FAIRVIEW WATER DISTRICT

BOARD OF COMMISSIONERS MEETING MINUTES

Regular Session | September 24, 2026 | 5:00 PM
Tillamook Swiss Hall | 4605 Brookfield Avenue, Tillamook, OR

1. CALL TO ORDER

President Doug Barker called the meeting to order at 5:02 PM.

2. ROLL CALL

a) Board Members Present: Douglas (Doug) Barker, Jerry Dove, Boyd Rulifson, and James Huffman (by telephone at 5:02 PM; arrived at 5:18 PM)

b) Board Members Absent: None

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

d) Consultants Present: Mark Knudson, Special Districts Association of Oregon (SDAO)

e) Members of the Public Present: Richard Obrist, Josh Henderson, Joseph Barker, Jake Rzuczek, Kimberly (Kim) Barker, Michael Tohl, Dan Leuthold, Don Aufdermauer, Neal Kaste, Ryan Kilgore, and Adam Nielsen

3. CONSIDERATION OF APPLICATIONS FOR APPOINTMENT TO BOARD POSITION NO. 4

Applicants Adam Nielsen and Kim Barker were present and invited to address the Board by President Doug Barker.

Mr. Nielsen shared that he was one of seven licensed engineers residing in Tillamook County, that he manages the water system for the City of Tillamook, is certified by the State of Oregon in water systems, and has experience writing grants.

President Barker disclosed to all present that applicant Kim Barker is his former spouse and stated that they have no financial ties.

Ms. Barker discussed her experience in farming operations and finance, as well as her many years working locally in the medical field.

President Barker invited the Board to ask questions. Commissioner Dove spoke in support of Ms. Barker's appointment and moved to appoint her to the Board of Commissioners.

***Motion** by Jerry Dove and seconded by James Huffman (by telephone) to appoint Kim Barker to the Fairview Water District Board of Commissioners Position No. 4, with Doug Barker abstaining.*

Vote: Aye: Dove, Rulifson, Huffman
Nay: None
Abstain: Barker
Motion passed 3-0-1

President Doug Barker administered the oath of office, after which Commissioner Kim Barker was seated on the Board.

4. SPECIAL DISTRICTS ASSOCIATION OF OREGON (SDAO) PRESENTATION AND DISCUSSION

Mark Knudson, Senior Consultant with SDAO, introduced his background and experience working with special districts, including water districts. He discussed his experience as an engineer, his water distribution and treatment certifications, and his prior service on governing boards. He described his role as a governance consultant who provides oversight, guidance, and training.

Commissioner James Huffman arrived at 5:18 PM.

Mr. Knudson presented a proposal addressing the General Manager evaluation process, the role of the Board as a body, and the District's organizational roles. The Board discussed updating the General Manager's job description and the evaluation process. Several Commissioners expressed discomfort evaluating a member of staff they had not worked with during the evaluation period. Mr. Knudson also presented a proposal for a two-hour Board governance training covering Board and staff expectations, an overview of public meetings law, and governance best practices.

The Board discussed its interest in receiving training and obtaining an updated General Manager job description. Commissioner Huffman agreed with public member Richard Obrist that the job description should be updated before a performance evaluation is conducted. Mr. Knudson proposed updating the job description, establishing future goals, conducting Board training, and postponing the evaluation until later in the year. Commissioner Rulifson expressed a preference to move forward from past events and look to the future.

Motion *by Jerry Dove and seconded by James Huffaman to approve the Special Districts Association of Oregon's project proposal and consulting services agreement for General Manager performance evaluation support, Board training, and related services, as presented, for an amount not to exceed $5,000, with a term ending February 28, 2027, and to authorize Board President Doug Barker to sign the agreement on behalf of Fairview Water District .*

Vote: Aye: D. Barker, Dove, Rulifson, K. Barker, Huffman
Nay: None
Abstain: None
Motion passed 5-0-0

5. APPROVAL OF MINUTES

a) Amendment of the June 25, 2026 Regular Meeting Minutes

The Board discussed that the previously approved minutes of the June 25, 2026 regular Board meeting included verbatim comments concerning a personnel matter that legal counsel later advised removing. During discussion, Josh Henderson asked why the comments were being removed. President Barker stated that the change was being made on counsel's advice.

