

RULE X

**EXTENSION OF WATER MAINS
AND INSTALLATION OF FIRE HYDRANTS**

1. APPLICATIONS FOR WATER MAIN EXTENSIONS:

- A. A Petitioner may request the Water District to provide water service to a tract of land within the boundaries of the Water District on a form furnished by the Water District and designated as “Water Main Extension Petition and Agreement” (Agreement) including, but not limited to the following installations:
- 1) An original distribution main originating from a transmission main, or
 - 2) An extension from an existing distribution main, or
 - 3) An enlargement of an existing distribution main.
- B. The Petitioner may, but is not required to, suggest a defined area to be served and benefited by the proposed Water Main Extension. The final determination of the area to be served by the Water Main Extension will be made by the Water District and defined in the Agreement when submitted to the Petitioner for execution.
- C. Where the Agreement for such Water Main Extension involves connection to a transmission main, such points of connection may be designated or limited to minimum intervals by the Water District.
- D. The Petitioner shall execute and submit such Agreement to the Water District for execution, and simultaneously furnish to the Water District funds, as a deposit, in the form of a check or a letter of credit equal to the total cost as estimated by the Water District to apply to the anticipated cost of such Water Main Extension, and comply with the requirements of Section 3 of this Rule X. The Water District

may refuse to execute the Agreement if the requirements of Section 3 are not satisfied or if such Petitioner has any unpaid delinquent obligations or had or continues to have a substantial relationship with a party who has a delinquent obligation. A “delinquent” obligation and “substantial relationship” shall be as defined in Rule V, Section 5, Subsection G.

- E. The submitted Agreement form shall become a contractual agreement with the Water District upon acceptance and execution by the Water District’s General Manager. The total resulting cost after completion of such Water Main Extension or enlargement shall be fully borne by the Petitioner without any refunding unless a Benefit Area or Refund Area has been created under Section 4, Subsection B or C of this Rule X. If the Water District is prevented from completing construction within six (6) months from the date of execution of the Agreement by the Water District’s General Manager, by reason of the Petitioner’s delay, then the Water District may either terminate the Agreement or may require an amendment to the Agreement to increase the funds on deposit by the Petitioner to offset any increase in estimated Water Main Extension construction costs.

2. SPECIFICATIONS:

The specifications for Water Main Extensions include, but are not limited to, the following Subsections of Section 2.

- A. The size, routing and points of connection of the water main or mains, the material specifications, and the boundaries of the area to be served shall be determined by the Water District based in part upon a consideration of the following factors:

- 1) Provision for adequate service to prospective customers within the area defined in the Agreement;
 - 2) Possible and contemplated future utilizations and extension of the main to be installed to serve areas other than the defined area to be served as designated by the Agreement including, but not limited to, the District's need to develop a hydraulically efficient and integrated distribution system which requires the installation of at least 12-inch and 8-inch diameter water mains generally on the section and half section lines, respectively; and
 - 3) Fire protection needs existing or anticipated in or beyond the area to be served.
- B. If the Water District desires to designate any portion of the Water Main Extension to be of a size larger than that reasonably required to serve the area to which the water main is being extended as considered in relation to item 2 in Subsection A, then the additional cost of the larger water main shall be borne by the Water District.
- C. The terminus of the water main or mains to be installed shall be a point on the far side of the tract or last lot being served.

A water main must be installed adjacent to and along the entire length or width of a minimum of one side of the property to be served, unless a lesser distance is determined to be adequate by the Water District. When determined reasonable and necessary by the Water District, the Petitioner shall be required to extend water mains along any portion of the perimeter of, or through, the Petitioner's

property for the purpose of completing the Petitioners portion of the distribution grid system.

- D. Where property along a new Water Main Extension may not require water service from the new Water Main Extension to be constructed under the terms of the Agreement, due to type of land use such as a, park, railroad, flood plain or an area served by another water utility, there will be no reduction, allowance, credit, subsidy or cost-sharing provided by the Water District, even though there may be no possibility of connections within some areas, and the full and actual cost of such Water Main Extension shall be fully borne by the Petitioner.
- E. Where tracts of land can be or are already served by an existing Water District main and said tracts of land can be served by the new Water Main Extension to be constructed under the terms of the Agreement, there will be no salvage value, credit, reduction, allowance, subsidy or cost-sharing provided by the Water District for the existing main or mains, and the full and actual cost of such Water Main Extension shall be fully borne by the Petitioner.

