

**RESOLUTION NO. R-2009-27**

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS RESOLVING APPEAL OF SERVICE REQUIREMENTS BY FINDING THAT TALL TIMBERS UTILITY COMPANY, INCORPORATED (TTUC) IS NOT AUTHORIZED TO ASSESS CERTAIN CAPACITY OR SIMILAR FEES OR TO REQUIRE CERTAIN ITEMS AS A CONDITION FOR EXTENDING SEWER SERVICE; ORDERING TTUC TO PREPARE AND SUBMIT REVISED LXAS REFLECTING THE DECISION HEREIN AND TO PROVIDE SERVICE TO CERTAIN SUBDIVISIONS; ORDERING DEVELOPMENT SERVICES DEPARTMENT AND DEVELOPER TO TAKE CERTAIN ACTIONS RELATED TO RESOLVING SERVICE REQUIREMENTS APPEAL; ORDERING TTUC TO STOP USE OF TTUC'S UNAPPROVED DEVELOPMENT GUIDE FOR SERVICE EXTENSIONS IN THE CITY OF TYLER UNTIL APPROVED BY THE CITY COUNCIL; AND REQUIRING DELIVERY OF THIS RESOLUTION TO TTUC AND THE DEVELOPER.**

**WHEREAS**, Tall Timbers Utility Company, Inc. (TTUC) holds Sewer Certificate of Convenience and Necessity (CCN) No. 20694, issued by the Texas Commission on Environmental Quality (TCEQ), which authorizes TTUC to be the exclusive provider of retail sewer utility service within part of the City of Tyler, and pursuant to state law, TTUC has filed a tariff with the City of Tyler specifying the terms and conditions on which TTUC will extend sewer utility service to new subdivisions located inside TTUC's certificated service area; and

**WHEREAS**, the City of Tyler is the regulatory authority having a statutory duty to review, approve, interpret and enforce retail sewer utility tariffs within its municipal boundaries, including regulatory authority over TTUC; the City of Tyler is authorized by TTUC's tariff, the Charter and Ordinances of the City of Tyler, and state statutes to hear and resolve complaints and appeals brought by TTUC's customers, including developers, home builders and retail customers regarding TTUC's rates and services, including the terms and conditions upon which TTUC will extend sewer utility services to areas not previously served; and,

**WHEREAS**, Elk River Addition Unit 1 at Cumberland Gap and Harpers Ridge Addition Unit 3 at Cumberland Gap (Subdivisions) are residential subdivisions located inside TTUC's CCN boundaries and the City of Tyler's corporate boundaries; Subdivisions were developed by Geaux/Cumberland Gap Joint Venture No. 1 (Developer), who constructed a sanitary sewer collection system to serve the Subdivisions as part of the Developer's quest to obtain sewer utility service from TTUC; and,

**WHEREAS**, the City of Tyler issued building permits for the construction of five homes in the Subdivisions without knowledge that sewer service was unavailable to the Subdivisions; homes have been built and sold in the Subdivisions; Developer, builders and homeowners have sought retail sewer service from TTUC, but TTUC has refused to extend sewer service to these homes, some of which are complete and occupied; once the Director of Public Utilities and Public Works (Director) became aware that TTUC was not providing service to the Subdivisions, the Director issued a moratorium on the issuance of building permits until the matter could be resolved; and,

**WHEREAS**, the Director received requests from citizens of Tyler, with interest in property located inside the Subdivisions, to review the charges being demanded by TTUC and the other reasons claimed by TTUC to justify its refusal to extend service to the Subdivisions; the Director decided to treat these requests as appeals of TTUC's requirements for extending service as authorized by TTUC's tariff; and,

**WHEREAS**, on June 23, 2009, the Director notified TTUC of the appeals (Exhibit A) and ordered TTUC to provide Tyler with information needed to resolve the dispute by June 30, 2009; the Director also ordered TTUC to immediately begin providing service, as authorized by TTUC's tariff, pending resolution of the appeal, to the five lots in the Subdivisions with building permits; and,

