

**FAIRVIEW WATER DISTRICT
BOARD OF COMMISSIONERS MEETING MINUTES
REGULAR SESSION | MAY 27, 2025 | 5:00 PM
403 MAROLF LOOP ROAD, TILLAMOOK, OREGON**

CALL TO ORDER

Board Chair John Casteel called the meeting to order at 5:03 PM.

ROLL CALL

Board Members Present: John Casteel, Boyd Rulifson, Dustin Burdick (arrived at 6:06 PM), and Gary Bond.

Board Members Absent: No Board members were absent.

Visitors Present: Mark Sybouts, District Resident

Staff Present: General Manager Michael Ostensen and Office Manager Melissa Rondeau

PUBLIC HEARING TO RECEIVE COMMENT ON THE PROPOSED FY 2025-2026 BUDGET

A public hearing was held to receive comments on the Fairview Water District budget for fiscal year 2025-2026. Notice of the hearing was published in the *Headlight Herald* on May 13, 2025, posted to the District website on May 5, 2025, and displayed at the District office on May 12, 2025.

- John Casteel opened the public hearing for comment at 5:08 PM.
- No comments were submitted or presented.
- The public hearing was closed at 5:09 PM.

APPROVAL OF MINUTES - APRIL 24, 2025 BUDGET COMMITTEE MEETING

Motion by Gary Bond and seconded by Boyd Rulifson, to approve the minutes of the April 24, 2025 Budget Committee meeting minutes.

Motion passed 3-0.

APPROVAL OF MINUTES - APRIL 24, 2025 BOARD MEETING

Motion by Gary Bond and seconded by Boyd Rulifson, to approve the minutes of the April 24, 2025 Board of Commissioners meeting minutes.

Motion passed 3-0.

PUBLIC COMMENT (on Non-Agenda Items)

No public comment was received.

FINANCIAL REPORT

Office Manager's Report:

Melissa reported that the FY 2023-2024 audit is progressing, though there are several items of concern. There has been limited communication between district staff and the auditors, and the current status of the audit is unclear. According to an email from the auditor, unresolved issues with the FY 2022-2023 audit are preventing progress on the current year. As it is understood, the FY 2022-2023 balances were never updated in the District's accounting software. Although the auditor initially provided a journal entry to complete this adjustment, Melissa was later instructed to reverse the entry

due to additional concerns. As a result, the audit process is at a standstill. Melissa has contacted the auditors to inform them that the District will hire a third party to properly reconcile the FY 2022-2023 accounting software balances so that the current audit can proceed without fear of ethics concerns.

Melissa and Michael are working to establish contact with the board members of Hunt Water District to better identify the physical locations of all of their water meters in preparation for mailing annexation notices to the appropriate property owners.

The 2024 Consumer Confidence Report has been completed and will be mailed with the water utility bills and a district update letter at the end of May.

Melissa has communicated with the Tillamook County Clerk's office regarding the ownership of the property on Blum Lane. On County tax maps it is listed as being owned by Wilson River Water District, which was absorbed by Fairview in 2018.

Hydrocorp, backflow management specialists, have obtained a listing of backflow devices and customers from Melissa and they will begin contacting people within the next few months.

Tim Tice from OAWU has told Melissa that he is finishing the water rate study and will be ready to address the Board of their findings soon.

Approval of April 2025 Accounts Payable:

*Motion by Gary Bond and seconded by Boyd Rulifson, to approve all payments for April 2025.
Motion passed 3-0.*

Review of Budget v. Actuals Report:

The Board reviewed and discussed the District's current financial status.

Delinquent Accounts:

All delinquent accounts were reviewed by the Board. Melissa was instructed to communicate with the account holder at 10050 Trask River Road, Tammy Niemi, to set up a repayment plan for the balance owed on their account due to a past water leak.

Fiscal Year 2023/2024 Audit:

This item was previously discussed during the Office Manager's Report.

GENERAL MANAGER'S REPORT

Ryan Upton of EC Electric has ordered the necessary wiring for the Well 1 pump. Once it arrives, Michael will proceed with the installation of the pump and drop pipe into the well.

The variable frequency device installed at Well 3 will need to be slightly lifted to facilitate the transition from old piping to the new system. The District has purchased a new chain hoist to assist this process and is investigating the likelihood of installing a permanent I-beam in the well house for future needs.

