

**MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER**

To: **BOARD OF SUPERVISORS**

Date: **AUGUST 5, 2008**

From: **JAMES DURFEE / WILL DICKINSON** *W.D.*

Subject: **REIMBURSEMENT AGREEMENT WITH LYLE ETHINGTON AND DAVID HODSON, SEWER MAINTENANCE DISTRICT 2 (SMD 2)**

ACTION REQUESTED / RECOMMENDATION: Adopt the attached Resolution approving a reimbursement agreement for sewer improvements with Lyle Ethington and David Hodson and authorize the Chairman to execute said agreement.

BACKGROUND: Pursuant to Chapter 13 of the Placer County Code, a property owner who constructs sewer improvements that benefit other properties may be eligible for reimbursement of the direct costs of making those improvements. The County is responsible for negotiating a reimbursement agreement, collecting a fair share of the cost from any benefiting property owner that purchases a sewer permit within ten years after execution of the agreement, and transmitting those funds to the property owner that constructed the improvements. A reimbursement fee is due only if a benefiting property owner chooses to connect to the sewer system or is forced to connect when seeking building permits for a major remodel or new construction.

Lyle Ethington and David Hodson constructed 1,448 lineal feet of six-inch gravity sewer line along Fargo Lane and an unnamed private road, all in the Granite Bay area. This public sewer will benefit the Ethington and Hodson properties, consisting of three parcels, and has the potential to benefit seven additional parcels. Pursuant to the County Code, Mr. Ethington and Mr. Hodson have requested a reimbursement agreement.

On March 13, 2008, a copy of the proposed reimbursement agreement was sent to the property owners who could be affected by the agreement. Staff was contacted by one of the property owners, who expressed concern regarding the proposed method of division, and his belief that Mr. Ethington and Mr. Hodson want to subdivide their properties into one acre lots. Staff explained that the current zoning in that area is 2.3 acre minimum lot size and that a General Plan Amendment would be required to change the zoning.

Staff has reviewed the contractor's statement of costs and support a total cost of construction in the amount of \$219,716.58. Additionally, Staff has reviewed the various methods proposed for dividing up the cost of construction and recommends an equal division of the total construction cost by the ten benefited parcels, which calculates to a reimbursement fee of \$21,971.66 per parcel. This is the methodology used in the proposed reimbursement agreement.

ENVIRONMENTAL CLEARANCE: Approval of this agreement is not a project as defined by CEQA and is not subject to environmental review.

FISCAL IMPACT: Approval of this agreement does not result in any fiscal impact to SMD 2.

ATTACHMENT: REIMBURSEMENT AGREEMENT

CC: COUNTY EXECUTIVE OFFICE

JD/WD/KK/LM

T:\FAC\BSMEMO2008\EE REIMBURSEMENT AGREEMENT ETHINGTON-HODSON

Before the Board of Supervisors County of Placer, State of California

In the matter of: A RESOLUTION APPROVING AND
AUTHORIZING THE CHAIRMAN OF THE BOARD OF
SUPERVISORS TO EXECUTE THE ATTACHED
REIMBURSEMENT AGREEMENT WITH LYLE
ETHINGTON AND DAVID HODSON

Resol. No: _____
Ord. No: _____
First Reading: _____

The following RESOLUTION was duly passed by the Board of Supervisors of the
County of Placer at a regular meeting held _____, by the following
vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:
Clerk of said Board

BE IT RESOLVED, by the Board of Supervisors of the County of Placer, State of California, that their Board approves the attached Reimbursement Agreement with Lyle Ethington and David Hodson, and

BE IT FURTHER RESOLVED that the Chairman of the Board is hereby authorized and directed to execute said Reimbursement Agreement on behalf of the County of Placer.

**REIMBURSEMENT AGREEMENT
BETWEEN THE COUNTY OF PLACER, and
LYLE ETHINGTON and DAVID HODSON**

THIS AGREEMENT made and entered into this _____ day of _____, 2008 by and between Lyle Ethington and David Hodson, hereinafter referred to as "OWNERS" and the COUNTY OF PLACER, hereinafter referred to as "COUNTY".

W I T N E S S E T H

WHEREAS, OWNERS have constructed, at their own cost and expense, sanitary sewer facilities which includes 1448.17 lineal feet of six inch sanitary sewer on, over and across their and other properties as shown on as-built plans for sanitary sewer prepared by Allen H. Bormuth, P.E., Civil Engineer, for the Ethington-Hodson Sewer Project, Project No. PN-7700, dated September 24, 2004 (the "Improvements"), and;

WHEREAS, said Improvements have been inspected and approved by the County as having been constructed of the size, depth and dimensions and placed according to the requirements of COUNTY, and are also designed and constructed to be capable of providing sewer service to other properties, and;

WHEREAS, COUNTY is willing to reimburse OWNERS for part of the cost of construction of the Improvements on the terms set forth herein:

NOW, THEREFORE, in consideration of the covenants and conditions set forth below, it is hereby agreed:

1. OWNERS convey to COUNTY all of their right, title and interest to the Improvements.
2. COUNTY hereby accepts said Improvements, all of which shall become a part of COUNTY'S system in Sewer Maintenance District No. 2, and shall thereafter be used, operated, maintained and managed by COUNTY to provide sanitary sewer service to OWNERS' properties, among others.
3. In consideration of the construction of the Improvements by the OWNERS and the conveyance thereof to the COUNTY, COUNTY agrees to use its best efforts to the extent allowed by law to collect amounts to reimburse the OWNERS for a portion of the cost of the Improvements. Reimbursement shall be made solely from fees collected when additional connections occur in the future, and only to the extent provided herein.