**WHEREAS**, on July 7, 2009, TTUC responded with a letter to the Director (Exhibit B), which did not provide the information requested by the Director; on July 10, 2009, the Director sent an additional letter to TTUC (Exhibit C) requesting more specific information from TTUC; at a meeting on August 19, 2009, TTUC representatives stated that TTUC would not provide any additional information regarding the matter to the City of Tyler and requested that the City of Tyler rule on the appeal without the benefit of hearing TTUC's position so that TTUC could appeal the City Council's decision to TCEQ; and,

**WHEREAS**, the Director obtained information from the Developer regarding its dealings with TTUC, including correspondence with TTUC, copies of Development Guides used by TTUC, a letter from TTUC dated July 9, 2009, which included a list of items to be resolved before TTUC would provide service to the Elk River Addition Unit 1 at Cumberland Gap (Exhibit D), and copies of the Line Extension Agreements (LXAs) proposed by TTUC for both subdivisions; and,

**WHEREAS**, the Director has reviewed TTUC's tariff, applicable law, and the information obtained from the Developer and, based on that review, concludes that TTUC is demanding fees and other requirements from the Developer that are not authorized by TTUC's tariff; these include:

- Capacity Fee – TTUC failed to provide a sufficient written explanation of the charge as required by Section 3.20 of its tariff, and because such a uniform charge is a rate that has not been approved by the City Council.
- Exhibit D, Item 3 – Sewer Valves (Elder Valves) are not required by TTUC's tariff.
- Exhibit D, Item 6 – The all weather road is not required by TTUC's tariff. Moreover, the information reviewed indicates that the all weather road has been constructed to the lift station, and that the construction plans for the lift station were approved by TTUC.
- Exhibit D, Item 7 – Minimum easements of 16 feet are not required by TTUC's tariff. TTUC's tariff states that minimum easement width is 15 feet.
- Exhibit D, Item 8 – Compaction tests, videotaping of pipes, insecticide coating inside manhole certifications, and excavation tests of the pipe are not required by TTUC tariff or TCEQ's minimum design requirements.
- Exhibit D, Item 9 – Developer constructed sewer facilities itself, therefore Developer should submit its construction cost data rather than submitting invoices from the underground contractor.

**WHEREAS**, the Director further concludes that TTUC should be required to extend service to the Elk River Addition Unit 1 at Cumberland Gap once the Developer satisfies Items 2, 4, 5, 7b, 7c, 8b, 8c, 8f, 8g, 9, and 10 (as clarified above), as listed in Exhibit D, and extend service to Harpers Ridge Unit 3 at Cumberland Gap once the Developer provides information similar to Items 8b, 8c, 8f, 8g, 9, and 10 (as clarified above).

**WHEREAS**, it is the obligation of the City of Tyler to rule on the appeal and determine whether the charges and other requirements sought by TTUC are authorized by TTUC's tariff and other law.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS, THAT:**

**PART 1:** All statements made above are hereby found to be true and correct and are incorporated in their entirety. The decision of the City Council of the City of Tyler is being made based on the information available to it, which does not include information requested from, but not supplied by, TTUC.

**PART 2:** The City Council finds that TTUC's approved extension policy does not authorize TTUC to charge a "capacity fee" of \$1,000 per connection because TTUC failed to provide a sufficient written explanation of the charge as required by PART 3.20 of its tariff, and because such a uniform charge is a rate that has not been approved by the City Council. The City Council further finds that TTUC may not assess a site-specific capacity or similar fee for extending service to the Subdivisions because TTUC did not assess the fee at the time the Developer requested the extension of service.

**PART 3:** The City Council has reviewed Exhibit D and finds that the following items are not required by TTUC's tariff, and cannot be required as a condition for extending sewer service to the Subdivisions: Items 3, 6, 7a, 7d, 8a, 8d, 8e, and 8h, as listed in Exhibit D.

