

**FAIRVIEW WATER DISTRICT  
BOARD OF COMMISSIONERS MEETING MINUTES  
REGULAR SESSION | JULY 31, 2025 | 5:00 PM  
403 MAROLF LOOP ROAD, TILLAMOOK, OREGON**

**CALL TO ORDER**

Board Chair John Casteel called the meeting to order at 5:01 PM.

**ROLL CALL**

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

Board Members Absent: No members were absent

Visitors Present: Jake Rzuczek, District Consumer

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

**OATH OF OFFICE**

Melissa Rondeau, Office Manager, administered the Oath of Office to Dustin Burdick, Gary Bond, and Jim Huffman. The executed documents were duly signed, scanned, and entered into the official District records.

**ELECTION OF BOARD OFFICERS**

In accordance with District Resolution 2024-01, the Board conducted its annual election of officers. John Casteel provided a description of all Board officer positions. Nominations were as follows: John Casteel for president, Dustin Burdick for Vice President, Gary Bond for Treasurer, and Jim Huffman for Secretary.

*There being no objections, all nominees were elected by unanimous consent to their respective offices.*

**APPROVAL OF MINUTES – JUNE 26, 2025 BOARD MEETING**

***Motion by Gary Bond and seconded by Boyd Rulifson, to approve the minutes of the June 26, 2025 Board of Commissioners Meeting minutes as amended.***

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

Nay – None

Abstained – None

*Motion passed 5-0*

**PUBLIC COMMENT (on Non-Agenda Items)**

Jake Rzuczek addressed the Board regarding ongoing water pressure issues at his residence over the past several years. He summarized his concerns and referenced extensive supporting documentation previously provided to the District and the Board.

John Casteel clarified that, under State and District standards and regulations, the District is required to provide a minimum of 20 pounds per square inch (PSI) of water pressure at the meter. Discussion was held amongst the Board members and staff regarding possible causes of the reported variations in pressure, and the configuration of the fill line supplying the property, as well as the status of the other connections on the same line.

The Board discussed possible investigative measures that would allow for a solution to this ongoing issue, including installing a pressure gauge or data logger at the customer's meter to record pressure over time. It was noted that similar issues may recur if not fully documented and addressed, and the Board directed staff to purchase a data logger to begin collecting information at the site.

**Motion by Boyd Rulifson and seconded by Gary Bond, to purchase a data logger and install it at Mr. Rzuczek's meter to monitor and record water pressure.**

**Vote:** Aye – John Casteel, Dustin Burdick, Boyd Rulifson, Gary Bond, Jim Huffman  
Nay – None  
Abstained – None  
Motion passed 5-0

## FINANCIAL REPORT

### Office Manager's Report:

Melissa Rondeau presented her monthly report to the Board:

The District's 2023/2024 audit has not yet been completed. Following what was anticipated to be the final audit meeting, Orlando Torres, auditor Joe Cassidy's supervisor, advised that the District would need to retain the services of a certified public accountant (CPA) or bookkeeper due to Melissa's lack of accounting certification and the additional challenges faced during the prior 2022/2023 audit. Later communication with an independent accountant outside of SingerLewak clarified that District staff are not required to hold accounting certification in order to prepare the books for audit. It is likely that Orlando's comments referred to challenges encountered during the prior year's audit and the importance of maintaining transparency.

Melissa has been working to secure professional assistance to prepare the 2023/2024 bookkeeping records and to reconcile the District's American Business Software (ABS) account system. She would like to engage Todd Kimball of CFO Selections, a firm experienced in working with non-profits and governmental entities, to assist with audit preparation. Services will include reconciling ABS, ensuring accurate data entry into QuickBooks, and preparing records for the auditor. The firm will provide support as needed at an hourly rate that appears to be below the typical industry standard.

There have been several instances of call failures with the District's current VoIP phone system, OOMA. After researching alternative providers, and after a system update and consultation with OOMA, the District's current provider continues to be the most cost-effective option given the level of service received.

