LA PLATA ARCHULETA WATER DISTRICT

POLICY CONCERNING MAIN EXTENSIONS INTO SUBDIVISIONS

Adopted: August 13, 2009

BACKGROUND INFORMATION

- A. Construction of the District's water distribution system is expected to be completed in multiple phases solely dependent upon several factors, including the financing and revenues which are available to the District from time to time.
- B. The Board of Directors recognizes that establishing priorities for main extensions into subdivisions with completed residential improvements for which certificates of occupancy have issued will impact availability of service throughout the District.
- C. Efficient use of the public rights-of-way will permit the District to leverage its resources and extend water service to a broader area more quickly.

POLICIES

NOW, THEREFORE, the following Policies of the La Plata Archuleta Water District ("District") are hereby adopted:

- 1. The District plans to construct its main lines of distribution parallel and adjacent to state highways and county roads within the District by utilizing available state highway right of way using the Special Use Permit Process available through the Colorado Department of Transportation (CDOT) and the La Plata County permit provisions for use of the public highway right-of-way within the District. Use of such public right of way shall be prioritized in the District's Master Plan and in the design of the water distribution system.
- 2. Thereafter, or concurrently when there is demand and it is cost effective to do so, main line extensions into residential subdivisions that are able to offer appropriate customer density to be cost effective shall be considered. When the District is requested to extend its water mains into a subdivision with completed residential improvements for which certificates of occupancy have issued and additional facilities constructed in accordance with District specifications are required to serve such residential properties within the subdivision, the total amount of the capital investment fees paid and actually collected from property owners within the subdivision shall be credited by the District against the cost of installing such facilities and the property owners within the

subdivision shall pay the balance of such costs to the District. In order to qualify for this credit, such work must be done by the District's contractors or by District crews.

3. Any water service agreement or proposal for main extension into a subdivision shall include provisions for conveyance of the appropriate utility easements to the District necessary for the main extension, either within any private roads which may exist, within existing utility easements or on private property at no cost to the District. Any costs incurred by the District for any easements necessary to serve property within a subdivision shall be added to the costs of the main extension to be paid to the District.