**PART 4:** The City Council orders the Developer to submit to TTUC information responding to Exhibit D Items 2, 4, 5, 7b, 7c, 8b, 8c, 8f, 8g, 9, and 10 (as clarified), for the Elk River Addition Unit 1 at Cumberland Gap, and responding to Exhibit D Items 8b, 8c, 8f, 8g, 9, and 10 (as clarified) for the Harpers Ridge Unit 3 at Cumberland Gap.

**PART 5:** The City Council orders TTUC, within 30 days of the date of this resolution, to prepare revised LXAs reflecting the City Council's decision herein and to submit the revised LXAs to the Developer and the Director.

**PART 6:** The City Council orders TTUC to provide service to the Subdivisions during the interim period until the revised LXAs can be executed. By providing interim service pursuant to this order, TTUC is not deemed to have accepted the facilities constructed by the Developer.

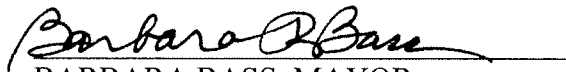
**PART 7:** The City Council orders the City of Tyler Development Services department to extend the existing moratorium on the issuance of new building permits in the Subdivisions until March 15, 2010 or until revised LXAs are executed, which ever occurs first. If TTUC appeals this decision to the TCEQ, TTUC is relieved from any obligation to execute the revised LXAs until the appeal is concluded. Nevertheless, if TTUC fails to submit satisfactory LXAs within 30 days, the Director shall lift the moratorium on the issuance of new building permits. Once the moratorium is lifted, TTUC shall provide service to all homes in the Subdivisions requesting service.

**PART 8:** The City Council determines that TTUC's Development Guide, as prepared by Algonquin Water Resources, including the revisions of February 7, 2003, October 29, 2007, and November 14, 2008, are changes to the extension policy contained in TTUC's tariff as approved by the City Council on August 1, 2002. Because these attempted changes to TTUC's approved extension policy have not been approved by the City Council (as required by 30 TAC §291.21(b)(2)(B)), the Development Guide is not applicable to service extensions in the City of Tyler. The City Council orders TTUC to stop using its Development Guide and the form LXA as part of its extension policy until the extension policy has been approved by the City Council. The City of Tyler will treat TTUC's submittal of the November 14, 2008, revisions to the Development Guide as a statement of intent to change rates, which the City of Tyler will process once TTUC submits an application and provides proper notice of the change.

**PART 9:** Copies of this Resolution shall be sent to TTUC and the Developer.

**PART 10:** That this Resolution shall take effect immediately upon its adoption.

**PASSED AND APPROVED** this 9<sup>th</sup> day of September, 2009.

  
BARBARA BASS, MAYOR  
CITY OF TYLER, TEXAS

ATTEST:

  
CASSANDRA BRAGER, CITY CLERK



APPROVED:

  
GARY C. LANDERS, CITY ATTORNEY

**EXHIBIT "A" TO RESOLUTION NO. R-2009-27  
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**EXHIBIT A**

**Director's June 23, 2009, Letter  
Notifying TTUC of Appeal**

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DIRECTOR UTILITIES  
AND PUBLIC WORKS



P.O. Box 2039  
Tyler, Texas 75710

June 23, 2009

Mr. Sean Lonergan  
Director, Central Division  
Algonquin Water Services  
6519 Mercedes Ave.  
Dallas, Texas 75214

Dear Mr. Lonergan:

The City of Tyler has been requested by Cooper-Sibley Home Builders, Geaux Corporation and Ms. Glenda Williams (homeowners) and by Geaux/Cumberland Gap Joint Venture No. 1 (developer) to review the terms and requirements being requested by Tall Timbers Utility Company (Tall Timbers) before Tall Timbers will provide retail sewer service to homes located in the Elk River Addition Unit 1 at Cumberland Gap and Harpers Ridge Addition Unit 3 at the Cumberland Gap subdivisions. As the regulatory authority with jurisdiction over Tall Timbers' rates and services inside the City of Tyler, Tyler is considering these requests as appeals of the costs being demanded by Tall Timbers pursuant to Sections 2.20 and 3.20 of Tall Timbers' tariff and as complaints of denial of service. I have been designated by the City Manager to investigate the matters relating to these appeals.

