

SECTION 5 - SERVICE EXTENSION POLICIES

POLICY AND PROCESS FOR EXTENDING WATER AND SEWER MAINS

The District Board's primary commitment is to those owners and users of the District's facilities whose properties are currently served by, or are immediately accessible to, the District's existing facilities. However, the District Board is willing to consider the possibility of extending water and/or sewer mains, under certain limited conditions.

The extension of the District's system could be considered when proposed by individual lot owners and when such lot owners have agreed to pay all of the costs to the District, direct and indirect, for such extension. In some cases, this may require the Applicant/Developer to pay for capital improvements to the system, in whole or in part.

Process and Specific Provisions:

5.1 WATER MAINS and SEWER MAINS may only be extended with approval by the District, after approval by the District's Board of Directors pursuant to the Rules and Regulations, and in accordance with the recommendations of the District's Engineer.

5.2 TIMING and LOCATION of any extension of facilities must be established by the Board of Directors of the District, either by approval of a Capital Improvements Plan, or by approval of a specific project.

5.3 PRIVATE APPLICATIONS for the extension of WATER MAINS and SEWER MAINS, from property owners within the District only, will be considered by the Board of Directors of the District, as follows:

Phase I (Preliminary) Application.

5.3.1 Any owner of real property within the District may submit an APPLICATION for extension of WATER MAINS and SEWER MAINS, which complies with the requirements of the District, to allow the District's Engineer and District's Attorney to evaluate the APPLICATION for impact to the District's water and sewer service system. The application will include a map of all the affected properties, with lot numbers as well as lot owners name and address. The application and all attachments shall be submitted in electronic ".pdf" file format.

5.3.2 Such owner must submit payment of the District's APPLICATION FEE, as established and amended from time to time, and must submit the basic information required on the APPLICATION and the preliminary information required by the District's engineer and District's attorney, for an initial evaluation to occur. A primary contact will be listed on the application and the \$1,000 fee will be submitted with one check. Any

monies to be refunded will be delivered by the District with one check to the primary contact.

- 5.3.3 An APPLICATION, with fee, must be received and deemed complete by the District's Board President, or other designated Board member, at least 30 days prior to the meeting where the application is to be considered. Any application submitted less than 30 days prior to a meeting, will be scheduled for consideration at a subsequent meeting.
- 5.3.4 Upon receipt of the APPLICATION, a copy will be distributed to the Board members, the District's Engineer and the District's Attorney, for their review and comment prior to the meeting at which the APPLICATION will be considered. After evaluation by the District's Engineer and District's Attorney, and if Applicant would like to proceed, the District will forward a copy of such application by certified mail to District property owners who may be impacted by the proposal, allowing 30 days for these owners to comment.
- 5.3.5. The District Board will consider the APPLICATION, and will hear from the Applicant or the Applicant's representatives at its meeting. After consideration and public comment, the District Board will determine whether to approve the APPLICATION, approve the APPLICATION subject to conditions, or deny the APPLICATION. The Board may also defer action on the APPLICATION, in the event that there are issues that require additional research and review. Costs for any additional research and review will be paid by the Applicant. In the event of a denial, the APPLICATION, or a substantially similar APPLICATION, may not be resubmitted for consideration for a period of at least 12 months.

Phase II (Final) Application

- 5.3.6 At any time, within 24 months after a Phase I APPLICATION has been approved, the Applicant must submit a Phase II APPLICATION, electronically in ".pdf" format" to the Board for approval. If construction has not started within 12 months after Board approval of the Phase II Application, Board approval will automatically terminate unless the Applicant has requested and the Board has approved an extension. If more than 12 months have elapsed after receipt of the Phase II Application, The Board of Directors may, upon the request of the Applicant, reconsider a renewed Phase II application and take any action it deems necessary to review the application and notification to affected Property Owners.
- 5.3.7 The Applicant shall, as part of the Phase II APPLICATION, agree to comply with the District's Rules and Regulations, to comply with all requirements of Routt County, with respect to construction in the County rights-of-way, and Willow Creek Pass Village Association's (WCPVA)

rules, regulations and standards. The Applicant shall also pay all of the District's costs for the engineering of the extension of the proposed WATER MAINS and SEWER MAINS by the District Engineer, and for legal fees and administrative costs, which are actually incurred by the District, related to the APPLICATION.

