

Section 3

Extension Policies

3.1 Introduction

3.1.1 General Provisions

The District will provide facilities for the distribution of water within its service areas in accordance with approved land use plans, policies or other regulatory requirements governing service provisions. Extension of a system to serve additional customers, properties, tracts, or subdivisions will normally be paid for by the individuals that are benefitted.

An Applicant proposing an extension will normally be responsible for financing the entire cost of such extension. Costs include new facilities, replacement of existing system components when necessary for making the extension or improvement, and upgrades to meet requirements such as current construction standards or fire flow which are associated with the Applicant's project. Over-sizing water system components as outlined below, however, will not in all cases be charged solely to the Applicant. Reimbursement or credit against District charges is available in some circumstances.

All water facilities must be located on property owned by the District, public rights-of-way, or have dedicated water easements. All water facilities must be transferred to the District's ownership for operation, maintenance, and service responsibilities and will be subject to maintenance bonding requirements.

3.1.2 Application of Policies and Procedures

In specific instances, the AGM or their designee may, at their discretion, waive or modify the application of the policies and procedures described herein, including the application of standard fees and charges, provided that such waiver or modification allows for more effective or efficient achievement of District goals, objectives, and overall policies. Conditions for waiver or modification of the application of these policies and procedures are contained in Section 1.4 of this Manual.

3.1.3 Standards and Specifications

Water system extensions, improvements, or new facilities must be constructed in accordance with the District's Standards and Specifications for Design and Construction (Appendix A). Copies will be furnished by the District upon request. The Applicant must ensure that the latest version of the Standards and Specifications is followed.

The Standards and Specifications have been developed as professional, technical guidelines for regulating system design and installation. The AGM may modify the Technical Standards and Specifications, from time to time to maintain consistency with changing technology and industry standards. In addition, the AGM may waive strict application of the Standards and Specifications in certain instances, provided that the resulting design or construction is approved by the District, and remains consistent with the goals and objectives expressed in this Manual. Except modifications subject to local, state and/or federal requirements and those matters governed by Section 2 General Terms, Conditions, and Policies for Water Service (including rates, charges and fees for service), substantive changes to the Water Policies and Procedures Manual and the Technical Standards and Specifications will be subject to stakeholder review and comment prior to adoption.

3.1.4 Notification

The Applicant's contractor shall schedule a pre-construction conference and notify the District at least five (5) working days prior to commencing work. All work shall be inspected by the District. The contractor shall contact the District Water Operations Facility at (425) 397-3000 to schedule all tie-ins at least three (3) days in advance.

3.1.5 Appeals

Appeals to the AGM's decision(s) relating to the construction, installation, and inspection of water system extensions and connection thereto; satellite water systems; and all other matters relating to water policies, may be directed in writing to the CEO/General Manager for review and a final determination.

Appeals relating to Section 2 General Terms, Conditions, and Policies for Water Service (including rates, charges and fees for services), may be directed in writing to the CEO/General Manager for review, with final determination made by the Board of Commissioners.

3.2 Administrative Procedures for System Extension

3.2.1 Plan Approval Required

All plans for extensions, improvements, or additions to water facilities must be approved by the District prior to construction.

3.2.2 Application

Requests for extension or improvement of a District water system to serve newly developed and/or existing properties shall be made by Applicants or their authorized agents using the District's application format. Each application shall contain a legal description of the

property to be served and be accompanied by two (2) copies of preliminary plans, showing the location of all water lines, hydrants, and valves needed to serve the area.

Applicants should schedule a meeting with District Engineering staff to discuss the proposed project, prior to completion of the application.

3.2.3 District Review

The District will review the application and associated plans. A Plan Review Fee, as described in Section 3.3 (see Appendix B, Table B-11), will be assessed to compensate for review services.

The District will notify the Applicant of the feasibility of the service requested, conditions for construction, and any additional facilities (e.g. water source, storage, booster stations, water main upgrades, etc.) that may be required as a result of the proposed extension/development. The District may require additional special requirements such as cross connection control devices or backflow prevention assemblies. This process will enable an Applicant to estimate more accurately the associated construction costs and District charges.

If fire flow is required, the plan must be approved by the appropriate Fire Marshal. District standards may be more stringent than standards required by local fire jurisdictions, and if there is any conflict between standards, the more stringent standard will apply.

