

Asset Management and Planning - New Development Policies	Date: June 30, 2010
Category: Water Main Extensions	Revised:
Subject: PWD Financial Contribution to Main Extensions	Pages: 1 of 2

Background

A Developer installing a water main extension is typically responsible for paying 100% of the costs related to the extension. The exception to this rule is when the District specifies a pipe size greater than 12-inch diameter in an effort to accommodate the future capacity needs of the water system. In this case, the District will choose to contribute towards the material costs beyond 12-inch diameter that the Developer will incur by upsizing the water main to the size specified by the District. This policy specifies the criteria for the District decision on whether to contribute and outlines the requirements that the Developer must meet to obtain a contribution.

Projects Eligible for a PWD Financial Contribution

The District will specify the main size for a water main extension submitted by a Developer for acceptance into the District water distribution system. If the District specifies a size 16-inch or greater and the Developer feels that the project requiring the extension does not require a main of the specified size to meet the project's domestic and fire protection needs, the Developer may petition the District to make a financial contribution to the Developer to cover the material costs added due to the main upsize. If the District agrees that the main is being sized to accommodate future capacity needs of the system beyond the project, it will make a financial contribution to the Developer as noted in this policy.

Financial Contribution to Main Extensions

If the District specifies a main size of 16-inch diameter or greater on a New Development project with a goal to support future capacity needs, and both the District and Developer agree that the project could be served with a main size less than what is specified, the Developer can petition the District to contribute toward the construction costs related to upsizing the main. The petition must include an estimated water main material list noting the quantity of pipe and fittings expected on the portion of main to be financed by the District. The District will then determine

if it will contribute toward the material cost difference between 12-inch diameter pipe and fittings and the pipe and fittings costs specified by the District.

Upon approval of the contribution from the District, the Developer will be responsible for submitting evidence of material pricing from multiple bidders (for both 12-inch diameter and the specified diameter) for District review prior to the start of construction. The District will then generate an estimate of the contribution amount based on the material cost difference between 12-inch diameter and the specified diameter for the lowest bid. In the event that multiple bids are not solicited by the Developer, the Developer must submit the single material bid (for both 12-inch diameter and the specified diameter) to the District. The District will then calculate the contribution by using the cost differences as follows:

1. 12-inch diameter value: The higher cost for each material between the District's cost records and the bid amount.
2. Specified diameter value: The lower cost for each material between the District's cost records and the bid amount.

Upon District project acceptance, the Developer must submit a final listing of materials installed and invoice records indicating the actual material costs of the specified diameter pipe. The District will use these values in place of the bid values to recalculate the final contribution amount. The District will make payment to the Developer after project Final Acceptance as part of the deposit reconciliation process.