



## Neskowin Regional Water District

PO Box 823

Neskowin, OR 97149

Phone: (503)392-3966

Email: [tnt@neskowinwater.com](mailto:tnt@neskowinwater.com)

Web: [www.neskowinwater.com](http://www.neskowinwater.com)

### MINUTES

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

**JANUARY 29th, 2026**

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

Commissioners Absent: None.

Staff Present: Troy Trute and Joy Neufeld.

Public Present: None.

### **CALL TO ORDER:** (00:12:51)

President John Metschan called the regular Board meeting to order at 1:03 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.

### **REVIEW MINUTES:** (00:13:18)

The Board reviewed the draft minutes from the December 18th, 2025, Regular Board meeting.

**\*\*Motion\*\*:** Paul Bender moved to accept the minutes as presented, Tom Prehoditch seconded, and the minutes were approved unanimously.

### **OPERATORS REPORT:** (00:14:21)

#### **Distribution System** (00:14:42)

1. The District has completed all customer service box maintenance.
2. Twelve leaks were discovered during the meter reading that occurred on January 5th.
3. Construction is continuing on the District's South Beach Road Pipeline Extension project. All of the lines and appurtenances have been installed for the D3 and D4 portions of the South Beach Road Pipeline Extensions project. Our contractors are working on section D5.
4. The District performed leak detection for the RV Park and discovered three sizable leaks.
5. Troy reported on a blown valve on a Saturday, which led to a two-day water outage for many people because the required flange part was rare and unavailable until Monday morning. Troy explained that the failure was not due to aging but to corrosion caused by the sand-dune environment. Troy said he believes the solution is to install more valves in the section near Proposal Rock and Blue Heron to isolate future problems, rather than stocking rare and expensive spare parts.
6. Diane suggested putting water outage information on Neskowin and Friends' Facebook as well.



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### **Treatment System** (00:18:52)

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:** (00:32:41)

Troy reviewed the financial reports for the end of December 2025. Troy told the Board he was unable to complete the Revenue and Expense Report before the meeting. The Board asked Troy to email them the December financials when he completes the Revenue and Expense Report.

### **BILLS TO BE PAID:** (00:34:41)

Troy presented the bills to the Board, which reviewed them.

### **OLD BUSINESS:** (00:39:14)

#### **BOARD WORK PLAN TASKS:** (00:39:14)

##### **1. WATERSHED LAND PURCHASE - POSSIBLE EXECUTIVE SESSION:** (00:39:14)

- 1.1. Troy reported on the progress of the Kowalski property purchase, stating that the appraisal has been submitted to the owner, and the next step is a purchase sales agreement. Troy said he will email the Board members the actual appraisal.
- 1.2. An OWEB grant is funding the acquisition, and Troy Trute is working with the North Coast Land Conservancy to clarify easements as required by OWEB.
- 1.3. Troy has also initiated the process of appraising the non-residential properties belonging to the Schlicting family.
- 1.4. Troy confirmed that the OWEB grant money is secured and will be distributed after the purchase agreement is signed and ratified. The District will have to do an environmental assessment, and the easements will need to be clarified.

##### **2. HORIZON HILLS & WI-NE-MA WATER SYSTEM ANNEXATIONS:** (00:44:53)

- 2.1. Troy Trute and Guy, who both met with a consultant from RCAC, reported delays in the evaluation of a potential merger with or annexation of the Horizon View and Winema private water districts because the engineer has not yet provided the final cost-benefit analysis.
- 2.2. Guy said the plan is to draft a letter to the members of those two districts, ask for access to their numbers in those Districts, informing them that the Board is in the process of evaluating options, including possible legal processes like a vote or a petition, once the information is available.
- 2.3. Troy mentioned that the final system partnership study, which outlines system deficiencies and associated price tags, was received yesterday. Troy said that he and Business Oregon will need to review it. Troy will also send it to the Board.
- 2.4. Guy said he and Troy will discuss the cost-benefit analysis with the Board at the next Board meeting.



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### 3. UPDATE ON SOUTH BEACH MAIN EXTENSION PLAN: (00:55:43)

- 3.1. Troy discussed the three-part South Beach construction project, plus one addition (under the bridge). The first part is the connection between Proposal Rock Loop and Nescove; the second part is the connection between Nescove and South Beach Road.
- 3.2. The remaining work is the connection of the water main to the high-pressure system near the concrete reservoir to improve water pressure and flow for certain homes and a fire hydrant. This final work requires a four-hour water shut-off scheduled for the following day
- 3.3. Troy provided an update on current water projects, noting that three out of four identified projects are nearly complete and the work should wrap up in February, except for some cleanup.
- 3.4. A new, time-sensitive issue involves ODOT demanding the Water District move a two-inch water line by April 15th for their Butte Creek project.
- 3.5. ODOT is forcing the district to replace the line beneath their project, a process Troy Trute estimates will involve boring roughly 500 feet and is expected to be costly, although an exact price is unknown.
- 3.6. Troy Trute emphasized that ODOT will not negotiate on how the water line relocation is executed, insisting on replacement as it lies to avoid litigation.
- 3.7. Troy and the Board explored the possibility of running the line onto the HOA's property to avoid ODOT's right-of-way. Still, ODOT's requirement for a permit for any line movement outside its current location makes this unfeasible within the required timeframe.

