

4. Basis for Approval of Petition:

- A. Petitioners consist of 46 property owners owning 53 parcels as set forth on Enclosure 2. Some of the Petitioners are also registered voters in Tillamook County and so designated on Enclosure 2. All of the properties are situated within The Hills of Neskowin Plat, as amended (See Enclosure 3). The Petitioners and subject properties are within and subject to The Hills of Neskowin Owners Association.
- B. NRSA was formed in 1977 to provide wastewater collection, treatment and disposal of effluent and biosolids in compliance with the federal Clean Water Act and state law through an NPDES permit issued by the Oregon Department of Environmental Quality (ODEQ). NRSA owns, operates and maintains wastewater facilities that serve only the southerly portion of NRSA.
- C. The Hills of Neskowin was first platted in 1997. The Plat was approved for 17 lots with each parcel to be served by an on-site septic system. In 1998, additional parcels were added bringing the total platted parcels to 62. As of the date of this petition, there are 41 single family residential homes within the affected territory. There are now 61 lots, 58 of which have been taxed by and are fully within the boundaries of the NRSA. Since the initial plat, the on-site septic systems have provided all wastewater and sanitary services to each property. At no time since 1997 has NRSA provided services of any kind.
- D. Significant upgrades of the wastewater collection, transmission, treatment and disposal system were required by ODEQ to alleviate water quality concerns from service to the smaller territory actually served. A permanent tax rate with the express purpose of paying general obligation bonds issued by NRSA was approved by the voters in 2005. A copy of the Notice of District Measure Election is attached as Ex. 3 and incorporated by reference as through fully set forth. Ad valorem property taxes to pay the bonds were levied by NRSA on all taxable properties in the NRSA boundary each year, whether they received service or not. Hills of Neskowin properties were assessed and taxes paid. The bonds were retired in 2015. NRSA has continued to levy the tax rate each year, until FY 2016-17. For 2016-17, the NRSA Board of Directors chose not to levy the rate on Hills of Neskowin properties or any other properties within the District. However, the NRSA Board may choose to re-institute the levy on Hills of Neskowin properties in future years.
- E. Extension of sanitary sewer service to HON properties would require obtaining permits, financing, design and construction of sanitary sewer facilities from NRSA's current system to the Hills of Neskowin development, approximately 1.5 miles. The route would most likely be along, under and through Highway 101 to and through the private roads and properties of the HON development in order to provide service to each parcel. Petitioners have not seen any such Plan or Plans. We cannot say whether pumping, force mains or facilities other than gravity pipelines would be required or any anticipated land acquisition costs but any of these factors would add to and complicate extension of service. Further, the other capital improvements forecast by NRSA to occur over the next few years will exhaust all reserves and other resources.

Enclosure I