- 5.3.8 Upon receipt of the Phase II APPLICATION, the District will obtain an estimated cost for the engineering of the WATER MAINS and SEWER MAINS extension, a time estimate for the engineering and construction plan preparation, and an estimate of legal and administrative fees. Upon execution of a service agreement with the District Engineer, the Applicant shall pay such amount, plus a 15% contingency fee, to the District.
- 5.3.9 Upon receipt of such payment from the Applicant, the District will authorize and direct the District's Engineer to proceed with the preparation of detailed design and construction drawings for the Applicant's project.
- 5.3.10 After completion of the plans by the District's Engineer, the District Board will review the final design and construction documents for final approval. Before construction can proceed, the Applicant will then submit the proposed construction Contractor's proposal, along with Contractor qualifications for Board approval. A detailed schedule indicating number of days needed, and description of how the work will be executed, including traffic control is also required. Both a payment bond and a performance bond of 100% of the cost of construction may be required for the performance of the proposed work by the Contractor.
- 5.3.11 If the Project and Contractor are approved, the District Engineer will give an estimate on construction inspection costs, to be borne by the Applicant. Surveying, testing and any other special conditions will also be included. A 15% contingency will be applied to the cost for a Total Construction Cost. At this time the Applicant will be required to show proof of his ability to pay for the total cost of the construction as well as the District Engineer's construction inspection costs. This may be in the form of a Letter of Commitment from a financial institution, a Letter of Credit, establishment of an Escrow Account, or any other means deemed suitable by the Board.
- 5.3.12 Construction Phase
 - a) After all approvals have been granted, the Developer shall have the extensions constructed in strict accordance with the approved design, and inspected by the District's Engineer or Inspector. Prior to commencement of the work, the Applicant will deposit an allowance for the District Engineer's inspection of the construction, which will be billed on a time and material basis.

- b) The District Engineer, or Inspector, will inspect to assure good quality construction, installation materials and practices in general conformity with the approved plans and specifications. The District Engineer or Inspector will not handle, or be responsible for, other construction phase inspection related services (e.g., staking easement and/or line locations, measuring quantities, preparing pay estimates, and administrative or management-type relations with the contractor) unless a specific contract for services is executed with the District.
- c) The Developer shall schedule a pre-construction conference on the job site with the District Engineer/Inspector, Contractor, and District Representative prior to construction. The Developer shall notify the District five (5) working days prior to beginning construction and thereafter keep the Engineer or Inspector informed of the construction schedule. No work may be covered, hidden or completed without the Engineer/Inspector presence and approval. Any extra Engineer/Inspector time or expense caused by the Contractor failing to work according to the proposed schedule shall be charged to the Applicant as part of the actual cost.
- d) Construction staking shall be completed by the Applicant's surveyor prior to the installation of the water or sewer. All staking shall be maintained throughout the installation of the water or sewer lines. Staking shall include easement or right-of-way stakes and cut/offset stakes (50' max. spacing unless otherwise approved).

5.3.13 As-Built Drawings. Accurate "as-built" drawings (sealed by the District Engineer) showing adequate ties to physical facilities must be provided at the completion of work to the District Engineer who will incorporate these drawings into the District's infrastructure documentation. Both a hard copy and electronic file suitable to the District Engineer will be required.

5.3.14 The work under the Phase II application must be initiated within 24 months after Board approval. If it is not, it is up to the Board's discretion as to what action will be taken.

5.4.1 SERVICE EXTENSION PARTICIPATION

- a) In the event that the District Water and Sewer System is extended, any C Lot that becomes adjacent to the System will be converted to a B lot. The annual Availability of Service fee will be assessed in the first full calendar year after the extension of service has been completed.
- b) In the event that the District Water and Sewer System is extended adjacent to a D Lot, that Lot's property owner may elect to, but is not required to, tap into the extended system. If the option to tap into the District Water and Sewer System is selected, tap fees will be assessed. Services fees will be assessed from date of tap.

See Section 5.4 of these Rules and Regulations for Pro-Rata costs that may be required to share the cost of the new extension.

5.4.2 When the Applicant notifies the District of the Applicant's intent to begin construction of the project, if the project includes the possible access to service by property owners who are not part of the APPLICATION, then the District will have its attorney prepare a "pro-rata share agreement," which includes the following:

- a) A requirement that, for a period of 10 years after District acceptance of the WATER MAINS and SEWER MAINS, such non-participating owner shall pay that owner's "pro-rata share" of the total costs of construction, before being permitted to pay a "tap fee" and connect onto the District's water main or sewer main (Exhibit A)
- b) Pro-rate fees collected by the District during this period will be reimbursed to the Applicant and mailed to the address they provide.
- c) An agreement that the Applicant will indemnify the District, against the costs and legal fees that may be incurred by the District, in defense of such "pro-rata share" agreement, where such is brought by third-parties.

5.5 No water taps or sewer taps shall be approved for any lots to be served by the Applicant constructed WATER MAINS and SEWER MAINS, until all conditions herein have been met, including the reimbursement of the District for all of the District's costs and fees incurred and Conveyance Agreement has been executed.

5.7 Warranty Period: Upon receipt of As-Built Drawings, and with formal written acceptance of the work by the District Engineer, the Warranty Period will begin and will last for a period of 12 months. Any repairs required during this 12 month period will be the responsibility of the Applicant, with Board approval of any subcontractor work that may be necessary. At the end of the Warranty Period, the Conveyance and Acceptance of the Utility Line and Facilities (Exhibit B) will be executed between the Board and the Applicant.