To be able to resolve these appeals I need Tall Timbers to provide me with background information regarding the requests for service. Specifically, I need to know when any requests for service were made by the developer or the homeowners and when Tall Timbers responded to the request(s) and the substance of the response(s). Additionally, I need Tall Timbers to explain how each requirement being sought by Tall Timbers is authorized by the tariff. In particular, please explain how the capacity fees sought by Tall Timbers are supported by actual capacity needs and anticipated capacity costs and how the tariff authorizes Tall Timbers to charge a tap fee if Tall Timbers has required the construction of a sewer collection system as a contribution in aid of construction and Tall Timbers has not performed a tap for each lot. Also, please provide me with a copy of Tall Timbers' specifications and an explanation of how these standards are incorporated into the tariff.

Additionally, your tariff and 30 TAC 291.86(d)(2) appear to set out a mechanism to allow the individual homeowners to obtain service even if Tall Timbers and the developer cannot resolve their differences. Please provide me with an itemization of the charges that the homeowners would need to pay to Tall Timbers to obtain service pursuant to those tariff provisions in the event that Tall Timbers and the developer are unable to resolve their differences.

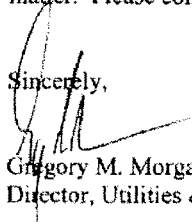
I would like to resolve this appeal as expeditiously as possible. **Please provide the requested information to me within 5 working days.** This request is made pursuant to Section 15-4 of the Tyler Code of Ordinances. Also, please contact me regarding a time to meet to discuss the information.

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To avoid any further delay in the homeowners being able to occupy their homes, the City of Tyler orders Tall Timbers to immediately provide service to the five lots that have been issued building permits in the Elk River Addition at the Cumberland Gap subdivision. Tyler is entering this order pursuant to Section 3.20 of Tall Timbers' tariff. I have examined the situation at the site and believe that Tall Timbers can begin providing service within two working days. Therefore, Tall Timbers is ordered to begin providing service by June 30, 2009. If you believe that Tall Timbers cannot provide service by that date, please contact me before June 26, 2009, to discuss an alternative manner of compliance. Tyler will treat the failure to provide service as ordered as a violation of Tall Timbers' tariff, Tyler's Code of Ordinance, Texas Water Code §13.250 and 30 TAC §§291.83 and 291.85.

I want to assure you that the City of Tyler has not prejudged the validity of Tall Timbers' position regarding whether its demands for service are within the boundaries of its tariff. To be fair to Tall Timbers, Tyler will not issue water meters or building permits to the remaining lots in the subdivision until this appeal is resolved. Thank you for your assistance in resolving this matter. Please contact me at 903.531.1234 if you have any questions.

Sincerely,



Gregory M. Morgan, P.E.  
Director, Utilities & Public Works

CC: Gary Landers, City Attorney  
Joe Freeland, Matthews & Freeland, LLP

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**EXHIBIT B**

**TTUC's July 7, 2009, Response to Director's  
June 23, 2009, Letter**

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July 7, 2009

Gregory M. Morgan, P.E.  
City of Tyler  
Utilities & Public Works, Director  
P.O. Box 2039  
Tyler, TX 75710  
(903) 531-1234

**RE: Sewer Service for Elk River Unit 1**

Dear Mr. Morgan:

Tall Timbers Utility Company (TTUC) is in receipt of your letter dated June 23, 2009 requesting background information on TTUC's sewer service to Elk River Unit 1. Geaux Corporation (Geaux), the developer of Elk River Unit 1, first submitted plans to TTUC on October 4, 2007 and then again on November 7, 2007. After the second set was returned to Geaux on November 14, 2007 with requests for revisions to meet TTUC's standards for on-site developer contributed services, TTUC never received a revised set of plans for review. Line Extension Agreements (LXA's) were mailed to Geaux on October 1, 2008 and again on July 1, 2009, but TTUC never received executed copies.

