



AFTER RECORDING RETURN TO:

Robert W. Johnson P.L.L.C.
P.O. Box 1400
Shelton, WA 98584

AGREEMENT FOR REIMBURSEMENT
OF WATER EXTENSION EXPENSES
(LATECOMER AGREEMENT)

This Agreement, entered into this 14th day of February, 2012, between the City of Shelton, a municipal corporation, hereinafter referred to as the "City", and Public Utility District No. 3 of Mason County, a municipal corporation, hereinafter referred to as "PUD 3":

WITNESSETH:

WHEREAS, the City of Shelton owns and operates a public water system for purposes of supplying potable water for residential, commercial, industrial, and other public and private use and is authorized to supply water outside of its city limits;

WHEREAS, PUD 3 has entered into a Utility Extension Agreement with the City of Shelton, dated August 24, 2009, to extend the City's water facilities to its property located at 2621 E. Johns Prairie Rd. Shelton, WA., including Mason County Parcels No. 320043200010, 320043200020, and 320043300000 ("the Property"), said facilities hereinafter referred to as "the Extension";

WHEREAS, the Utility Extension Agreement requires the City to administer a latecomer agreement to collect reimbursements for PUD 3, of the fair pro rata share of the construction costs of the Extension, from property owners who do not contribute a pro rata share to construction of the Extension, but hereinafter connect to the Extension;

WHEREAS, the City and PUD 3 desire to provide for the administration of this latecomer agreement pursuant to Chapter 35.91 RCW and to set forth herein the reasonable rules and regulations for administration thereof.

NOW THEREFORE, IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. PUD 3 has completed the construction of the Extension pursuant to the terms of the Extension Agreement and has conveyed the Extension to the City.
2. For a period of twenty (20) years from the date hereof, the City shall collect from all persons desiring to connect to the Extension a fair pro-rata share of the costs to construct the Extension.
3. An extension to the twenty-year reimbursement period may be made by amendment of this Agreement for a time not to exceed the duration of any moratorium, phasing

ordinance, concurrency designation, or other governmental action that prevents making applications for, or the approval of, any new development within the benefit area for a period of six months or more. Upon the extension of the reimbursement period, an amendment to this Agreement must specify the duration of the contract extension and must be filed and recorded with the county auditor by the City. Property owners who are subject to the reimbursement obligations shall be notified by the City of any extension filed under this subsection.

4. No person, firm, or corporation shall be granted a permit or be authorized by the City to connect or use the Extension for the time period in which this Agreement is in place, without first paying to the City for its own account for such connection or use, the amount required to reimburse PUD 3 for the pro rata share of cost of said construction, hereinafter latecomer fee. All sums so received by the City shall be remitted to PUD 3 within sixty (60) days after the receipt thereof.
5. Attached hereto as Exhibit "A" and incorporated by this reference is a listing of the costs of construction of the Extension, including all applicable sales taxes together with a listing of the benefit area which represents properties that may connect to or use the Extension. The Benefited area is defined as all properties within the John's Prairie Road Industrial Area within the UGA which can be connected to the Extension directly or through lateral extensions. The parcel numbers of the benefited property is listed on Exhibit "A".
6. The latecomer fee for each individual parcel was calculated using an estimate of the parcel's acreage and its front footage which was thereafter modified for its zoning/land use designation. Variation in actual acreage or front footage from estimated acreage used in the formula will not change the latecomer fee unless the variance in exceeds twenty percent (20%). The calculation of each benefited parcels latecomer fee has been determined as set forth in Exhibit "A".
7. Prior to the City authorizing any new connection to the Extension, there shall collect from the owner/applicant a sum equal to the amount provided in Exhibit "A" as the fair pro rata share due from such owners upon and for the Extension. Such sums shall be remitted to PUD 3 within thirty (30) days of receipt.
8. Whenever any connection is made into the Extension without such payment having first been made in accordance with this Agreement, the City may remove or cause to be removed such unauthorized connection and all connecting lines or pipes located in the facility right-of-way and dispose of such material removed without any liability whatsoever.
9. PUD 3 has entered into an interlocal agreement with the Port of Shelton for the construction of the Extension.
10. The Port of Shelton shall not be subject to a latecomer assessment pursuant to RCW 35.91.020. The City shall allow the Port of Shelton properties located in the benefited


area to connect to the Extension without paying the latecomer assessment, provided, however, that the Port of Shelton must fully satisfy all other City requirements for connecting to the water system and pay all other applicable fees.

11. PUD 3 shall defend, indemnify, and hold the City harmless for any claims arising from any contract or agreement, written or oral, PUD 3 enters into with any Partnering Entities with regard to the distribution, assignment, or sharing of latecomer reimbursements.


Dated this 14th day of January, 2012

City of Shelton

Mason County PUD 3



Dave O'Leary, City Administrator



Wyla Wood, Manager

ATTEST:



Vicki Look, City Clerk

EXHIBIT A

Mason County PUD No. 3 - Johns Prairie Water Line Extension Project

Johns Prairie Water Main Extension

Water Main Construction Costs

Construction Cost	\$ 1,272,500.72
Construction Sales Tax	\$ 106,336.45
<i>Subtotal Construction</i>	<u>\$ 1,378,837.17</u>

Water Main Administration & Engineering

Engineering & Design	\$ 271,363.42
Legal Fees	\$ 4,970.00
Project Management	\$ 125,512.54
<i>Subtotal A&E</i>	<u>\$ 401,845.96</u>

Total Water Main Construction \$ 1,780,683.13