

**FAIRVIEW WATER DISTRICT
BOARD OF COMMISSIONERS MEETING MINUTES
REGULAR SESSION | SEPTEMBER 25, 2025 | 5:00 PM
403 MAROLF LOOP ROAD, TILLAMOOK, OREGON**

CALL TO ORDER

Board Chair John Casteel called the meeting to order at 5:05 PM.

ROLL CALL

Board Members Present: John Casteel, Boyd Rulifson, Dustin Burdick , Gary Bond

Board Members Absent: Jim Huffman, absent due to illness

Visitors Present: Tim Tice, Oregon Association of Water Utilities; Patty Cook

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

APPROVAL OF MINUTES – AUGUST 28, 2025 BOARD MEETING

Motion by John Casteel and seconded by Boyd Rulifson, to approve the minutes of the August 28, 2025 Board of Commissioners Regular Meeting.

Vote: Aye – John Casteel, Boyd Rulifson, Dustin Burdick, Gary Bond

Nay – None

Abstained – None

Motion passed 4-0

PUBLIC COMMENT (on Non-Agenda Items)

Melissa Rondeau presented a water bill reduction request on behalf of DJ & Jaimie Josi, of 735 Wilson River Loop, related to a significant water leak on their property. Following discussion, the Board approved a \$600 reduction of their highest consumption bill.

Motion by Gary Bond and seconded by Dustin Burdick, to reduce DJ & Jaimie Josi’s water bill by \$600.

Vote: Aye – John Casteel, Boyd Rulifson, Dustin Burdick, Gary Bond

Nay – None

Abstained – None

Motion passed 4-0

FINANCIAL REPORT

Office Manager’s Report:

Melissa Rondeau presented her report to the Board:

Painting of the District office will not occur this year due to cost limitations. Instead, General Manager Michael Ostensen and Utility Worker Jeffree LaTurner are patching and repairing deteriorating cinder blocks and will seal them prior to the start of the rainy season. Plans are being made to repaint the building with elastomeric paint next summer.

Melissa also reported on a trial use of Monday, a project planning application, and recommended purchase for District use at \$9 per month. Gary Bond questioned the pricing after noting a higher plan online. Melissa will confirm that the cost is \$108 annually before moving forward.

Approval of August 2025 Accounts Payable:

Motion by John Casteel and seconded by Boyd Rulifson, to approve all payments for August 2025.

Vote: Aye – John Casteel, Boyd Rulifson, Dustin Burdick, Gary Bond

Nay – None

Abstained – None

Motion passed 4-0

Review of Budget v. Actuals Report:

The Board reviewed and discussed the District's current financial status, including the budget versus actuals report.

Delinquent Accounts:

The Board reviewed the District's list of delinquent accounts. Due to staff PTO, follow-up was not completed this month, and no shut-off notices were issued.

Audit:

Melissa reported that all bank account information has been entered into QuickBooks Online and reconciled. Accounts payable have been applied in Quickbooks Online to fund accounts consistent with ABS fund accounts. The District's accountant, Susan Gahlsdorf, begins reconciling fiscal year 2023-2024 in mid-October, with fiscal year 2024-2025 to follow immediately thereafter.

GENERAL MANAGER'S REPORT

Michael presented his report to the board:

John Casteel inquired about the 3rd Street/Wilson River Loop repair located outside the Fairgrounds main entrance. Michael reported that the line had been replaced, but the hole had been left open so that he and Jeffree could adjust a coupler that is leaking slightly. He plans to complete the adjustment on Saturday, September 27.

Michael noted concerns with the waterline located on the bridge over the Wilson River at Sollie Smith Road, a current line repair in the planning stage, stating that the pipe is in poor condition, buried very deep under the intersection, and is located in a difficult area. He believes that the line transitions from poly under the bridge into steel on the opposite side. He assumes that it connects to steel under the roadway and that new poly feeds the driveway across the intersection.

