

## D. BONDED INDEBTEDNESS AND FEES

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1. B.O.R. Loan Re-Payment: The total annual revenue from the user charges and fees pays a major portion of the year's loan re-payment obligation under the District's contracts with the Bureau of Reclamation. The District's contract with the B.O.R. recognizes that the per-acre value and benefit realized from the rehabilitation and betterment of the irrigation systems is greater for smaller sized ownerships and consequently the relative per-acre payment ability thereof is greater.

Taking into account the difference in the relative per-acre payment ability and in order to equitably apportion the benefits derived under the B.O.R. contract in accordance with the provisions of law relating thereto, the District shall make annual charges on the following basis.

- a. There shall be established for each year a uniform account charge for each ownership of record, the amount of this charge is to be sufficient to meet a major portion of the amounts due under the B.O.R. contract;
  - b. There shall be established for each year a uniform charge for land for which water is available, which charge shall be expressed as a rate per acre of water right and shall be included in the operation and maintenance fee provided for hereunder.
2. Operation and Maintenance Fees: The O & M fee shall be billed per acre of water right and fractions thereof on a uniform basis. The O & M fee is statutory, and apportions O & M costs among all irrigated acres regardless of the number of points of delivery and regardless of the number of acres of water right per land ownership. This fee includes a portion of the B.O.R. loan repayment as set forth above and a portion of the Exclusive Reconstruction Fee set forth hereafter.
  3. Delivery Fees: One delivery fee shall be charged for each point of delivery of water (See A-4), not fewer than one per ownership of record (See D-1). If prior to January 1, 1984, a user had more than one point of delivery into a single ownership of record, the user shall not be required to pay more than one delivery fee for that single ownership of record unless additional delivery points have since been added or until the parcel is divided into separate ownerships of record.
  4. Exclusive Reconstruction Fee: The District may charge a fee known as the Exclusive Reconstruction Fee, the purpose of this fee being to provide for repair of the system in the event of significant emergency repairs. This fee shall be allocated on the same basis as charges for repayment of the B.O.R. obligations.
  5. Basis of Charges and Fees: All charges and fees are charged against the land to which the water right is appurtenant. All charges and fees are billed on the basis of ownership, and are prorated accordingly. Bills are due and payable whether or not the water is actually delivered or used. Such billings continue unless a specific request is made by the land owner and, in the case of two acres of water or less, the request if approved by resolution; and, in the case of more than two acres of water, the request is approved after petition, notice, hearing, and order by the Board. However, the user shall remain obligated on the bonded indebtedness owing under the B.O.R. contract.

6. Payment: Bills are due and payable as follows: First half due March 1, second half due July 1. Interest at the maximum allowed by law per month on the unpaid balance is assessed as of the due date if payment is not received within 30 days of the due dates herein.
7. No Delivery: Delivery of water may be withheld from lands when bonded indebtedness, fees and/or other charges become delinquent for those lands with appurtenant water rights.
8. Adjustments: If the water user identifies any adjustment necessary to correct any bill or charge, it should be immediately brought to the attention of management so that delivery will not be withheld resulting from non-payment due to an error or a question of policy. The user may seek adjustment of billing through management or the Board of Directors.
9. Delinquency and Foreclosure: Unless otherwise specified by the board, the date after which all charges for the first half are delinquent is April 1<sup>st</sup>, and the date after which all charges for the second half are delinquent is August 1<sup>st</sup> of the current calendar year.

The Board, at the September regular board meeting, shall review the delinquencies, and unless there is a signed payment contract with the District, the Board shall by resolution instruct the secretary to file a Notice of Claim of Lien under ORS 545.494, as to each such delinquent property. The Board at the November regular Board meeting, shall review all claim of Liens filed as set forth above, and then by Resolution, may direct that delinquent charges remaining unpaid, whether for operation or maintenance, construction, BOR Contract repayment, interest, or other purposes, shall be foreclosed by the District.

10. Payment Contract: The Manager shall be authorized to enter into payment Contracts with any water users, provided that the Contracts are paid in full by December 31<sup>st</sup> of the current year. The payment Contracts are to include interest as authorized by Statute, and any costs or fees incurred by the District for such things as preparation of the Notice of Claim of Lien, administrative costs, etc. Breach of the Contract by the Water User will entitle the District to file a Notice of Claim of Lien and foreclosure of the lien if one has not already been filed, as determined by the Board of Directors in its' sole discretion.