

RESOLUTION NO. 11-13641

A RESOLUTION TO REVISE THE DISTRICT'S
TELECOMMUNICATION LINE EXTENSION POLICY

FACTUAL BACKGROUND AND REASONS FOR ACTION

As part of the District's effort to improve business processes, provide staff guidance during long-range planning, align with District strategic objectives, provide options to our customers, define roles and responsibilities, and control costs, it is recommended by staff that the District revise the Telecommunication Line Extension Policy. The capitalized terms used in this resolution are as defined in the proposed policy.

A Telecommunications Line Extension is defined as an increase in the size and/or length of the District's existing Telecommunications Facilities required to serve a qualifying Third Party Service Provider within the District's Telecommunications Service Area. Line Extensions are necessary to provide Telecommunications Service to new or existing homes, businesses and industries within the District's established Service Area.

The revised Telecommunications Line Extension Policy cancels and supersedes any previous policy and includes the following sections: General Provisions, Definitions, Application, Engineering Fees, Line Extension Construction Options, Payment for Line Extension, Type of Construction, Construction Requirements, Applicant Responsibilities, District Responsibilities, Easements and Permits, District Ownership and Revision.

The proposed Telecommunication Line Extension Policy is attached as Exhibit A.

As proposed, the policies include the following significant provisions:

- Third Party Service Provider is defined as the "Applicant"
- Upon receiving an Application for a Line Extension, the District will make an Initial Cost Review. If the Initial Cost Review is less than \$1,500, the District will proceed with Fiber Distribution subject to District scheduling and resource availability. If the Initial Cost Review is more than \$1,500, the District will not proceed with the Fiber Distribution until further steps are taken by the Applicant.
- An Engineering Fee will be collected from the Applicant at the time of application if Initial Cost Review is more than \$1,500. The fee will be nonrefundable and will apply to the overall cost of the line extension.
- All estimated Line Extension costs in excess of \$1,500 per verified Customer Service Request must be paid by the Applicant before the District will schedule work and proceed with the line extension. All work is subject to District resources and scheduling.

District staff recommends that it is in the best interests of the District to adopt the proposed Telecommunication Line Extension Policy to better meet customer needs, provide internal efficiencies and to control costs.

The General Manager of the District concurs with staff's recommendations.

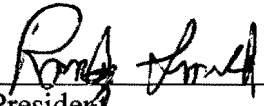
ACTION

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO.1 OF CHELAN COUNTY, WASHINGTON, as follows:

Section 1. The amended Telecommunication Line Extension Policy set forth in Exhibit A is determined by the Commission to be fair, reasonable, necessary and non-discriminatory and the same is hereby approved to become effective immediately.

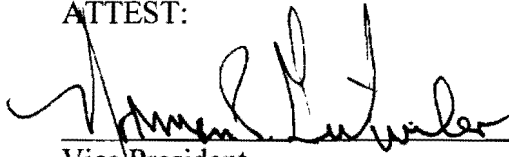
Section 2. This resolution supersedes and replaces all prior resolutions related to this policy.

Dated this 28th day of March 2011.



President

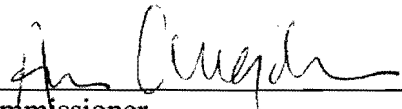
ATTEST:



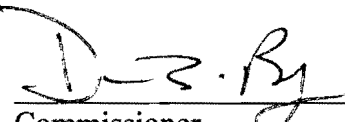
Vice President



Secretary



Commissioner



Commissioner

Seal

TELECOMMUNICATIONS LINE EXTENSION POLICY

**TELECOMMUNICATIONS LINE
EXTENSION POLICY**

**1. LINE EXTENSION POLICY AND GENERAL
PROVISIONS**

A Line Extension is defined as an increase in the size and/or length of the District's existing Telecommunications Facilities required to serve a qualifying Third Party Service Provider within the District's Telecommunications Service Area. Line Extensions are necessary to provide Telecommunications Service to new or existing homes, businesses and industries within the District's established Service Area.

