

**FAIRVIEW WATER DISTRICT
BOARD OF COMMISSIONERS MEETING MINUTES
REGULAR SESSION | JANUARY 29, 2026 | 5:00 PM
403 MAROLF LOOP ROAD, TILLAMOOK, OREGON**

1. CALL TO ORDER

Board Chair John Casteel called the meeting to order at 5:22 PM.

2. ROLL CALL

- a) Board Members Present: John Casteel
Gary Bond
James Huffman (arrived at 5:18 PM)
Dustin Burdick (arrived at 6:29 PM)
- b) Board Members Absent: Boyd Rulifson
- c) Staff Present: Michael Ostensen, General Manager
Melissa Rondeau, Office Manager
- d) Visitors Present: Adam Nielsen
Don Aufdermauer
Taylor Aufdermauer

3. APPROVAL OF MINUTES

***Motion** by Gary Bond and seconded by James Huffman, to approve the minutes of the December 22, 2025 Board of Commissioners Meeting.*

***Vote:** Aye: Casteel, Bond, Huffman
Nay: None
Abstain: None
Motion passed 3-0*

4. PUBLIC COMMENT (on Non-Agenda Items)

No public comment was offered.

5. GENERAL MANAGER'S REPORT

The General Manager's written report was presented to the Board. Casteel inquired about the status of the Wilson Well, which was previously rendered inactive by the State of Oregon under the direction of a former Superintendent. Ostensen provided a summary of the steps necessary to bring the well back online, including testing required to meet State standards. At this time, the well may be used only in extreme emergency situations until all requirements are satisfied. Ostensen noted that he has fewer concerns regarding silt in the existing water lines since refurbishing the well, replacing the old plumbing, and installing new filters on the distribution line. Discussion followed regarding system materials and equipment needs. Casteel asked for clarification on the estimated cost of purchasing a new truck and trailer for the District, and Bond inquired about the older GMC truck currently parked at the District Office, suggesting that it should either be refurbished or declared surplus. Following discussion, the Board agreed to proceed with repairs on the GMC.

***Motion** by Gary Bond and seconded by James Huffman, to authorize the expenditure of up to \$10,000 to repair the District-owned GMC Sierra 1500 pickup truck and restore it to working order.*

Vote: Aye: Casteel, Bond, Huffman
Nay: None
Abstain: None
Motion passed 3-0

The Board discussed the potential purchase of a trailer, including desired size and use. Procurement requirements and cost thresholds were discussed.

Motion by Gary Bond and seconded by James Huffman, to authorize the expenditure of up to \$14,000 to purchase a tow trailer for hauling equipment.

Vote: Aye: Casteel, Bond, Huffman
Nay: None
Abstain: None
Motion passed 3-0

Additional discussion covered the District's emergency response plan, which Ostensen is currently re-writing, along with the current leak list that is mentioned in the General Manager's report. The Board directed Ostensen to focus on current system leaks and provide them with a priority list and estimated costs at the next Board meeting.

6. OFFICE MANAGER'S REPORT

The Office Manager's written report was presented to the Board. No questions were raised, and topics within the report were addressed under their respective agenda items.

7. FINANCIAL REPORTS

a) Approval of December 2025 Accounts Payable

The Board reviewed the Accounts Payable report for December 2025.

Motion by Gary Bond and seconded by James Huffman, to approve all payments for December 2025 as presented.

Vote: Aye: Casteel, Bond, Huffman
Nay: None
Abstain: None
Motion passed 3-0

b) Review of Budget v. Actuals Report

The Board reviewed the District's current financial status and discussed the Budget v. Actuals report. Rondeau reported that at the end of the current fiscal year, the District will transition from Budget v. Actuals reports generated through American Business Software (ABS) to reports generated within QuickBooks, which better align with the District's cash-based accounting practices.

c) Delinquent Accounts

Rondeau presented a summary of delinquent accounts, noting a decrease in their number since the summary was presented to the Board the week prior in their packets. Casteel requested a separation of balances between commercial and residential accounts, and staff indicated that the current system does not allow for this breakdown in reporting.

d) FY 2023-24 & FY 2024-25 Audits

The FY 2023-24 audit has been completed and will be filed with the Oregon Secretary of State (SOS) by the auditor, SingerLewak. Items of concern will be addressed in the auditor's final report, which will be mailed to Board members. Rondeau has prepared a response for the SOS, to be submitted if requested. Staff have begun work with financial experts and auditors on the FY 2024-25 Audit with the goal of completion by March 2026.