In all cases where a road right-of-way will be used for mains or other improvements, the appropriate city or county governmental agency must also approve the plan.

At the District's option, engineering design services may be provided by District staff at the application stage. A fee will be charged for such services, as described in Section 2.6.5 and Section 3.3 (see Appendix B, Table 11).

3.2.4 Extension Agreement

If a project is accepted, the Applicant shall then execute with the District an Extension Agreement which will specify the terms and conditions of the extension or system improvement in accordance with the District's standards. Extension agreements must be signed by the AGM or their designee.

3.2.5 Submittal of Plans and Specifications

At the time the Extension Agreement is submitted, one (1) sets of PDF detailed drawings and specifications shall be submitted by the Applicant to the District for review and approval. All drawings and specifications must be stamped by a registered Professional Engineer licensed in the State of Washington.

As the project progresses, any deviations from originally approved plans and specifications shall be approved in advance by the District in writing, and recorded. Updated plans must be provided to the District.

3.2.6 Permits, Easements, and Approvals

At the District's option, the Applicant may be required to prepare all necessary documentation for permits, easements, and approvals. These may include, but are not limited to lane closure, building, grading, drainage, shorelines, conditional use, variance, Department of Health, Parks & Recreation trail crossing, and railroad agency permits. The District will ordinarily prepare documentation for right-of-way permits. The required documents shall be provided to the District, which will submit them to the appropriate agencies for processing. Any fees levied for permit processing shall be paid by the Applicant.

The Applicant's contractor shall secure all permits and authorizations required from local and State agencies and disposal sites related to asbestos work, removal and disposal, including but not limited to submittal of a written "Individual Notice of Intent to Perform an Asbestos Project" to the Puget Sound Clean Air Agency, if required. An "Individual Notice of Intent to Perform an Asbestos Project" will generally be necessary for any project which requires the contractor to remove in excess of ten (10) linear feet of asbestos-cement water main. No work on asbestos-cement main shall proceed without proper permits, certifications, worker protective clothing and breathing apparatus, and approved asbestos disposal bags. Prior to commencing work on asbestos-cement pipe, the contractor shall provide the District with a copy of any required "Individual Notice of Intent to Perform an Asbestos Project," and the contractor shall file the same with the Puget Sound Clean Air Agency. The cost of asbestos related permits shall be paid by the Applicant's contractor. A copy of any required permit(s) shall be available at the project site at all times.

The Applicant's contractor shall comply with all provisions of any applicable permits.

A copy of the appropriate plans, specifications, and all required permits shall be maintained on the project site at all times during construction.

All District facilities shall be installed within the city/county right-of-way or in a District-approved water easement. The Applicant, at the District's option, shall either supply the District with the legal description of the easement (as-built) and shall pay the costs incurred by the District to do all title work, to prepare any necessary easements, and to file and record the legal easements prior to District final acceptance, or prepare, obtain and convey all easements to the District at the Applicant's sole cost.

3.2.7 As-Built Drawings

Upon completion of the project, the Applicant shall submit one (1) PDF of revised as-built drawings and specifications for review. After as-built review approval, the Applicant, at

their expense, shall submit approved final as-built drawings in a digital format compatible with the District's CAD system (AutoCAD) one (1) 24# Bond Paper copy and one (1) PDF copy. As-built plans must show all new water facilities and related appurtenances as listed on the District's As-Built Submittal Checklist which shall include the locations of all mains, valves, hydrants, and fittings giving sizes and types of each. The drawings shall show the exact location of water mains including distances of mains from property lines.

A registered Professional Engineer licensed in the State of Washington must stamp all drawings and specifications, including as-builts.

3.2.8 Final Acceptance

Upon completion of construction, Applicants or their contractors shall notify the District and request a final inspection for approval of the project. The District will issue a Letter of Final Acceptance of the main extension, improvement or water facility, provided that:

- (a) the water main has been installed according to the approved plans and specifications;
- (b) pressure and bacteriological tests have been passed;
- (c) all permit conditions have been satisfied;
- (d) all extension policy conditions have been fully satisfied;
- (e) all fees required by the District and other entities have been paid;
- (f) all easements are recorded at the Snohomish County Auditor's Office and shown on the face of the final plat map;
- (g) all required bonding is in place;
- (h) a new original stamped drawing is provided which reflects as-built conditions;
- (i) a 24# Bond Paper copy and digital copy of as-built water plans (both CAD file and pdf final drawing) is provided; and
- (j) a "Bill of Sale" is executed and accepted by the District.

