

## **RURAL WATER DISTRICT NO. 7, JOHNSON COUNTY, KANSAS**

### **REFUND POLICY FOR WATER MAIN EXTENSIONS**

**Adopted October 21, 2008**

In the event a property owner (hereinafter "Owner") wishes to have the District extend a water main (hereinafter "Main") to serve the Owner's property, the District may allow the construction of an extension of the Main (hereinafter "Extension") in accordance with the District's "WATER MAIN EXTENSION POLICY." In that event, the District may enter into a Refund Agreement with the Owner under which the Owner may receive a refund for all or part of the cost of constructing the Extension.

If an Owner wishes to have the District extend a Main, the Owner shall file an application (hereinafter "Application") for the Extension with the District. Such Application will be reviewed by the District and the District will determine, in its sole discretion, whether to grant or deny the Application. If the District approves the Application and enters into a Refund Agreement with the Owner, the Owner will pay the District, prior to construction of the Extension, the entire amount estimated by the District to be the cost of constructing the Extension (hereinafter "Construction Charge") in accordance with the Water Main extension Policy of the District. Thereafter, the District will collect an initial connection charge (hereinafter "Connection Charge") from any water user who, within 20 years of the completion of the Extension, taps on to the Extension with a service line.

The amount of the Connection Charge shall be an amount equal to the actual cost of the construction of the Extension, divided by the total number of Construction Charges and Connection Charges (including the Connection Charge to be made for the proposed connection) collected by the District related to the Extension. The District will also charge a five percent (5%) administration fee whenever a Connection Charge is assessed. Whenever connections to the Extension are approved by the District and Connection Charges are collected by the District for such connections within the above-named twenty (20) year period, the amounts of such Connection Charges shall be proportionally refunded to all persons or entities that have previously paid a Construction Charge or Connection Charge. The District will continue to assess Connection Charges until the above-named 20 year period has elapsed or until the entire cost of the Extension has been refunded, whichever comes first.

An illustration of the above-named refund policy is as follows: If the cost of an Extension is Ten Thousand Dollars (\$10,000), the Owner would pay a Construction Charge of \$10,000 to the District in advance of the construction of the Extension. If the District subsequently approved a service line connection to the Extension and determined that a Connection Charge was due, the Connection Charge for that connection would be Five Thousand Dollars (\$5,000). In addition, an administration fee of \$250 would be charged and would be retained by the District. The \$5,000 Connection Charge would be refunded to the Owner. If the District thereafter approved a second service line connection to the Extension and determined that a Connection Charge was due, the Connection Charge would be \$3,333.33. An administration fee of \$166.67 would also be charged and would be retained by the District. One-half of the \$3,333.33 Connection Charge would be refunded to the Owner and one-half would be refunded to the person or entity to whom the first Connection Charge was assessed. The refunding process would continue until the earlier of: i) the expiration of the above-named 20 year period; or ii) the date on which the entire cost of the Extension has been refunded.

In addition to the above, refunds under this Policy shall be subject to the following:

1. Refunds will be allowed only when service line connections are directly tapped to an Extension and refunds will not be allowed when additional extensions are connected to an Extension or when service lines are connected to additional extensions.
2. Refunds will only be allowed in instances where service connections are made to Extensions at a point that is not within a housing, commercial or industrial development. Refunds will not be allowed when service connections are made to an Extension at a point within a housing, commercial or industrial development.
3. Refunds will be allowed only for Extensions in areas that were undeveloped when construction of an Extension was completed.
4. The total aggregate refund for an Extension shall not exceed the cost of construction for the Extension.
5. Refunds to an Owner who pays a Construction Charge will follow the title of the property initially served by the Extension, unless such Owner designates in writing, a smaller portion of such property. In that event, refunds will follow the title of the smaller portion of property so designated. Refunds to persons or entities which pay a Connection Charge will follow the title of the property initially served by the Extension, unless such persons or entities designate in writing, a smaller portion of such property. In that event, refunds will follow the title of the smaller portion of property so designated.

All Extensions shall be the exclusive property of the District. Persons or entities assessed Construction Charges and/or Connection Charges shall have no right, title or interest in such Extensions. The District shall have all rights relating to the operation and maintenance of Extensions, and may repair or replace such Extensions or any portion thereof at any time, without the permission or consideration of the persons or entities assessed Construction Charges and/or Connection Charges.

The District shall control the design, engineering and manner of installation of all Extensions and the type and kind of materials to be used in their construction. The District shall select and contract with a contractor for the installation of all Extensions.

In accordance with the District's Water Main Extension Policy, the District may require that an Extension be constructed with pipe of a greater diameter than that required to meet the needs of an Owner filing an Application. In that event, pursuant to the terms of the Water Main Extension Policy, such Owner is obligated to pay for the costs that would have been incurred if the Extension had been constructed with pipe of the minimum diameter required to meet the needs of such Owner. In such cases, any refunds made in accordance with the above-named provisions of this Refund Policy will be based on the amount of construction costs for which such Owner is obligated to pay.

If any provision of this Refund Policy shall be determined to be void or unenforceable by an appropriate court with jurisdiction over the subject matter, then any corresponding obligations of the District to make refunds to a person or entity to which a Construction Charge or Connection Charge has been assessed, or any successor thereof, shall be null and void and unenforceable.

**RURAL WATER DISTRICT NO. 7, JOHNSON COUNTY, KANSAS  
REFUND AGREEMENT FOR WATER LINE EXTENSION**

**WITNESSETH:**

**THIS REFUND AGREEMENT** is made by and between Rural Water District No. 7, Johnson County, Kansas, (hereinafter the "District") and \_\_\_\_\_, (hereinafter "Applicant"), this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and will remain in effect for a period not to exceed twenty (20) years from the date the construction of the water main extension named below (hereinafter "Extension") is completed.

**WHEREAS:** Applicant has, pursuant to the provisions of the District's Water Main Extension Policy, advanced funds to the District in the amount of \_\_\_\_\_ Dollars, (\$\_\_\_\_\_) to be used for extending a water main to Applicant's property at \_\_\_\_\_, \_\_\_\_\_ County, Kansas, from the end of the existing \_\_\_\_\_ water line.

The Extension is approximately \_\_\_\_\_ feet in length of \_\_\_\_\_ pipe, with necessary valves and fittings. The cost of construction includes engineering, inspection and legal fees and all other associated expenses.

The District will make refunds to the Applicant as provided in the District's "Refund Policy for Water Main Extensions". The total aggregate refund shall not exceed the cost of the Extension, and any balance of funds deposited that remain un-refunded at the end of the twenty (20) year period named in that Refund Policy, will be forfeited by the Applicant to the District and all claims under this Agreement shall be cancelled. The above-named twenty (20) year period began \_\_\_\_\_, the date of completion of the Extension.

\_\_\_\_\_  
**APPLICANT**

\_\_\_\_\_  
**APPLICANT**

\_\_\_\_\_  
**CHAIRMAN  
RURAL WATER DISTRICT NO. 7**

\_\_\_\_\_  
**SECRETARY  
RURAL WATER DISTRICT NO. 7**