00	(500.00)	0.00%
01-4006 Revenue - Late Payment Fee	175.00	175.00	1,000.00	(825.00)	17.50%
01-4162 Revenue - Miscellaneous Income	8,816.55	8,816.55	500.00	8,316.55	1763.31%
01-4163 Revenue - Property Taxes		0.00	32,000.00	(32,000.00)	0.00%
01-4164 Interest Revenue	501.11	501.11	4,800.00	(4,298.89)	10.44%
Total General Fund Revenue	49,706.39	49,706.39	548,800.00	(499,093.61)	9.06%
General Fund Expenditures					
01-7000 Payroll Benefits	4,504.00	4,504.00	130,000.00	(125,496.00)	3.46%
01-7100 Payroll Wages & Taxes	20,800.97	20,800.97	310,000.00	(289,199.03)	6.71%
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	1,193.00	3,000.00	(1,807.00)	39.77%
01-7139 Accounting & Auditing		0.00	23,000.00	(23,000.00)	0.00%
01-7140 Legal Services	840.00	840.00	3,500.00	(2,660.00)	24.00%
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	3,165.00	25,000.00	(21,835.00)	12.66%
01-7157 Contracted Services	147.98	147.98	14,000.00	(13,852.02)	1.06%
01-7158 System Repair & Material	550.63	550.63	45,000.00	(44,449.37)	1.22%
01-7159 Building Maintenance	34.92	34.92	5,000.00	(4,965.08)	0.70%
01-7164 Water Compliance/Reports/Testing		0.00	8,000.00	(8,000.00)	0.00%
01-7166 Training & Education		0.00	3,000.00	(3,000.00)	0.00%
01-7170 Electricity	4,637.68	4,637.68	53,000.00	(48,362.32)	8.75%
01-7195 Shop Truck Maintenance/Expenses	138.00	138.00	2,500.00	(2,362.00)	5.52%
01-7196 Fuel	453.11	453.11	5,000.00	(4,546.89)	9.06%
01-7215 Public Notices Published		0.00	900.00	(900.00)	0.00%
01-7216 Budget & Election Expenses		0.00	1,000.00	(1,000.00)	0.00%
01-7221 Board of Commissioners Expenses		0.00	3,000.00	(3,000.00)	0.00%
01-7225 Communications	164.20	164.20	3,000.00	(2,835.80)	5.47%
01-7247 Miscellaneous Expense		0.00	800.00	(800.00)	0.00%
01-7250 Office/Administration/Postage	652.60	652.60	17,000.00	(16,347.40)	3.84%
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	37,947.61	37,947.61	746,600.00	(708,652.39)	5.08%
Net Operating Revenue	11,758.78	11,758.78	(197,800.00)	209,558.78	-5.94%

	Jul-26	FY Actual	Total Budget	Over Budget	% of Budget
SDC Fund Revenue					
04-4008 SDC Interest Revenue	314.39	314.39	4,200.00	(3,885.61)	7.49%
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	6,546.39	9,178.00	(2,631.61)	71.33%

Closing Account Balances	Jul-26
1st Security General Fund	35,320.65
1st Security SDC Fund	10,347.30
LGIP	148,004.95
SDC LGP	92,856.23
Total	92,857.23

Delinquent Accounts Summary		
~ As of August 19, 2026 ~		
Total past-due balances:		\$ 2,057.59
Total current balances on delinquent accounts:		\$ 5,885.21
Accounts scheduled for suspension:	9	
Total delinquent accounts:	21	

Last Payment	Past Due	Total Balance	Status
06/10/26	26.54	59.37	
06/05/26	28.53	61.50	
02/18/26	18.67	64.36	
05/04/26	60.50	80.50	Suspension Scheduled
07/06/26	29.20	72.45	
06/26/26	27.59	68.85	
06/01/26	24.52	53.72	
05/19/26	22.12	50.01	
06/02/26	24.68	54.14	
07/17/26	21.31	49.58	
05/19/26	52.75	82.40	Suspension Scheduled
06/06/26	23.98	51.96	
04/24/26	41.75	69.85	Suspension Scheduled
07/08/26	163.05	219.05	Suspension Scheduled
06/01/26	27.75	63.60	
07/17/26	37.40	71.70	
07/01/26	21.00	52.20	
02/13/26	28.91	51.27	
05/21/26	92.35	155.62	Suspension Scheduled
05/29/26	26.79	59.65	
05/29/26	24.65	54.30	
07/03/26	72.49	129.48	Suspension Scheduled
06/30/26	536.30	3,047.15	
04/30/26	53.60	101.00	Suspension Scheduled
06/02/26	28.34	66.10	
08/14/26	284.35	589.54	
07/06/26	106.54	165.42	Suspension Scheduled
04/03/26	75.83	83.10	Suspension Scheduled
06/10/26	28.15	61.44	
07/27/26	47.95	95.90	
2,057.59		5,885.21	