



**CITY OF WENATCHEE**

P.O. BOX 519 • WENATCHEE, WASHINGTON 98807-0519 • (509) 888-3200

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**DEPARTMENT OF PUBLIC WORKS  
PRE-APPROVED PLANS POLICY**

**Policy G-9: UTILITY REIMBURSEMENT AGREEMENT**

**Purpose**

The purpose of this chapter is to prescribe rules and regulations for the City to exercise the authority granted by RCW Chapter 35.91 to enter into a Utility Reimbursement Agreement (also commonly referred to as latecomers' agreements). The rules and regulations included in this chapter are based on Wenatchee's interpretation that RCW Chapter 35.91 contemplates that reimbursement agreements will be executed prior to commencement of construction.

**Definitions**

- A. **Cost of Construction** - means those costs incurred to design and construct new water or sewer facilities compliant with City Standards. These costs include but are not limited to costs for design, acquisition for right-of-way and/or easements, construction, materials and labor required in order to complete the utility facility. Until such time as RCW Chapter 35.91 is amended to expressly authorize interest charges or other financing costs, such expenses shall not be included in the calculation of construction costs. In the event of a disagreement between the City and the applicant concerning the cost of the improvement, the City Engineer's determination shall be final.
- B. **City Engineer** - means the City Engineer or their designated representative.
- C. **Project Engineer** – means the applicant's engineer that designed the new utility facility.
- D. **Reimbursement Agreement** - means a written contract between the City and the party providing for construction of new water or sewer facilities, as more specifically described in RCW Chapter 35.91.
- E. **Water or Sewer Facilities** - shall have the meaning specified in RCW 35.91.015 as it now reads, or as hereafter amended.

**Minimum Project Size**

In order to be eligible for a Reimbursement Agreement, the estimated Cost of Construction for the proposed utility facility must not be less than ten thousand dollars (\$10,000). The estimated cost shall be determined by the Project Engineer, based upon a construction contract for the project, bids,

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engineering or architectural estimates or other information deemed by the Project Engineer to be a reliable basis for estimating costs.

### **Application**

An application for Reimbursement Agreement shall be made on a form provided by the City. The application fee shall be 1% of the itemized Cost of Construction covered in the Reimbursement Agreement and shall be submitted to the City with the written application. The following items shall be included with the written application:

- A. Preliminary utility design drawings;
- B. Itemized estimate of Cost of Construction or City standard Improvement Evaluation Packet, prepared and signed by a licensed civil engineer; or a copy of a bid submitted by a qualified contractor (if more than one bid has been obtained, all bids must be submitted to the City);
- C. A scaled vicinity map drawing on eight-and-one-half-inch by eleven-inch paper, stamped and sealed by a licensed civil engineer or licensed land surveyor, depicting the improvements, their location, and the proposed benefited area. The vicinity map shall include dimensions and county assessor's numbers for each tax parcel, size of parcels, and evaluations where necessary for determining benefits;
- D. A separate legal description for each tax parcel within the benefited area; and
- E. Such other information as the City Engineer determines is necessary to properly review the application.

### **Length of reimbursement provision**

The Reimbursement Agreement shall be in effect for 20 years from the effective date of the Agreement.

### **Engineer's determination—Review by City Engineer**

- A. The City Engineer will review all applications and shall approve the application if the following requirements are met:
  - 1. The project satisfies the minimum size requirement;
  - 2. The proposed improvements fall within the description of water or sewer facilities as described in RCW Chapter 35.91; and
  - 3. The proposed improvements are not constructed or currently under construction.
- B. In the event all of the above criteria are not satisfied, the City Engineer may condition approval as necessary in order for the application to conform to such criteria, or will deny the application. The final determination of the City Engineer will be in writing.

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- C. In reviewing a final determination, the Mayor shall apply the criteria set forth above, and shall uphold the decision of the City Engineer unless evidence presented by the applicant clearly demonstrates that the criteria have been satisfied.

**Determination of reimbursement area and reimbursement fee**

For all applications which are approved, the City Engineer will approve the reimbursement area. The reimbursement area shall be comprised of the parcels which benefit from the new water or sewer facility but did not contribute to the Cost of Construction for the facility. Benefitting parcels include those that have a direct connection to the new utility facility as well as those who may connect to laterals or branches connecting thereto. A fee shall be assigned to each benefited property within the reimbursement area for reimbursement for a proportional share of the Cost to Construct the new utility facility. The reimbursement fee shall be proportional to the benefits which accrue to each property as a result of the new utility facility.

**Reimbursement Agreement must be recorded**

In order to become effective, a Reimbursement Agreement must be recorded with the Chelan County Auditor. It shall be the sole responsibility of the applicant to verify the Agreement has been recorded. Once recorded, the Reimbursement Agreement shall be binding on all real property within the assessment area, even those properties and owners who are not parties to the Agreement.

**Written Agreement—Payment of City costs in excess of application fee**

- A. Upon approval of the application, determination of the estimated Costs of Construction, and determination of the reimbursement area and estimated fees, the applicant shall sign a Reimbursement Agreement in the form supplied by the City, and in accordance with RCW 35.91. The signed Agreement, the application, and supporting documents, together with the Project Engineer’s estimate of cost of construction and the determination of reimbursement area and estimated fees, shall be presented to the Mayor. The Mayor, upon City Council approval, is granted the authority to sign reimbursement agreements on behalf of the City.
- B. In the event that costs incurred by the City for engineering or other professional consultant services required in processing the application exceed the amount of the application fee, the City Engineer shall so advise the Mayor and the Mayor’s approval shall be conditioned upon receipt of payment by the applicant of an additional amount sufficient to compensate the City for its costs in excess of the application fee.

