

Regulation No. 9

Extensions of and Additions to District Facilities

Adopted: July 19, 2004

Amended: June 15, 2015; March 19, 2018, September 20, 2021

A. Extension Facilities

Extension Facilities are a water distribution system, including without limitation, water mains, storage tanks, pumps, wells, and appurtenances, which provide for water transportation and/or production to a Parcel or Parcels not presently served by an adequate water supply as the same is defined in Sections D of the District Standards. There are two classes of such facilities, namely:

1. **Applicant's Cost:** In those situations where the District does not maintain a main line of Adequate and Reserve Capacity in a street or public right-of-way completely fronting the Applicant's Parcel(s), the Applicant shall install, at Applicant's sole cost, Extension Facilities of the size defined in District Standards, Section D fronting his, her or its Parcel(s) in the public right-of-way. As used in this Section, street or public right-of-way shall be plural when the Applicant's Parcel(s) fronts streets or public rights-of-way on two (2) or more sides. In this situation, the Applicant shall provide Extension Facilities on the Principal Boundary that correlates to the District Master Plan as a necessary extension to provide for future extension of the District Water System. Should the Applicant be required to service the Parcel(s) on the other right-of-way, then the Applicant shall be required to also provide a water main of Adequate and Reserve Capacity along this frontage; said mains shall be of the size defined in District Standards, Section D from a point where a water main of Adequate and Reserve Capacity exists to the point most distant from that main on the Principal Boundaries of the Applicant's Parcel(s).
2. **District's Cost:** There will be situations where additional water demand will require the installation of additional Extension Facilities beyond Applicant's Principal Boundary or Up-Sized Lines, or where future development will require the installation or construction of such facilities that otherwise would be prohibited from construction for a period of time by the County of Sacramento. In such cases, the District may, at its cost, authorize the construction of such Extension Facilities or Up-Sized Lines as are deemed necessary by the Board of Directors to comply with the current District Master Plan.

B. Location, Design, and Specifications of Extension Facilities

The location, design, and specifications of all Extension Facilities shall be determined by the District's Master Plan and by the application of the provisions of this Regulation and Regulation 7, and the application of the District Standards and all revisions thereof.

C. Ownership and Operation

Extension Facilities constructed in accordance with the District's requirements shall, upon acceptance by the District, be owned, operated, and maintained by the District as part of its water storage and distribution system. As a condition of approval of Extension Facilities, the Applicant will convey the new facilities to the District if constructed at Applicant's cost. Prior to acceptance by the District in writing, ownership and responsibility of all Extension Facilities shall remain the Applicant or the Applicant's contractor, agent or other authorized representative. The Applicant shall provide and fund a one-year guarantee bond or similar security on all Extension Facilities. The guarantee period shall begin on the date of final acceptance by the District.

D. Location of Existing Facilities

Any existing facilities located on an Applicant's Parcel or Parcels that are situated above ground or at ground level shall be relocated below ground as specified in the District Standards. All such relocations shall be at Applicant's cost.

E. Location of Extension Facilities

Extension Facilities shall be located as determined in the District's sole discretion on land granted to or owned by the District in fee, in a public right-of-way, or in an easement granted to and accepted by the District. The Applicant will, without cost to the District, cause to be conveyed or granted such lands and/or easements as the District determines to be necessary for the Extension Facilities. The land and/or easement shall be conveyed to the District free and clear of all liens and encumbrances. An Applicant's failure to cause to be conveyed or granted the lands and/or easements required by the District as a condition of acceptance of Extension Facilities shall be grounds for the District to refuse to provide water service to the Applicant or cause discontinuance of any existing service until such facilities are furnished.

F. Payment of Cost of Extension Facilities

Except for the incremental cost of any required Up-Sized Lines or other facilities to be built at the District's cost in accordance with Section A.2, the Applicant shall pay all costs of constructing the Extension Facilities required to serve his, her or its Parcel or Parcels in accordance with the provisions of Section A.1 hereof and Regulation 7. In cases where the District constructs the Extension Facilities in accordance with Section A.2 of this Regulation 9, the District's actual costs and party responsible for construction will be determined solely by the District. The District's actual costs for any facilities shall include labor, materials, equipment, engineering, inspection, and usual overhead expenses related to such work.

