

Reimbursement Area

The District may extend or permit to expand its distribution system through water main extensions, hydrant installations, etc. Expansions at the request of private parties will be made by application of one or more property owners to be benefited by the said extension and only after the applicant or applicants have made a deposit equal to the estimated cost of the expansion.

The applicant(s) shall pay for the total cost of the expansion. The applicant(s) shall have the right to establish a reimbursement area (RA) to compensate them for portions of the cost of the expansion.

No applicant shall be entitled to formation of a RA unless the applicant first certifies, in writing, to the District that the solicitation of bids for the construction of the project was publicly offered, with proof of advertisement, and the contract was awarded to the lowest and most responsible bidder.

In order for the applicant(s) to establish a RA, written notice of intent to form a RA must be given to the District prior to receiving approval of the project. A written notice to the District shall be made within 60 days after the completion and acceptance of the project for which the reimbursement is being requested, which shall include the costs for the project. The applicant will enter into an agreement with the District setting forth the conditions of reimbursement within 120 days of the completion and acceptance of the project.

The District shall prepare a reimbursement area map at a scale of not less than 200' to the inch. The RA Map shall specifically identify the terminus of the existing main, the exact location, route and distance of the main extension and the reimbursable area to be benefited by the project.

At the time of the application, the applicant for said RA shall tender to the District an application fee equal to 0.5% of the estimated project cost provided however that application fee shall not be less than five hundred dollars.

For a period of fifteen (15) years from the date of the formation of the RA, each new applicant for service shall be required to pay a pro rata share in the initial cost of the line, which shall be calculated by the District. In determining the pro rata share attributable each property within the RA, the District shall determine the respective benefit to be received by each area, together with the distance from the property, the proposed and contemplated uses and density of the property and such other factors as may be relevant in arriving at said pro rata share. The determination of the pro rata share for each property shall be determined at the time of the formation of the RA. Notwithstanding the foregoing, the District shall be empowered to equitably divide the obligation of the property within the RA upon sale or partition of the property within the RA.

The total initial cost shall be adjusted by the rate of inflation in the construction industry starting at the final date of acceptance by the District and shall use the engineering news record cost index as its basis of adjustment. The base index shall be the index reported by the engineering news record publication closest to the date of acceptance of the project. In no event shall the pro rata share be less than the pro rata share would have been at the time of the construction. Each new applicant for a service connection will be required to pay to the District, for reimbursement to the person, group, association, partnership, corporation, or District that made the expansion, for their pro rata share before they are permitted

to connect to the expansion. If the system expansion was completed by individuals other than a group, association, partnership or corporation, collected reimbursements will be made to the present day owners of the parcels that originally received benefit from the expansion. If the system expansion was completed by a group, association, partnership or corporation, it shall be the responsibility of that entity to provide the District with any address or corporate officer change within 30 days of occurrence. In the event that the District cannot contact the entity or forward a reimbursement via "certified" mail using the contact information the District has in its possession, the District shall consider the entity has abandoned its right for reimbursement. At that time, the District Board of Directors will continue to collect the reimbursement for the remaining term of the original 15 year term and use those collected funds for the enhancement of the overall distribution system. After fifteen (15) years from the date of the expansion has been put into service, an applicant desiring to connect to the line may do so without having to pay the pro rata share. Subsequent extensions located outside of the established reimbursement area shall be treated as new extensions and shall not affect the calculating of service units of the original extension nor will such extensions be required to share in the cost of the original extension.

Notwithstanding any of the conditions hereinbefore specified pertaining to the fifteen (15) year limit to collect from new applicants a pro rata share of the costs of new lines, the District is exempt from the fifteen (15) year limitation and the District will collect from all new applicants their pro rata share for such service connections until the District's total initial cost is reimbursed.