Several additional topics referenced in the Office Manager's report were addressed separately under later agenda items, including: an update on HydroCorp, and a status report on the annexation/merger of Hunt Water District.

### Approval of June 2025 Accounts Payable:

**Motion by John Casteel and seconded by Jim Huffman, to approve all payments for June 2025.**

**Vote:** Aye – John Casteel, Boyd Rulifson, Gary Bond, Jim Huffman  
Nay – None  
Abstained – Dustin Burdick (due to potential conflict of interest)  
Motion passed 4-0-1

### Review of Budget v. Actuals Report:

The Board reviewed and discussed the District's current financial status, including the budget versus actuals report. Gary Bond raised a question regarding the accuracy of the figures presented and noted that the concrete pad pour by Vice Construction had been incorrectly recorded under System Repair and Materials and that it should be moved to Capital Improvements and Repair. Melissa will correct the error and reclassify the item.

### Delinquent Accounts:

The Board reviewed the District's list of delinquent accounts. It was noted by Boyd Rulifson that the number of accounts past due has decreased compared to prior months.

#### Fiscal Year 2023/2024 Audit:

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

**Motion by Gary Bond and seconded by Boyd Rulifson**, to authorize Melissa to engage an accounting firm to review and reconcile the District's financial records, ensure accurate year-end reporting, and prepare the District for the completion of the fiscal year 2023/2024 and 2024/2025 audits.

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

Nay – None

Abstained – None

Motion passed 5-0

#### **GENERAL MANAGER'S REPORT**

Michael presented his monthly report to the Board.

American Backflow may be brought on to develop a backflow management program for the District. The company, which recently assumed management of Nonda Zwald's former territory, has proposed the potential use of backflow management software. Melissa had provided American Backflow with the District's contract for review, and they are considering taking on the District's backflow reporting responsibilities for the current year.

Michael reported on the water line replacement near the Fairgrounds at the intersection of 3rd Street and Wilson River Loop. Approximately 320 feet of new HDPE line was bored underground to replace the existing line. While the Fair is in progress, he and Jeff plan to pre-fuse assemblies and reconnect water service immediately after the Fair concludes. Valves will be installed at the time of reconnection to minimize future shutdowns. There are some concerns remain regarding the integrity of the Fairgrounds infrastructure when normal service resumes, which is why the full repair is being delayed. To reduce disruption to government offices and commercial buildings served by the line, Michael recommends performing the reconnection during evening hours.

During Michael's vacation, Tillamook County Public Works staff mowed the water line located on the bridge at the Sollie Smith Boat Launch and punctured a large hole in the mainline. District staff, with assistance from other community water officials, completed the necessary repairs. As this is the second time the line has been damaged by mowing, staff will install additional fiberglass markers to improve visibility of the line.

After reviewing the State testing schedule, there are several tests that are due that will be rather expensive. Michael anticipates using the majority of the Water Compliance, Reports, Testing fund this year and recommends that the Board and staff make a note for future budgeting that these tests are due every three years.

New tires were purchased for the District truck following a puncture.

A new key lock box has been installed inside the office to more securely hold District keys. Michael explained to the Board how to use the box.

#### **OLD BUSINESS**

##### Well 1 Project Update:

Michael reported that Well 1 has been fully installed and is operating effectively. While the well is not yet connected to telemetry, it can be manually operated as needed and has been integrated into the water system. The final step is automation, which requires electrical work to complete the connection. Michael is waiting for the electrician to hook up additional components needed for this phase of the project.

The Board discussed the type of variable frequency device (VFD) to be installed at Well 1. Michael recommended monitoring the well's performance before committing to a larger unit, noting that a smaller VFD may be sufficient. Initial operation suggests that the well drains to the first perforation holes after several hours of pumping. Water quality tests were excellent, with low nitrate levels and no volatile organic compounds (VOCs) detected.

