



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Michael Glaze, General Manager

DATE: June 20, 2006

**RE: Ishi Hills Middle School Mainline Interconnection – Reimbursement Agreement
Agenda Item for 6/27/06 Board of Directors Meeting**

OCESD was required to fund an interconnection of Agency water mains to facilitate adequate fire-flow for the new school site on Foothill Boulevard. The project – constructed by SFWPA forces – connected an existing main at the school frontage to one at the intersection of Foothill Boulevard and Hildale Avenue. The total project cost was \$98,204.

Part A, Section 3c of the Agency's Rules and Regulations authorizes reimbursement agreements for property owners who extend water mains that have the potential of benefiting other property owners.

“When a parcel owner...extends [a] main, other parcels that front on the extended main will be eligible to take service therefrom. When other such parcels have the opportunity to take service from such an extended main, it is reasonable that the parcel owner...that extended the main be reimbursed a portion of their cost within a [maximum of ten years].

Five undeveloped parcels have frontage along Foothill Boulevard and the new mainline interconnection. As detailed in the attached proposed reimbursement agreement, the development of each of those parcels can be estimated on the basis of the number of equivalent residential units that could be built on them, given their size, zoning, and general plan designation. Using the total development potential of all five of those parcels together with the school property as 100%, the future apportionment of the interconnection's cost for reimbursement purposes would be as follows:

Assessor's Parcel Number (APN)	Potential Equivalent Residential Units	Proportionate Benefit	Proportionate Cost
013-290-024	22	9.2%	\$9,040
013-290-026	100	41.8%	\$41,089
013-290-027	86	36.0%	\$35,337
013-300-083	3	1.3%	\$1,233
068-230-040	25	10.5%	\$10,272
068-280-011	3	1.3%	\$1,233

(APN 013-290-024 is the Ishi Hills Middle School property.)

The board of education for OCESD has reviewed and approved the proposed reimbursement agreement, and given that it conforms to Agency policy and is in a form that has been approved by legal counsel, I am recommending the following action.

"I move adoption of Resolution 06-6-2, approving a reimbursement agreement with Oroville City Elementary School District for the Ishi Hills Middle School mainline interconnection project."



SOUTH FEATHER WATER & POWER AGENCY

RESOLUTION OF THE BOARD OF DIRECTORS

RESOLUTION No. 06-6-2

APPROVAL OF REIMBURSEMENT AGREEMENT ISHI HILLS MIDDLE SCHOOL MAINLINE INTERCONNECTION PROJECT

WHEREAS, Oroville City Elementary School District funded construction of a mainline interconnection for the purpose of providing adequate pressure and volume to the Ishi Hills Middle School at a total cost of \$94,204; and,

WHEREAS, Part A, Section 3c of the Agency's Rules and Regulations authorizes reimbursement agreements for property owners who extend water mains that have the potential of benefiting other property owners.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the South Feather Water and Power Agency, that the President of, and Secretary to the Board of Directors be authorized to execute and record the Reimbursement Agreement with Oroville City Elementary School District for the Foothill Boulevard mainline interconnections funded by the school district to ensure adequate water pressure and volume for its Ishi Hills Middle School development.

PASSED AND ADOPTED by the Board of Directors of the South Feather Water and Power Agency at the regular meeting of said Board on the 27th day of June, 2006, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

(seal)

Louis F. Cecchi, President

Michael C. Glaze, Secretary

RECORDING REQUESTED BY:

SOUTH FEATHER WATER
AND POWER AGENCY

When Recorded Mail To:

SOUTH FEATHER WATER
AND POWER AGENCY
2310 ORO-QUINCY HIGHWAY
OROVILLE, CA 95966

(SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY)

REIMBURSEMENT AGREEMENT

THIS AGREEMENT made and entered into this 27th day of June, 2006, by and between OROVILLE CITY ELEMENTARY SCHOOL DISTRICT, hereinafter referred to as "District," and SOUTH FEATHER WATER AND POWER AGENCY, hereinafter referred to as "Agency."