The date of the final acceptance letter will begin the period of warranty. The final acceptance shall not constitute acceptance of any unpaid, unauthorized, defective, omitted, or non-conforming work or materials. Final acceptance shall not prevent the District from requiring the Applicant to pay for, remove, replace, dispose, or add work or materials or prevent the District from recovering damages for any defective work or materials or for any breach of contract.

In the event that a letter of credit or similar financial instrument has been provided as a means of guaranteeing project completion, at the District's sole option a Conditional Letter of Final Acceptance may be issued prior to full Applicant/contractor compliance with all of the requirements listed above. In order for this option to be exercised, the terms and conditions described in Section 3.2.9 must be met.

3.2.9 Letter of Credit

If requested by an Applicant for their convenience, the District may elect to accept a Letter of Credit, or equivalent financial instrument, as a guarantee of payment for various purposes. These purposes may include, but are not limited to, payment of GFCs or other fees, or completion of an extension project. However, nothing in this provision shall be interpreted as a requirement that the District accept a Letter of Credit, for any purpose. If a Letter of Credit is used to guarantee payment, the following conditions must be met:

- (a) Payment of a Letter of Credit processing fee to the District (see Appendix B, Table B-11;
- (b) The Letter of Credit must be issued by a financial institution in a form acceptable to the District;
- (c) The Letter of Credit must name the District as sole beneficiary of the funds described therein;
- (d) Expiration of a Letter of Credit without a District draw upon the funds described therein shall not relieve the Applicant from any obligations to the District;
- (e) If the Letter of Credit is used to guarantee payment of fees, the District shall be authorized to redeem the full value of outstanding fees if all fees have not been paid within ninety (90) days.

3.2.10 Maintenance Bond

Before the District will issue its letter of final acceptance, the Applicant shall provide an executed maintenance bond for 10 percent (10%) of the full value of the water facilities installed. Such value shall be determined by the District. The Applicant may post cash in lieu of bond, as applicable to the same terms and conditions as described herein. This bond shall:

- (a) Be on a District-furnished Maintenance Bond, Set-Aside Letter or Letter of Credit form.
- (b) For a Maintenance Bond, be signed by an approved surety (or sureties) that;
 - Is registered with the Washington State Insurance Commissioner, and
 - Appears on the current Authorized Insurance List in the State of Washington published by the Office of the Insurance Commissioner.

- (c) For a cash in lieu of bond;
 - Complete a Set-Aside Letter or Letter of Credit on a District form and have it executed by a Bank or financial institution.
- (d) Be effective for two (2) years from the date of the District's Letter of Final Acceptance.

If at any time during the two-year period, the bond or cash in lieu of bond is used for payments, the Applicant shall, within five (5) business days of such payment, reinstate the value of the bond or cash in lieu of bond to an amount equal to 10 percent (10%) of the full value of the water facilities installed. If the value is not reinstated, the District may, at its option, redeem the bond.

The District may require sureties or surety companies on the bond to appear and qualify themselves. Whenever the District deems the surety or sureties to be inadequate, it may, upon written demand, require the Applicant to furnish additional surety to cover any remaining work.

3.2.11 Indemnify, Defend and Save Harmless

The Applicant's contractor who is constructing facilities to be transferred to the District shall agree to indemnify, defend and to hold the District harmless from any and all claims, losses or liability for damages arising from acts done or omissions made under the contract, to the fullest extent allowed by applicable law. Before commencing work such contractor shall furnish the District certificates of his comprehensive general and automobile liability and property damage insurance, in limits acceptable to the District, protecting against all claims for personal injury or property damage, including coverage for underground collapse and explosion damage, arising during the course of the performance of said contract.

3.2.12 Bill of Sale

The Applicant shall transfer ownership of all installed water mains and facilities to the District pursuant to a Bill of Sale utilizing a District-approved form. The Bill of Sale shall be signed by the Applicant or its authorized agent. The Bill of Sale shall describe lengths and sizes of water mains, and size and quantities of services and hydrants, and the location in general terms, including the name of the plat if applicable.

