FAIRVIEW WATER DISTRICT
BOARD OF COMMISSIONERS MEETING AGENDA

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

1. **Call To Order**
2. **Roll Call**
3. **Approval of Minutes:** June 25, 2026 Regular Board Meeting
4. **Board Vacancy:** Review of Applications and Potential Appointment
5. **Public Comment** (on Non-Agenda Items)
6. **General Manager's Report**
7. **Office Manager's Report**
8. **Financial Reports**
    a) Accounts Payable
    b) Financial Status
    c) Delinquency Summary
    d) FY 2024-25 Audit
9. **Old Business**
    a) Water Rate Adjustment
        i. Oldenkamp Farms Email
        ii. Staff Request for Board Direction on Proposed Rates
        iii. Payroll Cost Breakdown
    b) Financial Management Policy
    c) Board Attendance and Vacancy Status Update
    d) SDAO Board Practices Assessment
10. **New Business**
    a) Customer Request: Water Rate Adjustment for Leak Repair
    b) Water Leak Adjustment Policy: Discussion and Consideration
    c) Future Meeting Location: Discussion and Board Direction
11. **Board Member Presentations**
12. **Executive Session:** The Board of Commissioners will hold an executive session pursuant to ORS 192.660(2)(b) to consider complaints or charges brought against a public officer, employee, staff member, or individual agent who does not request an open hearing.
13. **Adjournment**

Call-in (Audio Only): (503) 738-1011, Ext. 1002

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 3-0

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) <u>Approval of the May 2026 Accounts Payable Report</u>

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 3-0

b) <u>Budget v. Actuals Report</u>

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

c) <u>Delinquent Accounts Summary</u>

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) <u>Fiscal Year 2024-25 Audit</u>

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 3-0

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 3-0

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 3-0

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 3-0

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 3-0

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 3-0

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 3-0

FAIRVIEW WATER DISTRICT

403 Marolf Loop Road
Tillamook, OR 97141

(503) 842-4333
www.fairviewwater.com

GENERAL MANAGER'S REPORT
JULY 30, 2026 - Board of Commissioner's Meeting

What a busy and productive month we've had. Dozens of leaks have been repaired or replaced, while Melissa has continued to keep the administrative work moving while I've been in the field. Stephany's backflow program is also progressing, and we remain on track for full implementation in September as planned.

Due to the sheer volume of activity this month, this report focuses primarily on current leak conditions rather than on every project completed. Since the beginning of June, we've fixed 11 leaks. Two new leaks have recently been identified, and one previously suspicious wet area was confirmed and repaired as part of the above-mentioned 11. The two newly identified leaks appear to have been present for some time and have now become increasingly apparent. At the time of this report, I count 10 active leaks.

<u>CURRENT LEAKS</u>

1) Aldercrest/Juniper Loop

Leak was excavated and identified as irreparable. Replacement of the intersection is necessary to stop the leak. Approximate current leak rate: <1GPM (Gallons Per Minute).

2) Donaldson Rd., North of HWY 6 - new

A leak was discovered on 7/21/2026 by Taylor Aufdermauer and I was notified the same day. On 7/22/2026 I investigated and discovered a 2-inch line about 12-inches down leaking in the ditch next to the highway. Approximate leak rate: <5GPM. I will schedule a time with Taylor to excavate and attempt repair of the leak.

3) 3rd St., Near Circle Dr., Located in Private Driveway- new

Leak was excavated and identified as irreparable while energized. Leak is currently isolable with depressurization of about 70 homes and plans are being made to do just that. Due to the need to shut down so much of the system, I would like to replace all of the pipe transiting under 3rd St. as well as a section of the 10-inch mainline. This job would look very similar to the one completed in front of the Tillamook County Fairgrounds last year. Approximate leak rate: <5GPM.

4) Circle Dr., Near 3rd St., Located on Property Line of Several Backyards

The leak requires excavation and inspection to develop a plan. With the onset of the dry season, more thought will be put towards this leak as ground water intrusion becomes less of a problem.

5) Trask River Rd., From Hollyridge Dr. to Cedar Crest Dr.

Line replacement is needed throughout this segment. Due to the challenges of length and placement, additional planning and technical evaluation by staff will be required. Contracted services, additional equipment, and extra safety measures will be necessary.

