

**Hills of Neskowin
Owners' Association**



December 8, 2015

Board of Directors
Neskowin Regional Sanitary Authority
47880 South Beach Rd
Neskowin, Oregon 97149

Ladies and Gentlemen,

The Hills of Neskowin (HON) sub-division lies within the boundaries of the Neskowin Regional Sanitary Authority (NRSA).

When the sub-division was platted the lots were sized so as to accommodate septic waste disposal systems. Our homeowners have invested considerable capital in state of the art septic systems and do not have a need for service from the NRSA. The HON does not receive service from NRSA nor do we seek such service.

In view of the capital investment necessary to provide such service, and the absence of a plan to do so, we are lead to the conclusion that circumstances in the HON will not change in the foreseeable future.

Oregon statutes require that the direct expenses of a sanitary district be paid by those receiving service. In no practical sense does the HON receive NRSA services yet our members are taxed to support the Authority.

The Permanent Tax Rate Limit for the NRSA that was approved in May 2005 stated that:

“The revenues from taxes imposed by establishing this permanent tax limit would be used to provide a stable source of funds for retiring the Authority’s debt.”

Within the fiscal year ended June 30, 2015 NRSA’s long term debt was completely paid and no new long term debt has been acquired.

Audited financial statements for the fiscal year ended June 30, 2014 show that property taxes in the amount of \$136,960 were collected by the NRSA. In the same year the Authority's 'Net Position' increased by the nearly the same amount. Unaudited financial statements for the year ending June 30, 2015 indicate that property taxes in the amount \$136,329 were collected and Net Income of \$228,848 reported. Thus in both years service and other revenues by themselves were sufficient to cover operating expenses and debt payments.

Tillamook County property tax statements were recently delivered. Notwithstanding that NRSA's debt has been retired and that service revenues are adequate NRSA tax levels remain.

While Oregon statutes require that property taxes be assessed and applied uniformly, it is our understanding that the NRSA Board has the authority to approve differential tax rates.

The HON requests the following actions be taken:

1. Reduce property tax levels within our sub-division to \$0.01 per thousand of assessed value.
2. Refund taxes collected in excess of that level during the tax period 2015-2016.

We look forward to your favorable response by the end of January, 2016.

Our local contact on this matter is John Metschan, Treasurer. He may be reached at 503 392 4798 (jmetschan@embarqmail.com.) PO Box 382 Neskowin, Oregon 97149

For the Board of Directors

James R. Blasius, President

Attachment: Tax Lots 2015-2016 NRSA Assessments

cc: Clark Balfour, Cable Huston LLP