3. ESTIMATED COSTS AND SETTLEMENT OF ACTUAL COSTS:

- A. The total estimated cost of the proposed Water Main Extension, replacement, relocation or enlargement shall include, but not be limited to, the cost of easements, pipe, fittings, fire hydrants, valves, valve boxes, all necessary appurtenances, materials necessary to restore right-of-way, labor, construction equipment, tools, supervision, inspection, engineering, contingencies, legal expense, easement acquisition, insurance, permits, accounting and other Water District overhead expenses.

- B. After the installation of such Water Main Extension has been completed and all costs have been determined, if the actual cost thereof is less than the funds deposited by the Petitioner, a refund of the difference shall then be made to the Petitioner of any funds deposited by check. No interest shall be paid on the funds deposited by the Petitioner. If the actual cost thereof is greater than the funds deposited by the Petitioner, the Water District will invoice the difference to the Petitioner. Any pro-rata share due to the Petitioner under Section 4, Subsections B and C of this Rule X will not be made until such additional payment is made in full.

4. MECHANISMS FOR FUNDING WATER MAIN EXTENSIONS:

A. Non-Refunding Water Main Extension Petition and Agreement):

(Former “Plan A”)

Unless special areas providing for reimbursement to Petitioners have been created as provided in Subsections B and C, of this Section, the Petitioner shall fully bear all actual costs as provided for in Section 3, with no entitlement to refunds of any portion of the actual cost.

Prior to July 1, 1981, “Plan A” Agreements provided a refunding mechanism to the Petitioner for the cost of the Water Main Extension. Any “Plan A” Agreements executed before July 1, 1981, and provided for yet unpaid refunds, will continue to be effective under their terms.

B. Water Main Extension Petition and Agreement Creating a Benefit Area, for water mains 12-inch and larger (“Benefit Area Agreement”):

(Former “Plan C”)

When a Petitioner requests a Water Main Extension of 12-inches in diameter or larger to serve the Petitioner's projected development that can also potentially serve other tracts by the Water Main Extension, the Water District may create defined boundaries of a Benefit Area that could be served by such new, replaced or enlarged Water Main Extension as proposed by the Agreement.

Such Benefit Area Agreement will include, but not be limited to, provisions requiring owners of other tracts within the Benefit Area to pay to the Water District for refund to the Petitioner a pro-rata share of the original cost of the Water Main Extension as designated in the Agreement and without interest. The Water District will collect from affected land owners as they make new connections directly, or indirectly, to the Water Main Extension in any of the following manners:

- new Water Main Extensions,
- new connections for domestic water service,
- new connections for fire protection, or
- enlargement of service connections or meters that exist prior to the date of the Benefit Area Agreement.

The Water District will designate the size and number of tracts that can reasonably be served by such new, replaced or enlarged Water Main Extension as proposed by the Agreement and include those tracts in the Benefit Area. After notice to affected landowners, the Benefit Area will be created by execution of the Agreement by the Petitioner and the Water District and the Agreement will be

submitted to the Register of Deeds for filing in the county in which the Benefit Area is created.

Upon creation of the Benefit Area, the Water District will collect from affected land owners a pro-rata share of the cost of the Water Main Extension in accordance with paragraph 2 of this Subsection B. The pro-rata share collected shall be based on the tract of land in which ownership is held by a deed on file with the county register of deeds.

Such pro-rata share will be determined by the Water District based upon the anticipated number of connections, the front foot cost, area served by the connection or other reasonable method for allocating the respective shares of the total cost to be refunded to the Petitioner.

Prior to January 1, 2005, "Plan C" Agreements for mains 12 inch and larger in diameter may provide a refunding mechanism to the Petitioner for all or a portion of the cost of the Water Main Extension from the Water District funds. Any such Agreements executed before January 1, 2005, and provided for yet unpaid refunds from the Water District funds, will continue to be effective under their terms.

Any Agreements executed on or after January 1, 2005, under the terms of this Section 4, Subsection B, will not allow for refunds to the Petitioner from Water District funds. The time limit for the collection of such pro-rata shares for reimbursement to the Petitioner shall not exceed 20 years.

