

601 DISTRICT'S INTENT OF DEVELOPMENT POLICY

601.1 Introduction

Residential and commercial development is an on-going process in the District. The intent of this section is to establish the policies that the Board of Directors deems appropriate to assure that development proceeds in a consistent manner under rules that are both fair to the developer and protective of the District's existing customers, both in the short term and long term. The following are the intents of the District Board of Directors ("Board") when considering developments:

1. Developers shall maintain money on account with the District that will be used to pay District staff time and expenses during the review and inspection of the proposed development.
2. When the District is weighing the short-term cost of infrastructure against the long-term cost of operating and maintaining that infrastructure, reducing the long-term infrastructure costs will be deemed more important than saving up-front capital costs by the developer. Important long-term costs to be considered during development planning shall include labor intensity of operating and maintaining the infrastructure and the energy cost of operating the infrastructure.
3. All improvements to the District's existing infrastructure required by the development shall be compatible with the District's existing infrastructure or that which the District knows will be required by regulatory agencies in the future.
4. All infrastructures shall meet existing design criteria, codes and regulations at the time of construction.
5. The capacities of water, wastewater, and reclaimed water systems recommended for the proposed development shall be validated by the District in relation to the capacities and reliabilities of existing and planned District water and wastewater systems. The validation shall be done for the expected build-out of Pine Mountain Lake and other expected developments in combination with the flows expected from the proposed development.
6. The developer shall mitigate any negative impacts on District infrastructure or services caused by the addition of the proposed project into the existing infrastructure.
7. For commercial and residential developments, an instrument of insurance shall be provided to the District to assure that once the development is under construction, the District infrastructure associated with the project will be completed as planned.
8. For large commercial and residential developments, the developer shall demonstrate his ability to properly complete the project by showing he has past experience successfully completing projects similar to that proposed and has the financial depth to complete the project.
9. For large commercial and residential developments, the proposed development shall be connected to the District's wastewater collections and treatment systems or a District-approved alternative.
10. For large commercial and residential developments, if fire flows do not currently meet the requirements of the proposed development, then the developer will be required to expand the capacities of the existing system to meet his development's fire flow requirements.
11. Open area and green belts in the proposed development that may be irrigated shall be plumbed to receive recycled water. The District reserves the right to deliver recycled water and/or apply

other water conservation measures to conserve potable water to the development at the developer's expense.

12. The proposed development shall conform with all aspects of the Tuolumne County General Plan and any applicable Area Plan Amendments to the General Plan. The District will entertain incentive programs proposed by the developer to assist the developer to conform to these plans.
13. If the proposed project must be annexed into the service area of the District, and LAFCO requires the developer to modify his project in a way that changes the design of District-related infrastructure, then the District will require the developer to suspend the annexation proceedings until the District infrastructure issues have been resolved to the District's satisfaction.
14. If a proposed development is to be annexed into the service area of the District, the capacities in the District's existing infrastructures that are reserved for existing parcels within the service area shall not be used by the proposed development. In addition, it is the District's policy to allocate water supply availability and wastewater treatment capacity to undeveloped parcels within its existing service area before identifying additional water supply capacity or wastewater treatment capacity to serve development which is outside the District's existing boundaries but which may be annexed into the District. The developer will be obligated to expand existing capacities in ways that do not induce additional long-term operation and maintenance expenses on existing customers beyond that which might have been expected had the development not been served by the District. In addition, the developer of a project that requires annexation may be required to expand the infrastructure capacity beyond the needs for his proposed development if the additional capacity is required for the long-term infrastructure needs of the District. The District uses Reimbursement Agreements (see Appendix 600-A—Standard Reimbursement Agreement) to reimburse developers for the additional costs associated with the extensions beyond their development needs.
15. If on-going costs of operating and maintaining the infrastructure within a development are higher than the costs associated with the existing infrastructure, then the District shall cover these additional costs by implementing a cost mitigation plan, such as forming an improvement district for the new development so that the existing District customers do not subsidize services provided to the new development.
16. The District shall require the developer to prepare a detailed financial impact analysis as part of the Sub-Area Master Plan. The analysis shall evaluate long-term financial impacts on existing District customers for providing water, wastewater, parks and fire services to the proposed development. The analysis shall also disclose any anticipated additional costs (including the re-allocation of government fund taxes) or reduction in service to existing customers and future customers moving into the new development caused by the development of the proposed project.
17. The developer shall cover the operation and maintenance costs of the project associated with water, wastewater, parks and fire service between the time of the District's acceptance of the project and full build-out of the project, less that portion of the operation and maintenance costs paid by customers who have moved into the new project.
18. If the District Board of Directors is to consider a reduction in service for existing customers to accommodate a new development, then the Board shall hold public hearing(s) to disclose to the public the nature of the reduction in service and to receive input from the public regarding the reduction in service.

601.2 Development Types and Their Associated Processes

For purposes of this policy, the District considers several types of developments and they may be treated differently. The least restrictive development type is the construction of a single residential unit. Development of up to four units (via parcel map) is treated by the District as a single residential unit development. Residential development of more than four units is considered a subdivision (via subdivision map) by the District and has special requirements by the District. Commercial development of less than or equal to 7,200 square feet in floor space is evaluated by the District as though it was a small residential unit development. Commercial development of more than 7,200 square feet of floor space is evaluated by the District as though it was a large subdivision development.

601.3 Variance to Development Policies

Any policy stated in Section 600 may be appealed to the District Board of Directors as a variance.

602 SMALL RESIDENTIAL & COMMERCIAL DEVELOPMENT

602.1 Introduction

The following section lays out the process for developing small residential (four or less lots) and small commercial (less than or equal to 7,200 square feet of floor space) development. Applicants should also review Articles V—*Application for Water Service, No Main* and VI—*Application for Water Service Main Extension* of the District's current Water Ordinance and Articles IV—*Private Sewers To Existing Service Stubs, Classification Of Users, Connection Fees And Charges* and V—*Sewer Main Extensions Including New Sewer Service Stubs* of the District's current Sewer Ordinance prior to submitting the application for development.

602.2 Applicability

Unless a water or sewer main extension is part of a District Capital Improvement Project, the Board, in most cases, expects the applicant for water and/or sewer main extension to complete all design and construction work at his expense. The applicant, or his duly authorized agent, must provide the required application and acceptable plans and specifications, which must be approved by the District prior to commencement of work.

602.3 Water/Sewer Main Extension Application

The applicant must complete the Application for GCSD Service (the template for this application is in Appendix 600-B) prior to initiating work. The application is the initial step a small residential or commercial developer will take. The information provided by the applicant will allow the District to determine if water and/or sewer service is feasible. The District will write a letter to the applicant to indicate if water and/or sewer service to the proposed development project is feasible. At this point, if