All Line Extensions are subject to engineering and financial feasibility analysis by the District. The District will evaluate requests for Line Extensions consistent with business-like practices to provide efficient service to the Applicant in addition to future expansion options, ongoing maintenance and operations activities. The amount to be paid by an Applicant is subject to change as determined by the District's financial requirements and approved revisions to this Line Extension Policy and the District's Fees and Charges schedule. Upon completion of construction, the District will be sole owner of all Telecommunications Line Extension facilities. A new Line Extension may also require participation in annual permit fees as outlined in Section 11.

Upon receiving an Application for a Line Extension, the District will make an Initial Cost Review. If the Initial Cost Review is less than \$1,500, the District will proceed with Fiber Distribution subject to District scheduling and resource availability. If the Initial Cost Review is more than \$1,500, the provisions of this Line Extension policy shall apply.

A Line Extension shall generally commence at a node or a splice point on the District's present Telecommunications Facilities. Extensions may also include improvements or relocation of existing facilities to meet an Applicant's new telecommunications requirement or request. The District will perform a study to determine the required improvements necessary to meet the needs of new Line Extension. The Applicant shall pay all estimated costs associated with the construction of any new Telecommunication Facilities or modifications to existing Telecommunication Facilities in excess of a \$1,500 for each verified Customer Service Request within the Line Extension.

Where the city, county or state requires improvements within the right-of-way as a result of a proposed development and said right-of-way improvements require relocation of the District's Telecommunication Facilities, the Applicant shall pay the estimated cost of relocating or converting these facilities. The District shall estimate the costs of the modifications as part of the estimated costs for the Line Extension.

All provisions of this Line Extension policy apply to all requests of Telecommunication Line Extensions. This policy does not limit or apply to District's decisions to extend or modify its own Telecommunication Facilities.

TELECOMMUNICATIONS LINE EXTENSION POLICY

2. DEFINITIONS

The following terms wherever used in this Line Extension Policy and in any Application for Telecommunication Facilities shall have the following meanings and will be supplemented by the definitions in the District's Utility Service Regulations and the District's Design and Construction Standards:

Applicant

A Third Party Service Provider who has filed a complete Application with the District for a Line Extension, on behalf of a Customer, to cause the installation of Telecommunication Facilities to become part of the District's network system. The term shall also include the Applicant's appointed agents, employees, and contractors. For purposes of notice, the Applicant's address shall be the one shown in the Application.

Application

Request for the District to construct a Line Extension, executed by the Applicant. The Application must be completed to the District's satisfaction prior to review or other action by the District.

Connection

Lit Premises with at least one active Telecommunication Service (telephone, internet, and/or TV) being provided by a Third Party Service Provider.

Contract Plans or Plans

All drawings or Plans and reproductions of drawings prepared by an engineer made pertaining to the Work provided with the Application for a Line Extension.

Construction Standards

District construction requirements which shall be followed during construction of the Line Extension. Construction Standards are available at the offices of the District.

Customer

A person owning or occupying a Premises who has a Customer Service Request with a qualifying Third Party Service Provider. A Customer becomes an End-User once Fiber Drop is complete.

Customer Service Request (CSR)

A Fiber Connection request placed by one of the District's authorized Service Providers with the District. This request is made on behalf of the Third Party Service Provider's Customer and prior to the District performing an Estimate.

Customer Service Staff

The District staff acting as the District's authorized contact for the Applicant in the Line Extension process.

TELECOMMUNICATIONS LINE EXTENSION POLICY

Design Standards

District design requirements which shall be followed during the preparation of the Plans and Specifications for the Line Extension. Design Standards are available at the offices of the District.

District

Public Utility District No. 1 of Chelan County, Washington.

District Contractor

Any person, firm, or corporation hired by the District to perform Work on behalf of the District such as, excavation, asphalt and concrete repair, electrical installations, landscaping, or other related Work.