G. Deposit of Installation Costs

The Applicant shall deposit with the District, as a condition precedent to written District approval of plans for Extension Facilities, a sum equal to the estimated total cost of those facilities, including all charges defined in accordance with provisions of Regulation 7, Section F hereof. The required deposit shall be in cash or an irrevocable letter of credit in a form and issued by a bank or financial institution acceptable to the District. Upon completion of the work, and if the deposit paid to the District is less than the actual cost of the work, the difference shall be paid by the Applicant prior to the District's commencement of water service. Any amount paid, including Capacity Fees, Supervision and Inspection fees, overhead costs, and any other charges that may be owing, which are in excess of the actual cost of installation of the Extension Facilities, will be refunded by the District after Final Approval of the new facilities.

H. Acknowledgement of Necessity for and Reasonableness of Extension Facilities

Anyone who pays, deposits, or agrees to pay all or part of the cost of Extension Facilities thereby acknowledges that such facilities are necessary and reasonable.

I. Installation

Extension Facilities will be installed by the District or by the Applicant, unless the District elects to require the installation of Up-Sized Lines, in which case the District will install or pay the incremental cost of those facilities. The Applicant may, when permitted, hire a competent and experienced licensed contractor to install the Extension Facilities. Such contractor must have specific experience in the construction of water facilities and be approved in writing by the District. All work performed by an Applicant's contractor is subject to final inspection and approval by the District as a condition of its acceptance of the Extension Facilities and provision of water service to the Applicant. The District reserves the exclusive right to construct with its own personnel or by Contract, all Extension Facilities required, including Up-Sized Lines and complicated connections or extensions involving interference with existing District Water System facilities.

J. Reimbursable Costs

1. Whenever the Applicant is required in accordance with the provisions of this Regulation or Regulation 7 to install Extension Facilities that include the construction of an Up-Sized Line or the extension of facilities beyond the frontage of the Parcel or Parcels to be developed, the Applicant shall be entitled to a reimbursement for a portion of such installation, if the Parcel or Parcels that Extension Facilities cross is already developed with service from a backyard main or has not been developed. For Parcels that have service from an existing water main in the front yard, reimbursements for Extension Facilities that are in addition to or replacing existing facilities as necessary per District regulations will not be eligible for reimbursement.

2. Reimbursement shall be made in accordance with the following terms and conditions:
 - a. The Applicant has furnished the District the bid or cost of the Facilities Extension.
 - b. The Applicant approves in writing of the reimbursement calculated by the District based on the supplied bidder costs.
 - c. The main extension is installed per plans and District standards with all deficiencies corrected to the satisfaction of the District.
 - d. The Extension Facilities are successfully completed, and all required tests are performed and satisfactorily passed (including a hydro-test, and sanitary test).
 - e. If applicable, performance of a certified on-site test of Backflow Prevention Assembly(s) demonstrating compliance with Sacramento County requirements.
 - f. The District has issued final written acceptance of all Extension Facilities as installed per the approved plans.
 - g. When the above items have been completed, the Applicant shall then request, in writing, the reimbursement. Reimbursements will not be provided if any of the above conditions are not satisfied.

K. Capacity Reimbursement Fund

There is established a separate Capacity Reimbursement Fund. The District will credit to said fund 20% of all Capacity Fees paid to the District during each fiscal year. The deposits so obtained shall be the sole source of income to said fund for that year. Any remaining balance in the said fund after payment in that fiscal year to all reimbursement entitlements shall be transferred into the District's Capital Asset Fund.

L. Capacity Reimbursement Payments

On or before April 1st of each year, the District shall pay to Applicants eligible for reimbursement, as provided in paragraph J above, that proportionate share of the total amount deposited into the Capacity Fund during the year of his/her payment for the work as his/her contribution bears to the total amount paid into the fund during the fiscal year.

On or before April 1st of the second and successive years, the District shall pay to the Applicant that proportionate share of the total amount credited to the Capacity Fund during the year of payment as the balance due the Applicant bears to the total amount paid into said fund during the second and successive years.

An Applicant's reimbursement entitlement shall expire and terminate when the District has paid the same in full without interest, or has made payments for a ten (10) year period from the date of first payment, whichever comes first.

M. Assignment of Reimbursement Entitlement

The District will not recognize any assignment or attempted assignment of a reimbursement entitlement unless the assignment is on a form satisfactory to the District and is signed and acknowledged by the assignor. The District will furnish such forms of assignment upon request.