Discussion was held amongst the Board members about the status of the electrical project and the scope of qualified electricians. Questions included whether a local or out-of-town electrician could be contracted, and whether special certifications are required for the work. Michael noted that bids are being sought, and additional outreach will be conducted to secure quotes.

#### Well 3 Project Update:

Michael reported that Well 3 is currently supplying the majority of the water for the District. In response to a question from Dustin Burdick regarding the well house completion, he confirmed that while a new building has been provided by the college, that they still need to install the siding and a door to complete the project.

#### Fairview Water District/Hunt Water District Merger:

Melissa reported that she met with Bryan Leuthold of Hunt Water District to obtain the physical locations of each water meter. She is compiling this information and will record the it using GPS coordinates provided by Google Earth.

The Board directed staff to communicate with the District's attorney regarding the steps necessary for the annexation of Hunt Water District.

#### Water Rate Study:

Melissa reported that Tim Tice of Oregon Association of Water Utilities (OAWU) has not yet provided the results of the District's water rate study. Instead, he has requested additional information from staff. No date has been given for when the findings will be disclosed.

### **NEW BUSINESS**

#### Acknowledgement of Board Duties and Responsibilities Manual:

The Board confirmed that each member had reviewed Resolution 2024-01, and each signed the acknowledgement form affirming their agreement with the policy. The signed forms have been scanned and filed in the District's official records.

#### Appointment of Board Representative for Meeting -Related Complaints:

Gary Bond reported on his recent attendance at Oregon Government Ethics Commission (OGEC) training. He noted that regulatory oversight now applies to all public meetings, not only executive sessions. Gary explained that the first step for compliance is to designate a board member responsible for responding to meetings-related complaints, and that if no one is designated, that the responsibility defaults to the General Manager or the Board President or Chair. He further noted that members of the public have 30 days from the date of a meeting to file a complaint, and the District has 21 days to respond once a complaint is received.

The Board appointed Board President John Casteel and General Manager Michael Ostensen to serve as the designated contacts for responding to meetings-related complaints.

#### Modification of Utility Easement at 10330 Skyview Road:

The District currently holds a utility easement at 10330 Skyview Road. The property owner has requested to construct a shop in the area where the easement and water lines are located. General Manager Michael Ostensen reported that he is not against modifying the easement, as the water lines would remain under the structure, but recommends that staff inquire further into the process.

The Board directed staff to communicate with Tillamook County to determine the requirements for modifying the easement, with the clarification that the District does not wish to remove the easement but explore what options are available.

#### HydroCorp Professional Services Agreement Termination:

The Board discussed the status of the District's contract with HydroCorp, which expires on September 30, 2025. Staff reported that HydroCorp has failed to fulfill several key obligations under the agreement, including instances where contracted services were not performed.

Staff recommended, and the Board concurred, that the District should issue written notification to HydroCorp stating that the agreement will not be renewed upon expiration. Gary Bond further requested that staff seek reimbursement for monies paid for services not rendered.

***Motion by Gary Bond and seconded by Jim Huffman, recognizing that staff sent notice to HydroCorp terminating the contract effective September 30, 2025, and directing them to send notice requesting reimbursement for services not rendered.***

***Vote:*** Aye – John Casteel, Dustin Burdick, Boyd Rulifson, Gary Bond, Jim Huffman  
Nay – None  
Abstained – None  
Motion passed 5-0

#### American Backflow – Backflow Management:

This item was previously discussed in the General Manager's report.

#### **BOARD PRESENTATIONS:**

John Casteel discussed the upcoming OAWU Conference in Seaside and advises staff to coordinate attendance to avoid overlapping participation in the same training sessions.

#### **STAFF CONCERNS:**

No staff concerns were received.

#### **ADJOURNMENT**

***Motion by John Casteel and seconded by Dustin Burdick, to adjourn the meeting at 6:55 PM.***

***Vote:*** Aye – John Casteel, Dustin Burdick, Boyd Rulifson, Gary Bond, Jim Huffman  
Nay – None  
Abstain – None  
Motion passed 5-0