



Avion Water Company

Development Process

Guidelines

Revision: A

Introduction

These Development process guidelines are intended to guide perspective developers through the process of obtaining water service to a new project. A new project can range in size from a new service for an ADU or house, to an irrigation meter, all the way up to a several thousand-unit subdivision. Consequently, there may be parts of this document that are not applicable to your particular project.

This document is designed to be used in conjunction with The Avion Water Company, Inc. (Avion) Design Manual and the Avion Construction Standards and Specifications and Drawing.

As a regulated utility, Avion's processes are guided by our PUC approved tariff and applicable Oregon law. One of the principles of applicable law that most impacts development is that Avion must refuse service if adding new customers will impair service to existing customers. In this case, Avion will typically advise the developer of what system improvements will be required to avoid impairing current customers rather than simply refusing to serve the developer's project.

Explanation of Terms

This section provides a general explanation of the terms used through the process of obtaining water service from Avion.

CIAC: Contribution In Aid of Construction. Infrastructure built by a developer and gifted to Avion that allows Avion to supply water to their development.

CIAC Tax: As part of the 2018 Tax Cuts and Jobs Act, a contribution of CIAC to Avion became a taxable event. Consequently, Avion's PUC approved tariff was amended with the addition of Schedule 8 to require collection of the funds needed to pay the taxes from the contributing developer. System Development Charges are also treated as CIAC for accounting purposes under GAAP (Generally Accepted Accounting Principles), and are subject to this fee.

Chlorination: The process of adding chlorine to new water pipes at high enough concentration to kill any bacteria inside the pipe.

Developer: Any person or entity wishing to obtain a new connection to an Avion Water mainline.

Pressure test: The process used to ensure new water pipes are properly constructed by raising the pressure in the piping to an elevated level and monitoring for leakage.

Schedule 8 Fee: Schedule 8 is the tariff provision requiring Avion to collect a fee to pay the taxes on infrastructure received from developers. The Schedule 8 Fee is synonymous with the CIAC Tax.

SDC: System Development Charge. These are fees collected by Avion to offset the impact of adding new customers upon existing customers. Typically used to pay for new well and reservoir infrastructure that does not directly serve any one particular project.

Square up: Refers to the difference between the estimated CIAC Tax payment made prior to tie-in and the final CIAC Tax amount calculated once the system is complete. Note that if the CIAC Tax paid on the estimate is more than that calculated on the completed project, Avion must issue a refund to the Developer.

Tie-in: The process of connecting new mainlines and/or appurtenances to the existing Avion system.

1. Initial Contact

The first step in obtaining water service for your project is contacting Avion. During this initial contact, you will be asked for contact information for the developer, engineer, and excavation contractor (if known) for the project, as well as information about the project itself. Drawings are always helpful in communicating information about the project and will be required if the project will require installation of new mainlines. Minimum information required are project location, number of units, and project usage information (if available).

2. “Willing and Able to Serve” Letter

If following the initial contact Avion believes it is able to serve the project, a “Willing and Able to Serve” letter is issued at the request of the developer. This letter is most often used to move a project forward with city or county agencies. It is typically vaguely worded and requires that conditions must be met and fees paid. The conditions are not specified at the time the letter is issued.

3. Plan Approval

Projects requiring one single meter fed from existing infrastructure with adequate capacity to serve the new development generally do not require a set of dedicated plans, however the locations of the meter and connections to the mainline must be shown on the site plan. This is typically established during the initial contact. If the project will require construction of new infrastructure for service or multiple meters, plans are submitted by the developer’s licensed engineer for approval. Plans must comply with all federal, state, and local laws, and must meet Avion’s Design Manual requirements and Construction Standards and Specifications. Avion will review the plans and request changes for items that do not meet Avion Standards or other items that Avion believes appropriate (typically things like pipe sizing, proximity to other infrastructure, or pipe design geometry). By Oregon statute, plans for infrastructure improvements in smaller outlying systems must be submitted to Oregon Health Authority by the Developer’s engineer for approval prior to construction.

It is important for the Developer, Developer’s Engineer, and Developer’s contractor to understand that Avion’s plan review is for general conformance with Avion’s design specifications. Plan approval does not relieve the developer, engineer, or contractor from responsibility to design and construct the water system in accordance with good engineering and design practices, Avion specifications, and applicable laws. Responsibility for errors and omissions lies exclusively with the Developer’s engineer, and the developer has financial responsibility for any necessary changes.

4. SDC Agreement

System Development Charges (SDC’s) are fees collected by Avion to offset the impact of adding new customers upon existing customers. SDC’s and applicable Schedule 8 fees are collected by Avion prior to the start of construction. An SDC Agreement is also completed at the time of SDC payment. SDC charges are based upon meter sizes (or backflow device size in the case of a fire service) and are specified in Avion’s tariff.

5. Project Build

Developer's contractor constructs the system as per the approved drawings. The onsite Avion inspector will monitor construction activity and will be the primary contact for the contractor. A pre-construction meeting with the contractor and Avion inspector (at minimum) shall be conducted prior to commencing construction.

6. CIAC Contract Execution

After the water infrastructure has been built, disinfected, pressure tested, and successfully sampled, it is ready to be tied into the existing Avion system. Prior to tying in the new infrastructure, the CIAC contract must be executed and the estimated Schedule 8 tax fees must be paid. This is called an estimated payment, as there are typically portions of the system that cannot be completed until later in the project so the final total for the Schedule 8 fee cannot be calculated. However, the developer typically wishes to finish the tie-in process so that paving can proceed.

7. Tie-in

Once the CIAC Contract has been executed and the water infrastructure has been built, disinfected, pressure tested, and successfully sampled, it is ready to be tied into the existing Avion system. Per Avion's tariff, advanced notification of customers is required for a scheduled shutdown and up to 2 weeks advanced notice of the shutdown may be required. Developers are advised to consider the notification period in their scheduling.

8. Project Wrap-up and Exhibit B Completion

Once the project has advanced to the point that all water system components including properly set meter boxes, hydrant pads, valve tubes, etc. are completed, Exhibit B of the CIAC contract is ready to be executed. Completion of Exhibit B also includes a square-up based upon the difference between the estimated payment in Step 6 above and the final landed cost of the project. Complete execution of Exhibit B and payment of any additional monies due starts the one-year warranty for the new infrastructure.

This is also the time when a final inspection letter is issued. Complete execution of Exhibit B and payment of any additional monies due is required prior to issuance of a final inspection letter.

If a Developer wishes to proceed to plat prior and requires a final completion letter prior to paving, installation of a concrete collar around the valve tubes is required as shown in COB drawing W-30. All other items associated with the system must be complete.

9. Warranty Completion

On completion of the one-year warranty period, the Developer must complete any punch list items before Avion will provide a release to the developer. Future damage to Avion infrastructure by contractors working around it (such as home builders) will be charged to the general contractor for the construction.