6) **Fairview Rd., South of Randall Corner Rd.**

Suspected leak appeared near sample station on Fairview Rd. Likely cause is flange leakage like we had before, will be vac trailering to inspect. Possible solution is replacement of stainless fasteners with hardened fasteners. Last time bolt stress due to pipe deflection caused the bolts to stretch to the point the flange began to leak a little. Approx. leak rate <2GPM

7) **Myers Ct., Located on Private Property**

A small pinhole has developed in the mainline.

8) **Marvin Ln., Near Myers Ct.**

I have received a quote from Advanced Excavation Inc. for replacement of the main line at this location. Due to the risk associated with this section of line, this will be a large project requiring thorough planning.

9) **Valley View Dr. Standpipe**

A standpipe leak has been identified in the elbow below ground. Water is flowing into a drainage ditch. This repair will be included in the next round of work with contractors when they are available.

COMPLETED ON JULY 23, 2026
Michael Ostensen – General Manager

FAIRVIEW WATER DISTRICT

403 Marolf Loop Road
Tillamook, OR 97141

(503) 842-4333

www.fairviewwater.com

Office Manager's Report for July 30, 2026

You'll notice some new letterhead on District documents beginning this month. Fairview Water District has been serving the community since at least 1919; a full 107 years of service! I have been sorting through both historic and current District records, and I decided it was time to incorporate more of the District's history into our letterhead and document headers. Michael and I are happy with the results and look forward to continuing to introduce new ideas while honoring the District's long history.

I am increasingly finding it difficult to complete all of the recurring monthly tasks assigned to the office while also keeping pace with the additional workload associated with the improvements staff are making throughout the District and requests from the Board. As a result, I am reviewing administrative processes to identify areas that can be streamlined without reducing the quality of work being produced.

One such item is the monthly Delinquent Accounts Report. The current report requires substantial manual preparation because the District's billing software does not reliably calculate past-due amounts when an account has a prior credit balance. To provide the information in its current format, I must manually review and compile individual account totals each month. I am asking the Board to consider discontinuing the separate listing of individual accounts and instead allow me the liberty to provide the total number of past-due accounts, the total amount outstanding, and general information regarding the current status of delinquent accounts within my Office Manager's report each month. This would continue to provide the Board with information while significantly reducing the administrative time required to prepare the report. However, if the Board prefers the existing format, I will continue to provide it as directed.

Regarding executive session minutes; you will notice that they have not been included in your packet. Executive session minutes can only be reviewed and approved in executive session. Because these records are restricted and require controlled access, they will remain on file at the office instead of being included in your packets. Any member of the Board wishing to review these minutes can do so at the office during regular business hours when staff are available.

The audit is still progressing. I have received no indication that there are concerns with the audit itself, although I am aware that SingerLewak has implemented a new system, and that may have delayed things a bit. Some of you may receive documents or questionnaires directly from the auditor. I hope that you will all take the time to fill them out promptly and accurately so that we can continue moving forward.

Lastly, I would like to continue working with the Board on the review and development of District policies. I appreciate the time and effort Board members have devoted to this work. As we continue, I believe it will be helpful to keep our focus on developing policies that provide clear governance and direction while remaining practical for staff to administer. Policies are most effective when the Board's objectives are clear and staff can administer them consistently in day-to-day operations. While tricky at times, maintaining that balance is incredibly important for those who occupy our places in the future.

Summary of Accounts Payable	
Payments Processed During June 2026	
Presented July 30, 2026	
Personnel Costs	27,083.29
Banking Fees	108.54
Insurance	4,018.00
Utilities	4,596.14
Professional Services	1,112.45
Testing, Compliance & Permits	465.00
Operations, Repairs, & Supplies	1,976.50
Vehicles, Fuel, & Equipment	678.04
Administrative Expenses	4,254.34
Training & Conferences	1,267.50
Total Accounts Payable	**45,559.80**

MEMO TO THE BOARD OF COMMISSIONERS OF FAIRVIEW WATER DISTRICT

FROM: Michael Ostensen, General Manager
Melissa Rondeau, Office Manager

DATE: July 15, 2026

SUBJECT: Direction Requested for Water Rate Proposal

The Board has spent the past several months reviewing the findings of the Oregon Association of Water Utilities (OAWU) rate study that was commissioned in 2023. Discussion has included the study's findings, alternative rate increase amounts, options other than rate adjustments, and public comment. Throughout these discussions, the Board has been presented with multiple options and supporting information intended to assist in deciding on an appropriate proposed rate structure.

At this stage of the process, staff have provided all information currently available for the Board's consideration. We are therefore requesting direction regarding the proposed water rate schedule so that the District may proceed with the required public notice and hearing process.