On May 26, 2009, we received a call from Mrs. Glenda Williams regarding service to her new home on Lot 13. We explained to Mrs. Williams that TTUC could not extend sewer service to her lot until Geaux signed the LXA and paid all capacity fees, the construction drawings were approved by TTUC, all easements were signed, and the facilities were accepted by TTUC. We also sent an email to Mrs. Williams that evening outlining our conversation and all items that TTUC needed from Geaux so she could inform her husband. Our plan reviewer, Rovell Foggy, sent by email a copy of our Development Guide to Geaux's engineer, Rea Boudreaux of The Brannon Corporation, on November 14, 2007, outlining TTUC's standards, specifications, and all required documentation.

TTUC's capacity fee of \$1,000 per equivalent dwelling unit (EDU) is derived from estimated costs for design and construction of additional capacity at the wastewater treatment plant. This is based on 250 gallons per day (gpd) wastewater flow from an Equivalent Dwelling Unit (EDU) which in turn reflects an estimated cost of \$4.00 per gallon for design and construction of additional capacity at the wastewater treatment plant, a very reasonable cost assessment based on any engineering standard. This capacity fee is levied in order that the rates for existing customers are not raised to

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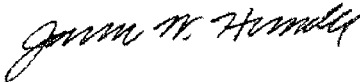
provide a return on and of investment made for new development, which would be unfair. In other words, "growth should pay for growth".

TTUC's tariff authorizes us to charge a tap fee whenever TTUC has to install the tap. If the developer installs the taps, there are no tap fees.

TTUC cannot establish sewer service for any lots in Elk River Unit 1, including Mrs. Williams, because serving Mrs. Williams would result in serving all 19 lots in the subdivision. Any connection to our sewer system without TTUC's written Operational Approval is an unauthorized connection and an unlawful discharge into our sewer system. Since Geaux connected to our existing manhole without our written Operational Approval, we had no choice but to plug our manhole. Until Elk River Unit 1 complies with TTUC's standards, specifications and required documentation and receives TTUC's written Operational Approval, TTUC cannot accept the facilities and the manhole plug will remain.

We are sending by email to you a copy of our TTUC Development Guide for your use. If you have any further questions, feel free to contact me at (623) 298-3747.

Sincerely,



James W. Humble, P.E.  
Development Services Manager  
Tall Timbers Utility Company

Cc: Sean Lonergan, Director Central Division  
Mark Zeppa, Attorney

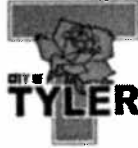
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**EXHIBIT C**

**Director's July 10, 2009 Letter  
Notifying TTUC of Appeal**

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DIRECTOR UTILITIES  
AND PUBLIC WORKS



P.O. Box 2039  
Tyler, Texas 75710

July 10, 2009

Mr. James Humble, P.E.  
Development Services Manager  
Tall Timbers Utility Company  
12725 West Indian School Road, Suite D-101  
Avondale, AZ 85323

Dear Mr. Humble,

Thank you for the email and letter of July 7th. The information provided in the letter is a good start, but is insufficient to allow Tyler to review the charges and other requirements being demanded by Tall Timbers Utility Company (TTUC) as a condition of providing sewer service. In particular, you have not provided me with the following:

- Copies of TTUC's response to the developer in 2007 when TTUC returned the developer's plans.
- Copies of TTUC's design criteria in effect in 2007, and the date the design criteria were filed with the City of Tyler.
- Copies of the Line Extension Agreement (LXA) mailed to the developer on October 1, 2008 and July 1, 2009.
- An explanation of why TTUC is requiring the developer to construct the service facilities rather than TTUC.
- Detailed information supporting your "capacity fee" charge, including information regarding remaining capacity in TTUC's existing system, and the estimated cost of construction of additional facilities needed to provide the capacity needed to serve the development. Additionally, please provide information regarding how capacity payments are addressed in TTUC's accounting system and an explanation of how capacity is "committed" to a developer after payment of the fee.
- A response to the question of why TTUC is not required to extend service to the individual lot owners pursuant to the following tariff language: "The residential service applicant purchased the property from the Developer after the Developer was notified of the need to provide facilities to the utility. A residential service applicant may be charged the remaining costs of extending service to his property; provided, however, that the residential service applicant may only be required to pay the cost equivalent to the cost of extending the nearest wastewater collection line, whether or not that line has adequate capacity to serve that residential service applicant. The residential service applicant shall not be required to pay for costs of main extensions greater than 6" in diameter for gravity wastewater lines."

**EXHIBIT "C" TO RESOLUTION NO. R-2009-27**  
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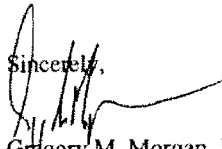
Until I receive this information from TTUC, I will be unable to process the appeal of the charges and other demands being made by TTUC. Please provide the requested information by July 20, 2009, or I will be forced to resolve the appeal based solely on the limited information I have received from TTUC and the information received from the other parties.

My previous order directing TTUC to begin providing service to the existing homes in the subdivision remains in effect, and Tyler will provide temporary service until TTUC comes into compliance with its tariff and begins providing service.

I also received a copy of TTUC's "Development Guide." This document contains service terms, deposits and fees that are not part of TTUC's approved tariff. I will treat your submission of the Development Guide as a request for approval of "standards, classifications, regulations, or practices observed or followed" by TTUC under Texas Water Code §13.139(c). TTUC may begin treating these standards as being filed and in force after September 1, 2009, unless otherwise notified by me. This document also contains a listed "Capacity Fee" of \$1,000 per lot. This fee is not currently listed in TTUC's tariff. I will, therefore, treat your submission as a statement of intent to change rates under Texas Water Code §13.187. Since it does not contain a proposed effective date at least 60 days in the future, I will assume that TTUC intends for the rate to become effective once approved. In order for me to be able to process TTUC's statement of intent to change rates, TTUC will need to file an application justifying the proposed charge. You should also provide me with evidence that proper notice to customers has been given.

Should you have any questions regarding this project or the proposed schedule, please do not hesitate to contact me at 903.531.1234.

Sincerely,

  
Gregory M. Morgan, P.E.  
Director, Utilities & Public Works

CC: Gary Landers, City Attorney  
Joe Freeland, Matthews & Freeland  
Sean Lonergan, Tall Timbers Utility Company

**EXHIBIT "D" TO RESOLUTION NO. R-2009-27**  
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**EXHIBIT D**  
**TTUC's July 7, 2009 Letter**  
**To Geaux Corporation**

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July 9, 2009

Jerry Fackrell, Jr.  
Geaux Corporation  
17521 Highway 69 South  
Tyler, TX 75703  
(903) 534-6266

**RE: Sewer Service for Elk River Unit 1**

Dear Mr. Fackrell:

As you are probably aware, Tall Timbers Utility Company (TTUC) will not establish sewer service for Elk River Unit 1 until certain items are taken care of. The items that need to be addressed are attached to this letter.

The connection that was made to our sewer system was unauthorized and without TTUC's written Operational Approval. The line extension agreement was never executed, construction plans were never approved, nor did TTUC ever witness the installation or testing of the facilities. There are also easement issues that need to be resolved.

For the existing line to be accepted by TTUC, all items on the attached list will have to be taken care of to TTUC's satisfaction. Until these items are completed, TTUC will not accept the facilities and the manhole plug will remain.