The reservoir was recently overfilled and flushed, and staff confirmed that the outflow discharge culvert is functioning properly. Bill Scholerman of A-1 Painting has been hired to power wash and repaint the exterior of the reservoir. Before a new coating is applied, the existing coating must be evaluated to determine the

appropriate product to apply. Bill will consult with a representative from Sherwin Williams for guidance. Staff discovered that the tank was constructed in 1986 and originally coated with a bitumastic copper paint in the color Arlington Green. The original manufacturer is no longer in business and cannot be contacted for additional information. Staff are arranging for a full inspection of the tank later this year due to general concerns about the tank as well as the integrity of the roof supports.

Michael has requested quotes from multiple contractors to complete the electrical rewiring project at the District office. This upgrade will consolidate the three meters that currently serve the office, Well 1, and Well 3 into a single meter; essentially converting the new office meter into a small-scale power station. EC Electric, Angus Electric, and Inland Electric have all responded to our requests for quotes and will be visiting the District office soon.

Staff have completed numerous service line repairs this month, primarily in small neighborhoods east of the district, where aging copper lines have begun to fail. Due to these lines failing in close succession, and subsequent concerns about the age of the infrastructure, Michael is developing a plan to replace as many as he can in that location.

Staff have cleaned the shop at Blum Lane and have installed new shelving and lighting.

The pipe necessary to repair a leak at the intersection of 3rd Street and Wilson River Loop has been fused and is currently staged along the roadside waiting to be installed underground.

An existing hole at the bottom of the southwest wall of the District office, originally used as emergency drainage from the well house, has become partially obstructed over time due to increasing asphalt levels in the parking area. While preparing to install a sump pump for emergency drainage, staff uncovered asbestos concrete pipe that runs from the wall to a point near the insertion valve in the parking area. While removal is not legally required, staff will take the necessary steps to remove the service line when timelines make it feasible to do so.

Michael plans to apply for the Level 3 Oregon Water Distribution Operator certification exam, and Jeffree LaTurner is expected to apply for the Level 1 Oregon Water Distribution Operator certification exam.

OLD BUSINESS

Well 1 Project Update:

This item was previously discussed during the General Manager's Report.

Well 3 Project Update:

This item was previously discussed during the General Manager's Report.

Fairview Water District/Hunt Water District Merger:

This item was previously discussed during the Office Manager's Report.

Rate Study:

This item was previously discussed during the Office Manager's Report.

NEW BUSINESS

Resolution 2025-01: A Resolution to Adopt the Fiscal Year 2025-2026 Budget, Make Appropriations, and Impose Property Taxes:

Motion by Gary Bond and seconded by Boyd Rulifson, to adopt Resolution 2025-01, adopting the budget, making appropriations, and imposing and categorizing property taxes for the 2025-2026 fiscal year.

Motion passed 4-0.

Board of Commissioners Application: Mark Sybouts:

Mark introduced himself to the Board, providing an overview of his background, professional experience, and prior service on other boards. The May 2025 special election has recently concluded, and votes are still being counted and verified. If a vacancy on the Board remains once the election results are finalized, the Board will consider Mark's application for appointment.

Board of Commissioners Application: Adam Nielsen:

Mr. Nielsen's application was noted and filed for future consideration.

Personnel Resignation: Jerry Smith:

After just four days of employment, Jerry Smith submitted his resignation via text message, citing personal reasons and an immediate need to relocate back to Pendleton, Oregon.

BOARD PRESENTATIONS:

- John Casteel recommended convening another Regional Water Authority meeting at the Port of Tillamook Bay and will contact Michelle Bradley to help determine the level of interest from other districts in receiving water from Fairview, especially because of an upcoming increase in Tillamook's water rates, which most districts south of Fairview receive. Gary Bond suggested reaching out to Mark Knudson at Special Districts Association of Oregon to facilitate the meeting.
- John reminds everyone present that the most current master plan was created in 2020, and that we should work on securing funding to produce a new one, as master plans should be renewed every five years.

STAFF CONCERNS

No staff concerns were received.

ADJOURNMENT

Motion by Gary Bond and seconded by Boyd Rulifson, to adjourn the meeting at 6:44 PM.
Motion passed 4-0.



