

SILVER LAKE WATER DISTRICT  
SNOHOMISH COUNTY, WASHINGTON  
RESOLUTION NO. 538

A RESOLUTION of the Board of Commissioners of Silver Lake Water District, Snohomish County, Washington, adopting a standard Reimbursement Agreement for property owners and providing for a reimbursement assessment process and repealing Resolution 445.

WHEREAS, RCW 35.91, and 57.22 authorize Reimbursement Agreements for monies advanced in the construction of water or sewer facilities by property owners; and

WHEREAS, numerous reimbursement agreements with property owners have been processed by the District, and

WHEREAS, based on such experience the Board of Commissioners find that it is in the best interest of the public and the District to update and clarify the procedures for determining Reimbursement Agreements and Reimbursement Connection Charges with property owners;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF SILVER LAKE WATER DISTRICT, SNOHOMISH COUNTY, WASHINGTON AS FOLLOWS:

Section 1. A property owner seeking to connect to the District water or sewer system by means of a Developer Extension Agreement shall indicate whether a Reimbursement Agreement is requested. If a Reimbursement Agreement is requested, the property owner shall submit project plan, map or diagram of the benefited area prepared by a licensed professional engineer, ownership reports on properties within the benefited areas, actual costs of the project and such other information as the District may require. Actual costs shall include design, engineering, installation and restoration costs of the project.

Section 2. Property owners requesting a Reimbursement Agreement shall submit a non-refundable payment in the amount of \$3,000.00 and \$300.00 per parcel in the benefited area to be applied to the District's legal, engineering and administrative costs associated with preparing the Reimbursement Agreement, which costs shall be included as reimbursable costs in the Reimbursement Agreement; provided that whenever District engineering, legal and administrative costs exceed the payment required herein, the District shall not submit the Reimbursement Agreement to the Commissioners until such costs have been paid in full.

Section 3. Upon receipt of the completed Reimbursement Agreement, the information requested therein and the required payment, the District shall direct its Engineer to review the project and to designate by legal description the area of real property benefited by the project.

Section 4. The District's Engineer shall ascertain the legal description of individual parcels within the benefited area and confirm the names of the owners of record of such parcels and he shall determine the eligible reimbursable costs of the project and the individual parcels' estimated "fair pro rata share" of cost of the project. The District shall use that method of allocation of costs that, in the judgment of the District, most fairly allocates such costs among the affected properties.

Section 5. Upon determination of the fair allocation of costs based on the actual project costs, the benefit area and the properties included therein the completed Reimbursement Agreement signed by the property owner shall be considered for approval by the District Commissioners. Upon approval and signing of the Reimbursement Agreement, the District shall notify the record owners of properties within the benefit area, by certified mail, of the assessment area, the assessment share and the owner's right to request a hearing in writing within twenty days of the mailing of the notice of reimbursement connection charges. Upon receipt of a timely request in writing for hearing from a property owner within the assessment area, the District shall schedule a hearing on the designated reimbursement area and the estimated fair pro rata share of costs. The property owner requesting the Reimbursement Agreement shall be in attendance at the hearing. Failure of the property owner to attend shall result in rejection of the request for Reimbursement Agreement. At the hearing, the Commissioners shall establish the reimbursement area and the reimbursement connection charge for properties within the assessment area; provided that the Commissioners may only increase the reimbursement area upon new notice to the owners of the affected property. The Commissioners may accept, modify or reject the proposed Reimbursement Agreement and the benefit area and reimbursement connection charges. Should a hearing occur, the District and the property owner shall reconfirm the Reimbursement Agreement.

Section 6. Upon final approval of the Reimbursement Agreement, such agreement and the resolution approving it shall be recorded, at the expense of the property owner, with the Snohomish County Auditor's Office Snohomish County Washington. The District's obligation to collect pursuant to the reimbursement agreement shall not arise until the District has been served with proof of recording.

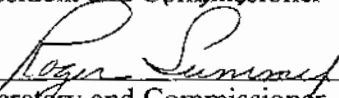
Section 7. The District will use its best effort to collect and distribute the funds pursuant to the process set forth herein. The District, its officials, employees, or agents shall not be held liable or responsible for failure to implement any of the collection provisions of a reimbursement agreement, unless such failure was willful or intentional. The District is acting in the capacity of a collection agent and is not obligated to make any payment except those amounts actually collected pursuant to a reimbursement agreement. The reimbursement connection charge will be collected whenever the owner of a benefited property seeks to connect to the system identified in a Reimbursement Agreement. Reimbursement connection charge funds shall be deposited into the District's maintenance and operations fund and, after the District's deduction for administration costs of not more than 10%, the balance of said funds shall be distributed within 60 days from the receipt of the funds to the designee(s) identified in the Reimbursement Agreement. Funds undeliverable two years after receipt shall inure to the District's Capital Improvement Fund. The District makes no guarantee that any reimbursement will be collected or paid during the term of its agreement. The District takes no responsibility to defend legal challenge to a Reimbursement Agreement with Developer or to the process provided for establishing or collecting such reimbursement charges. Any challenge to District's authority or process for a reimbursement agreement will not be defended by District. District may tender defense of the reimbursement agreement or process establishing or collecting such reimbursement charges to Developer.

Section 8. As an alternative to financing projects solely by owners of real estate in accordance with this resolution and Ch. 57.22 RCW, the District may join in financing of improvement projects and may be reimbursed in the same manner as the owners of real estate who participate in the projects, if the District has specified the conditions of its participation in a resolution.

Section 9 Resolution 445 of the Silver Lake Water District is hereby repealed in its entirety.

ADOPTED BY THE BOARD OF COMMISSIONERS OF SILVER LAKE WATER DISTRICT, SNOHOMISH COUNTY, WASHINGTON, AT A REGULAR MEETING THEREOF HELD THIS 20<sup>th</sup> DAY OF December, 2001.

  
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President and Commissioner

  
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Secretary and Commissioner

  
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Commissioner

#### CERTIFICATION

I, the undersigned, Secretary of the Board of Water Commissioners of Silver Lake Water District, Snohomish County, Washington (the "District"), hereby certify as follows:

1. The attached copy of Resolution No. 538 (the "Resolution") is a full, true and correct copy of the Resolution duly adopted at a regular meeting of the Board of Water Commissioners of the District held at the regular meeting place thereof on December 20, 2001, as that Resolution appears on the minute book of the District; and the Resolution will be in full force and effect immediately following its adoption; and

2. A quorum of the members of the Board of Water Commissioners was present throughout the meeting and a majority of those members present voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this 20<sup>th</sup> day of December 2001.

SILVER LAKE WATER DISTRICT,  
SNOHOMISH COUNTY, WASHINGTON

  
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ROGER SUMMY, Secretary