8. OLD BUSINESS

a) Water Rate Study Discussion and Consideration of Water Rate Workshop

The Water Rate Study prepared by OAWU has been completed, and the District has been billed \$14,000. The Board agreed by consensus to hold a rate study workshop on February 21, 2026, from 1:00 - 3:00 PM, at a location to be determined.

b) Draft Financial Management Policy Update

Bond stated that he and Rondeau have both created alternative draft financial management policies and will work to create a policy that is better suited to the District's needs. Board and staff collaboration was discussed.

Motion by Gary Bond and seconded by John Casteel, to approve that Bond work with staff to complete an edited draft Financial Management Policy to bring to the Board at the February 2026 Board meeting.

Vote: Aye: Casteel, Burdick, Bond, Huffman
Nay: None
Abstain: None
Motion passed 4-0

c) HydroCorp, Inc. Contract Update

Staff requested Board guidance regarding preferences for closing out the HydroCorp, Inc. contract. Casteel expressed a preference to allow staff to determine the appropriate course of action. Staff confirmed that final contract deliverables have not yet been received. Bond asked about the remaining balance due and expressed his preference regarding payment. Rondeau suggested requesting all remaining documentation, including state backflow filings, prior to issuing final payment.

Motion by Gary Bond and seconded by Dustin Burdick, to direct staff to pay HydroCorp, Inc. their final payment upon receipt of contract deliverables, as amended.

Vote: Aye: Casteel, Burdick, Bond, Huffman
Nay: None
Abstain: None
Motion passed 4-0

9. NEW BUSINESS

a) Fiscal Year 2026-27 Budget Committee

The District received two applications to fill vacant Budget Committee seats for Fiscal Year 2026-27. The Board discussed committee positions and clarified inconsistencies in position term dates. The first Budget Committee meeting is scheduled for March 26, 2026, at 5:00 PM at a location to be determined.

Motion by Gary Bond and seconded by Dustin Burdick, to reappoint Matt Mumford to Budget Committee Position 4, with a term from July 1, 2025 through June 30, 2028.

Vote: Aye: Casteel, Burdick, Bond, Huffman
Nay: None
Abstain: None
Motion passed 4-0

Motion by Gary Bond and seconded by James Huffman, to appoint Adam Nielsen to Budget Committee Position 3, with a term from July 1, 2023 through June 30, 2026, and to appoint Mark Sybouts to Budget Committee Position 5, with a term from July 1, 2025 through June 30, 2028.

Vote: Aye: Casteel, Burdick, Bond, Huffman
Nay: None
Abstain: None
Motion passed 4-0

b) Draft Ordinance 2026-01 and Scheduling of 1st Hearing

Motion by Gary Bond and seconded by Dustin Burdick, to submit Draft Ordinance 2026-01 for notice publication in preparation for the first reading at the February Board meeting.

Vote: Aye: Casteel, Burdick, Bond, Huffman
Nay: None
Abstain: None
Motion passed 4-0

c) Draft General Manager Job Description

Staff presented a draft General Manager job description, noting that the current description does not accurately reflect position duties. The draft is intended to provide clarity and support for future performance evaluations.

d) Blum Lane Property Survey

This item was reviewed earlier during the Blum Lane Lot Line Adjustment discussion. Ostensen requested direction from the Board regarding the placement of security fencing and will explore grant opportunities to aid with funding.

e) Blum Lane Lot Line Adjustment

This item was moved up on the agenda, and discussion began at 5:25 PM. Don Aufdermauer presented a request for a lot line adjustment of the District property located on Blum Lane. His request would better accommodate agricultural equipment use in the adjacent field. Aufdermauer has expressed to the Board his intention to cover any costs associated with this process. To meet state protection requirements, the District will need to maintain a 100-foot protection area around the facility. Bond indicated support for the proposal pending receipt of a formal survey and documentation showing the requested changes. Casteel directed Ostensen to work with Aufdermauer to develop a proposal for future Board consideration.

f) Oregon Public Meetings Law Informational Handout

Casteel presented an informational handout prepared by Rondeau regarding Oregon Public Meetings Law. Casteel stated that he would follow up with the Special Districts Association of Oregon (SDAO) regarding training and enforcement options.

g) Notice of Customer Complaint

The Board discussed a customer complaint regarding the conduct of a Board member toward District staff.