End-User

A Customer of a Third Party Service Provider receiving Telecommunications Services over the District's Telecommunications Facilities.

Equipment

The machinery, accessories, appurtenances, and manufactured articles to be furnished and/or installed for the Line Extension.

Estimate

The statement, performed by the District, of the approximate costs of a Line Extension, including labor, Materials, tools, transportation, services, administration, engineering, inspections, permitting, easements and other related costs.

Fees and Charges

Fees and Charges based on recovering costs by the District as set forth in the District's Fees and Charges schedule and revised as needed.

Fiber Drop or Fiber Connection

Fiber Connection from Fiber Distribution to a Premises Gateway Device which is installed at time Customer Service Request is completed.

Fiber Distribution

Fiber infrastructure to make fiber service available to pole or curb.

Final Acceptance

District's acceptance of the ownership of the Telecommunication Facilities installed pursuant to this Line Extension Policy following the Applicant's completion of all requirements of this Telecommunication Line Extension Policy to the District's satisfaction as determined by the District in its sole discretion.

TELECOMMUNICATIONS LINE EXTENSION POLICY

Initial Cost Review

A review by District staff after a Customer Service Request is made to evaluate the scope of Work and associated cost.

Line Extension

An extension of the District's Telecommunication Facilities required to serve an End-User's property. A Line Extension may include new facilities or improvements to existing facilities including, but not limited to: wireless devices, distribution towers, nodes, splices, cables, switches, vaults, cabinets, conduits, poles, and other Telecommunication Facilities.

Lit Premises

Fiber Distribution is built and available; fiber is at least to pole or curb. Sometimes referred to as a pass-by.

Materials

The machinery, manufactured articles, Materials of construction (fabricated or otherwise), and any other classes of material to be furnished and permanently incorporated into the Work.

Non Lit Premises

Fiber Distribution is currently not available.

Premises

Address of house or business where a Connection will be delivered to one or more End-Users.

Premises Gateway Device

Fiber termination device on Premises that is connected to the Fiber Drop, including but not limited to the power supply and/or battery backup.

Service Area

The area which the District is authorized to provide Telecommunication Facilities and broadband service.

Specifications

The prescribed directions, requirements, explanations, terms, and provisions pertaining to the various features of Work to be done or manner or method of performance for execution and completion of the Line Extension.

TELECOMMUNICATIONS LINE EXTENSION POLICY

Telecommunication Facilities

The lines, conduits, ducts, poles, wires, cables, fiber optic cable, Premises Gateway Devices, crossarms, receivers, transmitters, instruments, machines, appliances, instrumentalities and all devices, real estate, easements, apparatus, property, and routes used, operated, owned, or controlled by the District to facilitate the provision of Telecommunication Services.

Telecommunication Services

Telephone, internet, and/or TV being provided by a Third Party Service Provider.

Third Party Service Providers

Entities which, pursuant to RCW 54.1.005 and 54.16.330, are authorized to provide Telecommunications Services to the general public and/or are Internet Service Providers (ISP) and have entered into agreements with the District to provide Telecommunications Services to District Customers through the District's telecommunications infrastructure.

Warranty Period

Is one year from the date of Final Acceptance for Work completed by someone other than District staff.

Work

The Work necessary to complete the Line Extension including all Materials, labor, tools, Equipment, construction Equipment, where required and other necessities for the construction shown and called for in the Contract Plans, Design Standards and Construction Standards.

3. APPLICATION

A. Application

Each Application shall be submitted to the District for approval with the payment for the Engineering Fee. The Application must be completed to the District's satisfaction prior to review or other action by the District. Upon approval, the Applicant may proceed with the Line Extension construction in accordance with the District's requirements.

