



**Minutes**  
**Devils Lake Water Improvement District**  
**SPECIAL MEETING**

**DLWID Office**  
**Wednesday, October 31, 2012**  
**12:00 PM**

**Present:** David Skirvin  
Noel Walker  
Randy Weldon  
Kip Ward

**Absent:** Brian Green (excused)

**Staff:** Paul Robertson, Seth Lenaerts

**Audience:** Miles Schlesinger

**Media:** None

**Skirvin called the meeting order at: 12:04**

**I. Public Comment** *(Please limit comments to 5 minutes per person or as outlined by Chair)*

Schlesinger: Does not mind board members as individuals endorsing the City's annexation proposal, but he is wondering what the District has to do with annexation at Roads End and he doesn't know if it is appropriate for the District to endorse or not endorse the annexation.

**II. Roads End: Potential Annexation into City of Lincoln City**

Skirvin:

Last week the City asked the District as an adjoining taxing district where we stand and what the impact is on us of the annexation of Roads End. We received legal counsel that stated: with the boundaries of the City changing that has the potential for the boundaries of the district to change based on how the district was originally defined and created. But that does not mean that that automatically happens, it would create an opportunity for the District to also annex Roads End.

Our role today is to reply back to the City, and reply to what the impact is to the District and do we want to support or not support the move.

Skirvin's personal opinion is that the District does not have a dog in the fight. When all is said and done we have a potential impact later on, which is that Roads end is assessed at \$250 million in real estate which would equal

\$29,000 in increased tax revenue or 16% increase of the District revenues, if Roads End was annexed into the District.

Robertson:

We recieved a letter from the City on October 16 regarding the proposed annexation and were asked whether the district approves or disapproves and does the annexation positively or negatively impact the District. There will be public hearings at the Planning Commission on November 6 & 7 and public hearings before Council on November 19 & 20.

We asked our attorney about this issue and he stated the following: The decision whether to support, or not is a board decision. If the City annexes Roads End, the District would also have a 10 year window to annex those properties. It would be supplemental and not automatic and the District would have to petition the County to annex them into the District. There is an argument to be made for the District to annex based on, geography, taxing uniformity, mutual benefit to tax payers and recreational aesthetic. The attorney cited Nelscott, Taft, and Cutler City who are also in the watershed and further away from Devils Lake.

Economically, there is a definite value to the District to annex. Roads End would generate about \$30,000 annually into the District. There could be legal cost to the District if they are party to the annexation. Attorney suggests there may be legal challenges if the District gets involved in the annexation. If the District takes no stance and Roads End is annexed and then the District tries to annex, then the district should defer annexation until the City's legal battles are over.

Other considerations include the state wide planning goals, specifically urbanization and services. The planning goals seek to increase density in urban areas, and preserve lands for other uses. Roads End is in the urban growth boundary and fits into Oregon's planning goals. By providing urbanization in a fixed area you reserve properties and lands for other uses, like open space and natural areas, like Devils Lake.

A final consideration is jurisdictionally, if there are multi jurisdictions over the people who live in the District. Annexing Roads End would provide consistency, specifically on our endeavors like a septic inspection program or a phosphorous free ordinance.

Skirvin:

Continuing our deliberation, any thoughts anyone wants to share.

Ward:

I do think we have a dog in the fight, but I don't think the City is looking for a cheerleader, I think we need neutrality. I don't the City is asking for anything else, the annexation is going to happen.

Weldon:

Agree with Kip on a neutral position, this is a heated discussion, and this is a City action, if the City does annex them, and after the legal battles then we should annex them, partly to be fair to those in Cutler city and Taft who have to pay the District. There is a negative side to annexation; it is a big hit to people, especially people on fixed incomes who get annexed in. It's hard to totally support or oppose this, so I think neutral is the best way to move forward.

Walker:

I see no reason to be anything but neutral. As for brining them into our own District, I rarely see a reason for more taxation it could be unfair to Cutler City and Taft, but it does not make the tax bill any less for them. We could look at other things in the future, but there is no reason be anything but neutral.

Skirvin:

Neutral position is best for the district. Possible inclusion or exclusion for the District at a future time, but at this time I personally don't see any intent on our behalf to start that discussion. When that topic comes up, whoever is on this board can decide what they want to do, but Skirvin does not want to bring anyone into the District to simply increase revenues, if it is shown that there would be benefits to the community public as a whole and the District that could be considered in the future.

I had Paul look up some information on what the impact would be to the people of Roads End if a future annexation into the District would occur.