Boyd Rulifson asked about the leak on Wilson River Loop located just south of Latimer Quilt and Textile Center. Michael reported that a new line was connected several years ago at that location and the old line was abandoned. Michael believes that a main stop on the abandoned line has failed, as the old line continues to feed water. Boyd is concerned that this leak is damaging the roadway, which is already impacted by poor drainage.

Michael expressed concern for staff safety regarding the leak repair at Trask River Road and Hollyridge Drive, as well as the need to replace the entire line on Trask River Road. He stated that neither he nor Jeffree would attempt the repair without project engineering and a full safety crew. Given the roadway's cant, lack of breakdown lane, sharp corners, steep drop-offs, and high traffic speeds, attempting the repair without proper traffic control and planning would be extremely hazardous.

Boyd Rulifson inquired about the status of the Old Latimer Line replacement. Michael reported that there are no current plans to begin the project, though it is on the current project list for future planning.

John Casteel asked about the status of the Wilson Well reconditioning. Michael reported that the well is scheduled to be airlifted and cleaned on October 1, and that the Boreline to replace the drop pipe has been ordered.

OLD BUSINESS

Update on Well 1 Project:

There are no new updates.

Update on Well 3 Project:

Well 3 has been offline for the last month while Michael monitors the production of the new pump at Well 1. Completion of the Well 3 project is pending installation of the door on the new well house and final placement of the Variable Frequency Device (VFD) cabinet. Staff will need to lift the cabinet, cut the old discharge pipe that is impeding installation, and set the cabinet in its permanent location.

Fairview Water district and Hunt Water District Merger/Annexation:

Attorney Eileen Eakins provided advice on proceeding with the Annexation of Hunt Water District. The Board discussed next steps and directed staff to forward the information to Hunt Water District. Michael will seek clarification on whether Fairview Water District can participate in the process without a conflict of interest.

Water Rate Study:

Tim Tice of Oregon Association of Water Utilities (OAWU) presented the findings of the District's formal water rate study. He reviewed District foundational data, area rate comparisons, and industry standards, and recommended that the District implement a formal rate increase.

Some of Tim's key findings include:

- 88% of District connections are residential, yet they generate only 20% of revenue.
- Current consumption rates of \$1.55-\$3.65 per unit (1,000 gallons) are significantly below the delivery cost of \$4.98 per unit.
- Base rates currently cover 18% of the budget, while industry standards range from 60%-75%.
- Current water rates generate only 43% of revenue required to operate.
- Without adjustment, the District will face a projected shortfall of more than \$500,000.

Recommendations discussed:

- Increase the base rate for a 3/4-inch or 5/8-inch connection from \$20 to \$31.70 as a foundational step.
- Adjust rates to align with American Water Works Association (AWWA) meter equivalency standards.
- Consider adopting a multi-tier rate structure to ensure equity and conservation.
- Replace current meter service fees with a simplified structure (inside district, outside district, and commercial).
- Apply an annual inflationary index of approximately 4.23% for rate adjustments.
- Develop a five-year rate plan to gradually implement increases and ensure long-term financial stability.

During discussion, the Board raised concerns about the impact of proposed rate changes on agricultural and other high-volume users. It was suggested that local farmers be involved in the process. The Board also discussed the possibility of increasing the District's tax rate in the future. Gary Bond and John Casteel volunteered to review the study in detail, develop a proposal, and report back to the Board. A public meeting will be scheduled to present the findings. It was noted that the study results are based on the current budget, which is knowingly operated at a deficit, and emphasis was placed on the need for realistic planning, including a phased five-year rate strategy, to ensure long-term sustainability.

Continued Discussion Regarding HydroCorp, Inc:

The Board reviewed the most recent email from attorney Eileen Eakins regarding a potential breach of contract with HydroCorp. Final reports have been received from HydroCorp and are under review. Staff were directed to evaluate the reports and provide feedback to the Board on whether HydroCorp has met the contract deliverables.