Motion *by Doug Barker and seconded by James Huffman to amend the previously approved June 25, 2026 regular meeting minutes by removing the verbatim comments attributed to Josh Henderson and replacing them with a summary pertaining to the submission of a complaint about General Manager Michael Ostensen.*

Vote: Aye: D. Barker, Dove, Rulifson, K. Barker, Huffman
Nay: None
Abstain: None
Motion passed 5-0-0

b) Approval of the August 27, 2026 Regular Meeting Minutes

Motion *by Jerry Dove and seconded by Boyd Rulifson to approve the minutes of the August 27, 2026 regular Board meeting as presented.*

Vote: Aye: D. Barker, Dove, Rulifson, K. Barker, Huffman
Nay: None
Abstain: None
Motion passed 5-0-0

6. PUBLIC COMMENT (on Non-Agenda Items)

a) Jake Rzuczek distributed folders to the Board, including a letter from former Board President John Casteel. Mr. Rzuczek discussed water pressure at his property, including pressure readings collected through the use of his own pressure gauges. He reported pressure drops when a neighbor used water, and concerns about water quality and pressure fluctuations. Commissioners and staff briefly discussed the District's pressure readings and the Westwood-area water system. Staff reported that District readings over a period of 32 days in 2025 showed pressure above 20 psi at the hose reel. Mr. Rzuczek said that he had more information to share. Staff were directed to place the item on the November regular Board meeting agenda for further consideration.

b) Josh Hendserson commented on the Board's handling of the complaint he submitted in June concerning comments made by the General Manager about another person. Mr. Henderson distributed copies of his complaint to the Board and began reading it aloud. President Barker directed him to stop and stated that the Board would review the matter later in the meeting. President Barker also stated that he had previously interviewed Mr. Henderson and two individuals, and that the Board would review that information during executive session. Mr. Henderson offered to distribute copies of his original complaint to members of the public and stated that he would continue raising the matter until he was satisfied.

c) Richard Obrist asked about the number of recent new connections, after noticing new construction in the area. General Manager Ostensen reported that approximately three new builds have been completed and that the District had received three SDCs. He added that the District had been notified of two new builds in progress, for which the corresponding SDCs would be collected soon. Mr. Ostensen discussed SDCs, their purpose, and their regulation by the State.

7. STAFF REPORTS

a) General Manager's Report

General Manager Michael Ostensen summarized his written report, which had been provided to the Board prior to the meeting. Mr. Ostensen and the Board reviewed the District's leak list and discussed the listed leaks and recent repairs. Recent projects include the installation of an upgraded pump that replaces the existing one on Westwood Drive, and an emergency repair on Makinster Road. The repair on Makinster Road required replacement of more than 500-feet of main line along with the associated service line connections. Staff will complete the remaining work now that the necessary parts have arrived.

Mr. Ostensen reported that the District has used a substantial portion of its savings and has funds available for approximately three months of expenditures. He described the District's financial position as serious and asked the Board to take steps to improve District finances by increasing water rates. He stated that, until additional revenue is received, the District would be unable to undertake projects and might not have sufficient funds to respond to emergencies.

b) Office Manager's Report

Office Manager Melissa Rondeau reviewed her written report, which had been provided to the Board before the meeting. She explained that, because several Board members were new, her report differed from her usual operational report and included an overview of her duties, responsibilities, and recent projects. She also reviewed the status of the District's delinquent accounts.