RECITALS

WHEREAS, District has caused to be constructed by Agency force account, at its sole cost and expense, extension of the existing water main within Foothill Boulevard right of way from a point 304' south of the southwest frontage corner of the Ishi Middle School property – being that certain parcel identified by assessor's parcel number (APN) 068-230-040 – to interconnect with an existing water main at the northeast corner of the intersection of Foothill Boulevard and Hildale Avenue; and,

WHEREAS, construction of said water main interconnection was necessary to ensure adequate water pressure and volume for the new Ishi Middle School; and,

WHEREAS, said interconnecting water main has been accepted by the Agency into its owned and maintained system; and,

WHEREAS, the full development of other parcels fronting Foothill Boulevard in the vicinity of District's Ishi Middle School is also facilitated and made possible by construction of the water-main interconnection, and Agency has determined that it is reasonable that District be reimbursed a portion of its cost of installation of the interconnecting water main in the event said parcels connect to Agency's water distribution system within a specified period of time.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein, the parties hereto mutually agree as follows:

1. Recitals. The recitals above are incorporated into this Agreement.
2. District Entitled to Reimbursement. Agency agrees that District has incurred expenses for the cost of construction of the interconnecting water main that directly benefits certain undeveloped parcels in the vicinity of District's Ishi Middle School and, therefore, it is reasonable that those parcels reimburse

District for a share of said main's expenses. Benefiting parcels and their respective proportionate share of the cost for the subject mainline interconnection are:

APN	Number of Parcels	Percentage	Amount
013-290-024	22	9.2%	\$9,040
013-290-026	100	41.8%	\$41,089
013-290-027	86	36.0%	\$35,337
013-300-083	3	1.3%	\$1,233
068-230-040	25	10.5%	\$10,272
068-280-011	3	1.3%	\$1,233

3. Collection of Reimbursement Fees for District. Agency shall attempt to collect and recover a reimbursement fee at the times prescribed herein and in the amount specified above that reflects each parcel's reasonable share of the cost of installation of said mainline interconnection. After receiving said monies, Agency shall disburse said monies to District, its successors or assigns at the mailing address listed for District in this Agreement.

It is expressly understood and agreed to by the parties hereto that Agency is not liable for, nor responsible for any share of said reimbursement to District, but the Agency is only serving to attempt to collect said reimbursement expenses from those parcels listed above at the time they request water service from the Agency, and Agency shall not bear any responsibility for any share of District's installation expenses in the event it is unsuccessful in said collection efforts. Agency shall not be obligated to litigate and/or enforce payment of said reimbursement expenses through judicial or administrative actions.

4. Eligible Cost of Improvements Subject to Reimbursement. It is hereby agreed that the total cost of construction of the water main and appurtenances is \$98,204.

It is further agreed that the share of said facilities properly chargeable to the intervening parcels who may connect thereto, who are not part of this Agreement and who paid no share of said costs, shall be as follows:

APN 013-290-024	\$9,040
APN 013-290-026	\$41,089
APN 013-290-027	\$35,337
APN 013-300-083	\$1,233
APN 068-280-011	\$1,233

5. Maximum Reimbursement Due District. It is expressly agreed by the parties hereto that the maximum reimbursement District shall be entitled to receive shall be \$87,932.

6. No Reimbursement for Extensions. It is expressly understood and agreed by the parties hereto that there is no reimbursement provided for in this Agreement, nor is District entitled to any reimbursement, for water service connections made to future extensions of the water-main interconnection that has been

funded by District.

7. Agency Fees. It is agreed by the parties hereto that nothing in this Agreement shall be construed to relieve connectors to the water main for paying all applicable fees and charges of the Agency in connection with water service from the Agency, this reimbursement fee being in addition thereto.

8. Duration and Termination. It is agreed that it would be administratively burdensome and unreasonable for the Agency to continue to attempt to collect reimbursement expenses under this Agreement for more than ten (10) years and, therefore, it is agreed that no reimbursements shall be made to District, nor shall any reimbursement recovery be attempted by Agency, after the expiration of ten (10) years from the date of this Agreement.

9. Notices. The mailing address of Agency and District for purposes of giving notice and making reimbursement pursuant to this Agreement is as follows:

AGENCY

South Feather Water and Power Agency
2310 Oro-Quincy Highway
Oroville, California 95966

DISTRICT

Oroville City Elementary School District
2795 Yard Street
Oroville, California 95966


IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

SOUTH FEATHER WATER AND POWER AGENCY

By _____
Louis F. Cecchi, President

By _____
Michael C. Glaze, Secretary

OROVILLE CITY ELEMENTARY SCHOOL DISTRICT

By  _____
DONALD L. TEMPLEY, Ed.D., SUPERINTENDENT

By _____