The Applicant shall provide the District with all applicable invoices and other information necessary for preparation of the Bill of Sale.

3.2.13 Limited Period of Plan Validity

The District's final plan approval shall be valid for a period of twelve (12) months after the date upon which it is approved for construction. If construction has not commenced by that date, the District's approval of the plan shall lapse and the design and approval shall no longer be effective. Should the Applicant wish to go forward with the extension, a new review of the construction plans will be required to ensure consistency with the existing water system infrastructure and the latest version of the District's policies, standards, and specifications. Any changes to the construction plans shall be made by the Applicant's engineer at the Applicant's sole expense and additional review fees shall apply per Appendix B, Table B-11.

3.3 Financing and Fees

3.3.1 Financing Methods

Main extensions can be paid for in three ways:

- (a) **Developer Extension:** The Customer obtains and directly pays a contractor to install new water main infrastructure that meets the District's Policies and Procedures, and Engineering Standards. Upon completion and approval of the work by the District, ownership of the newly installed water infrastructure is transferred to the District through the Bill of Sale process.
- (b) **Local Utility District:** Per Section 3.3.2, where water main extension projects that involve multiple property owners and developed properties are proposed, a Local Utility District (LUD) may be formed by the property owners to finance the water main extension project.
- (c) **District Constructed:** In limited cases and at the District's sole decision, the District may choose to construct the water main infrastructure improvements using District labor or may hire a contractor through the public works bid process.

If the District chooses to use District labor, the District will prepare a project cost estimate for the total cost of all labor, materials, tools, equipment, transportation and permits to complete the work. After the Customer remits payment, the District will schedule and install the work. When the work is complete, the Customer will be billed the increased difference and credited the decreased difference between the project cost estimate and the actual project cost.

If the District chooses to hire a contractor to complete the work, projects estimated to cost under three hundred thousand dollars (\$300,000) will be bid through the District's Small Works Roster process and awarded to the lowest responsive bidder. Projects estimated to cost over three hundred thousand dollars (\$300,000) will be publicly bid and the project awarded to the lowest responsive bidder.

3.3.2 Formation of a Local Utility District (LUD)

Property owners within a defined area may petition the District’s Board of Commissioners for formation of an LUD to finance the extension of water mains to serve their properties. Assessments are levied upon properties benefited by the improvements. All costs and expenses included under RCW 35.44.020, including but not limited to engineering, construction, legal, survey, administrative, overheads, easements, and costs associated with the procurement of all necessary permits and conduct of environmental analysis, are a part of the LUD costs.

The District will prepare a petition at the current cost established in Appendix B, Table B-11 for property owners desiring to initiate the formation of an LUD.

To the full extent required by and subject to the limitations imposed by applicable law (as amended from time to time), the Board of Commissioners of the District shall determine whether or not to form an LUD on the basis of the facts and circumstances pertinent to each particular proposal.

LUD formation must follow procedures described in the District’s LUD Process Manual and applicable statutes.

Under applicable law, certain properties within the boundaries of an LUD may be exempt from assessment. In such cases, the District will grant an exemption, provided the property Owner or their representative notifies the District in writing and provides evidence satisfactory to the District that the property qualifies for an exemption.

The LUD process may also be available for financing the costs of water system attachment for certain individual, pre-existing single-family residences not located within or contiguous to an LUD currently undergoing formation. Such process requires participation in a “non-contiguous Local Utility District” available only to owners of single-family residences taking permanent service from an existing District pipeline. In order to qualify for the non-contiguous LUD process, the dwelling to be served must be the residence of the Applicant or of the Applicant’s tenant. The determination of whether or not a service can be considered permanent shall be at the District’s sole discretion. Any funds payable by the District to a third-party applicant under an applicable latecomer policy or agreement as a consequence of an LUD Customer attachment shall be paid only upon adoption by the Board of Commissioners of the final assessment roll relating to such LUD (see Sec.3.3.9).

3.3.3 LUD Assessments

For an LUD, each property included will pay an assessment established by the LUD process and designed to ensure that Customers pay an equitable share of system costs for supply, transmission, treatment, and local distribution lines. Assessments shall include cost of system construction together with any applicable GFC, DSC and, at the option of each assessed property owner, a SCC as defined in Section 2.6.2 and Interim Connection Fees as defined in Section 3.6.3. Assessments shall not be in lieu of any other applicable fees or charges payable as the result of Customer service changes, water usage, or the formation of any future LUD.