Motion by Gary Bond and seconded by Dustin Burdick, stating that the Fairview Water District Board of Commissioners does not condone disparaging comments made to the public about District staff.

Vote: Aye: Casteel, Burdick, Bond, Huffman

Nay: None

Abstain: None

Motion passed 4-0

10. BOARD PRESENTATIONS

Bond requested that the General Manager's personnel evaluation be placed at the end of the agenda for the February 2026 Board meeting.

Bond also asked for an update on his prior request for additional Board training related to regional water districts. Chair Casteel stated that he would follow up during the SDAO Conference in Seaside, Oregon in February and directed Rondeau to forward relevant correspondence to the Board.

11. STAFF PRESENTATIONS

This agenda item was not addressed.

12. ADJOURNMENT

Motion by Gary Bond and seconded by John Casteel to adjourn the meeting at 7:49 PM.

Vote: Aye: Casteel, Bond, Huffman, Burdick

Nay: None

Abstain: None

Motion passed 4-0



FAIRVIEW WATER DISTRICT

403 Marolf Loop Road
Tillamook, OR. 97141

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GENERAL MANAGER'S REPORT

JANUARY 29, 2026 - Board of Commissioner's Meeting

We brought Wilson Well online and we were able to produce 130 PSI, which means water can be supplied back to Fairview in the event of an emergency. Once the flow meter in the well house is online, we will be able to compare it to the intertie meter and better determine our approximate supply capacity. Dave placed the well in emergency status with OHA, and before we put it back online permanently, we will need to complete a full spread of required testing to remain compliant with the state. We're currently already over budget on the testing line item, so I'll be completing that first thing next fiscal year. The well can still be used for emergencies at any time. I've contacted Jaime Craig at Drinking Water Services for clarification on our next steps.

We are desperately in need of another vehicle, and I am requesting that the board consider a motion to allocate \$40,000 from capital equipment in the budget. This would leave approximately \$14,000 remaining through July. With the remaining funds, I am requesting a motion to purchase an equipment trailer. An equipment trailer will be vital to many different operational needs of the District.

The water line on Boquist Road is, frankly, a dismal mess. The county recently excavated the ditch next to the area where two leaks have occurred, which exposed a 2-inch poly line laying directly in the ditch. This line zigzags for 20 feet and is arial over a tributary. I plan to reinstall this line underground and straighten the alignment. This work will be added to our list of system improvements.

I've started rewriting the District's Emergency Response Plan and Operations & Maintenance manual. The previous version was 56 pages. My goal is to reduce the revised document to under 20 pages. I've a different approach to emergency response than the average person, and I believe my real-world experience will be helpful in developing a more practical and usable document. When I'm finished, a copy will be available for viewing at the District Office.

Our Water Utility Worker Stephany has obtained her Level 1 Operator Certification. I will be sending her to the Sunriver conference if her schedule and ours allow for it. She will be pursuing her Backflow Specialist Certification and Level 1 Water Treatment Certification next. I'm hopeful we will have those done by end of fiscal year. Our other Water Utility Worker Jeff narrowly missed passing his recent exam. We're currently revieing the subject areas he missed and plan to reschedule the exam for February.

I continue to follow up with our electricians regarding completion of outstanding work. Miami Cove was unsuccessful, as they redirected to EC Electric and questioned them why the work had not been completed for us. Ryan from EC is aware of our outstanding needs and has reassured me that he'll clear some dates for us, although no specific timeline has been provided.

Staff and I will be working on Well #3 this week and expect to complete as much work as possible without electricians present. Tim Owen has a contact for pump controls, whom I will reach out to once we are ready to complete the remaining wiring. Additionally, Well #3 now has a new door and new commercial-grade locks and is fully secured now that construction around it is wrapping up.

