



## Neskowin Regional Water District

PO Box 823

Neskowin, OR 97149

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### MINUTES

## THE NESKOWIN REGIONAL WATER DISTRICT PUBLIC HEARING FOR A PROPOSED RATE INCREASE AND THE REGULAR BOARD MEETING

**September 25th, 2025**

Commissioners Present: John Metschan, Guy Sievert, Tom Prehoditch, and Diane Saunders.

Commissioners Absent: Paul Bender

Staff Present: Troy Trute and Joy Neufeld.

Public Present: Mario Venti and Art Hayes joined the meeting in person. Shar Ludwig, Gregory Miller, Mike Churchill, and Carol Hoke joined the meeting online on Google Meet.

### **CALL TO ORDER:** (00:00:25)

President John Metschan called the public hearing for the proposed rate increase to order at 1:00 p.m.; the meeting was held remotely via Google Meet.

1. John told the guests, Mario Venti and Art Hayes, that the meeting is open for public comment.
2. Mario said he was waiting for the Board to discuss where the Board is going with the rate increase.
3. Tom shared a spreadsheet with the Board and the guests, which he created to help explain the rate increase.
4. Tom explained to the guests that every year, the District creates a budget committee. The budget committee comprises members of the Board and community members. He said that each year, they vote to approve the upcoming fiscal year's budget, and then the Board adopts it.
5. Tom said that the last time the Board created a rate review subcommittee was in 2020. The Board decided they needed to establish a rate/revenue subcommittee.
6. Tom revealed that the Board previously approved a rate increase earlier in July, which was voided due to late notices, necessitating the current hearing.
7. Tom explained that the increase is partly attributed to inflation, with water and sewage inflation nationally averaging 5.3% annually since 1952, significantly higher than the overall inflation rate. The cumulative NRWD budgetary expense increases since 2020 approximate the national average.
8. Tom elaborated on factors contributing to the financial deficit, including a collective inflation rate above 30% over five years, with a major factor being the hiring of a new operator in 2023, which added significant personnel costs. He also highlighted a decline in water usage, which accounts for 99% of the district's revenue, dropping from a high of over 31 million gallons in fiscal year 2021-22 to 28.6 million gallons in the last year.
9. Tom explained that the proposed rate increase will cover part of the projected \$128,000 deficit, with the remaining balance coming from the Capital Improvement Fund. He also stated that future solutions might include bond financing, emphasizing the importance of



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maintaining clean water and an efficient system.

10. Tom clarified that the capital improvement fund receives approximately \$167,000 annually from a permanent property tax rate of 38.31 cents per thousand assessed values, while new home hookup fees (\$10,000 initially, now \$13,000-plus) go to the system development fund. These funds are used for major projects, such as upgrading pipes in Viking Estates.
11. Tom stated that the district currently services 784 homes.
12. Guy said the Board acknowledged concerns from residents, particularly retirees on fixed incomes, about the impact of rate increases on their budgets. Guy explained that the new rate structure is tiered, favoring low-volume users who pay less per gallon, with rates increasing for higher usage. He also indicated that the Board plans to explore additional ways to support low-income individuals and those on fixed incomes in the coming months, potentially through property tax adjustments or district support funds. Tom mentioned that a past operational bond, which was paid in full, has saved customers \$60,000 to \$70,000 annually for the last two years.
13. Tom confirmed that the Board plans to establish a standing rate and revenue subcommittee, comprised of two board members and public members, to address long-term solutions for declining water use and rising inflation, which affect revenues and expenditures.
14. Tom discussed his General Operating Fund: Actual Expenditures VS. Adopted Budget's Spreadsheet, which he created and that was handed out by Troy to the Board, and the guests who attended the meeting.
15. John discussed the history and necessity of the current water plant, commissioned in 1982 and rehabbed in 2006, explaining that before its construction, there were serious water contamination problems. He emphasized that the plant, operated by professionals, purifies naturally occurring contaminants and ensures the distribution of potable water. John identified two main cost drivers: retaining professional staff and maintaining the system's physical components, including necessary capital improvements for integrity and resilience.
16. Troy said the Board anticipates another rate increase of approximately 5% for the following year, based on their analysis. Tom explained that historically, water rates had lagged behind national inflation but had since caught up, partly due to the hiring of additional staff. Troy Trute highlighted that the infrastructure of some water systems is in disrepair—a widespread issue across the United States—necessitating upgrades.
17. Guy explained that the water district aims to acquire more watershed property to protect the water source, with a significant grant of \$1 million from OWEB already secured for this purpose. He clarified that current rate increases are not directly allocated for watershed acquisition because any leftover operating funds are transferred to other accounts, leaving little in recent years. Guy mentioned pursuing grants and loans from state agencies to support land acquisition, particularly for the large Weyerhaeuser property, which may require a bond for purchase.
18. The Board asked if any of the guests had any comments. Carol Hoke said that she agrees with the proposal. She said she appreciated Tom for his work creating a rate analysis.