Customers added after deadlines in the LUD process have passed (e.g. time expired, specified number of services added, etc.) will be assessed standard District Charges and Fees in effect at the time of the request for service and applicable to the affected system, or the LUD assessments, whichever is greater.

Further information can be found in the District's LUD Procedure Manual.

3.3.4 Plan Review Fee

At the time an application is submitted for an extension or improvement, the Applicant shall pay the District a Plan Review Fee (see Appendix B, Table B-11) to cover the cost for up to two (2) District reviews. If more than two (2) reviews are required for the same project prior to execution of an Extension Agreement, or if the scope or complexity of design requires unusually extensive review, an additional fee for non-standard engineering services may be charged.

If the District undertakes to provide engineering design services at the application stage, a fee may be charged for non-standard engineering services per Appendix B, Table B-11 as described in Section 2.6.5 and Section 3.3.

3.3.5 Extension Agreement Fee

At the time an Extension Agreement is submitted for execution by the District, the Applicant shall pay the District an Extension Agreement Fee to compensate the District for resources needed to participate in the project (Appendix B, Table B-11).

Any substantial changes to the design, layout, or project scope which requires, in the District's sole determination, the execution of a new Extension Agreement will require payment of an additional Extension Agreement Fee. In this case no credit of the original Extension Agreement Fee will be provided.

3.3.6 Summary of Extension Fees

In addition to fees charged for processing applications, Extension Agreements, and other District services, the Applicant will be charged the following Extension Fees, where applicable:

- (a) General Facilities Charge (GFC)
- (b) Distribution System Charge (DSC)
- (c) Service Connection Charge (SCC)

However, fees for properties located within LUDs are handled through the assessment process discussed above.

3.3.7 General Facilities Charge (GFC) – See Section 2.6.2

3.3.8 Distribution System Charge (DSC) - See Section 2.6.3

3.3.9 Reimbursement Using the DSC

When a New Customer attachment is made to a water distribution main extension or replacement installed and paid for by a third-party, the DSC collected by the District from the New Customer, less five percent (5%) retained by the District for administrative costs, may be paid over to such third-party as a partial reimbursement for costs of that main distribution extension or replacement installation. However, the following provisions shall apply:

- (a) DSCs collected by the District shall be paid by the District to the third-party installer for a period of ten (10) years from the date of acceptance of the subject water main extension or replacement, or until such time as the third-party installer is fully reimbursed for its actual cost of that portion of the water main extension to which the DSC applies, whichever period is shorter. DSCs from New Customers attaching after such period shall be retained by the District.
- (b) Third-party reimbursements shall apply only with regard to water main extensions constructed by such third-party outside the established boundaries of any subdivision or property development for which the main extension was installed. The cost of a water main extension subject to reimbursement under this section shall include all appurtenances required and installed as a part of the water main extension.
- (c) Third-party reimbursements shall be made only for DSCs collected from New Customers whose connection is considered to be permanent by the District. DSCs collected from New Customers whose connection is considered Interim by the District, shall be retained by the District and applied to a future, permanent solution. Refer to Section 3.6 for more information on Interim Connections.
- (d) Reimbursement shall be available only to third parties who have entered into an “Application/Agreement for Private Developer Water System Extension” or a “Distribution System Charge Reimbursement Agreement” with the District, and shall be subject to all applicable policies of the District, including established DSCs.
- (e) Reimbursement shall be required only in situations where the District is reasonably able to locate the third party who installed the new or replacement water main. It is that person’s responsibility to provide the District with updated contact information for the Reimbursement Agreement. If with reasonable diligence the District is unable to locate the third party who is entitled to the DSC payment within the ten-year reimbursement period, using information supplied by such person, the District

shall retain the DSC, and any claim that person may have for reimbursement shall be extinguished.

3.3.10 Non-standard Engineering Fees

Engineering fees for non-standard engineering services shall be established in the manner described in Section 2.6.5 of this Policies and Procedures Manual for non-standard services.

