



Neskowin Regional Water District

PO Box 823

Neskowin, OR 97149

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THE NESKOWIN REGIONAL WATER DISTRICT BOARD OF COMMISSIONERS REGULAR MEETING.

August 28th, 2025

Commissioners Present: Guy Sievert, Paul Bender, Tom Prehoditch, and Diane Saunders.

Commissioners Absent: John Metschan.

Staff Present: Troy Trute and Joy Neufeld.

Public Present: Carol Hoke, Jaqueline Ljungqvist, Earl Ingle, Mike Morris, Jeff Walton, and Reid Williams.

CALL TO ORDER: (00:09:47)

Secretary Diane Saunders called the regular Board meeting to order at 1:00 p.m. at the District's Frank E. Clanton Municipal Water Plant, located at 5880 S. Fairway Road, Neskowin, Oregon, and hosted remotely via Google Meet. The Board acknowledged the presence of guests and asked that they introduce themselves.

APPROVE THE AGENDA: (00:10:33)

****Motion****: Guy Sievert moved to have the first item on the agenda after the minutes be public comment. Paul Bender seconded the motion, which passed unanimously.

REVIEW MINUTES: (00:11:22)

1. Troy and the Board discussed the minutes created by Joy and the minutes created by AI. The Board favored Joy's minutes but suggested that Joy could utilize the AI-generated minutes to help with making her own.
2. The Board reviewed Joy's draft minutes from the July 31, 2025, Public Rate Hearing Meeting and the Regular Board Meeting. ****Motion****: Paul Bender moved to accept the minutes as presented. Tom Prehoditch seconded the motion, which passed unanimously.

PUBLIC COMMENT ON THE RATE INCREASE: (00:16:09)

1. Diane asked that the guests limit their speaking time to three minutes, but if the guests had further comments, they could send them to the Board via the website, to Troy, or to the office.
2. Jaqueline Ljungqvist was concerned that her water bill was doubling and questioned whether the base fee for customers who didn't live in Neskowin was less than the base fee for customers who lived in Neskowin.
3. Troy and the Board explained that all customers' base fees (for zero water usage) were the same, but that the base fee increased with water usage. Troy stated that the current rate information was available on the District's website.



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4. Mike Morris said that he came to the meeting to learn more about the rate increase and learn more about the need and justification for the rate increase. Also, to understand where the Board is going with their thinking on this. Mike said he was hoping for some discussion and negotiation.
5. Earl Ingle attended to learn more about the proposed rate increase, questioning the necessity of another increase within a year, given that one occurred last year. Earl suggested releasing information on employee salaries and raises to justify the increase, advocating for a "bare bones budget" approach and requesting more transparency regarding expenditures. Earl also said that he likes Joy's minutes as they are more transparent.
6. Guy told Earl that the Board would discuss the justification of the rate increase later on in the meeting. Guy said the District held a Budget Committee meeting, and the District's expenses for the current year were approved. The District had a Public Budget Hearing meeting, and the Board approved the budget.
7. Jeff Walton also expressed concern about the magnitude of the proposed increase, inquiring if a "catastrophe" or equipment failure was the cause, as this is the most significant rate increase the District has ever proposed.
8. Carol Hoke said that she joined the meeting to get more information about the rate increase.

FINANCIAL REPORT: (0:31:36)

1. Troy reviewed the financial reports for the end of July 2025.
2. Tom explained that the Debt Service Fund, which the District used to pay for bonded debt at the rate of \$60,000 annually, was funded by property taxes, and that the debt paid by this fund was paid off in 2024, and that District customers' property tax was reduced.
3. Troy said that the estimated cost of the South Beach project that the District is working on will be \$730,000 and will be coming from the Capital Improvement fund and the System Development fund.
4. Guy and Troy explained why the District created the different funds and how they are funded. They also discussed the importance of funding projects that upgrade the District's infrastructure.