Commissioner Dove asked Ms. Rondeau for her assessment of the District's financial condition. Rondeau stated that she believed that the District should have begun increasing rates over a decade prior, and that its current financial position was serious. She explained that much of the District's available savings had been spent over several years on infrastructure, including rebuilding two wells and refurbishing a third. Commissioner Rulifson stated that additional savings had been used to run water underneath Highway 6 and during the merger of the Wilson Water District. The Board further discussed infrastructure costs.

8. FINANCIAL REPORTS

a) Approval of the August 2026 Accounts Payable Report

Office Manager Rondeau provided an overview of the accounts payable report and attached redacted bank statement. She explained that it is provided each month so that the Board can review District expenditures.

Motion *by Doug Barker and seconded by James Huffman, to approve the August 2026 payments as presented.*

Vote: Aye: D. Barker, Dove, Rulifson, K. Barker, Huffman
Nay: None
Abstain: None
Motion passed 5-0-0

b) August 2026 Budget v. Actuals Report

Office Manager Rondeau presented an overview of the budget versus actuals report, explained its purpose, and offered to answer any questions that the Board had. No Board action was taken.

c) Fiscal Year 2024-25 Audit

Office Manager Rondeau said that the audit appeared nearly complete, as SingerLewak had submitted its final invoice and had not requested further information.

9. OLD BUSINESS

a) Continued Discussion Regarding Oldenkamp Farms Email

Motion *by Doug Barker and seconded by Kim Barker to table this item until the November 2026 regular Board meeting.*

Vote: Aye: D. Barker, Dove, Rulifson, K. Barker, Huffman
Nay: None
Abstain: None
Motion passed 5-0-0

b) General Manager Governance Grievance

General Manager Ostensen asked the Board to table this item until the November 2026 regular Board meeting.

> ***Motion*** *by Doug Barker and seconded by Boyd Rulifson to table this item until the November 2026 regular Board meeting.*
>
> *Vote: Aye: D. Barker, Dove, Rulifson, K. Barker, Huffman*
> *Nay: None*
> *Abstain: None*
> ***Motion passed 5-0-0***

c) Water Rate Discussion

President Doug Barker opened discussion about a possible increase to the monthly base charge. Office Manager Rondeau distributed a document showing the current and proposed base charges by meter size and the meter-size ratios used to calculate charges from the minimum base rate. General Manager Ostensen explained that the ratios were provided by the American Water Works Association (AWWA) and were used in the water rate study completed by the Oregon Association of Water Utilities (OAWU) in December 2025. Mr. Ostensen and the Board discussed the purpose and function of the ratios, with Ostensen stating that the ratios used in the study were below national standard ratios and had been selected in consideration of the District system's condition.

Those present discussed rates charged by other water districts and municipalities, as well as concerns that local farmers might install private wells and disconnect from the District if rates increased. Of the District's 823 water connections, 33 are nonresidential and might be high-use agricultural accounts. Several attendees expressed concern that high-use customers might be unable to afford an increase and opposed increasing the consumption charge.

> ***Motion*** *by Jerry Dove and seconded by Boyd Rulifson to move to direct staff to prepare a proposed water rate schedule using a monthly base charge of $40 for a standard residential meter, with corresponding base charges for all other meter sizes calculated using the AWWA standard meter ratio found on page vii of the OAWU water rate study; to leave the consumption charge unchanged at $1.55 per 1,000 gallons; and to authorize staff to schedule and provide notice of a public hearing in accordance with ORS 264.312 and District Ordinance 2026-01.*
>
> *Vote: Aye: D. Barker, Dove, Rulifson, K. Barker, Huffman*
> *Nay: None*
> *Abstain: None*
> ***Motion passed 5-0-0***

d) Discussion Regarding District Water Leaks

District leaks had been discussed earlier during the General Manager report. The Board expressed consensus to keep this item on the agenda moving forward.

