

1. **MANUAL:** Jackson County Water and Sewerage Authority Standard Specifications
2. **ARTICLE:** 1. Title, Scope and General Conditions
3. **POLICY TITLE:** Accepting Public Improvements
4. **EFFECTIVE:** April 14, 2011
5. **REVISED:** Revision 1: 2/2011
6. **PURPOSE.** To change the way the Authority accepts for perpetual maintenance water and wastewater improvements.
7. **SOURCE.** Jackson County Water and Sewerage Authority Board is the source and authority for this policy.
8. **APPLICABILITY.** This policy is applicable to individuals and groups that construct water and wastewater improvements with the intent to turn them over to the Authority for perpetual maintenance and ownership

9. BACKGROUND

9.1 PROBLEM. A front page article in the Jackson Herald was titled "Kaput subdivisions creating county headache."¹ These headaches are not just the County government's, but the Water & Sewerage Authority's, too. A telling line in the article states, "*The developers have walked away...*" This becomes a more than just a headache for the Authority because the Authority may have, in those subdivisions, taken ownership of water and sewer pipe that are lying fallow in the ground, pipe without customers attached to them, pipe without water or wastewater flowing through them to keep gaskets tight. And without customers, the Authority must maintain those pipe as pure expense in perpetuity without offsetting revenue. These problems would be averted by the Authority if different public improvement acceptance procedures were instituted.

9.2 DISCUSSION

9.2.1 Current Authority procedure. The Authority's Standard Specification for accepting public improvements is the same for water and sewer pipe and lift stations.

¹ "Kaput subdivisions creating county headache," Angela Gary, Jackson Herald, January 6, 2010

9.2.1.1 Inspection. Once the water and sewer improvements have been installed, they are inspected by the Authority. If, when measured against the requirements of the Standard Specifications, the improvements pass inspection, a one-year period of warranted use begins.

9.2.1.2 Warranty period. At the beginning of the one-year period of warranted use, the developer provides a one-year maintenance bond. This bond is valued at not less than 10% of the utilities' cost. At the end of the warranty period, one year later, the Authority is obligated to accept the improvements if when re-inspected they still meet the Standard Specification requirements. The maintenance bond is not renewable, and expires if not drawn upon.

9.2.1.3 Acceptance. At the end of the warranted year, the water and sewer improvements are inspected and accepted into perpetual maintenance.

9.3 Comparison with County procedure. The County's acceptance procedure is more rigorous than is the Authority's procedure.²

9.3.1 Inspection. The developer's public improvements must be constructed to meet requirements of the Uniform Development Code. Inspection and approval lies with the Director, Public Development Department. So far, this is about the same as the Authority's procedure.

9.3.2 Warranty period. A developer's warranty period begins upon the date the final plat is recorded. The warranty period is two years. The developer must provide a warranty for 100 percent of the public improvements' value, 50 percent of that value in a maintenance bond and 50 percent in cash.

9.3.3 Upon the end of the two year warranty period. If at the end of the first two year warranty period Certificates of Occupancy have not been issued for at least 75 percent of the principal buildings on the lots shown on the final plat, then the warranty period is extended another two years. The maintenance bond must be renewed and the cash deposit is retained.

9.3.4 Acceptance. When Certificates of Occupancy are issued for 75 percent of the principal buildings planned, and the public improvements under inspection meet requirements, then the County releases the maintenance bond, returns the cash surety and the accepts the public improvements into perpetual maintenance.

² Section 1213 (j) Acceptance of public improvements, Jackson County Uniform Development Code

9.4 Conclusion. The Public Development Department reports that there are currently 70 subdivisions with Stop Work Orders against them. And while the County has an effective procedure in place to prevent acceptance of public improvements in “kaput” subdivisions, a policy that is supported by the Board of Commissioners, the Authority has no such protection. Commissioner Tom Crow stated it succinctly in the Herald article, “I’m sorry for these people, but we are not in business to make sure these people make money.”

9.5 Recommendation. The Authority should implement changes to its policy for accepting public improvements, changes that will make the policy more similar to the County’s.

10. POLICY: ACCEPTING WATER AND WASTEWATER IMPROVEMENTS

10.1 Initial Operational Inspection and Approval. Upon developer’s submission of the water and wastewater improvements for operational inspection and approval, the Chief Engineer and Construction Inspector shall conduct an Operational Inspection of said improvements for compliance with the JCWSA Standard Specifications. “Operational Inspection” means critical examination by the Construction Inspector or Chief Engineer. The examination must find that constructed facilities are in conformance with all requirements of the JCWSA Standard Specifications. The Operational Inspection shall include a video inspection of the wastewater pipes conducted by the developer, a copy of which shall be provided to the Construction Inspector for review. Approval for use shall be given in writing by the Chief Engineer. No conditional approvals shall be given.