B. Site Plan for Application

At the District's discretion the Applicant may be required to provide a site plan illustrating the properties to be served and the approximate location of the proposed Work. The District will review the proposal and the layout of the location of all Telecommunication Facilities needed to serve the area. The District will provide guidance which shall be used during preparation of Contract Plans and Specifications for the Line Extension. A site plan deemed incomplete by the District will not be accepted.

TELECOMMUNICATIONS LINE EXTENSION POLICY

C. Ownership of Land

Applicant may be required, at the District's discretion, to provide satisfactory proof of ownership or right to use land impacted by any Telecommunication Facilities required for the requested Line Extension.

4. ENGINEERING FEES

- A. Applicants requesting a Line Extension will be required to pay in advance a non-refundable Engineering Fee upon submittal of the Application if the Initial Cost Review exceeds \$1,500. This Engineering Fee is specified in the District's Fees and Charges schedule.
- B. The Applicant's Engineering Fee will be applied to the overall cost of the job.
- C. Applicants who seek a material change in the design after the initial engineering Estimate and design is complete will be required to pay an additional Engineering Fee.
- D. The Applicants will be required to retain and pay for professional services where the project design requires additional or specialized services including, but not limited to, advanced civil engineering, surveying, geotechnical, environmental or other professional services.

5. LINE EXTENSION CONSTRUCTION OPTIONS

The following options and conditions apply to the construction of the following types of Line Extensions:

A. Single lot Line Extension and Short plats (4 lots or less)

For each Customer Service Request the following requirements apply:

- 1. Except as provided herein, the Applicant has the option to provide the trench, install warning tape, conduit, vaults, bases, handholes, and backfilling of trench on their own property.

All Work must comply with District Construction and Design Standards. A licensed electrical contractor must install the grounding (if required) for the Nodes. If an Applicant chooses to perform the above Work, they must do all the Work as outlined above. All Work must be inspected by a District inspector prior to backfilling the trench.
- 2. The Applicant may request the District do all the Work outlined in (A.1) above. After receipt of the full payment of the Estimate, the District will schedule the Work to be performed by the District based on availability of construction resources and the priorities of the District.
- 3. All Work on public right-of-way or Work to be completed which is not on the End-User's property must be completed by the District. All costs of such Work must be paid for by the Applicant as part of the Line Extension. All permitting and easements must be secured prior to the start of construction.
- 4. Vaults, bases and handholes shall be purchased from the District and paid for prior to receipt and shall be installed per District Design

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Standards to ensure compatibility and uniformity with the District's Telecommunication system.

5. The District will provide and install all nodes, splice cases, distribution towers, fiber optic cable, connectors, splices, cabinets and other telecommunications apparatus as needed. These items will be included in the Estimate to be paid by the Applicant.
6. The Applicant will pay for all estimated Line Extension costs in excess of \$1,500 per verified Customer Service Request within the Line Extension pursuant to Section 6 prior to the scheduling of District construction crews.

B. Developments, Commercial or Industrial Line Extensions

Applicants requesting Line Extensions for residential developments with 5 or more lots, commercial or industrial properties must construct Line Extensions in accordance with the following:

1. The Applicant will provide the trench, conduit, install the warning tape, vaults, bases, handholes and backfill. A licensed electrical contractor must install the grounding (if required). All Work must comply with District Construction and Design Standards. The Applicant shall do all Work or hire a qualified contractor to perform Work within the Applicant's property. All Work must be inspected by a District on-site inspector prior to backfilling.
2. Vaults, bases and handholes shall be purchased from the District and paid for prior to receipt. Fiber conduit will be made available to Applicant at no additional cost. All must be installed per District Construction and Design Standards to ensure compatibility and uniformity with the District's Telecommunication system.
3. All Work performed on public right-of-way or private easements will be completed by the District, unless the Applicant or developer has the specific permitting and authority to perform Work within the right or way or private property. Applicant must provide proof of appropriate rights or permits satisfactory to the District before commencing any Work.
4. The District will install all nodes, distribution towers, connectors, splices, fiber optic cable and other Telecommunication apparatus as needed. These items will be included in the Estimate to be paid by the Applicant.
5. The Applicant will pay for all estimated Line Extension costs in excess of \$1,500 per verified Customer Service Request within the Line Extension pursuant to Section 6 prior to the scheduling of District construction crews.