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spreadsheet and for helping customers understand the reason for the new rate. She suggested that providing examples of expected dollar increases on the website or via email would help customers understand the impact on their monthly outlays. Troy noted that a rate calculator is available on their website, allowing users to input their water usage and see projected bill amounts. Guy explained that the District's monitoring system, which includes monthly Bluetooth readings from meters, helps detect leaks, thereby reducing water loss for customers.

19. Mario thanked Troy and the Board, and the Board thanked the guests for coming to the Board meeting.
20. **\*\*Motion\*\***: Diane Saunders moved to adopt Resolution No. 2025-08, A resolution setting new rates as presented. Guy Sievert seconded the motion, which passed unanimously with Paul Bender voting in absentia.

### **ADJOURNMENT:** (01:07:28)

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

## **THE NESKOWIN REGIONAL WATER DISTRICT BOARD OF COMMISSIONERS REGULAR MEETING.**

**September 25th, 2025**

Commissioners Present: John Metschan, Guy Sievert, Tom Prehoditch, and Diane Saunders.

Commissioners Absent: Paul Bender.

Staff Present: Troy Trute & Joy Neufeld.

Public Present: None.

### **CALL TO ORDER:** (01:07:40)

President John Metschan called the regular Board meeting to order at 2:08 p.m. at the District's Frank E. Clanton Municipal Water Plant, located at 5880 S. Fairway Road, Neskowin, Oregon, and hosted remotely via Zoom Meetings.

### **REVIEW MINUTES:** (01:08:25)

The Board reviewed the draft minutes from the September 11th, 2025, Rate Discussion Meeting. **\*\*Motion\*\***: Guy Sievert moved to accept the minutes as presented. Diane Saunders seconded the motion, which passed unanimously.

### **OPERATORS REPORT:** (01:08:50)

#### **Distribution System** (01:09:08)

1. The District has completed all valve maintenance.



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2. The District is patching the Sahhali Reservoir.
3. The District has cleared all easements.
4. Sixteen leaks were discovered during the meter reading that occurred on September 4<sup>th</sup>.
5. Construction has commenced on the District's South Beach Road Pipeline Extension project.

### **Treatment System** (01:09:39)

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

### **FINANCIAL REPORT:** (01:10:11)

Troy reviewed the financial reports for the end of August 2025.

### **BILLS TO BE PAID:** (01:20:32)

Troy presented the bills to the Board. **\*\*Motion\*\***: Tom Prehoditch moved to approve the bills as presented. Diane Saunders seconded the motion, which passed unanimously. The last check number was 14778.

### **OLD BUSINESS:** (01:21:07)

### **BOARD WORK PLAN TASKS:** (01:21:08)

#### **1. WATERSHED LAND PURCHASE - POSSIBLE EXECUTIVE SESSION:** (01:21:08)

- 1.1. Troy stated that the appraisal contract for the Kowalski project, supported by OWEB funding, has been ratified, and the appraiser has commenced site visits, with appraisal documents expected within three weeks.
- 1.2. Guy and the Board discussed the ongoing negotiations for Schlicting's property, where a timber business is interested in purchasing Schlicting's land within the District's source water area.
- 1.3. Troy, along with Guy, is planning to meet with county officials to explore options for the Schlictings to partition their lot 800, which contains both valuable residential and forest land, to better align with watershed boundaries. This lot comprises some highly valuable residential lots and some less valuable forested areas.

