

# REIMBURSEMENT DISTRICTS INITIATED BY CLEAN WATER SERVICES



There are times when Clean Water Services (CWS) sees an opportunity to add valuable public infrastructure to an existing project that will benefit the community. Partnering with other jurisdictions to add sanitary sewer pipes and stormwater facilities benefits nearby properties and the general community.

An example of this is when Washington County constructs a roadway project in an urban area without sanitary sewers. CWS will sometimes coordinate construction of the sewer with the roadway project to minimize costs and disruption to the community.

Normally the cost of sewer construction is the responsibility of the property owners who directly benefit from the new infrastructure. To ease this financial burden, the CWS Board of Directors has adopted an ordinance which provides a mechanism to divide the cost equitably among the benefiting owners, as well as a financing option.

Benefiting owners are not required to pay their share immediately. A Reimbursement District (RD) must be formed, and properties only become subject to the charge when they connect to the system.

## Eligibility for Reimbursement Districts

Projects are eligible if they provide a public sanitary sewer or a publicly maintained stormwater system to a lot or portion of a lot that was not previously served.

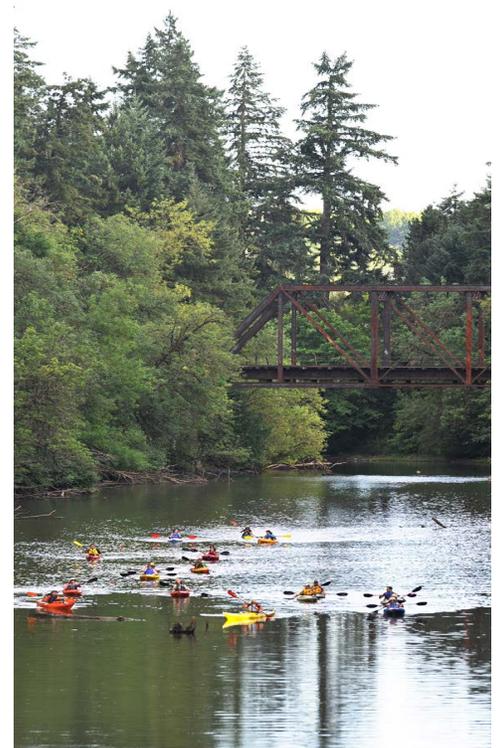
## Reimbursement District Process

1. CWS staff identifies an immediate need or an opportunity to minimize cost and/or disturbance to the neighborhood or general public by constructing a sewer or stormwater improvement.
2. CWS conducts a neighborhood meeting to share information about the project details, costs, cost allocation methodology, RD rules, policies and procedures.
3. CWS staff prepares a report describing the project, the reason for immediate implementation, the proposed RD boundary and benefited lots, estimated project costs, recommended cost allocation, and applicable financial incentives.
4. The report is shared with the owners within the RD boundary prior to a public hearing conducted by the CWS Board of Directors. Anyone has the opportunity to comment on the proposed project or cost allocation proposal prior to or during the public hearing.
5. Within three months of project completion, CWS staff prepares a final engineering report and shares it with the property owners. The CWS Board subsequently holds a second public hearing to reconcile actual project costs with estimates. After hearing the staff recommendation and any public comment, the Board has the option to modify the benefited area, reimbursable costs, and/or the cost allocation methodology and determines final reimbursement charges for each property.
6. Following Board action, owners are notified of the reimbursement charge applicable to their property. CWS records the reimbursement charge with the County Recorder's office so that it is discoverable in a title search. It is not a lien on the property and does not have to be settled prior to a property transfer.

## Allocation of Project Costs

The allocation of costs will be based on the potential benefit a property could gain from connection, and will vary depending on the nature of the work and project specifics. Cost allocation methodologies may include:

- A proportional distribution of costs based on benefited land area
- A proportional distribution of costs based upon lot front footage
- A proportional distribution of costs based on number of connections
- A formula that makes adjustments related to zoning
- Any other method that fairly and equitably distributes project costs relative to the level of benefit derived



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## Payment of Reimbursement Charges

A property owner who is in the Reimbursement District does not have an obligation to connect to the sewer within a certain time frame though certain situations may necessitate connection. A benefited property owner only needs to pay the reimbursement charge if they connect to the improvement for which the RD was formed. Connection may include:

- Physical connection to the improvement, or
- For a stormwater RD, creating an impervious surface that drains to the public system.

The owner must pay the reimbursement charge at the time a connection permit for their lot is approved.

## Cost-Sharing and Financial Assistance

CWS offers several ways to help property owners manage costs:

- **Early connection incentive** – If the property connects to the sanitary sewer within one year of sewer availability, the reimbursement charge is reduced by waiving their property's allocated share of the engineering and administrative costs (typically 10-15 percent of the reimbursement charge, detailed in the final report).
- **Excess costs** – If the project necessitated extraordinary conditions, construction solutions or circumstances resulting in excess costs that make the reimbursement charge disproportionately high compared to similar projects, CWS may assume the excess costs. This cost allocation will be clearly shown in the engineering report.
- **Financing** – CWS offers financing at the Oregon Bond Index Rate. The project interest rate will be stated in the engineering report. Interest accrues at this low interest rate starting at the time of establishment of the final reimbursement charge. If the owner applies for financing from CWS when payment of the reimbursement charge is due, two percent is added to the project interest rate to cover administrative costs. Financing agreements are generally 10 years, requiring semi-annual payments and are administered by Washington County. The reimbursement charge and System Development Charge, also known as the connection fee, may be financed.
- **Private Plumbing Financing** – If a sanitary sewer connection is made within one year of sewer availability, private plumbing costs up to \$10,000 may be financed through CWS according to the terms above.
- **Special Considerations** – Occasionally, when a lot would have a significant reimbursement charge due to lot size, configuration, development status, natural features, or other factors, special provisions can be made. These provisions must be documented in the engineering report and cannot be proposed subsequent to adoption of the final reimbursement charge.

## Learn more about Permitting Connections

When a property owner is ready to connect to the project, they will contact Clean Water Services to request a connection permit. Additionally, depending on the site, it may be necessary to decommission a septic tank or construct private plumbing which will require review and permit by the appropriate building department.

For CWS permitting fees and connection charges, visit [cleanwaterservices.org/media/1879/review-and-inspection-fees.pdf](https://cleanwaterservices.org/media/1879/review-and-inspection-fees.pdf)

For CWS rates and charges, visit [cleanwaterservices.org/budget](https://cleanwaterservices.org/budget)

Visit [cleanwaterservices.org/permits-development/](https://cleanwaterservices.org/permits-development/) or contact CWS Permit Counter by phone 503.681.5100 or email [permits@cleanwaterservices.org](mailto:permits@cleanwaterservices.org) to learn more.

In unincorporated Washington County, the County Building Department can provide more information about plumbing, building, and grading permits. If the property is located in a city, contact the city to learn more.



Everything we do at Clean Water Services aims to protect public health while enhancing the natural environment of the Tualatin River Watershed.

**Clean Water Services**

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