RATE INCREASE DISCUSSION: (00:42:55)

1. The Board decided to move the Rate Increase Discussion up from Old Business for the participating guests.
2. Guy and Troy explained that the original budget was approved by the budget committee and adopted by the Board.
3. Guy said that it was determined that the District needed to raise the revenue by \$128,000 to meet the approved budget. The revenue deficit increased due to the third party's delay in mailing customers the Rate Hearing information, which delayed the rate increase and necessitated rescheduling a new rate hearing for September 25, 2025.



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4. Tom discussed his review and analysis of NRWD budgets, expenditures, and revenues for each of the fiscal years beginning with 2020-2021, and his view that the current year's projected budget deficit is largely a result of significant inflationary pressures on expenditures since 2020, and a corresponding decline in NRWD's customer's collective water usage, by far the major source of NRWD revenue, relative to expenditures during the same time period. Tom said the District needs to establish a Rate committee to discuss rates and have it start meeting early in the fiscal year.
5. Paul suggested, and the Board, Troy, and the guests discussed shifting funds from the Capital Improvement Fund to the General Fund to make up part of the deficit.
6. Guy discussed adjusting the rate categories, creating seasonal increases, and looking into a property tax increase in the future.
7. Jeff suggested that the District keep up with their rate increases, justify and benchmark them.
8. Troy said that in the past, the District used to use property tax revenue in the General Fund to act as a buffer. He stated that six years ago, the Board decided to put all tax revenue received into the Capital Improvement fund to help fund infrastructure projects.
9. The Board and guests agreed that Troy does a great job managing the District.
10. The guests left the meeting and thanked the Board, and the Board thanked the guests for joining the meeting.
11. The Board continued to discuss the rate increase.
12. Tom asked Troy to create a rate comparison using \$65,000 or \$37,000 from the Capital Improvement fund to offset the District's budget deficit, and send that to the Board.
13. The Board decided to have another Board meeting on September 11, 2025, at 1:00 PM on Google Meet, to continue to discuss the rate increase, and to make a unified decision on the rate increase proposal to present at the Public Rate Hearing meeting on September 25, 2025.
14. The Board suggested putting the information about the grants received on the District's website.

CASCADE HEAD WATER OPERATIONS CONTRACTING: (02:23:42)

1. The Board moved this topic from new business for Reid Williams, the Board President of Cascade Head Water.
2. Troy explained that Cascade Head Water and the Neskowin Regional Water District have had a Mutual Aid agreement since 2018.
3. Reid Williams joined the discussion to explain that Cascade Headwater Operations is seeking to contract with the Neskowin Regional Water District for staffing services due to changes in their own staff and the challenge of operating a small system with only 86 homes.
4. Reid said the proposed contract agreement would involve Neskowin Regional Water District providing licensed water operators for approximately two hours a day, at a rate that covers the District's costs, including potential overtime.
5. Guy raised concerns about potential conflicts of priority if both districts have simultaneous issues and how to ensure the District's staff can adequately support Cascade Head's needs.



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6. Reid Williams clarified that they understand the repair and monitoring components of the service might need to be treated differently due to varying priorities.
7. Troy Trute highlighted that while five days a week of service would not incur overtime, weekend coverage would necessitate time-and-a-half pay for the District's employees.
8. Guy suggested Reid and Troy create a contract and also cover employee comp time, and present it to the Board. Paul said he could also work with Troy.

CHANGING BANK ACCOUNTS: (02:42:16)

1. Troy said he approached Oregon Coast Bank about the District changing bank accounts from US Bank to Oregon Coast Bank.
2. A representative from Oregon Coast Bank told Troy that to change bank accounts, the bank would need approved, signed minutes by the Board, which include a passed motion that the District is changing bank accounts.
3. ****Motion**** Paul Bender moved to change the District banking from US Bank to Oregon Coast Bank. Tom Prehoditch seconded the motion, which passed unanimously.
4. Troy said that besides himself, he would like the Board chair or Treasurer to be a signatory on the District's bank accounts. But have one signatory line on the checks.
5. Paul suggested consulting with the auditor regarding the proposed change to a single signatory on checks to ensure compliance and legitimacy.
6. ****Motion**** Tom Prehoditch moved to have one signatory on the District's checks subject to a discussion with the auditor about the legitimacy. Diane Saunders seconded the motion, which passed unanimously.