6. PAYMENT FOR LINE EXTENSION

The Applicant will be provided an Estimate by the District. This Estimate will be based on the Line Extension Construction Options listed in Section 5. The Estimate will include all usual charges associated with a Line Extension Estimate. This Estimate will also include estimated costs for a District inspector should the Applicant desire or be required to install their own trenching, vaults and conduit.

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All Line Extension costs and engineering fees must be paid by the Applicant prior to the District scheduling construction crews and proceeding with any Work. Estimates provided to the Applicant are void after 60 days from the date of issue if full payment has not been received.

If Work is not completed within 180 days of the issue of the Estimate to the Applicant, the District will issue a revised Estimate. The Applicant will pay the difference between the original Estimate and the revised Estimate. If this amount is not paid, the District may consider the Line Extension to be abandoned and may refund the original payment less any engineering fees, Materials used and any costs incurred by the District.

The Applicant will be required to make payment arrangements for any ongoing permit fees or reoccurring fees prior to construction by the District.

7. TYPE OF CONSTRUCTION

Overhead or underground construction will be installed as determined appropriate by the District. The District shall determine the most suitable type of construction in its sole discretion. Generally, all Line Extensions in subdivisions or platted areas shall be underground as may be required by city and county ordinances.

The construction phase of a Line Extension may include, but is not necessarily limited to, the following items:

- A. Preconstruction conference
- B. Construction of the Line Extension
- C. Inspection
- D. Final Acceptance and testing
- E. One Year Warranty for Telecommunication Facilities installed by someone other than the District.

8. CONSTRUCTION REQUIREMENTS

- A. Prior to the commencement of any Work or construction, all easements and/or permits for the Telecommunication Facilities must be executed and on file with the District. The easements and/or permits must be complete and satisfactory as determined by the District.
- B. As the District will be the sole owner of all Line Extension facilities and desires to provide for the future reliability, operation and maintenance of said facilities, the following conditions will apply should the Applicant desire to install the underground conduit for the Line Extension.
 - 1. The construction will be completely on private property or on an established right-of-way with the permanent right to locate and maintain the facilities. The District will not accept any Line Extension located on government agency lands with revocable permits.
 - 2. Where the city, county or state requires improvements within the right-of-way as a result of a proposed development and said right-of-way improvements require relocation of the District's Telecommunication

TELECOMMUNICATIONS LINE EXTENSION POLICY

Facilities, the Applicant shall pay the estimated cost of relocating or converting these facilities. The District shall estimate the costs as part of the Line Extension.

3. All conduits, sweeps, and the installation thereof must meet District Specifications as outlined in the District's Construction and Design Standards and must follow the design prepared by the District's Customer Service Staff if approved by the District. The design review by the District shall not constitute assurance that the District will accept the Line Extension or Work. Any costs to repair or modify the Telecommunication Facilities will be the responsibility of the Applicant.
4. The District will provide an on-site inspector at times during construction and before the trench is backfilled to determine if the conduits, sweeps, vaults and bases are installed according to the District's Specifications. The Applicant must provide advance notice to the District prior to when an inspector will be required. The District will schedule an inspector as District resources become available.
5. The presence of the on-site inspector or other District representative does not constitute assurance that the District will accept the Line Extension or the Work as satisfactory. Any costs for repair or modification of the conduit installed by the Applicant will be borne by the Applicant or Applicant's authorized agent.
6. All other matters connected with providing Telecommunication Facilities shall be in compliance with the District's Utility Service Regulations, District Design and Construction Standards.
7. The Applicant or contractor shall notify the District in advance to request an inspection for Final Acceptance. The District will schedule an inspector as District resources become available.
8. If the Line Extension has been installed according to the approved Plans and Specifications, inspected, backfilled, compacted, and after all of the Telecommunication Line Extension Policy conditions are fully satisfied, the District will install the remaining Equipment such as fiber optic cables, nodes, distribution towers, terminations, splices and transformers and other Equipment required to provide Telecommunication Services. District crews will light the Line Extension only after all Estimates and Fees and Charges have been paid and a Line Extension Checklist has been completed to the District's satisfaction.
9. A one-year Warranty Period will begin after the Line Extension has been accepted by District crews. The Final Acceptance of the Work shall not prevent the District from making claim against the Applicant for any defective Work if same is discovered within the Warranty Period.