**Construction and acceptance of improvements—Recording of final fees**

- A. After the Reimbursement Agreement has been signed by both parties, and all necessary permits and approvals have been obtained, the applicant shall construct the new utility facility. Upon

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completion of construction, the applicant shall request final inspection and acceptance from the City of the new utility facility, subject to any required obligation to repair defects. An appropriate bill of sale, easement and any other document needed to convey the new utility facility to the City and to ensure right of access for maintenance and replacement shall be provided by the applicant, along with documentation of the actual Cost for Construction for the new facility. Additionally, the applicant shall provide verification that all of such costs have been paid.

- B. Prior to recording of the agreement, the Project Engineer shall recalculate the fees based on actual invoiced costs and adjust the latecomer fees accordingly.

### **Collection of reimbursement fees**

Subsequent to the recording of the Reimbursement Agreement, the City shall not permit connection of any property within the reimbursement area to the new sewer or water facility constructed pursuant to the Reimbursement Agreement, unless the share of the costs of such facilities required by the recorded Agreement is first paid to the City.

Upon receipt of any reimbursement fees, the City will deduct a ten percent (10%) administrative fee, and remit the remaining balance of the reimbursement fees to the party entitled to the fees pursuant to the Agreement.

### **Segregation of reimbursement fees**

The Reimbursement Agreement shall provide that the City is authorized to make segregation or adjustments to reimbursement fees because of subdivision or boundary line adjustment of the benefited properties. The segregation or adjustment shall generally be made in accordance with the method used to establish the original reimbursement fees. Segregation or adjustment shall not increase or decrease the total reimbursement fees to be paid.

### **Notice of contract information**

The Reimbursement Agreement shall include a provision that requires that any party entitled to reimbursement under the Agreement provide the City current contact information including name, address and telephone number. Per RCW 35.91.020, this contact information shall be provided every two years from the date of the Agreement. If a party entitled to be reimbursed fails to notify the City of current contact information within sixty days of the due date for notification that party will no longer be entitled to reimbursement and the City will collect such fees owing and deposit those fees in the appropriate utility construction fund.

### **Severability**

If any section, sentence, clause or phrase of this chapter should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this chapter.

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**DEPARTMENT OF PUBLIC WORKS  
UTILITY REIMBURSEMENT AGREEMENT CHECKLIST**

Permit No.: \_\_\_\_\_ Date: \_\_\_\_\_

Project Name: \_\_\_\_\_

Reviewer Name: \_\_\_\_\_

This checklist is provided for the express purpose of compiling information for submittal to the City of Wenatchee Public Works Department. This checklist is merely a guide to assist the applicant and the design engineer in providing the minimum information required for a Utility Reimbursement Agreement. The City may require additional information not included on this checklist. This checklist may be revised from time to time and the design engineer should ensure that they have the most recent copy prior to compiling a design (for more information on Latecomer Agreements please go to RCW 35.91.020).

The following items are required on all Utility Reimbursement Agreement submittals:

- 1. Detailed plans for the public sewer system to be installed.
- 2. An Engineer's cost estimate, stamped by the Engineer, showing an itemized breakdown of all costs to be reimbursed.
- 3. Legal descriptions of all parcels that make up the Property referenced in the Reimbursement Agreement. Provide this information in both electronic (e.g., MS Word or Excel) and hardcopy form. (see attached Example 2- City can provide Excel Spreadsheet for this worksheet)
  - a) Label descriptions as Exhibit A1, A2, A3, etc. depending on the number of parcels being described.
  - b) If the Property has a project name, write the name and parcel number at the top of the legal description.
  - c) Include page numbering for the Property legal. Even if it is one page, label the page as Page 1 of 1.
- 4. Tributary service area map
  - a) Label map as Exhibit B - Tributary Service Area Map.
  - b) Include a title for the map. The title shall include the name of the project.
  - c) Information to show on the map shall include:
    - i. The name, address, and phone number of the person who developed the map.
    - ii. The boundary of the Tributary Service Area.
    - iii. Property boundary of the Property that is subject to the Agreement
    - iv. The proposed public utility line (solid line) that is to be installed under the Latecomer Agreement project (for sewer include manholes, manhole numbers, flow direction arrows, diameter and length of pipe).

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- v. The existing utility line (dashed line) that the proposed line ties into (Include manhole(s), City of Wenatchee manhole #(s), flow direction arrows, diameter and length of pipe).
- vi. Label the Property by its project name shown on the legal description.
- vii. A legend describing all lines and symbols used. (i.e. property boundaries, tributary service area boundaries, existing sewer line, proposed sewer line, manholes, etc.).
- viii. Include the Applicant's name and address on the map.
- ix. Match lines if more than one sheet is needed for map.
- x. Map shall be on 11" x 17" or 22" x 34" sheet.
- xi. Provide a copy of the final map in a PDF format  
 Note: Two (2) copies of the map shall be submitted for review. Once the review is completed, five (5) copies of the map are needed for the Latecomers Agreement.
- 5. Provide a list of all the parcel numbers of all the parcels within the Tributary Service Area. Provide the property owners name(s), site addresses, and mailing addresses for the properties that are adjacent to the proposed sewer line extension.
- 6. Upon completion of construction, the owner shall provide itemized copies of all invoices for costs related construction of the facilities. The invoices shall be numbered and labeled as to which item in the Engineer's Estimate they pertain. The Engineer shall submit a package containing the itemized invoice copies, the original Engineer's Estimate, and a summary comparing actual vs. estimated costs.