C. Water Main Extension Petition and Agreement Creating a Refund Area, for water mains smaller than 12-inches ("Refund Area Agreement"):

(Former "Plan D")

When a Petitioner requests for a Water Main Extension smaller than 12-inches in diameter that will pass in front of or will otherwise be adjacent to other tracts under different ownership and that can also be reasonably served by that Water Main Extension, the Water District may create defined boundaries of a Refund Area that could be served by such new, replaced or enlarged Water Main Extension as proposed by the Agreement.

Such Refund Area Agreement will include, but not be limited to, provisions requiring owners of other tracts within the Refund Area to pay to the Water District for refund to the Petitioner a pro-rata share of the original cost of the Water Main Extension as designated in the Agreement and without interest. The Water District will collect from affected land owners as they make new connections directly, or indirectly, to the Water Main Extension in any of the following manners:

- new Water Main Extensions,
- new connections for domestic water service,
- new connections for fire protection, or
- enlargement of service connections, or meters, that exist prior to the date of the Refund Area Agreement.

The Water District will designate the size and number of tracts that can reasonably be served by such new, replaced or enlarged Water Main Extension as proposed by the Agreement and include those tracts in the Refund Area. After notice to affected landowners, the Refund Area will be created by execution of the Agreement by the Petitioner and the Water District and the Agreement will be

submitted to the Register of Deeds for filing in the county in which the Refund Area is created.

Upon creation of the Refund Area, the Water District will collect from affected land owners a pro-rata share of the cost of the Water Main Extension in accordance with paragraph 2 of this Subsection C. The pro-rata share collected shall be based on the tract of land in which ownership is held by a deed on file with the county register of deeds.

Such pro-rata share will be determined by the Water District based upon the anticipated number of connections, the front foot cost, area served by the connection, or other reasonable method for allocating the respective shares of the total cost to be refunded to the Petitioner.

The time limit for the collection of such pro-rata shares for reimbursement shall not exceed 20 years.

D. Water District Declaration Creating Benefit Area or Refund Area Main Extensions (“Benefit Area Declaration” and “Refund Area Declaration” respectively, and “Declaration” collectively):

When the Water District finds that there is a need for new, replaced or enlarged Water Main Extension(s) for reasons of health, sanitation, fire safety or conformity to the Water District’s standards of service, the Water District may create defined boundaries of a Benefit Area or Refund Area that can reasonably be served by such new or enlarged Water Main Extension.

The Water District will designate the size and number of tracts that can be served, directly or indirectly, by such new, replaced or enlarged Water Main Extension

and include those tracts in the Benefit Area or Refund Area. After notice to affected landowners, the Benefit Area or Refund Area will be created by the Water District Board adopting a Resolution. A Declaration will be submitted to the Register of Deeds for filing in the county in which the Benefit Area or Refund Area is created.

Upon creation of a Benefit Area or Refund Area, the Water District shall advance the funds required for the design, acquisition of easements and rights of way, and the cost of construction of the Water Main Extension.

Owners of tracts within the Refund Area or Benefit Area shall reimburse to the Water District a pro-rata share of the original cost of the Water Main Extension as designated in the Declaration and without interest. The Water District will collect the reimbursement from affected land owners as they make new connections directly, or indirectly, to the Water Main Extension in any of the following manners:

- new Water Main Extensions,
- new connections for domestic water service,
- new connections for fire protection, or
- enlargement of service connections of meters that exist prior to the date of notification to affected landowners of the Benefit Area or Refund Area.

Such pro-rata share will be determined by the Water District based upon the anticipated number of connections, the front foot cost, area served by the connection, or other reasonable method for allocating the respective shares of the total cost of the Water Main Extension. The Water District shall be entitled to

collect such pro-rata shares until the Water District's original investment in the water main has been recovered in its entirety.

The pro-rata share collected shall be based on the tract of land in which ownership is held by a deed on file with the county register of deeds.

E. Other Water Main Extensions:

Nothing contained in this Section shall be construed to prohibit the Water District from installing Water Main Extensions utilizing the Water District funding sources and not providing for refunds from affected land owners.