FAIRVIEW WATER DISTRICT

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Tillamook, OR. 97141

(503) 842-4333
www.fairviewwater.com

OFFICE MANAGER'S REPORT FOR MAY 27, 2025

The FY23/24 audit is progressing, and Singer Lewak seems to be finalizing items on their end. I hope to report next month that it has been completed and that I am moving forward with preparations for FY24/25. The auditor balance discrepancy for FY22/23 that was discovered a little over a month ago is being worked out, though I'm not sure at this point what Singer Lewak is doing to correct the error that was published in the audit for that year. I don't anticipate any real difficulties with the correction and just want our balances to be as exact as possible moving forward.

The potential annexation of Hunt Water District into Fairview Water District is progressing. Before sending out letters of intent to all property owners, I need to obtain an exact list of the physical locations of the meters that are noted on the constituent list that was given to us by Hunt. I am hopeful that between Michael and I we will be able to get the information fairly quickly and get on with this asap.

The 2024 Consumer Confidence Report (CCR) has been completed and will be mailed later this month along with the May billing and a district update letter. Because this billing will be different than our regular blue postcard billing, we are taking pains to make sure that the envelopes are clearly labeled so that our customers don't miss their utility bills this month.

I have contacted the Tillamook County Clerk's office regarding the ownership of the property on Blum Lane and inquired about the process of having it transferred from Wilson River Water District to Fairview Water District. I am currently unaware of the reason why this property was not transferred at the time of the merger between Fairview and Wilson in 2018.

It's been some time since contracting with Hydrocorp for backflow management services, but they have contacted us this month to obtain the customer listing of accounts so that they may begin communicating with all Fairview backflow customers.

Lastly, OAWU has nearly finalized Fairview's water rate study. Tim Tice would like to attend the June 2025 Board meeting to provide an update on the study's progress.

Melissa Rondeau
Written: May 19, 2025



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General Manager's Report

May 27, 2025 Board of Commissioner's Meeting

You may have noticed the new structure that now covers Well 3. There were some challenges in securing a contractor to finish the building, and Tillamook Bay Community College stepped in and offered to split the difference in cost with us. Our total obligation for the building was just \$4,500, and I'm confident that the money was well spent (considering that the fiberglass security door alone costs \$1200). Additionally, a 4' x 6' beam was installed on the roof hip, connected to the old concrete walls, for future hoisting in the well house. Overall, I'm pleased with the progress at Well 3. The contractors and the college have made reasonable adjustments to the project and also helped us place the VFD into the well house free of charge.

I have asked Taylor Aufdermauer of Aufdermauer Trucking & Excavation to fabricate some hardware for Well 3 so that we can have movable hoist points for future well operations.

We overfilled the reservoir to flush the system and verify the operation of the overboard discharge. All related systems are functioning as required. This task was completed on May 19, 2025.

A-1 painting assessed the reservoir with me and concluded that they would like to pressure wash the reservoir first prior to having a representative from Sherwin Williams evaluate the tank for suitable coating options. The preliminary cost estimate is approximately \$3,000 for primer and about \$7,000 for the coating material. Please note that this is a rough estimate and may be refined after the paint representative's detailed analysis of the existing exterior coating.

I've contacted both Inland Electric and Angus Electric in order to obtain additional quotes on the electrical upgrade at the district office and will begin meeting with their company representatives on the 23rd of May.

Jeff and I have been addressing numerous failing service lines in the district. Copper pipes installed during the 1980s and 1990s are likely to continue causing small leaks, but we've managed most repairs easily so far. Copper was mostly used for shorter street side services, only a few feet from the main line. If the service runs under a road, directional boring is going to be our only repair option.

During the few days I worked with Jerry, we successfully cleaned up the Blum shop, repaired the lighting, and installed additional shelving using available scrap materials.

Kyle from Advanced Excavation had a change in his schedule and was available to get the pipe fused for the 3rd Street repair. When they have another open day, we will shift our priorities in order to bore the new pipe under the road. The leak appears stable, and we will continue to monitor for any changes.

I intended to install a sump pump outside the drain hole at the front of the building for the office well space to facilitate easier removal of water within the building. During the excavation of the sump, we uncovered the pipe of the well and found that a section of asbestos-cement (AC) pipe remains in the system. This section extends under the foundation to just before the new valve that was recently installed in the parking area. We plan to cut out and replace this section after both Well projects are completed.

I have contacted OAWU regarding obtaining my Level 3 certifications, and they have informed me that I am eligible to take the exam at any time. With the Board's approval, I intend to schedule a date for the exam at my earliest convenience.

Completed on May 20, 2025

Michael Ostensen, General Manager