Green via email:

As our attorney states in his letter, Devils Lake is a recreational, aesthetic, and economic resource for our entire area. That is the reason that our residents voted many years ago to include the entire City of Lincoln City in the Devils Lake Water Improvement District. It would seem that a resident of Road's End would derive the same benefit from the Devils Lake resource as would a resident of Taft, Cutler City, or Nelscott. Annexation of Road's End will provide the District with the opportunity to spread the cost of maintenance, restoration, and enhancement of our Devils Lake resource more fairly among all Lincoln City area residents.

Robertson:

Read draft letter by District to the city on behalf of Chairman Skirvin.

Ward:

We are answering questions that are not being asked. This is really into the future, and this board probably won't even be the decision makers.

Walker:

I think the letter is good, it would benefit us economically but we are not taking a stand.

Skirvin:

The only benefit that this does is that it opens up the opportunity that the District could bring Roads End if the City annexes Roads End.

Ward:

I would keep it short and simple and not make anything for people to be concerned about. There is no immediate effect right now, potentially in the future there may be but for right now, there is no effect.

I just don't even think we need to say that there even is a chance that we would do anything, there is no immediate effect. If ten years from now there is a fight to bring them into the district that would be something different then what we are saying.

Skirvin:

Cut out inside outside rate and simply keep the history section that Roads End is not in the area, but if the City does annex Roads End, it would open up a possibility for the District to annex in the future.

Ward:

Don't even put that in, include a history, your annexation at this time and the immediate future would have no impact on us what so ever. The District is neutral.

Walker:

People against us do know that we could annex them but probably wouldn't bring it up if we are neutral.

Weldon:

We were asked if the annexation negatively or positively impacts the District. So we should leave an explanation of why there would be a positive reason.

Skirvin: In this letter we clearly state we have no intention of taking action, but for the people who are affected by it, I would personally want to know.

Weldon:

I think it is good to let people know how much they would have to pay if annexed. It does educate people to know how much it would cost somebody when they get annexed.

Ward:

I don't think that is what people hear when they see this letter, they hear my taxes are already going to go up and now the district is going to tax them. In the immediate we are not doing that. There is no effect whatsoever a lot of things could happen but we have no plans to do anything.

Weldon:

I think if five years down the road we do want to do an annexation, now we can say that we presented all of this information at a City Council meeting.

Shlesinger:

Couldn't the District incorporate without the annexation by the city?

Robertson:

No, the district lines are the drainage of Devils Lake and the city of Lincoln City, but if they are part of the City they would then be a part of the city and meet the criteria of the District, and the whole city is in because the community benefits from having a resource like Devils Lake.

Skirvin:

A successful annexation by the City does open the opportunity for the district to annex; it is a new thing, a power that the district would gain, I'm not saying that I want to do it, but it is a change.

Ward:

If we are going to say all the reasons this could be positive, then we should just say we are positive, if we say we are neutral and then state all the positive reasons, we will appear positive.

Robertson:

That is a good point, regardless it is in the best interest of the District to put all the cards on the table.

Skirvin:

We as a district now don't plan on taking any action to annex, but we could change the letter to say, that it does open the option for the district to annex the area under the ORS stated, but the District has no intent to annex the area at this time. The only effect that this has to the District today is that it opens up this option and we wouldn't do anything on this unless we go through the public process.

Weldon:

If we could be clearer and state we have a neutral position, but if Roads End does get annexed these are the possibilities for the District.

Walker:

It is the truth, who can argue with that?

Ward:

We don't want to start bringing in tax rates and numbers

Walker: If we are neutral then we can't be attacked, we are not joining the City in this attempt. If a different board wants to do something they can do whatever they want to do.

Skirvin:

As far as our letter goes, we want to maintain the first paragraph, if annexation by the city happens it opens up the opportunity for the district to annex due to boundary changes. There should be a clear statement that we have no intention of exercising our rights under the ORS and we remain neutral but we do want to provide the information to the residents of Roads End. If everyone is good with that, we will get rid of calculations, then Paul and I can work on a draft based on those points.

Skirvin makes a motion: Do a neutral reply to the city informing the city and property owners of the change of the status against district boundaries according to ORS 198.850 & 198.869, and that we will further elaborate that the District has no intention on taking action on that change at this time.

Walker:  
Second

Further discussion: None

In favor 4-0

Motion carries unanimously

Further public comment

NONE

Walker:

I have a question, way back before the District I have it in the back of my mind although there was a certain amount we could tax, we would not have to tax to the full extent levied, you could tax less based on your needs.

Robertson:

It was true; it may have changed in 1997 and 19980 measures 5 and 50 when they established permanent tax rates. it may have changed, but I'm not totally sure. We can look at it later. And that could be part of a discussion, that if we did bring in Roads End you could say due to the increase here we will charge others less.

Skirvin:

Thanks to everyone for coming in on short notice.

**III.** Adjournment – Meeting adjourned at 12:44