3.3.11 Over-Sizing and Replacement

- (a) The District may require over-sizing or replacement of existing facilities in conjunction with construction of an extension or improvement by an Applicant. Such requirements may apply on, or adjacent to, a development or subdivision, or to facilities that are associated with the development, but "off-site." The sizing required for Applicant-project needs alone will be based upon the District's Standards and Specifications (Appendix A), or upon hydraulic analysis acceptable to the District that has been conducted specifically for a proposed project.
- (b) When a new development or subdivision has frontage on or abuts an existing District main or associated appurtenances (hydrants, pressure reducing valves, blow-off assemblies, air/vacuum relief valves, and water meters), and the District has determined in its sole discretion that any portion or all of such facilities are in need of replacement due to age, condition, substandard size or materials, or due to the likelihood of damage caused by construction of the development or sub-division improvements, the Applicant shall replace such facilities without contribution from the District. If the District has determined in its sole discretion that the development will not impact or cause damage to other existing facilities on frontages from which the development is not taking direct service and the development is not required to make improvements along such frontages by the governmental agency with jurisdiction over the work, the Applicant shall only be required to replace those facilities within the frontage from which it takes service. The Applicant may be entitled to reimbursement for additional Customers connecting to the replacement facilities in accordance with Section 3.3.9.
- (c) Any new water system improvements installed for a development and located adjacent to or requiring extensions from an unfunded future proposed District project shown in the District's Water System Plan, and not included in the District's current Capital Improvement Program, shall be installed by the Applicant to sizes shown in the Water System Plan with no over-sizing contribution from the District. The Applicant may be entitled to reimbursement for additional Customers connecting to the subject extension per Section 3.3.9.

- (d) In cases where fire flows required by applicable land use plans have changed since the construction of the existing main, the Applicant will be responsible for the cost of upgrading the existing main to meet required flows established in the District's Standards and Specifications for Design and Construction or the current flow required by the local fire prevention authority, whichever is greater.
- (e) Notwithstanding anything else in this Section, in the event that application of this policy would require the Applicant to install a replacement main that in the determination of the District in its sole discretion should be installed at a later date or in conjunction with a different project, the Applicant shall pay to the District in lieu of installation of such replacement main a DSC in an amount as determined in Appendix B, Tables B-4 and B-5. Such sum shall be held by the District for partial reimbursement to a third party of its costs of later installation of any replacement main that would otherwise have been required under this Section. The DSC shall be utilized by the District as provided in Section 3.3.9; however, should the District later install the replacement main at its cost, then the District shall apply the DSC against its replacement main installation cost.
- (f) If:
 - 1) the District requires a) over-sizing of a main fronting or within the development or adjacent thereto (i.e., "off-site"); or b) replacement of a main which is "off-site" but is adjacent to the development; and
 - 2) in the District's sole opinion such improvement can be conveniently completed in conjunction with other system improvements required of the Applicant under these policies to accommodate District needs associated with but not directly resulting from the development;

then in such event the District may, at its option, participate in the associated construction costs. The following guidelines will apply when the District requests such improvements and agrees to participate in payment of costs of over-sizing or replacement of facilities:

- (i) Upon receiving an application for an extension or an improvement, the District will determine if over-sizing or replacement of District facilities is best accomplished in conjunction with construction of the proposed development. The District's Water System Plan, the applicable land use plan, and existing system deficiencies will be the primary factors in making this determination.
- (ii) If over-sizing or replacement of such facilities is required, a pre-established reimbursement amount and time for reimbursement shall be negotiated between the District and the Applicant and included in the Extension Agreement.
- (iii) The amount of reimbursement for over-sizing will be based generally on the following:

- (1) Mains:
 - A. For pipes up to 4 inches larger in diameter than the District's design standard for the development/lot - reimbursable costs will consist of material cost differences for pipe, valves, and fittings and reasonable labor costs as agreed to by both parties
 - B. For pipes greater than 4 inches larger in diameter than the District's design standard required to serve the development/lot - reimbursable costs will include increased material and construction costs (e.g. cost differentials for larger components, increased excavation, special bedding, testing, cleaning, etc.) and reasonable labor costs agreed to by both parties.
- (2) Other Facilities: Contributions for providing larger or replacement facilities will be conducted on a case-by-case basis and are subject to negotiations between the District and the Applicant.
- (iv) The methodology of reimbursement will be selected by the District at its sole discretion and will be included in the Extension Agreement. Reimbursement methodology will normally be chosen from one of the following options:
 - (1) Payment to the Applicant upon acceptance of the extension or improvement.
 - (2) Credit against funds otherwise owed by the Applicant to the District.
 - (3) Deferred to the future for reimbursement in lump sum or by installment.
 - (4) A combination of the above.
- (v) Material invoices must be submitted to the District prior to acceptance of the project.

