

Appendix 5D – Reimbursement Agreement Template

**NORTH CITY WATER DISTRICT
REIMBURSEMENT AGREEMENT**

THIS AGREEMENT is made and entered into between the North City Water District, a Washington municipal corporation ("District"), and _____ ("Developer").

RECITALS:

A. District is a duly organized water district under the laws of the State of Washington, and is empowered to furnish water service to property owners within the District in the manner provided by law; and

B. Developer entered into a Water System Extension Agreement ("WSEA") with District on _____, 20__, for the construction and installation of water extensions ("Extension Facilities") to serve Developer's property ("Developer's Property"). Developer's Property is described on attached **Exhibit A**; and

C. Developer completed installation of the Extension Facilities in accordance with the terms of the WSEA, and District accepted the extensions under Resolution No. _____, dated _____, 20__; and

D. Portions of the Extension Facilities make water system connection or use available to real property other than the Developer's Property within the District. (Such portions of the Extension Facilities are hereinafter referred to as the "Reimbursable Facilities," and such other real property is hereinafter referred to as the "Benefited Properties.") The Benefited Properties are described in attached **Exhibit B**. The owners of the Benefited Properties have not contributed to the cost of the Reimbursable Facilities. Pursuant to RCW 57.22.020-.040, Developer is entitled to reimbursement from the owners of the Benefited Properties seeking connection to or use of the Reimbursable Facilities for the portion of the cost of such Reimbursable Facilities in excess of Developer's pro rata share; and

E. Developer has provided to District an as-built drawing of the Extension Facilities which also identifies the Reimbursable Facilities, which as-built drawing is attached as **Exhibit C**; and

F. Developer has provided to the District a statement of the final design, engineering, installation, and restoration costs incurred by Developer in constructing the Reimbursable Facilities which were borne solely by Developer ("Reimbursable Costs"), which statement is attached as **Exhibit D**; and

G. Connection charges from the owners of Benefited Properties within the District connecting to or using the Reimbursable Facilities are the sole source of funds for the District from which reimbursement to Developer can be made; and

H. District is authorized and obligated to enter into a reimbursement agreement with Developer under the provisions of chapter 57.22 RCW; and the parties desire to enter in to a written reimbursement agreement subject to the terms and conditions set forth in this document; now, therefore,

IN CONSIDERATION of the following terms and conditions, District and Developer agree as follows:

AGREEMENT:

1. Reimbursement Charges.

A. Certification. Developer hereby warrants and certifies to District that the Reimbursable Costs listed in **Exhibit D** are the true, actual, final, and total costs of design, engineering, installation and restoration that were incurred by Developer in installing the Reimbursable Facilities.

B. Pro Rata Allocation. District has allocated the Reimbursable Costs among Developer's property and the Benefited Properties on a pro rata share basis as set forth in the schedule in **Exhibit E** ("Reimbursement Charges"), District determined that the allocation accounts for the parcels that would require similar improvements upon development, and Developer agrees that the allocation is appropriate.

C. Charges to Benefited Properties. Prior to a Benefited Property connecting to or using the District's water system, District will collect the Reimbursement Charge for that property as set forth in **Exhibit E**. The Reimbursement Charge is considered an additional element of that Benefited Property's connection charge, is payable with the connection charge, and does not relieve the Benefited Property's burden to pay any and all other charges in effect at the time of connection to or use of the Reimbursable Facilities. At the time of collecting a Reimbursement Charge, District will also collect a 5% administrative fee from the owner of the Benefited Property to offset District's costs in administering this Agreement. The administrative fee is not payable to the Developer.

D. Payment of Reimbursement Charge to Developer. District shall forward any collected Reimbursement Charge to Developer at the following address, or at any new address provided by Developer to District in writing:

Developer: _____

E. Two-Year Notifications. Every two years after the Effective Date of this Agreement, Developer shall provide District with Developer's current legal name, address, and

telephone number. Notwithstanding any other term of this Agreement, if Developer fails to provide this information within 60 days of the specified deadline, District may collect and retain any Reimbursement Charge. Any retained Reimbursement shall be deposited in District's capital fund.

2. Recording. Developer shall record the Agreement in the office of the King County Recorder, King County, Washington, upon execution by District and Developer. Developer shall provide a copy of the recorded Agreement to District within five (5) days of recording.

3. Lien. The recorded Agreement shall constitute a lien and record notice upon the Benefited Properties and shall be binding on the present owners of the Benefited Properties, and all successors and assigns to those respective parties in accordance with chapter 57.22 RCW. Upon payment of a Reimbursement Charge by a Benefited Property, District shall file with the King County Recorder a notice of satisfaction for that Benefited Property.

4. Developer Assumes Risks. District does not warrant or guarantee the amount, validity, or collectibility of Reimbursement Charges from the Benefited Properties. Developer assumes all risk that one or more of the Benefited Properties fail to connect to the Extension Facilities during the term of this Agreement, or that Reimbursement Charges prove to be uncollectible.

5. Abandonment of Extension Facilities. If District abandons all or any portion of the Reimbursable Facilities during the term of this Agreement, District shall have no obligation to collect any Reimbursement Charges for the abandoned Reimbursable Facilities.

6. Assignment. Developer may assign its rights and obligations under this Agreement to any person by submission to District of a signed and notarized Notice of Assignment stating the name, street address, telephone number, fax number, and email address of the assignee. All applicable terms and conditions of this Agreement shall apply to the assignee.

7. Effective Date; Term. This Agreement shall be effective from the date last executed, below ("Effective Date"). The Agreement terminates fifteen (15) years after the Effective Date, or when all Reimbursement Charges in **Exhibit E** have been collected, whichever occurs first.

8. Exhibits. All exhibits referred to in this Agreement are made by this reference a part of the Agreement as though set forth in full.

9. No Other Agreements; Binding Effect. This Agreement constitutes the entire agreement between the parties. This Agreement is binding upon the heirs, executors, administrators, successors, and assigns of Developer and District.

DATED AND EXECUTED at _____, Washington, this _____ day of _____, 20__.

NORTH CITY WATER DISTRICT

(Developer)

By _____

By _____

Its _____

Its _____

STATE OF WASHINGTON)
) ss:
COUNTY OF _____)

I, the undersigned, a notary public in and for the State of Washington, do hereby certify that _____ personally appeared before me, to me known to be the _____ of the North City Water District, that said person acknowledged that he/she signed this instrument, and on oath stated that he/she was authorized to execute the instrument, and acknowledged the execution to be the free and voluntary act and deed of the North City Water District for the uses and purposes mentioned in the instrument.

Dated this ___ day of _____, 20__.

(Type/Print Name)
Notary Public in and for the State of Washington,
residing at _____.
My appointment expires: _____.

STATE OF WASHINGTON)
) ss:
COUNTY OF _____)

I, the undersigned, a notary public in and for the State of Washington, do hereby certify that _____ personally appeared before me, the _____ of _____, that said person acknowledged that he/she signed this instrument, and on oath stated that he/she was authorized to execute the instrument, and acknowledged the execution to be the free and voluntary act and deed of such corporation for the uses and purposes mentioned in the instrument.

Dated this ___ day of _____, 20__.

(Type/Print Name)
Notary Public in and for the State of Washington,
residing at _____.
My appointment expires: _____.

EXHIBIT A

Legal Description of Developer's Property

EXHIBIT B

Legal Descriptions of Benefited Properties

EXHIBIT C

As-Built Drawing of the Extension Facilities, Identifying the Reimbursable Facilities

EXHIBIT D

Statement of Reimbursable Costs

EXHIBIT E

Schedule of Reimbursement Charges for Benefited Properties