### 4. RATE REVIEW COMMITTEE: (01:10:52)

- 4.1. A discussion about the Revenue Committee, formerly the Rate Committee, clarified that its focus is on revenues, including taxes, and that the meeting served as an informational meeting for new non-board members.
- 4.2. Tom said that the main issue raised was a proposal by some constituents, including Jeff Walton, for a full merger of the water and sewer districts, though an alternative idea of a merged Board governing both Districts was also discussed.
- 4.3. Tom suggested allowing the Revenue Committee to explore the merger idea and report back to the full board.
- 4.4. Guy said a couple of years ago he suggested merging the Boards, not the District's.
- 4.5. Concerns about a full merger included the different geographic jurisdictions and potential liabilities, as the water District has known infrastructure issues like Hawk Hills that would need to be addressed and shared by the new merged District.
- 4.6. Tom said the Board should submit their questions concerning this merger to Troy.
- 4.7. Tom said that any merger, even one of the Boards, would require a vote or referendum of both Districts' constituencies.



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- 4.8. It was noted that while some utility districts on the coast are joined, this is not true for most, and any merger would require significant due diligence, analysis, and vetting, likely taking three to four years if started immediately.
- 4.9. The Board's consensus was that full consideration of a merger is currently not feasible due to other commitments.
- 4.10. Paul recommended bringing the Revenue Committee into the Budget Committee meeting.
- 4.11. Troy said Jeff Walton recommends that the District set a standard rate at which the district raises rates, suggesting that future adjustments should be made from a baseline of about 5% annually, which is consistent with the national historical average for rate increases. This approach is intended to prevent compounding and subsequent large, catastrophic rate increases, such as the recent increase averaging around 18-20%.
- 4.12. The Board acknowledged the importance of transparency and discussed ensuring that the reasons for rate increases are clearly posted on the District's website and linked from the Facebook page.
- 4.13. Tom said that it was determined that a bond referendum is not feasible this year; at best, it could be in 2027, as they still need to determine the specific projects and costs, such as the watershed and water tank needs. It was suggested that relying more on grants might be an alternative for future funding.

### 5. **HARDSHIP POOL:** (01:36:05)

- 5.1. Diane Saunders interviewed seven Water Districts and found that none have a formal ratepayer assistance program, but they work with individuals on a case-by-case basis.
- 5.2. The Board discussed the ethical responsibility of helping people facing hardship and the possibility of creating a small pool. However, the District cannot collect charitable donations.
- 5.3. Troy Trute suggested that, as a matter of policy, the Board could write off a person's bill in cases of genuine inability to pay, noting that such occurrences are extremely rare.
- 5.4. The General Manager was tasked with drafting a resolution to enshrine this practice, which would guide staff to conduct due diligence and bring identified cases to the board for a decision

### **NEW BUSINESS:** (01:45:41)

#### 1. **CUSTOMER REQUESTS TO TALK TO THE BOARD ABOUT THE RATE**

**INCREASE:** (01:45:42)

- 1.1. The customer did not attend the meeting.

#### 2. **CUSTOMER APPEAL:** (01:16:41)

- 2.1. Troy presented a customer appeal to the Board. The Board decided to grant the appeal before the Board, pursuant to Resolution No. 2021-04. **\*\*Motion\*\***: Paul Bender



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moved to grant an appeal to account #1763-00; Guy Sievert seconded the motion, which passed unanimously.

### 3. REVIEW AND APPROVE THE PREVIOUS YEAR'S AUDIT: (01:50:13)

- 3.1. Tom reviewed the recent audit, which noted internal control deficiencies that the auditor did not consider material.
- 3.2. Tom explained that the same deficiencies have been noted in previous audits and relate to the cost-prohibitive nature of hiring a second person to segregate accounting duties, a measure required in larger organizations to mitigate fraud risk.
- 3.3. Troy said that the District detailed the process of reviewing bank statements, automatic payments, and invoices to track expenses and revenue, noting they prefer digital review over printing.
- 3.4. Guy said that the Board reviews each expenditure each month, and if there is a question, it is answered and resolved.
- 3.5. Troy Trute discussed that the auditor has no issue with the current accounting methods, despite an ongoing finding, which is considered an immaterial deficiency common to most water and sewer districts that lack necessary internal controls.
- 3.6. Troy said he would put digital financial documents in the Board's cloud drive, which is the easiest and quickest way for the Board to access them, rather than returning to paper copies.
- 3.7. John said that, as treasurer, he could review those digital documents each month.
- 3.8. Troy Trute offered to provide a short tutorial for accessing the Google Drive.

### 4. NESKOWIN REGIONAL WATER DISTRICT AND NESKOWIN REGIONAL SANITARY AUTHORITY MERGER: (02:11:43)

- 4.1. This topic was discussed earlier in the meeting.

### 5. DISCUSS FUTURE MEETING DATES: (02:11:44)

- 5.1. The next regular Board meeting is scheduled for Thursday, February 26th, 2026, at 1:00 pm. Subsequent NRWD Board meetings are tentatively scheduled for Thursday, March 26<sup>th</sup>, 2026, at 1:00 p.m. and April 30<sup>th</sup>, 2026, at 1:00 p.m.
- 5.2. Guy suggested posting the agendas on the bulletin board at the Neskowin store

### ADJOURNMENT: (02:16:02)

There being no further business, the meeting was adjourned at 2:16 pm. **\*\*Motion\*\***: Paul Bender moved to adjourn this Board meeting. Diane Saunders seconded the motion, which passed unanimously.

Respectfully submitted,  
Joy Neufeld



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Recording Secretary, Neskowin Regional Water District

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John Metschan, President

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Diane Saunders, Secretary