10.2 Acceptance by the Authority. Upon written certification by the Chief Engineer or the Construction Inspector that the water and wastewater improvements depicted on the as built surveys are in conformance with the JCWSA Standard Specifications and are in good repair, the Authority shall accept the dedication of said water and wastewater improvements in form acceptable to the Authority Manager, in his sole discretion. This acceptance shall hereinafter be referred to as the “Initial Acceptance.” Authority’s acceptance of the developer’s dedication of the water and wastewater improvements shall be subject to the provisions of this Item 10, to include the implementation of that Developer’s Maintenance Period and Maintenance Bond as described in paragraph 10.3.

10.3 Developer’s Maintenance Period. Developer shall maintain water and wastewater improvements in the development for a period of 2 years from Initial Acceptance or until Certificates of Occupancy have been issued for improvements on 75 percent of the principle buildings on the lots shown on the subdivision’s final plat,

whichever occurs later. Developer is responsible for any water and sewer "locates" requested.

10.3.1 Maintenance Bond. During the Developer's Maintenance Period, the developer initially shall obtain and maintain a maintenance bond acceptable to the Authority. The bond shall be renewed or extended, as necessary, until Certificates of Occupancy have been issued on 75 percent of the principal buildings on the lots shown on the subdivision's final plat. Letters of Credit shall not be accepted.

10.3.2 Maintenance Bond Amount. The maintenance bond shall be calculated as follows:

10.3.2.1 Water. Twenty dollars per lineal foot of 8-inch and larger pipe, or \$20,000, whichever is greatest.

10.3.2.2 Sewer. Twenty dollars per lineal foot of 8-inch and larger pipe, or \$20,000, whichever is greatest.

10.3.2.3 Lift Station. \$100,000.

10.4 Final Inspection When 75 percent build-out (as defined in paragraph 10.3) is achieved, and prior to expiration of the maintenance period, a final acceptance inspection of water and wastewater improvements shall be conducted by the Authority. This final inspection shall require meeting the same requirements of the initial operating inspection as specified in the JCWSA Standard Specifications. Final acceptance shall not occur until the developer performs a final television video inspection of the wastewater pipes and delivers the tapes to the Construction Inspector for review.

10.4.1 Inspection Requests. It shall be the responsibility of the developer to notify the Construction Inspector that such work is ready for inspection. Each request for inspection shall be made at least 24 hours and/or one working day before such inspection is required unless other arrangements are made with the Authority's Construction Inspector. It shall be the responsibility of the person requesting the inspection to provide facility access for the inspector.

10.4.2 Test Results. On any facilities that the Authority intends to take ownership of and operate, a final inspection will be made upon work's completion. Evidence must be submitted to the Authority indicating that the installation was subjected to and passed testing requirements as set out in the JCWSA Standard Specifications or have been observed by the Construction Inspector to be in conformance.

10.4.3 Written Notice of Deficiencies. The Authority shall give to the contractor written notice of deficiencies noted during the inspections. The Authority may by written order stop further water and sewer facility construction until all deficiencies are corrected. Partial inspections shall not be performed unless prior written approval is granted by the Authority. The developer must correct all noted defects or deficiencies in materials and workmanship and make such repairs as required by the Chief Engineer to equal the design as-built condition of the improvements.

10.4.4 Final Acceptance by the Authority. Upon written certification by the Chief Engineer or the Construction Inspector that the water and wastewater improvements depicted on the as built surveys are in conformance with the JCWSA Standard Specifications and are in good repair, the Authority shall release the maintenance bond and accept the improvements into perpetual maintenance and ownership. The Authority shall not release the maintenance bond until all deficiencies are corrected.

11. PARAGRAPHS CANCELLED. The following paragraphs from Revision 0: December 2006 JCWSA Standard Specifications are cancelled:

- 11.1 Paragraph 1.1.5 Maintenance Bond
- 11.2 Paragraph 1.2.5. E Maintenance/Warranty Period
- 11.3 Paragraph 1.2.5. F Letter of Credit
- 11.4 Paragraph 1.2.5. G Final Punch List Inspection
- 11.5 Paragraph 1.2.11 Construction Inspection