Service Complaint at 3300 Boquist Road N:

A letter was sent to Andrew & Nicola Geinger on September 2. No further communication has been received, and there are no additional updates at this time.

Payment for Services at 3180 Aldercrest:

This item was discussed earlier in the meeting during Public Comments.

Patty Cook, of 3180 Aldercrest Road, presented a water complaint. During a recent pressure loss, she was advised to run her water if she had any concerns but was not informed that reimbursement would be provided. Ms. Cook reported observing debris in her water; however, no system issues were identified. Following discussion, the Board approved a \$15 adjustment to her account.

Motion by Boyd Rulifson and seconded by Dustin Burdick, to reduce the consumption charge in question by \$15.

Vote: Aye – John Casteel, Boyd Rulifson, Dustin Burdick, Gary Bond

Nay – None

Abstained – None

Motion passed 4-0

NEW BUSINESS

Riparian Setback at Holden Creek

The Board discussed the email received from Robert Bradley from Oregon Fish and Wildlife (ODFW) regarding mowing within the riparian setback along Holden Creek. Robert noted a received complaint that portions of the District property had been mowed within 50 feet of the creek, which is a protected riparian area within the City of Tillamook's jurisdiction. Board discussion reflected differing views on how to proceed, and the topic will be considered again in the future.

Review and Update of Social Media Policy:

Melissa Rondeau will work with Gary Bond to prepare an amended social media policy and will present it at the October Board meeting.

Draft Surplus Property Disposal Policy:

Melissa Rondeau will prepare a surplus property disposal policy and present it to the Board for consideration at the October Board meeting.

Draft Introduction of Reimbursement Policy:

Gary Bond presents a draft travel expense reimbursement policy to the Board.

Motion by Gary Bond and seconded by Boyd Rulifson, to adopt Resolution 2025-03, A Resolution of the Board of Commissioners of the Fairview Water District of Tillamook, Oregon, establishing guidelines for reimbursement of travel expenses.

Vote: Aye – John Casteel, Boyd Rulifson, Dustin Burdick, Gary Bond

Nay – None

Abstained – None

Motion passed 4-0

BOARD PRESENTATIONS:

Gary Bond reported on his meeting with Michelle Bradley of the Port of Tillamook Bay. The Port expressed concerns regarding the City of Tillamook's anticipated rate increases and reiterated their interest in forming a regional water district. Gary will maintain an open line of communication with the Port and report back to the Board as necessary.

Boyd Rulifson asked if a system map exists for the former Wilson River Water District. Michael Ostensen is unaware if there is one in existence. The Board discussed GIS mapping options and other potential solutions.

STAFF CONCERNS:

No staff concerns were received.

ADJOURNMENT

Motion by Gary Bond and seconded by Dustin Burdick, to adjourn the meeting at 7:58 PM.

Vote: Aye – John Casteel, Boyd Rulifson, Dustin Burdick, Gary Bond

Nay – None

Abstain – None

Motion passed 4-0



FAIRVIEW WATER DISTRICT

403 Marolf Loop Road
Tillamook, OR. 97141

(503) 842-4333
www.fairviewwater.com

GENERAL MANAGER'S REPORT

OCTOBER 30, 2025 - Board of Commissioner's Meeting

With summer behind us, everyone can take a deep breath and relax a little. It's kind of funny in our line of work, especially in this region; things are opposite for us. Most people look forward to summer vacations, and the nice weather is a source of peace in their lives. I've come to know that time of year as *"get as much done as possible while the system is under maximum stress"* season. Personally, I look forward to the wet season. The rains and cooler weather give us more flexibility within our system and make many jobs far less stressful. With the change in seasons, our goals and objectives tend to shift as well.