3.4 Design

3.4.1 Standards and Specifications

All water line extensions shall be designed and installed in accordance with the District's Standards and Specifications (Appendix A). However, strict application of the Standards and Specifications may be waived by the District in certain instances, in accordance with Section 1.4 of this Manual.

3.4.2 Extension of Mains along Property Frontages

In order to provide for continued extension of the District's system beyond properties currently developed or under development, Applicants will be required to extend water mains along frontages associated with parcels, subdivisions, or developments. At the District's discretion, an Applicant may also be required to extend a main across the property being developed to facilitate looping of the system (per Section 3.4.3), in addition to

extension along one or more frontages. In individual cases, the requirements for length and location of mains along such frontages shall be guided by the District's Water System Plan. Depending on the circumstances, reimbursement may be available following main installation, under the District's policies for the Distribution System Charge (see Section 3.3.9).

Applicants will normally be required to install a main along the entire length of any and all general use (open generally to the development residents and their guests and invitees, whether or not deemed "private") roads or developed public rights-of-way abutting the property being developed and from which the development takes water service. If the District has determined in its sole discretion that the development will not impact or cause damage to other existing District facilities on frontages from which the development is not taking direct service and the development is not required to make improvements along such frontages by the governmental agency with jurisdiction over the work, the Applicant shall only be required to replace facilities within the frontage from which it takes service.

In cases where the development's permanent access and permanent water utility distribution service line are not taken from the same general use road or public right-of-way, the location of the permanent distribution service connection, as determined at the sole discretion of the District, shall be the frontage along which the District main will be extended.

At the District's option, the requirement for extension along a frontage may be modified or waived, provided that achievement of general policy goals and objectives of the District are not thereby impaired.

The District normally installs water mains on the north and east sides of a road or street. In some circumstances, therefore, the Applicant will be required to install a water main across the street or road from the Applicant's property.

3.4.3 Looping

Looping of water mains, at Applicant cost, may be required in order to satisfy pressure, fire flow, and system hydraulic requirements. In addition, looping may be desirable to promote system reliability and water quality. The determination of looping requirements shall be at the sole discretion of the District and will not exceed 200 feet of main per looping situation. In determining whether looping is required, the following factors shall be considered:

- The length of main that will be needed solely for looping purposes;
- Topographical constraints;
- Effects of looping on system hydraulics;
- The need for easements solely to support looping;

- ❑ Expected future development in the area, based on the applicable land use plan, as updated from time to time, municipal comprehensive plans if applicable, the District’s Water System Plan, and other available information.

If a looping requirement is imposed solely to benefit other properties or the District’s system generally, then the District will reimburse the Applicant for any required looping over 200 feet per looping situation. However, if the looping requirement also provides a direct benefit to the property in question (e.g. to meet required fire flows), then this limitation will not apply, and the Applicant’s responsibility will be determined by the District on a case-by-case basis.

3.4.4 Water System Fire Flow Requirements

Water system lines and extensions installed pursuant to other Sections of this Policy to serve a new development shall be sized in accordance with the District’s Standards and Specifications for Design and Construction. Such standards are based upon sound engineering and operational practices and shall provide to all new development lots not less than the following fire flows, or shall be at the level required by the local fire prevention authority, whichever is greater:

<u>Lot Size</u>	<u>Fire Flow Requirements</u>
a) Less than 1 acre	1,000 gpm
b) Multi-family/commercial/industrial	1,500 gpm

For purpose of evaluating the sufficiency of fire flows, a “cluster development” shall be evaluated by the Fire Marshal according to the effective size of the building lots, based upon the relative distances between residential construction.

3.4.5 Water System Flow Standards Not Altered by Sprinkler Systems

The District supports the local fire jurisdictions requirements for residential fire protection sprinkling systems. However, such systems will not provide a basis for altering the District's design standards.

3.5 General Construction Procedures

3.5.1 Technical Standards and Specifications

Construction practices shall be in accordance with the District's latest Technical Standards and Specifications (Appendix A). However, strict application of the Standards and Specifications may be waived in certain instances, in accordance with Section 3.1.2.

