

RESOLUTION 2023-2

**NEAHKAHNIE WATER DISTRICT
9155 Nehalem Road • Nehalem Oregon 97131
(503) 368-7309**

RESOLUTION 2023-2 A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE NEAH KAH NIE WATER DISTRICT ESTABLISHING SYSTEM ENHANCEMENT FEE INCREASE WITH AN EFFECTIVE DATE OF JULY 1, 2023

WHEREAS, Section 6 of Ordinance 2018-1 provides that a System Enhancement Fee will be charged and included in each bill as a rate surcharge to provide partial funding for the Neahkahnie Water District's capital improvements. The System Enhancement Fee will be established by resolution of the Board.

WHEREAS, Neahkahnie Water District (the "District") has established the current system enhancement fees:

1. A System Enhancement Fee of \$20 per month to repay a loan beginning in 2006 which was used for massive systemwide improvements known as the "Big Project"; and
2. A System Enhancement Fee of an additional \$15 per month was established in March 1, 2021 known as the "Watershed Protection Fee" to acquire property in the watershed that is in proximity to the springs to protect the District's sole source of water from contamination.

WHEREAS, the District adopted Resolution 2022-7 on December 13, 2022 to authorize the issuance of the full faith and credit obligations (the "Series 2023 Obligations") in an aggregate principal amount not to exceed \$1,750,000 to finance the purchase of 71 acres of the Neahkahnie Watershed and the District adopted Supplemental Resolution 2023-1 on March 21, 2023 authorizing an increase in the amount of the Series 2023 Obligations to an aggregate principal amount not to exceed \$2,000,000 for the acquisition of the property within the Watershed pursuant to a settlement of the Condemnation lawsuit in order to pay the costs associated with the purchase of property to preserve the District's watershed and certain related capital costs (collectively the "Project")

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WHEREAS, the Neahkahnie Water District (“District”) held a public hearing on April 6, 2023 to consider imposing a System Enhancement Fee increase of an additional \$50 per month to be known as the WATERSHED PROTECTION SUPPLEMENTAL FEE; and

WHEREAS, pursuant to the provisions of ORS 264.312, notice of said public hearing and the purpose thereof was given by mailing a notice of hearing to customers of the District in accordance with the requirements of said statute; and

WHEREAS, based upon the recommendations of District staff and legal counsel and the testimony heard, recorded, and considered by the Board from said public hearing the Board of Commissioners finds that:

1. It is necessary to adopt an additional fixed rate increase order to service additional financing needed for the purpose of completing the acquisition of the land pursuant to a settlement of the Condemnation litigation initiated by the District to protect the District's water sources; and
2. The adopted budget for the 2023-2024 fiscal year and all future budgets will reflect the annual loan "requirement" until the loan is paid in full on October 1, 2042; and
3. After October 1, 2042 this Supplemental Fee shall be removed if the loan obligation has been paid in full and there no other related loan obligations still outstanding.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS THAT:

1. A System Enhancement Fee increase of an additional \$50 per month to be known as the WATERSHED PROTECTION SUPPLEMENTAL FEE,
2. This Resolution shall take effect on July 1, 2023; and
3. The District hereby shall make a copy of this resolution available to the public at the District office and through other media.

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Approved and adopted at a regular District board meeting held on the 11th day of April 2023.

DATED: _____, 2023

VOTE: YES NO

BOARD OF COMMISSIONERS

Bob Joseph, Chair

Barb Rippey, Secretary

David Boone

Tom Ayres

Larry Kiser