

COST SHARING AGREEMENT BETWEEN THE CITY OF RAPID CITY AND ISAAC ALMANZA FOR REPLACEMENT OF NON-CONFORMING WATER AND SEWER SERVICE LINES PER THE POLICY PREVIOUSLY ADOPTED BY THE CITY COUNCIL.

This agreement is made and entered into between the City of Rapid City, a municipal corporation of the State of South Dakota, located at 300 Sixth Street, Rapid City, SD 57701, herein after referred to as the "City," and Isaac Almanza, located at 1620 McDermott Rd., Spearfish, SD 57783, herein after referred to as the "Landowner."

RECITALS:

WHEREAS, the City has adopted a policy to assist homeowners with the cost of replacing private water and sewer service lines which do not comply with current City Codes; and

WHEREAS, the Landowner is the owner of real property generally located at 1210 Nowlin Street; and

WHEREAS this property, along with two others, is currently served by non-conforming water and sewer service lines; and

WHEREAS, the Landowner has requested that the City share in the cost of replacing the non-conforming water and sewer lines.

NOW THEREFORE, the parties hereby agree as follows:

1. The Landowner agrees to extend City water and sewer lines, which conform to current City standards, to serve the previously identified property. The extension of these lines will also benefit two additional properties. The Landowner will obtain three competitive quotes for construction of the lines and award the construction contract to the contractor providing the lowest quote. The Landowner shall be responsible for paying the contractor for the entire cost of designing and constructing these lines. The City agrees to provide construction observation for the project.
2. Once the project has been completed and accepted by the City, the Landowner will provide the City with proof the contractor has been paid in full and provide an itemized invoice showing the final cost to construct the water and sewer lines. The City agrees to promptly review the invoice. If the City has an objection to any of the costs after reviewing the invoice, the parties agree to work in good faith to resolve the dispute. Once the invoice has been reviewed and accepted by the City, the City agrees to reimburse the Landowner for Seventy Percent (70%) of the final cost to construct the line up to a maximum of \$21,000 (\$7,000 per property benefited by the lines). The City agrees to reimburse the Landowner within Forty-Five (45) days of receiving the invoice and proof that the contractor has been paid.

3. If Seventy Percent (70%) of the final construction costs exceed \$21,000, the City agrees to reimburse the Landowner an additional amount which brings the reimbursement up to Seventy Percent (70%) of the total construction cost. If additional reimbursement is necessary, the amount of additional reimbursement shall not exceed \$3,999. If the City provides any additional reimbursement under this paragraph, the amount of the additional reimbursement shall be recouped by the City as a connection fee which will be collected from the owners of the two additional properties which benefit from this project prior to the properties connecting to the water or sewer lines. The connection fee will be divided equally between the two property owners.

4. In the event that any section(s), or provision(s) of this agreement is declared invalid for any reason whatsoever by any competent court, such invalidity shall not affect any other section(s) or provision(s) of this agreement if it can be given effect without the invalid section(s) or provision(s).

5. The parties agree that the terms of this agreement shall be governed by the laws of the State of South Dakota. Any legal action arising out of or relating to this agreement shall be brought only in the Circuit Court of the State of South Dakota, Seventh Judicial Circuit, located in Rapid City, Pennington County, South Dakota.

6. The parties agree that this writing constitutes the entire agreement between them and that there are no other oral or collateral agreements or understandings of any kind or character except those contained herein. No modification or amendment to this agreement shall be valid, unless evidenced by a writing signed by the parties hereto.

Dated this __ day of _____, 2008

CITY OF RAPID CITY

Mayor

ATTEST:

Finance Officer

LANDOWNER

Isaac Almanza