If you have any questions, feel free to contact me at (623) 298-3747.

Sincerely,

A handwritten signature in cursive script that reads "James W. Humble".

James W. Humble, P.E.  
Development Services Manager  
Tall Timbers Utility Company

Cc: Sean Lonergan, Director Central Division  
Jerry Atherton, Hardy & Atherton, P.C.

**EXHIBIT "D" TO RESOLUTION NO. R-2009-27**  
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**Elk River Unit 1**

Developer: Geaux Corporation

Engineer: Brannon Corporation

1. An LXA need to be executed and applicable fees paid prior to plan approval.
2. Need itemized cost estimate for the LXA needs to be revised, needs to show 19 lots instead of 23 lots prior to plan approval.
3. Sewer valve needs to be called out on the sewer service lines on sheets 7, 8, 9, 10 & 26 and add sewer valve detail to Sheet SS1 of construction plans, prior to plan approval.
4. Three sets of revised plans need to be submitted prior to plan approval.
5. Manholes.
  - a. All new MH's need to be set to final grade.
  - b. Pour/ complete concrete collar around the ring and cover at all MH's.
6. Construct an all weather road to the Outfall Sanitary Sewer Lift Station at the end of Beddingfield Rd.
  - a. (The construction plans have not been approved, an LXA has not been executed and fees have not been paid for the Outfall Sanitary Sewer Force Main and Lift Station Project that Elk River Unit 1 will flow into.)
7. Easements.
  - a. Easements need to be signed by developer prior to plan approval.
  - b. 25-foot Sanitary Sewer Easement Lots 31 & 32, N.C.B. 1137-V 0.075 Acres Harpers Ridge Unit 3 at Cumberland Gap, all line items for the easement on the metes & bounds exhibit need to be on the legal description.
  - c. Submit easement legal description and metes & bounds exhibit for easement between lots 5 and 16.
  - d. Easement widths need to be a minimum width of 16-feet. Easement widths that are beyond 16-feet reduce width unless there is a valid explanation. (Received 7 easements, if Easement widths are as follow, 15-feet, 24-feet, 25-feet, 15-feet, 15-feet, 16.50-feet and 15-feet.)
  - e. (All other easement legal description and metes & bounds exhibits are OK.)
8. Test results/ certifications need to be submitted.
  - a. Compaction test results, every five hundred feet.

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- b. Low Pressure Air Test reports
  - c. Mandrel/ deflection test reports
  - d. Videotape (DVD) of 100% of pipe
  - e. Insecticide coating inside manhole certifications
  - f. Vacuum test of manholes certifications need to be submitted
  - g. Validation of pipe material from supplier.
  - h. Pothole (expose) pipeline at a minimum of two locations to verify bedding material and depth. An AWS employee will need to be present to pick the locations to be exposed.
9. One set of 4-mil Mylar, two sets of black-line on bond as-builts and AutoCAD file on CD need to be submitted. Submit after final rim elevations have been added.
10. Invoice package to establish actual cost of construction, developer shall provide the following:
- a. Copies of all invoices (pay applications) from the underground utility contractor for material and labor for that portion of the work to be owned by the Utility. The invoices must be itemized and should include engineering; construction supervision, actual installation costs, and any other costs directly associated with the project.
  - b. Developer shall provide all unconditional lien releases from all contractors, subcontractors and material suppliers for all sewer construction.
  - c. itemized cost breakdown similar to Exhibit C in the LXA. (for example, 8-inch ductile iron pipe, 1,200 ft., \$60 per foot, \$72,000). Engineering, labor costs, permits, traffic control, taxes, etc. should be provided as well. See below example.

Example:

<u>Item</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Cost</u>	<u>Total</u>
8" DIP CL 350	1,200	LF	60.00	72,000.00
8" RW Gate Valve	3	EA	1,300.00	3,900.00

- d. Bill of Sale