

**East Valley Water District
Resolution No. 2015-__**

WHEREAS East Valley Water District (the “District”) has authority under ORS 545.271 to provide for and furnish water for lands not included within the exterior boundaries of the District (“Exterior Lands”) and for lands within the exterior boundaries of the District but not subject to District assessments (“Non-Assessed Lands”) upon receiving proper compensation; and

WHEREAS the District desires to establish a procedure for providing and furnishing water for Exterior Lands and Non-Assessed Lands and to establish the terms and conditions under which the District will provide and furnish water to such lands, including the proper compensation to provide and furnish water to such lands; and

WHEREAS the District finds that proper compensation must take into account the development assessments paid by District members since 2003:

NOW, THEREFORE, BE IT RESOLVED, that the following resolution shall be effective immediately:

1. Definitions. For purposes of this resolution, the following definitions apply:
 - a. “Exterior Lands” are lands not included within the exterior boundaries of the District. Exterior Lands are not included within the District’s exterior boundaries or otherwise made part of the District as a result of a receiving water from the District under a water supply contract.
 - b. “Non-Assessed Lands” are lands included within the exterior boundaries of the District but are not subject to District assessments.
 - c. “Long-term water supply contract” means a contract under which the District agrees to provide for and furnish water for Exterior Lands or Non-Assessed Lands for a period of five or more years.
 - d. “Short-term water supply contract” means a contract under which the District agrees to provide for and furnish water for Exterior Lands or Non-Assessed Lands for a period of less than five years.
 - e. “Water supply contract” means either a long-term water supply contract or a short-term water supply contract.
2. General Terms.
 - a. Best Interest Finding. The District will enter a water supply contract only if the Board of Directors of the District determines that entering such a contract is in the best interest of the District.

b. District Bylaws, Rules, and Regulations. Any person who receives water under a water supply contract must agree to be subject to the District's bylaws, rules, and regulations.

c. Points of Delivery. The District will establish the points of delivery to which the District will make water deliveries for the use and benefit of water supply contracts at District's expense. Such point(s) of delivery will be identified in each water supply contract entered by District. Water deliveries so made are in full and complete discharge of the District's obligation of water deliveries.

d. Requests for Water Supply Contracts.

i. Minimum Requirements. Any person who desires to enter a water supply contract with the District must submit to the District a written request that identifies the proposed term of the water supply contract, the proposed number of acres to be irrigated under the water supply contract, and the location of the property proposed to be irrigated under the water supply contract.

ii. Supplemental Information. The Board of Directors will require the submission of supplemental information from any person who submits a request for a water supply contract if such information is necessary for the Board of Directors to make the findings required under this Resolution; to comply with the District's bylaws, rules, or regulations; or to comply with ORS Chapter 545 or other applicable laws.

3. Long-Term Water Supply Contracts.

a. Proper compensation for a long-term water supply contract includes the following amounts:

i. For each year the District delivers water pursuant to the long-term water supply contract, an annual payment equal to the District's operational assessment for each acre that will receive water under the contract;

ii. For each year the District delivers water pursuant to the long-term water supply contract, an annual payment equal of the District's development assessment (as adjusted from time-to-time) for each acre-foot of water to be delivered under the contract; and

iii. A one-time payment equal to the District's annual development assessments from 2003 through the effective date of the long-term water supply contract, plus a 10% per year surcharge (as shown in the District's Membership Calculator), for each acre-foot of water to be delivered under the contract.

b. The District will enter a long-term water supply contract that provides for compensation different than the amount set forth under Paragraph 3.a only if the Board of Directors of the District finds that entering such a contract is in the best interest of the District and is based on unique circumstances that support an alternative method of calculating proper compensation.

4. Short-term Water Supply Contracts. Proper compensation for a short-term water supply contract will be determined by the Board of Directors on a case-by-case basis and will take into consideration the District's annual development assessments from 2003 through the effective date of the short-term water supply contract. At a minimum, proper compensation for a short-term water supply contract includes the following amounts:

a. For each year the District delivers water pursuant to the short-term water supply contract, an annual payment equal to the District's operational assessment for each acre that will receive water under the contract; and

b. For each year the District delivers water pursuant to the short-term water supply contract, an annual payment equal to the District's development assessment (as adjusted from time-to-time) for each acre-foot of water to be delivered under the contract.

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Adopted by the Board of Directors of East Valley Water District at a regular meeting held on the ___ day of _____, 2015, by the following votes:

AYES: _____

NAYS: _____

Approved this ___ day of _____, 2015.

EAST VALLEY WATER DISTRICT

Signature: _____

Printed Name: _____

Title: _____

WITNESSED

Signature: _____

Printed Name: _____