

BEAVER WATER DISTRICT

Meeting Minutes

March 12, 2026

1. Board Director McKillip called the meeting to order at 6:06pm
2. Directors present were, Larry Oberholtzer, Jason McKillip, Dan Daggett and Ray Cloud by phone. Ron Smith was absent.
Employees present were Administrator Heidi Reid and Plant Manager Larry Chitwood. Bradley Savage was absent.
Guest present was Kevin Shluka.

3. Guest Present

Kevin thanked the Board for the letter outlining the SDC fees for his development. He let the Board know he had some questions regarding the base rate and the current rate. He mentioned the units are not going to be individually metered and his current base rate is \$383. He understands the units are going to be charged the base rate monthly individually even though they are not on individual meters. He let the Board know he is working on figures for the rentals. The intention was for him to include water and sewer in the base rent. He mentioned perhaps there is some way the base rate can be negotiated so they are not paying the \$65 per unit. He mentioned this would help the affordability for the tenants. It would help target the price they are looking for to keep the units affordable. They would like to keep the idea on the table and have the Board possibly negotiate that base fee in the future. He stated currently they are paying \$383 because that is the base rate for a school. It hasn't been a school for a while and will not be a school again. It is mixed use now and he would like the Board to reconsider the base rate for the time being. He has located the leak and shut the water off to fix it. The \$383 a month is a lot for flushing a few toilets during the month. He would like to possibly reduce the base rate to the commercial rate for now and look at making the changes to fees at a later date once the project is in completion.

He gave the Board an update regarding the project and where they are currently at with it. The program as outlined before is still on track, library, 32 units, and they are still hoping to get the YMCA in there. They are still in discussion with that part of the project. They are currently working on the waste water system. They have had representatives from CERT local and stated looking at utilizing the gym for emergency shelter in times of need. They are onboard with the idea, CERT is going to begin putting food and water in the gym right away, the County is looking at possibly moving a generator over and they are working with the Red Cross to designate it as such for the State as well. If the State does do the designation a few things would have to change with the "titling" of the property. They are moving forward with the project; Tillamook County has given them a grant to help with engineering and such. Things are moving along. He let the Board know the biggest funding source will be the Agricultural grants. If this goes through, they will be designating at least

20 of the units to agricultural force housing. This will include housing for farm help, forestry help, it could be people that work at Werner's or the Creamery. He is talking with other entities regarding housing for people with disabilities and/or intellectual and domestic violence individuals. They are exploring all of the options for housing. Director McKillip asked what the estimated time line for the completion of the project would be. Mr. Shluka stated it would be about a 14 month build but anticipates it will be roughly 12 months prior to the build; it is a ways out. He thanked the Board for their time and hoped they would reconsider the rates for the development and let them know he would keep them updated.

The board discussed briefly the request to reduce the base rate on the complex once it is in use. They discussed the current rates and how they are being billed to other similar entities. They agreed the billing should be the same across the board for all multiuse locations. They agreed they did have a rather extensive discussion regarding the rate to charge the apartment complex and whether or not it should be charged at the residential rate or the commercial rate. They decided on the residential rate because it was going to be for low-income individuals and it was housing. They agreed they can not reduce the rate for the complex without reducing the rate for everyone. The reduction is not an option at this time. Director McKillip mentioned he is working with the County on low-income housing and they have set targets for rent, he is looking at his margin based on the County requirements. Director Oberholtzer mentioned we have low-income people in the community now and they are paying the same rate as everyone else. Director Cloud asked if Mr. Shluka had mentioned what he was going to charge a month for the apartments, he had not. Director McKillip mentioned there possibly being a way for Mr. Shluka to come up with an outside source to subsidize the District to cover the entire base rate, if not the rate would have to remain. The Board agreed to table the rate discussion until the project was further along.

Director Oberholtzer mentioned he is currently paying the school rate. It is not a school any more. The Board discussed they are well over two years before the complex is completed and the current usage is very low. They discussed changing the current rate to the commercial rate as of now. Director Oberholtzer mentioned we would loose a little income but once the project is completed, we would be changing it again. Director McKillip mentioned changing the rate to the commercial rate through the duration of the construction and then changing it to residential after the project is completed. Director Oberholzer suggested changing it to the residential rate once he gets the permit to occupy from the County. The Board agreed this was fair.

Motion

Director Oberholtzer moved to approve changing the current monthly rate from a school rate to the commercial rate effective on the next billing cycle. Effectively reducing consumption from 65,000gl p/m to 5,000gl p/m. This rate to stay in effect until the permit to occupy is

issued. Upon the permit to occupy the rate(s) will change to meet the current rates set fourth in the District Rate and Fee Schedule. Director McKillip seconded the motion carried with four ayes.

