

PORTLAND WATER DISTRICT BOARD OF TRUSTEES**Policy 650 WATER MAIN EXTENSION AND SERVICE LINE POLICY**

SUMMARY: This Policy establishes standards and conditions for the extension of water utility services.

1. DEFINITIONS

- A. **Customer.** A person taking or proposing to take water service at an establishment.
- B. **Customer Contribution.** The amount which a new customer on a water main extension must contribute to a water main extension. The amount of the customer contribution shall be the customer's share of the length of the extension up to the point of service. The customer's share shall be: (1) the length of the main extension, if any, which serves that customer exclusively plus, (2) for each segment of extension serving 2 or more customers, the length of that segment divided by the number of customers served by it. In calculating the customer contributions the District shall use the average cost per foot of the entire water main extension, including the fire protection allocation described in sections 3(A) and 4(A). The cost allocated among customers shall not include the cost of service lines.
- C. **Alternative Calculation of Customer Contribution.** As an alternative to the allocation of the customer contribution described in subsection B, where an extension is to serve an area which has lots of approximately equal size, the District may require customers served by the extension to provide a customer contribution in equal shares of the total construction cost. The District shall divide the total required customer contributions, equally among all customers each time a new customer is added.
- D. **Development.** A water main extension shall be considered as serving a development, for purposes of section 4 of this rule, if a single person or business entity or a single association of persons or entities applying for a main extension to serve property owned or under the control of the single person, entity or association has offered two or more parcels for sale or it is reasonable to expect that two or more parcels will be offered for sale.
- E. **Establishment.** A location at which water service is desired or is being rendered.

- F. **Limited Service Agreement.** A written agreement under which the District agrees to provide and the customer agrees to accept a level of service estimated in the agreement. This agreement must be made on a form supplied by the District.
- G. **Main and Main Extension.** A main is a water line in a public way owned by the District to serve one or more customer, multi-unit dwelling complex, or commercial or industrial development; or a water line owned by the District on private property to serve more than one customer, multi-unit dwelling complex, or commercial or industrial development or to serve a single customer, multi-unit dwelling complex or commercial or industrial development if another person or entity has an easement or other right of access for water line purposes. A new main shall be a main extension for the 10 years following connection of the first customer. Pursuant to a decision by a District under section 2(C), a new water line on private property to serve a single customer, multi-unit dwelling complex development shall be a main extension.
- H. **Person.** An individual, partnership, company, public or private corporation, political subdivision or agency of the State, department, agency or instrumentality of the United States, or any other legal entity.
- I. **Public Way.** A street or public right-of-way which has been accepted and is owned or controlled by a town, city, county, state or the federal government.
- J. **Private Line.** (1) A water line constructed prior to May 7, 1986 across private property to serve one or more customers and not considered by the District to be a main; (2) except as provided under section 2(C), a water line constructed after May 7, 1986 across private property to serve a single customer, a single multi-unit dwelling complex or a single commercial or industrial development upon which no other person has an easement or other right of access for water line purposes.
- K. **Service Line.** A water line installed at the customer's expense extending from a main to serve a single customer, a single multi-unit dwelling building or complex of a single commercial or industrial development. The service drop portion of the service line shall be owned by the District and shall extend from the main to the curb stop (shut-off valve). The curb stop shall ordinarily be at the edge of the right of way.
- L. **Temporary Establishment.** An establishment that the District reasonably believes to be of a temporary nature after giving due consideration to the location, setting, structures and use of the structures and/or establishment.

2. GENERAL PROVISIONS

- A. **District Ownership and Responsibility.** All water main extensions, appurtenances and service drops constructed pursuant to this policy shall be owned, maintained and, except as provided below, replaced by the District. The

actual construction shall be done by the District or by an agency acceptable to it under the District's supervision. If replacement is required because of an increase in demand by a new or existing customer or customers and not because the main should be or must be retired, the customers presenting the increased demand shall pay for a reasonable portion of the replacement pursuant to section 3 as if the replacement were a new main extension or service drop.