9. APPLICANT RESPONSIBILITIES

- A. All Fees and the Estimate will be paid as outlined in Section 6.

TELECOMMUNICATIONS LINE EXTENSION POLICY

- B. Work completed by the Applicant and not inspected by the District is subject to being exposed and repaired, if necessary, to meet District Design and Construction Standards at the Applicant's expense.
- C. The Applicant shall pay all ongoing permit or easement fees. The payment of ongoing permit fees may require a recorded agreement, such as a participation contract, affecting all properties connected to the extension as set forth in Section 10.
- D. The Applicant will be responsible for all costs incurred to obtain easements or permits satisfactory to the District.
- E. The Applicant shall grant and execute all necessary easements across land owned by the Applicant at no cost to the District.
- F. The Applicant shall supply to the District all pertinent ownership, utility dedication and signing party information relevant to the necessary easements and permits to the District as deemed satisfactory by the District in its sole discretion.
- G. If the Applicant provides the trenching, vault installation and backfilling, the Applicant will be responsible for maintenance and repair of the trench and vault settling for one (1) year after completion of the project.

10. DISTRICT RESPONSIBILITIES

Any Work or provision of Telecommunication Facilities for the Line Extension by the District shall be subject to the District's schedule and resources. No warranties or guarantees are made or will be binding if made orally by a District employee as to the timing for the District's completion of its Work.

11. EASEMENTS AND PERMITS

When an extension of the District's Telecommunication Facilities is to be installed on state, county or city right-of-way, federal Lands or by permits from a governmental agency, the District shall physically construct such facilities.

The District will attempt to secure the appropriate easements and/or permits from governmental entities. When an extension of District Telecommunication Facilities is to be constructed on property or right-of-way not under the jurisdiction of a governmental agency with which the District has an existing franchise or permit, the District will attempt to secure necessary easements and will initially process the easements. The Applicant shall be responsible to pay all costs to obtain right-of-way easements prior to construction. All easements and permits shall name the District as grantee or permittee and shall include all Telecommunication Facilities. In the event the District personnel are unable to secure right-of-way easements and/or permits, the Applicant may assist with negotiating said easements or permits. All non-standard or non-typical costs (as determined by the District) associated with the District's obtaining easements or permits in excess of these included in the Estimate will be paid by the Applicant.

The District is under no obligation to commence any legal action to secure easements or rights-of-way.

TELECOMMUNICATIONS LINE EXTENSION POLICY

Any and all costs associated with obtaining easements and/or permits or ongoing permit fees will be paid by the Applicant. The payment of ongoing easement or permit fees may require a recorded agreement, such as a participation contract, on all properties connected to the Line Extension. As an example, if a Line Extension crosses Forest Service land, Department of Natural Resources land or railroad property, all properties connected to the Line Extension will share in the annual cost of the easement or permit.

12. DISTRICT OWNERSHIP

The District will be the sole owner of all the Telecommunication Facilities upon completion and Final Acceptance by the District.

13. REVISION

This policy cancels and supersedes any previous policy related to Line Extensions. This policy may be revised, supplemented or otherwise modified by action of the District's Board of Commissioners.

EFFECTIVE: **March 28, 2011**