#### **2. HORIZON HILLS & WI-NE-MA WATER SYSTEM ANNEXATIONS:** (01:27:28)

- 2.1. Troy outlined plans to work with the Rural Community Action Coalition (RCAC) to educate communities about the benefits and disadvantages of joining water systems.
- 2.2. Troy and Guy are also preparing to detail the annexation process, as outlined in Oregon statutes, to ensure public understanding. They believe that annexation would be most beneficial to all parties, as it would enable access to funding, grants, and low-interest loans currently unavailable to private water districts. Business Oregon could potentially offer up to 50% loan forgiveness for such consolidation projects.



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**2.3.** Troy emphasized the need to communicate the benefits of annexation to current ratepayers, including gaining new water sources (specifically well water for diversification), addressing Sahhali's issues, and potentially replacing the Sahhali reservoir to serve additional areas. Guy suggested that system development fees from new users could help offset costs and that the 50% loan forgiveness would make fiscal sense by covering expenses and creating a new revenue stream.

### **3. UPDATE ON SOUTH BEACH MAIN EXTENSION PLAN:** (01:36:46)

**3.1.** Troy updated the Board on the South Beach pipeline extension project, indicating that drilling and pipeline installation under the creek are 25% complete. The project is temporarily paused until the bridge contractors complete their work. It is expected to resume next week to expedite completion.

**3.2.** Guy asked if the project included the removal of the exposed pipe in South Beach. Troy Trute discussed the challenges and costs associated with removing the eight-inch ductile-iron water pipe under Sutton Creek, estimating the cost could exceed \$80,000. Troy Trute noted that the water pipe is not problematic.

### **NEW BUSINESS:** (01:41:33)

#### **1. CASCADE HEAD WATER OPERATION CONTRACTING:** (01:41:33)

**1.1.** Troy presented a contract between agencies, and the board suggested adding an administrative fee. They explained that administrative fees would cover supervision costs, payroll processing, vehicle use, and other overhead not included in employee costs.

**1.2.** The Board requested that Troy add administrative fees and clarification on liability insurance, specifically ensuring the other party's insurance covers contractors for work performed by the District's personnel, and or the District's insurance covers the District's employees, as well as having the District's attorney look over the contract. Troy requested that the Board meet again in a week to approve the contract. The Board agreed.

#### **2. SELECT MEMBERS FOR RATES/REVENUE COMMITTEE:** (01:54:54)

**2.1.** The Board agreed to form a revenue committee, which will include two board members and at least three community members.

**2.2.** Tom volunteered to be one of the Board members, and Paul was suggested as the other, pending his interest. Diane said she would volunteer if Paul were not interested.

**2.3.** Former Budget Committee members were suggested to be members of the new committee, as well as others.

**2.4. \*\*Motion\*\*:** Tom Prehoditch moved to create a Revenue Subcommittee. John Metschan seconded the motion, which passed unanimously.

**2.5.** Troy suggested he ask Dave Benneth and Chris Silkowski if they were interested in



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being on the committee. Alex Sifford was suggested. Guy suggested requesting a couple of community members who have not been on the budget committee

### 3. **DISCUSS FUTURE MEETING DATES:** (02:02:42)

- 3.1.** The next regular Board meeting is scheduled for Thursday, October 30, 2025, at 1:00 pm  
Subsequent NRWD Board meetings are tentatively scheduled for Thursday, November 20, 2025, at 1:00 p.m., and Thursday, December 18, 2025, at 1:00 p.m.

### **ADJOURNMENT:** (02:05:29)

There being no further business, the meeting was adjourned at 3:05 pm. **\*\*Motion\*\***: Guy Sievert moved to adjourn this board meeting. Tom Prehoditch seconded the motion, which passed unanimously.

Respectfully submitted,

Joy Neufeld

Recording Secretary, Neskowin Regional Water District

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John Metschan, President

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Diane Saunders, Secretary