4. Correspondence

None

5. Reading and Approval of February Meeting Minutes

- a. The Board was presented with the February minutes. They reviewed them and did not see any changes that needed to be made.

Motion

Director McKillip moved to approve the minutes as written.

Director Cloud seconded the motion carried with four ayes.

6. Financial Review

a. Review/Approval of Payments for February 2026

The Board was presented with the payables for the month of February. Mrs. Reid explained payroll taxes were paid as always. She explained We had a bounced check from the Hannemans, Grainger was for the new pump, we paid our workers comp insurance, USA Blue Book was for lab supplies and Avril was for a dump run. Everything else was normal for the month.

Motion

Director McKillip moved to pay the invoices for February 2026.

Director Cloud seconded the motion carried with four ayes.

b. Presentation of P&L and Balance Sheet

The Board was presented with P&L for the month of February. Mrs. Reid stated there was \$18,036 of user fee income for the month. The total net income was \$3,356.

The Board was presented with the Balance Sheet for the end of February. She stated the District had \$46,952 in the general fund; the Capital Improvement savings has \$3,180 and \$82,861 in the LGIP Capital Improvement fund. The Board did not have any other questions regarding the financial statements. They thought everything looked good.

c. Delinquent Accounts

The Board was presented with the current delinquent list. Mrs. Reid explained they had \$1,051 in past due accounts. She let the Board know accounts 88 is locked off for nonpayment. The remainder of the accounts on the list will be sent lock off notices later this month.

7. Plant Operators Report

Mr. Chitwood stated we received the new pump and motor for the intake and it is at the plant ready to install.

Water levels are very good at this time with no concern about availability, he would like to put together a policy regarding water restrictions due to low water events or operation restrictions. This is something we would do over the next month or two with input from the Board. He mentioned the key points he would like to include are: Trigger Levels, defining specific conditions such as flow rates or reservoir levels that cause restrictions, Restriction Stages, Most commonly there are four stages of water restrictions – Mild, voluntary conservation and watering schedules, Moderate, limited outdoor watering hours, no watering of hard surfaces such as washing driveways or cars, Severe, total ban on irrigation and pool filling Emergency, water usage limited to indoor health and safety only. He stated most water systems have an escalating penalty structure starting with a written warning for the first offence before fines are assessed. This will also allow the District to shut water off to chronic users who are not following the restriction notices. He mentioned we have not really had an issue but it would be nice to have something in place if it happens. Mrs. Reid asked how he would monitor the residence if we did have to do restriction. Mr. Chitwood mentioned depending on the restriction he would most likely watch the community when he is out in the district. He believes the community would be willing to follow the restriction.

Director Oberholtzer asked if the house on Bunn Creek Road, that had the big delinquency, had been turned back on. He noticed people there. Mr. Chitwood let him know the house had sold and the new owners are moved in.

Mr. Chitwood let the Board know he is working on the CCR and will send it out to all of the members prior to submittal.

8. Old Business

a. None

9. New Business

a. Review Emergency Response Plan

The Board was presented with the working copy of the Emergency Response Plan. He let the Board know the only thing that had been changed was the cyber security portion. We did not have a plan for that and now we do.

Motion

Director McKillip moved accept the working copy of the Emergency Response Plan as written.

Director Cloud seconded the motion carried with four ayes.

10. Safety Tip

a. Safety Committee Organization Update Review/Sign

The Board was presented with the Safety Committee Organization.

Mrs. Reid let the Board know she had updated the names and positions

on the document. The Board reviewed the policy and didn't see any changes that needed to be made.

Motion

Director McKillip moved to approve the Safety Committee Organization as written.

Director Daggett seconded the motion carried with four ayes.

11. Unscheduled Business

- a. Mrs. Reid let the Board know SDAO sent out the updates for increases to insurance for next fiscal year. She stated the liability has the opportunity to increase between 8% and 12% and the workers has the opportunity to increase by 10%. She is hoping they do not go up that much but will be budgeting for the higher increase just in case. We will most likely need to look at a small rate increase later this year or early next year.
- b. She let the Board know she will be attending the meeting via Zoom next month.

12. Next Scheduled Meeting Date

April 06, 2026

13. Adjourn

Board Director McKillip adjourned the meeting at 6:43pm

Motion

Director Oberholtzer moved to adjourn the meeting.

Director McKillip seconded the motion carried with four ayes.

These Minutes were approved by the Board of Directors by the following votes:

Aye: _____ Nay: _____ Abstain: _____ Absent: _____ Attest: _____

Board Member

Board Member

Minutes transcribed and submitted by Heidi Reid, Office Administrator