- B. **Temporary Establishment.** The District shall have no obligation to make an investment to extend its water service to a temporary establishment
- C. **Main extensions and private lines.** A private line shall be installed, owned and maintained by and at the expense of the customer which it serves. Main extensions, wherever located, are subject to the provisions of this policy. Upon application for service through a water line to be constructed after May 7, 1986, which is otherwise defined by section 1(K) as a private line, the District may require a main extension if it decides that the private line will be detrimental to the proper development of the water system.

If, after May 7, 1986, a customer served by a private line permits another customer, premises or person to be served from the private line, the line shall be subject to and must be in compliance with the water main provisions of this policy.

- D. **Public and Private Ways.** Extensions shall normally be made in the municipally accepted public way. The District may make extensions across private property provided that adequate easements are obtained. It shall be the responsibility of the applicant for a water main extension to provide the District with such easements as the District deems necessary.

If the District reasonably believes that the lines and grades of a private street may not be approved by a municipality or other public authority it may refuse to accept the water main extensions in the private streets until lines and grades have been established by the public authority and the street has met those standards, as determined by the District or the public authority.

- E. **District Specifications; Related Distribution Capacity Additions.** The District shall specify the size and type of pipe to be installed, and it shall be the responsibility of the District to provide mains of adequate size to allow for normal domestic and fire protection growth. In the event that the District desires to install pipes for its future benefit which are larger than required in the extension area, appropriate adjustments will be made.

If the demand for water expected from the customers to be served by the extension requires existing mains leading to the extension to be replaced or supplemented by parallel mains, or requires booster pumps or other appurtenances in order to satisfy the demand or to maintain adequate pressure along the extension or along

the main leading to the extension, a reasonable portion of these costs shall be included in the price of the water main extension. In determining a reasonable portion the District shall consider whether the need for new replacement or parallel facilities is caused entirely by the customers to be served by the main extension; the age of existing facilities and the need for replacement for other reasons; the marginal cost of providing the additional capacity if existing facilities need present replacement or replacement in the near future; any increases in the quality of service to other customers by the addition or replacement facilities; and, in the case of a review pursuant to section 6(D), the prudence of the District in determining the amount of existing capacity.

- F. **Length of Extension.** In arriving at the length of a water main extension necessary to render service at any point, the distance from such point to the nearest existing water main normally shall be traced along the line which, according to established trade standards and District practice, marks the proper construction of the extension in the street, road or right-of-way on which the building or lot fronts. The point at which the extension ends and the service line commences shall normally be at the intersection of this line and another line, perpendicular thereto, which passes through the center of the building to be served.
- G. **Low Pressure Areas.** Main extensions and service in low pressure areas shall be governed by Section 2 H of the District's Policy 620.
- H. **Inspection and Testing.** The District shall insure that any and all facilities, installed or accepted under an agreement, comply with the District's standards for materials and installation and are adequate and safe for the purpose of the District. The District shall not be required to accept a main extension, pipeline or related appurtenances until after they have been inspected and tested and meet the District's standards. Any inspections or test shall be at the expense of the person requesting service or acceptance.

3. EXTENSIONS TO SERVE INDIVIDUALS

- A. **Cost Estimate, Advances and Deposits.** Upon request of a potential customer or customers for a main extension, the District shall prepare, without charge, a preliminary sketch, general specifications such as size and type of pipe, an estimate of the cost of the proposed water main extension and separate estimates of the cost of service lines to serve the customers requesting the main extension. Cost estimates shall be used solely for the purposes of determining deposits, book value to the District and future customer contributions made pursuant to this policy.

The main extension estimate shall serve as a basis for determination of any required customer contribution. The costs of the main extension and the service lines shall be kept separate in order to allow reallocation among customers of the

cost of the main extension alone pursuant to subsection C. For the purposes of these rules, actual costs shall be reasonable and shall not exceed costs recorded in conformity with accepted District accounting practice as defined in the Uniform System of Accounts for Water Utilities prescribed by the Public Utilities Commission.