We've begun installing new distribution piping at the Wilson Well and should be done shortly. This project is a wonderful example of a fall project; with reduced demand, we're able to take the necessary time to do things perfectly so that the new installation is not only functional but also square and aesthetically pleasing. It brings me great joy to build beautiful, long-lasting infrastructure for our community. Upon completion we'll have about eight feet of steel remaining between the interior piping and the distribution piping to the main on Wilson River Loop. This section contains the main isolation valve for the well house and will be more difficult to replace due to the lack of alternative isolation points. Most likely, replacement will require a shutdown of the western half of the Wilson system. I'll include photographs of the piping before and after at the meeting so that everyone can better understand the conditions inside the line. We've also installed a restrained valve at the end of the new piping, which will make replacement of the final few feet as painless as possible.

The purchase of the electrofusion machine has proven invaluable. To be honest, we should have started with this technology when we first transitioned to HDPE; as they say, hindsight is 20/20. Our socket-fusion machine still works well for service connections, but I'm unlikely to use it for other projects in the future. Electrofusion fittings require minimal preparation and can be used in almost every imaginable situation. Keeping them square and aligned requires almost no labor. We now have a wide range of fittings and branch attachments available, and I look forward to presenting our finished work to the Board when completed. The ability to produce expert-level craftsmanship with this equipment almost feels like cheating; it's just that easy to use.

We spent a day clearing some detritus around the Wilson Well property with an excavator, consolidating various accumulated piles of rock, dirt, and other materials. All noxious weeds were removed as far as we could reach, and I plan to do the same at the reservoir next month.

Lastly, I've requested a quote from S & C Paving for paving the back lot at the office. District staff will complete as much of the site preparation work as possible to help reduce overall project costs.

COMPLETED ON OCTOBER 23, 2025

Michael Ostensen – General Manager



FAIRVIEW WATER DISTRICT

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OFFICE MANAGER'S REPORT FOR OCTOBER 30, 2025

October has felt like one of the most productive months of the year, with significant progress made in several administrative and compliance areas. As I mark a little over one year with Fairview Water District, I've gained a clearer understanding of both our strengths and the areas where continued attention is needed. Looking ahead, my focus will be set to bringing the District into better alignment with local, state, and federal requirements in reducing organizational risk in areas such as financial accountability, data security, and insurance compliance. I appreciate the opportunity to work alongside the Board as we continue building a stronger foundation for the District's future.

To better support our goals, staff and Board members will begin receiving additional educational materials and training opportunities in the coming months. For example, this month's informational memo addresses best practices for pesticide and herbicide use near drinking water sources. Regulatory standards in the drinking water sector continue to change, and staying informed is key to maintaining regulatory compliance as well as public confidence.

Our contracted CPA has completed reconciliation of all District accounts and confirmed that our books are in good order. These records will be provided to SingerLewak as requested, and I have granted our auditor secure, report-only access to our QuickBooks Online system. The fiscal year 23-24 audit process is well on the way to completion, and preliminary coordination has already begun for fiscal year 24-25. Both the CPA and audit firm have agreed to continue their partnership with the District. I anticipate reviewing the accounting and audit-related costs later this fiscal year to determine whether a budget adjustment for fiscal year 26-27 may be warranted (hopefully one that is much lowered.)

In addition to my regular duties, I have devoted substantial time to policy development. The Board will be reviewing two new policies for adoption this month, and I am preparing additional drafts for future consideration; including a Financial Policy, Computer Use Policy, and Vehicle Policy. Following those, I plan to present an updated Personnel Policy to the Board for consideration in early 2026. Along with Resolution 2024-01 (*Fairview Water District Board of Commissioners Board Duties and Responsibilities Policy Manual*), these foundational documents will help clarify procedures, ensure consistent operations, and support the District's stability for a long, long time. I'm excited to work alongside some of our Board members in the development of these policies.

Finally, I will begin reviewing our Emergency Response Plan with Michael as well as any other agencies that I feel would be helpful after the new year to ensure that it remains up to date with current practices and contact information.

To close, this month has provided a valuable opportunity to dig deeply into the administrative needs of the District. While there is an incredible amount of work to do, each time we complete a task we become that much closer to a well-structured, transparent, and compliant organization that serves the community with the utmost care.

Melissa Rondeau - 10/24/2025