BILLS TO BE PAID: (00:29:34)

Troy presented the bills to the Board. ****Motion****: Paul Bender moved to approve the bills as presented. Diane Saunders seconded the motion, which passed unanimously.

The last check number was 14759.

OPERATORS REPORT: (02:52:57)

Distribution System (02:52:58)

1. The District is continuing to install concrete around fire hydrants in the distribution system.
2. We are painting fire hydrants.
3. The District is exercising and clearing all valves in the system.
4. Twenty-six leaks were discovered during the meter reading that occurred on August 5th.
5. Construction has commenced on the District's South Beach Road Pipeline Extension project.

Treatment System (02:53:40)

1. The District's bacteriological testing has had no detectable amounts of coliforms this month.
2. The water filter is functioning correctly and producing excellent, potable water.



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BILLS TO BE PAID: (02:56:32)

Troy presented the bills to the Board. ****Motion****: Guy Sievert moved to approve the bills as presented. Paul Bender seconded the motion, which passed unanimously. The last check number was 14733.

OLD BUSINESS: (02:59:37)

1. RATE INCREASE DISCUSSION: (02:59:38)

1.1. This was discussed earlier in the meeting.

2. WATERSHED LAND PURCHASE - POSSIBLE EXECUTIVE SESSION: (02:59:56)

2.1. Troy said that he has been in discussions with the North Coast Land Conservancy over legalese for a contract with an appraiser. Troy said he will submit the contract to Business Oregon, which will cover the appraisal costs. This is for appraising properties for the OWEB purchase.

2.2. Troy said he needs to work on the forest management plan for OWEB.

2.3. Troy said he needs to have a discussion about easements for this property with Mr. Kowalski.

2.4. Guy and the Board discussed the Schlicting's property in the watershed land for sale.

3. HORIZON HILLS & WI-NE-MA WATER SYSTEM ANNEXATIONS: (03:10:13)

3.1. Troy said the District is going to work with the RCAC, "Rural Community Assistance Corporation," and set up some meetings.

3.2. Troy said he gave the system survey to the owner at Horizon Hills and Wi-Ne-Ma, and he is hoping to have more communication with them and the RCAC.

3.3. Troy said the State of Oregon is pushing for and funding small District Regionalization (the joining together of small Districts).

4. UPDATE ON THE SOUTH BEACH MAIN EXTENSION PLAN: (03:18:15)

4.1. Troy discussed the progress of the South Beach Project with the Board.

4.2. Troy said the contractor shot the reamer underneath the creek to the other side and pulled the pipe through the hole.

4.3. Troy said that the District will be installing new fire hydrants through the old section.

NEW BUSINESS: (03:24:03)

1. CASCADE HEAD WATER OPERATION CONTRACTING: (03:24:04)

1.1. This topic was discussed earlier.

2. SELECT MEMBERS FOR THE RATES COMMITTEE: (01:25:51)



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2.1. No one was selected.

3. DISCUSS FUTURE MEETING DATES: (03:25:14)

- 3.1. Regular Board meeting is scheduled for Thursday, September 11, 2025, at 1:00 pm
Subsequent NRWD Board meetings are tentatively scheduled for Thursday, September 25, 2025, at 1:00 p.m., and Thursday, October 30, 2025, at 1:00 p.m.

ADJOURNMENT: (03:27:15)

There being no further business, the meeting was adjourned. ****Motion****: Tom Prehoditch moved to adjourn this board meeting. Paul Bender seconded the motion, which passed unanimously.

Respectfully submitted,
Joy Neufeld
Recording Secretary, Neskowin Regional Water District

John Metschan, President

Diane Saunders, Secretary