- B. Customer Contribution to Main Extension and Other Requirements; Cost of Service lines; Advances and Deposits; Contracts.** Applicants either for a new water main extension, or for service from an existing water main extension, during the period of 10 years following connection of the first customer (on extensions to which the first customer was connected after May 7, 1986), shall, subject section 2(F), be responsible for customer contributions of all costs of construction of the main extension including the fire protection allocation. The applicant(s) shall be required to advance the customer contribution, if applicable, and the cost of the service drop to the District no more than two weeks prior to the start of construction of a District of a new main or connection to an existing main extension or main. The District may require a deposit of the cost of materials and supplies and detailed engineering design, or some portion thereof, two months prior to the commencement of construction of a main extension. The District shall refund the portion of the deposit that was not used for purposes of the project.

No construction of a main extension or service drop shall be commenced until the District and the customer have executed a written contract.

When new customers are added to an extension, customer contributions to the line extension for existing and new customers shall be recalculated as provided in Paragraph C.

- C. Distribution and Reallocation of Customer Contributions.** When additional customers are connected to an extension within the ten years following connection of the first customer, the District shall make payments without interest to the existing customers of the additional customer contribution to the main extension. The amounts to be paid to customers shall be determined by re-computation of the contribution by each customer pursuant to section 1(B) or 1(C), as applicable, as if all customers had been connected simultaneously.
- D. Further Extension to Serve New Customer.** All further extensions to serve other customers shall be separate and customers served by further extensions shall not be required to contribute to any prior extension.

4. EXTENSIONS TO SERVE DEVELOPMENTS

- A. Developer Requirements.** Upon request, an applicant for a main extension to serve a development shall furnish all reasonable information concerning the

development, including an approved recorded plan which will show the line and grade of any roadways and an easement giving the District prior rights in the public right-of-way.

- B. Developer Contribution; Cost of Service Lines; Advances and Deposits; Contracts.** The developer shall advance to the District, no more than two weeks prior to the commencement of construction, the total estimated cost of the line extension including the fire protection allocation and, subject to section 2(F), and the total estimated cost of service drops to all lots or locations where future service may reasonably be anticipated.

The District may require a deposit of the cost of materials and supplies or detailed engineering design, or some portion thereof, two months prior to the commencement of construction. Any portion of the deposit actually spent for detailed engineering design or for materials and supplies which cannot readily be used for other projects by the utility shall not be refundable.

No construction of a main extension or service drop shall be commenced until the District and the developer have executed a written contract. Following receipt by the utility of the final bills for the extension, the charge to the developer shall be adjusted to make up for any difference between the estimated and actual costs of the lines. For the purposes of these rules, actual cost shall be reasonable and shall not exceed costs recorded in conformity with accepted water District accounting practice as defined in the Uniform System of Accounts for Water Utilities prescribed by the Commission.

- C. Customer Contributions by Customers Outside Development.** If a main extension must cross property other than that within the development prior to reaching the development, and customers located on the property outside the development are connected to the main extension within ten years following connection of the first customer at any location, the total cost of the main extension shall be allocated between the development and the area outside the development on the basis of the number of feet within the development and the number of feet outside the development. After determining the total cost of the portion of the main extension outside the development on the basis of this allocation, customers outside the development should be required to make a contribution, as provided pursuant to section 1(B) or 1(C). For the purpose of determining the contribution or reallocating contributions when subsequent customers outside the development are connected, the developer shall be considered the equivalent of the number of customers within the development or the number of services constructed pursuant to subsection C of this section, whichever is greater, as if all those customers or services were located at the termination of the portion of the extension located outside the development. If a development is master-metered, the number of customers within the development, for purposes of this subsection, shall be considered as the number of residential, commercial or industrial units or establishments.

5. MISCELLANEOUS PROVISIONS

- A. **Contribution in Aid of Construction.** Nothing herein contained shall prevent the District from accepting non-refundable donations or contributions for extensions either in cash or construction participation.
- B. **Surface Mains.** The District shall not be required to further extend a surface main.
- C. **Appeal to the Board of Trustees.** The Board of Trustees, will upon motion of the District or customer, interpret the meaning and effect of the provisions of this Policy and may, for good cause shown, grant exceptions to these provisions to prevent undue hardship or injustice, or injury to health, Pursuant to Section 27 of the Standing Rules of the Board of Trustees.

STATUTORY AUTHORITY: 35-A M.R.S.. §6114 and Decision and Order of the Public Utilities Commission, dated November 13, 2015, Docket #2015-00159

EFFECTIVE DATE: May 1, 2016