3.5.2 Approved Contractor

All main extensions and taps to the District's water system shall be installed only by a licensed and bonded contractor approved in advance by the District.

"Approval" of a contractor by the District means that the contractor has met certain minimum criteria relating to past performance, experience, or apparent ability to successfully perform the work required; it shall not be deemed to create or impose any warranty or guarantee by the District as to the said contractor or its workmanship, nor shall such approval relieve the Customer or the contractor of their individual responsibility to comply in all respects with District policies and specifications.

3.5.3 Pre-Construction Conference

The Applicant shall schedule a pre-construction conference with the District and contractor after the Extension Agreement has been executed. The contractor shall submit a materials list and a safety and traffic control plan, if needed, for District approval before or during this meeting.

3.5.4 Deviations

The approved Extension Agreement construction plans shall be followed. No deviations will be allowed without request for change and approval in writing by the AGM or their designee. The District reserves the right to order changes. The Applicant shall be notified in writing of any changes.

3.5.5 Taps to Existing Main

All taps of a line to the existing main must be made by District crews or under direct supervision of the District personnel, with material supplied by the Applicant, contractor or the District. Payment must be made in advance for this work, and for any material required, if done by the District. Tapping an existing main without adhering to District requirements for advance notification shall result in a penalty being assessed against the Applicant (see Appendix B, Table B-12).

3.5.6 Service Equipment

If the Applicant is also constructing houses and will construct and complete houses at a rapid rate, the District, at its option, may require the Applicant to install the meters and service equipment coincidental with the installation of the main, or install the pre-run service for later installation of the meter by the District. The service connection charge will be adjusted accordingly.

3.5.7 District Access

During the period of construction, Applicants and their contractors will provide access to District personnel (including personnel on contract to the District) as necessary, to ensure compliance with District requirements.

3.6 Interim Connections

3.6.1 Introduction

In general, interim connections to the District's system shall be avoided. However, under certain circumstances overall District goals and objectives may be advanced by permitting a meter connection to a District main or a non-District water system on an interim basis. Such an arrangement shall be permitted only when the District determines that the property in question will be served in the future by a District main abutting the property. The AGM or their designee shall have the authority to allow an interim connection and administer an Interim Connection Agreement (ICA). The Customer shall pay all of the costs and expenses associated with obtaining interim water service.

3.6.2 Interim Connection Agreement (ICA)

Any interim meter connection will require an ICA to be executed between the Customer and the District. The ICA will specify the terms and conditions for the interim connection. These may include, but are not limited to, provisions designed to facilitate financing and connection to a main, at the time a main abutting the property is subsequently installed and fees and charges associated with the initial installation of the temporary meter and the future abandonment of the temporary meter.

3.6.3 Fees and Charges

Prior to execution of the ICA by the District, the Customer shall pay an Interim Connection Agreement Fee, Permit Fee, Service Connection Charge for installation of the temporary meter, a Service Connection Charge for the future installation of the permanent meter (which includes the cost of installing a new meter connection and other facilities or equipment necessary to connect to the District's main if and when a main is installed abutting the property), and a Meter Abandonment Fee (which includes the cost of removing the temporary meter connection and disconnecting the service at the District's main). These fees are described in Appendix B.

Prior to execution of the ICA by the District, the Applicant shall also pay the applicable GFC, DSC, and the cost to install a PRV (if necessary). These costs and fees are described in Appendix B.

3.6.4 Easements, Property Rights and Permits

The Customer shall obtain and maintain all easements, property rights and/or permits which are necessary or appropriate for interim water service. The Customer must provide documentation of same as part of the ICA.

3.6.5 Termination of Interim Service

Whenever a property is served pursuant to an ICA with a temporary meter location the property can receive service by connection to a newly extended District water main abutting the property with the relocation of the temporary meter connection to the new permanent location. Once service relocation is complete, the ICA will be terminated. The cost of relocating the temporary meter connection to the permanent location is included in the fees and costs paid by the Customer upon initiation of the ICA. Relocation of the temporary meter connection to the permanent location may result in temporary loss of service. The Customer will also be required to extend their personal water service line from the new location of the permanent meter to the home at their cost within sixty (60) days of receiving written notice from the District.