Providing direction to staff <u>does not adopt a new water rate</u>, but it will authorize them to prepare the notices and supporting documents legally required for public review and consideration. Following this public process, the Board will have the opportunity to consider public testimony, make revisions (if appropriate), and determine whether to adopt the proposed rates at a future meeting.

Based on the Board's prior discussions and the support expressed for the below option, staff recommend that the Board direct staff to begin the public notice and hearing process using the following proposed water rate schedule:

3/4" Base Rate: $31.00 per month
In-District Consumption rate: $2.25 per 1,000 gallons
Out-of-District Consumption Rate: $3.50 per 1,000 gallons
Annual Adjustment: 3% increase through 2030, with rates reassessed in 2031
Unmetered Connection Rate: Twice the base rate by meter size per month

Base Rates by Meter Size:

3/4"	$31.00	**3"**	$341.00
1"	$43.40	**4"**	$434.00
1.5"	$55.80	**6"**	$651.00
2"	$89.90	**8"**	$899.00

For clarity, base rate and consumption rate serve different purposes. The base rate provides steady monthly revenue to help pay the District's regular operating costs, while the consumption rate is based on the amount of water used. The OAWU rate study states that it costs the District approximately $3.19 to deliver each 1,000 gallons of water. The proposed consumption rate of $2.25 per 1,000 gallons is below that amount. Increasing the base rate does not fully replace the revenue that would have been collected through the higher consumption rate recommended in the study.

As a result, the proposed rate schedule shown above will generate less revenue than the rate schedule recommended by OAWU to support the long-term financial stability of the District.

MEMO TO THE BOARD OF COMMISSIONERS OF FAIRVIEW WATER DISTRICT
FROM: Melissa Rondeau, Office Manager
DATE: July 20, 2026
SUBJECT: Explanation of Payroll Costs

There has been some recent discussion regarding payroll costs. To provide additional clarity, the following is a breakdown of the District's current personnel-related expenditures.

The District's personnel-related expenditures currently total approximately **$30,100 per month for 4 full-time employees.**

This amount usually includes current employee payroll, payroll taxes, health insurance, retirement obligations, and payroll administration. For example, the amount above can be broken down as follows:

$20,500 - Current employee payroll
$4,800 - Employer PERS obligation for prior employees
$4,600 - Health insurance premiums
$200 - Payroll processing fees

> The current employee payroll of $20,500 includes:
> $15,100 - Net pay distributed to current employees
> $1,200 - Employee retirement contributions remitted to PERS
> $4,200 - Payroll taxes and other required withholdings

PERS contributions are mandatory obligations. The District cannot discontinue the payments, redirect the funds, or independently reduce the required contribution amount. Of the approximately $6,000 remitted to PERS each month, about $1,200 is withheld from employees' earnings and transferred to PERS on their behalf. The remaining $4,800 is the District's required employer contribution associated with prior employees. These employer contributions are a continuing legal and financial obligation of the District. They are not discretionary spending or additional compensation provided to current staff.

** These amounts will vary slightly each month depending on payroll timing, tax calculations, benefit adjustments, leave, and other normal payroll activity.*

FAIRVIEW WATER DISTRICT
Resolution No. 2026-03

A Resolution Adopting the Fairview Water District Financial Management Policy

WHEREAS the Board of Commissioners finds it in the best interest of the District to establish a Financial Management Policy to promote sound financial management, accountability, and fiscal oversight; and

WHEREAS the Board has reviewed the proposed Financial Management Policy;

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners hereby adopts the Fairview Water District Financial Management Policy, effective immediately upon adoption.

ADOPTED by the Board of Commissioners of Fairview Water District this 30th day of July, 2026.

John Casteel, Board Position 1	Date
Vacant, Board Position 2	Date
Boyd Rulifson, Board Position 3	Date
Gary Bond, Board Position 4	Date
James Huffman, Board Position 5	Date

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, adopted budget, 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 approves 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 may be reviewed periodically and adjusted by the General Manager 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 the General Manager and the Office Manager.

5.6. Account balances and activity are reporting to the Board of Commissioners.

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.

6.3. Delinquent accounts and unpaid charges remain attached to the property and are subject to collection actions authorized by Ordinance No. 89-1, as amended, and applicable law.

6.4. Cash payments are accepted only in exact amounts and are recorded, secured, and deposited in accordance with District 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 auditor and District staff and the Board cooperate with the audit process. Audit results are presented to the Board, and any findings are 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.