5. RIGHTS AND TITLE RESERVED TO THE WATER DISTRICT:

A Water Main Extension and all appurtenant rights created and constructed under this Rule X shall be and remain the exclusive property of the Water District, with the right to further extend such mains from and beyond any project termination point as contemplated by a Water Main Extension Agreement. Subsequent extensions beyond project terminations shall not be considered as an extension or other change in any previously approved Benefit Area or Refund Area. The Water District shall have the continuing right to install at its own expense transmission, fire and distribution mains.

6. TRANSFER OF DELINQUENT CHARGES:

All charges and costs for service performed by the Water District under this Rule X that become delinquent and unpaid shall be subject to transfer as stated in Rule V, Section 5, Subsection G.

7. SPECIAL AGREEMENTS:

Nothing contained in this Rule X shall be construed to prohibit the Water District from entering into an agreement under special conditions in which the Petitioner contributes

the entire cost of the Water Main Extension, or in which the terms of a Water Main Extension agreement vary from or are essentially different from the terms authorized by Section 4, Subsections A, B, and C as approved by the Water District Board.

8. EXECUTION OF WATER MAIN EXTENSION PETITIONS AND AGREEMENTS:

Unless otherwise directed by resolution of the Water District Board, the General Manager shall have the authority to approve and execute the Water Main Extension Petition and Agreement on behalf of the Water District Board.

9. ADDITIONAL FIRE HYDRANTS; OWNERSHIP OF HYDRANTS:

A. Where fire hydrants are added to Water Main Extensions constructed as a result of Line Extension Petition and Agreements executed prior to July 10, 1996, and said Water Main Extensions were subject to a charge per lineal foot for the costs of fire hydrants and paid into a fire hydrant fund maintained by the Water District for that purpose, no further charges shall be made for additional fire hydrants connected to those mains. Fire hydrants to be relocated, or removed, due to alterations of private structures or other improvements, or relocations, or removal, for public improvements instigated by private parties, shall be charged to the instigating party and will not be paid from the fire hydrant fund.

B. Where fire hydrants are added to Water Main Extensions constructed as a result of Agreements executed after July 10, 1996, or any Water Main Extensions that were constructed without the imposition of a charge per lineal foot for the costs of fire hydrants, the instigating party requesting the additional fire hydrant shall pay in advance the estimated cost. The estimated cost shall include all items as described in Section 3, Subsection A. The Water District and the party requesting

the fire hydrant shall enter into an agreement for installation based upon the estimated cost. After receipt of the signed agreement and an advanced payment in the amount of the estimated cost, the Water District will proceed to install the fire hydrant. After the installation of such fire hydrant has been completed and all costs have been determined, if the actual cost thereof is less than the funds deposited, a refund of the difference shall then be made to the party requesting the fire hydrant. No interest shall be paid to the party requesting the fire hydrant on the funds deposited. If the actual cost thereof is greater than the estimated cost, the Water District shall invoice the difference to the party requesting the fire hydrant.

- C. Where fire hydrants are added to Water Main Extensions that are subject to a collection of a pro-rata share of the original cost of the Water Main Extension, the party requesting the fire hydrant shall also be responsible to pay to the Water District a pro-rata share of the original cost of the Water Main Extension in accordance with the requirements of Section 4 of Rule X.
- D. Fire Hydrants may be installed at the Water District expense as follows, but not limited to:
 - 1) When the fire hydrant is necessary, as determined by the Water District, for the operation of a transmission or distribution main to which it is connected.
 - 2) When replacing an existing fire hydrant at the Water District's discretion.
- E. At the sole judgment of the Water District, fire hydrants required to be located further than 20 feet from the source main may be classified, as private fire hydrants. The private fire hydrant and all pipe and appurtenances between fire

service connection valve at the source main and the private fire hydrant shall be installed, owned and maintained by the property owner including that portion on public or common rights-of-way.

F. The Water District reserves the right to deny installation requests for a fire hydrant when, but not limited to, the Water District determines one of the following applies:

- the main size or capacity to be inadequate,
- hydrant spacing to be inappropriate,
- reasonable operational considerations, or
- water mains serving the property does not comply with Section 2, Subsection C of this Rule X.

Fire hydrants will not be installed on water mains that are not capable of a fire flow rate of 500 gallons per minute at 20 pounds per square inch residual pressure during maximum day water demand conditions without a written request from the appropriate fire jurisdiction stating that the lower anticipated fire flow rate is acceptable.