10. NEW BUSINESS

a) Hunt Water District Annexation Petition

Attorney Lois Albright of Albright Kittell submitted a signed Annexation Petition from Hunt Water District property owners for the Fairview Water District Board's consideration and execution. Several members of the Hunt Water District Board of Commissioners were in attendance to answer

questions. Discussion was held regarding the history of the proposed annexation, which had been under discussion for several years.

General Manager Ostensen discussed potential line placement and expansion with Board members and members of the public and explained the annexation process. Any funds that Hunt Water District has may help cover the costs associated with connecting the systems.

> ***Motion*** *by Jerry Dove and seconded by Boyd Rulifson authorizing President Barker to sign the Hunt Water District annexation petition on behalf of Fairview Water District.*
>
> *Vote: Aye: D. Barker, Dove, Rulifson, K. Barker, Huffman*
> *Nay: None*
> *Abstain: None*
> ***Motion passed 5-0-0***

b) Bank Account Signatories

The Board discussed the District's authorization of two Board members, the General Manager, and the Office Manager as signers on District bank accounts. The Board considered who should be appointed because some current signers no longer held elected office or worked for the District.

> ***Motion*** *by Boyd Rulifson and seconded by Jerry Dove to authorize Commissioners Douglas (Doug) Barker and Kimberly (Kim) Barker, General Manager Michael Ostensen, and Office Manager Melissa Rondeau as signers on all District financial accounts, and to remove all other individuals as signers.*
>
> *Vote: Aye: D. Barker, Dove, Rulifson, K. Barker, Huffman*
> *Nay: None*
> *Abstain: None*
> ***Motion passed 5-0-0***

c) November and December 2026 Regular Meeting Dates and Location

The November and December 2026 regular Board meeting dates fall on holidays. After a brief discussion, the Board considered rescheduling the meetings.

> ***Motion*** *by Doug Barker and seconded by Boyd Rulifson to reschedule the November 26, 2026 regular Board meeting to November 24, 2026, and the December 31, 2026 regular Board meeting to December 29, 2026.*
>
> *Vote: Aye: D. Barker, Dove, Rulifson, K. Barker, Huffman*
> *Nay: None*
> *Abstain: None*
> ***Motion passed 5-0-0***

d) General Manager Planned Leave

General Manager Michael Ostensen reported that he had scheduled leave for personal reasons. He planned to use accrued paid time off (PTO) instead of Oregon Paid Leave so he could remain available for District emergencies and Board meetings. He discussed staff coverage plans and said he was confident that District staff understood their responsibilities while he is gone.

***Motion** by Doug Barker and seconded by Kim Barker to authorize General Manager Michael Ostensen to take four weeks of leave, starting on a date to be coordinated with the District, using accrued PTO so as to remain available for items that require his attention, and to recoup PTO for time spent at work during the leave period.*

Vote: Aye: D. Barker, Dove, Rulifson, K. Barker, Huffman
Nay: None
Abstain: None
Motion passed 5-0-0

11. BOARD MEMBER PRESENTATIONS

Commissioner Jerry Dove requested that the agenda item be retitled "Board Concerns." The Board reached consensus and directed staff to make the change.

12. EXECUTIVE SESSION

Board Chair Doug Barker closed the regular meeting and convened executive session at 8:07 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 8:21 PM. Chair Doug Barker reconvened the regular meeting at 8:22 PM.

***Motion** by Jerry Dove and seconded by Kim Barker to authorize the Board Chair to sign a letter documenting inappropriate conduct to be placed in the General Manager's personnel file.*

Vote: Aye: D. Barker, Dove, Rulifson, K. Barker, Huffman
Nay: None
Abstain: None
Motion passed 5-0-0

13. ADJOURNMENT

***Motion** by Doug Barker and seconded by Kim Barker to adjourn the meeting at 8:23 PM.*

Vote: Aye: D. Barker, Dove, Rulifson, K. Barker, Huffman
Nay: None
Abstain: None
Motion passed 5-0-0