4. A. OWNERS and COUNTY agree that the total cost to OWNERS for the construction of the Improvements is **\$219,716.58**. It is further agreed that when the total cost of the improvements is divided up among the 10 benefited parcels, the pro rata share of the Improvements is **\$21,971.66** per parcel. The Owners share of the cost of improvements is **\$65,914.98**. This leaves a remainder of **\$153,801.60** that will be reimbursed to Owners on a parcel by parcel basis should the remainder of the benefited parcels develop within the term of this Agreement. The benefited parcels are shown below and also on Exhibit 1, attached hereto and incorporated herein by reference (the "Benefited Properties").

B. Benefited Properties

APN	Reimbursement
048-290-039-000	\$21,971.66
048-290-040-000	\$21,971.66
048-290-037-000	\$21,971.66
048-132-022-000	\$21,971.66
048-132-044-000	\$21,971.66
048-132-046-000	\$21,971.66
048-132-047-000	\$21,971.66

C. COUNTY agrees that, as a condition of issuing a sewer connection permit or will serve letter to the Benefited Properties should the owner of said property require or request sewer service, COUNTY shall endeavor to collect the amount noted above from each of the Benefited Properties.

D. Upon collection, if and only if said collection has been accomplished, COUNTY shall pay said amounts to OWNERS. It is expressly agreed that the maximum reimbursement collected by County shall be **\$153,801.60**, and that the COUNTY shall have no obligation to pay OWNERS except from monies collected as set forth herein. No interest shall accrue on said amount.

E. Nothing in this Agreement shall be construed to otherwise relieve an owner of the Benefited Properties from paying all other connection and inspection fees required by COUNTY or otherwise complying with all COUNTY requirements.

5. The County's obligation to obtain reimbursement from the Benefited Properties shall expire ten (10) years after the date set forth above.

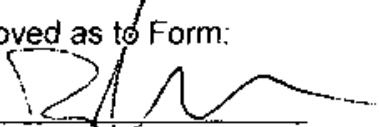
6. This Agreement shall be binding on the assigns, heirs and successors-in-interest of the parties hereto. In the event OWNERS assigns their respective right to receive any reimbursement that may come due under this Agreement, OWNERS shall provide written notice to COUNTY of said assignment. OWNERS shall be responsible for providing COUNTY with their respective address at all times.

COUNTY OF PLACER

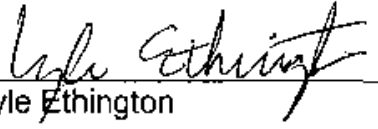
Approved:

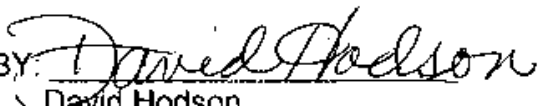
By: _____
Chairman,
Board of Supervisors

Approved as to Form:

BY: 
County Counsel

OWNERS

BY: 
Lyle Ethington

BY: 
David Hodson

Address for notices:
5878 Gibson Place
Granite Bay, CA 95746

Address for notices:
6500 Pueblo Court
Granite Bay, CA 95746

EXHIBIT 1

DOUGLAS BL

ARABIAN

SPRING

AUBURN FOLSOM RD

048-132-022

048-132-044

048-132-020

048-132-021

048-132-046

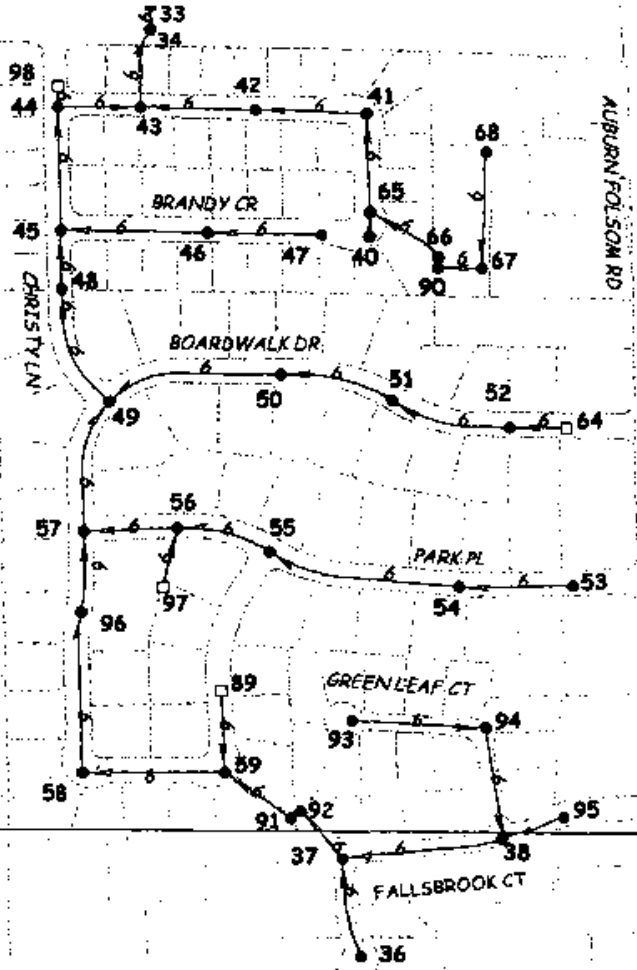
048-132-047

EUREKA RD

048-048-039
048-290-037
048-290-037
BRIDLE PATH LN

PLUMING CT

PROVIDENCE LN



PENNY LN

PURDY LN

ANN PL

PUEBLO CT

COUNTRY CT

376