There are several leaks that we are working through in the District. I have provided a summary list for you below:

- 1) Trask River Road (Cedarcrest to Hollyridge)
 - a. Line replacement needed along this segment.
 - b. In-house engineering will be required due to length and placement challenges.
 - c. Contracted services and additional equipment will be required for completion.
 - d. Safety measures will be necessary.
- 2) Wilson River Loop: approximately 0.23 miles east of Highway 101
 - a. Bad corpstop (corporation stop) identified; full replacement planned.
 - b. Project is currently in the planning phase.
- 3) Wilson River Loop/Sollie Smith Road
 - a. Ongoing investigation of cause of leak. Work is currently underway.
- 4) Blum Lane
 - a. Full line replacement required.
 - b. Plan to abandon the older line between Blum Lane and Wilson River Loop and reconnect the replacement line from a more direct line from the wellhouse.
- 5) 3rd Street/Circle Drive
 - a. Service line requires excavation and replacement
 - b. Staff are developing a plan of approach for this work as it is located in a difficult area.
- 6) Sollie Smith Road/Aldercrest Road
 - a. Service line requires excavation and repair.
 - b. Planning and assessment are currently underway.
- 7) Marvin Road (near Myers Court)
 - a. Repair needed but must be completed during the dry season due to site constraints.
- 8) Makinster Road at cul-de-sac loop
 - a. Full replacement of the distribution line feeding the circular neighborhood loop.

As always, I am available for your questions and inquiries; please don't hesitate to reach out to me if I can provide further clarity to you.

COMPLETED ON JANUARY 22, 2026
Michael Ostensen – General Manager



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OFFICE MANAGER'S REPORT FOR JANUARY 29, 2026

January has been a busy month here at the District, and as we move through the next several months, it'll be exciting to complete several large projects currently underway.

First, I'd like to share that the fiscal year 2023-24 audit has been completed and filed. I have addressed the items of concern noted by the auditor in a letter that I will submit to the Secretary of State as soon as I receive formal acknowledgement of filing. Additionally, I have also begun the fiscal year 2024-25 audit, and I am hopeful to have it completed by the end of March.

Along that thread, it remains important that the District adopt a financial management policy. Last month, I shared a draft Fairview Water District Financial Management Policy and asked the Board to submit their comments regarding the document so that it could be further refined into something that better suits the needs of the District. I'm including the document in your packets again this month and ask that you submit back to me any changes that you would like to see made within the next couple of weeks. I would like to re-submit the document to the financial professionals and get it approved by the Board within a reasonable time frame, as it will help address several internal control concerns acknowledged by our auditors. I have no doubt that I can count on all of you to help me in this task.

I have begun an early review of the fiscal year 2026-27 budget and don't anticipate any major issues at this time. One item to note is that I will be proposing that the District changes the way that it currently records water revenue within the actual budget. A couple of years ago, the water revenue line item was separated into base rate and consumption categories. Unfortunately, our accounting software does not separate this information directly and maintaining it requires additional mathematical calculations. While I can continue providing these calculations to the Board for informational purposes, the figures are not independently auditable. For that reason, I will be recommending that the Budget Committee return these categories back to a single "revenue from water sales" category for budgeting purposes, and I will still provide the base rate and consumption breakdowns for Board review.

Happily, I have confirmed three members for the Budget Committee, and as of today, I have received two applications from constituents who would like to be considered for positions. I am hopeful that we will have a full Budget Committee for the fiscal year 2026-27 Budget cycle.

Board Member Bond has proposed an ordinance in advance of an anticipated water rate increase that will better clarify rate-related information. The draft has been reviewed by legal counsel and is included in the packet for your consideration. If the Board approves of the draft, I will publish a notice in early February for the first reading at our Board meeting during the same month.

Also included on the agenda this month is the completed rate study from OAWU. This is a detailed and information-dense document, and it may be difficult to fully address it all during a regular meeting. I respectfully suggest that the Board consider holding a workshop in February or March, so that the study can be discussed in depth by the Board and any other interested parties. I have very recently provided all Board members with a printed copy of this document, and if you require an additional copy, please let me know and I will have it delivered to you.

The next few months will be (insanely) administratively busy, but I'll do my best to keep things moving smoothly. Wish me luck!

Melissa Rondeau, 1/20/2026