

LAKEHAVEN UTILITY DISTRICT
King County, Washington

Resolution No. 2010-1153

A **RESOLUTION** of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, adopting a Substantial Completion policy to establish the requirements for connection of water and/or sewer facilities constructed under developer extension agreement to the District's water and/or sewer system prior to final completion and superseding Resolution No. 2002-975.

WHEREAS, the District periodically executes developer extension agreements with property owners to provide for the construction of water and/or sewer facilities to serve property not previously connected to the public water and/or sewer systems, and

WHEREAS, due primarily to weather-related delays in the scheduling of paving within a development, delays in the final adjustment of new sewer and/or water facilities to grade may occur which would defer final acceptance of the developer extension project by the District, and

WHEREAS, the deferral of final acceptance of otherwise complete water and/or sewer facilities may delay plat, or other land use, approvals needed by a developer, and

WHEREAS, it has been the practice of the District to allow conditional acceptance of developer improvements in such cases where the property owner has provided security for the final adjustment of the facilities and the project is otherwise complete, and

WHEREAS, the Board has previously adopted a policy allowing the connection of water and/or sewer facilities prior to completion, and

WHEREAS, the Board desiring to update the policy to reflect new standards for allowing such connections;

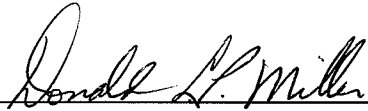
NOW, THEREFORE, BE IT RESOLVED as follows:


1. The District hereby adopts provisions for the conditional acceptance of water and/or sewer facilities constructed under developer extension agreement as set forth in the Substantial Completion Policy, attached hereto as Attachment "1" and by this reference incorporated as if set forth in full herein.
2. Resolution No. 2002-975 is hereby superseded in its entirety.

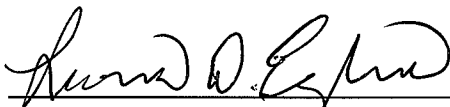
3. This resolution shall be effective on the date of adoption below.
4. The Board reserves the right to cancel, suspend, amend or otherwise modify the Substantial Completion Policy at its discretion.

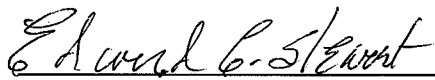
ADOPTED by the Board of Commissioners of Lakehaven Utility District, King County, Washington, at an open public meeting this 25th day of February, 2010.

ATTEST:

	✓		
President and Commissioner	Yea	Nay	Abstain


	✓		
Vice President and Commissioner	Yea	Nay	Abstain

	✓		
Secretary and Commissioner	Yea	Nay	Abstain

	✓		
Commissioner	Yea	Nay	Abstain

NOT PRESENT			
Commissioner	Yea	Nay	Abstain

Approved as to form:


General Counsel

ATTACHMENT "1"

LAKEHAVEN UTILITY DISTRICT

DOCUMENT: SUBSTANTIAL COMPLETION PROCESS		NUMBER: 300-15
SECTION: ENGINEERING		ISSUE DATE: 09/26/02
SUBSECTION: DEVELOPMENT ENGINEERING		REV. DATE: 02/25/10
APPROVAL:	RESOLUTION NO. 2010-1153	PAGE NO. 1 of 4

1. POLICY

The District may allow connection for domestic service to water and/or sewer facilities constructed by a developer under terms of a Developer Extension Agreement with the District prior to Final Project Acceptance. When Substantial Completion Status has been approved, the District will notify the applicable land use authority of such status and inform them that final completion has been guaranteed to the satisfaction of the District.

2. PURPOSE

To allow developers to provide a monetary guarantee for final completion of extension projects to facilitate plat (or binding site plat) recording and/or domestic service connections prior to Final Project Acceptance when delays, typically caused when paving has been delayed due to inclement weather conditions or other circumstances beyond the developers' control, prevent timely final completion.

3. REFERENCES

Resolution No. 2010-1153
Form No. LUD 201.D.02 — Development Procedures

4. DEFINITIONS

Substantial Completion The point at which construction of water and/or sewer facilities installed by a developer under terms of a Developer Extension Agreement lack final adjustment to grade but are otherwise operational and in material conformance with the construction drawings approved by the District, the Developer Extension Agreement, and other District standards. The developer shall deposit sufficient funds to guarantee full completion of the work as a condition precedent to the granting of Substantial Completion Status.

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Final Project Acceptance The point at which construction of water and/or sewer facilities installed by a developer under terms of a Developer Extension Agreement with the District are operational and have met all provisions of the construction drawings approved by the District, the Developer Extension Agreement, and other District standards.

5. GUIDELINES

- A. Following installation and satisfactory pressure/leakage testing of water and/or sewer facilities, and satisfactory disinfection (bacteriological) test results for water facilities, Developer may submit a written request to enter into a Substantial Completion Agreement (See Exhibit "A") for a current project.
- B. The District will ensure that all water and/or sewer facilities have been installed and satisfactorily tested and that the project has reached the point of Substantial Completion Status.
- C. Upon confirmation of the status of construction, the District will prepare a listing of surface appurtenances that will require adjustment to final grade and assign an appropriate e cost to complete all necessary final adjustments. The cost of all items shall then be totaled and multiplied by 150%. The product of this calculation shall then be the completion guarantee amount for the project. The completion guarantee shall be in the form of a cash deposit with the District or an assignment of funds on the District's approved form. The cash deposit shall not bear interest in favor of the Developer.
- D. The District will then prepare the necessary Substantial Completion Agreement and forward it to the Developer for review and execution. The Substantial Completion Agreement must be executed and returned along with the completion guarantee amount and other closing documentation as required by the Developer Extension Agreement, as follows:

02/25/10

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- Bill(s) of Sale.
- Maintenance Bond(s).
- Easements. The on-site easement legal descriptions will need to be verified against the "as-built" locations. The developer's designated engineering firm shall submit these legal descriptions on 8-1/2" X 11" paper, with minimum one-inch (1") clear margins on all sides and otherwise meeting legal recording requirements. The descriptions shall be stamped and signed by a licensed professional land surveyor. The engineering firm shall also provide 8-1/2" X 11" drawings that graphically depict the easements for the facilities. The legal descriptions shall be labeled as Exhibit "A" and the corresponding drawings shall be labeled as Exhibit "B." The District will forward the easement forms to the Developer when the legal descriptions are approved. Alternatively, the District will accept easement dedication on the final plat (or binding site plan) document. Developer will need to submit the proposed final plat (or binding site plan) document for review by the District and said document must comply with District easement requirements. A copy of the recorded final plat (or binding site plan) document will be required for Final Project Acceptance. If District-required revisions are not shown on the recorded final plat (or binding site plan) document, the Developer will be required to provide separate easement documents in accordance with the foregoing process, and to secure signatures from any new property owners who may be affected, prior to Final Project Acceptance.
- "As-built" mylar record drawings. To gain Substantial Completion status, it is acceptable for these record drawings to be absent of final manhole rim elevations for sewer system work, but final manhole rim elevations shall be provided on new record drawings prior to Final Project Acceptance. The District will accept the first submittal of sewer record drawings on paper media. Preliminary prints of proposed record drawings should be submitted to the District for review against the District's construction observer's/inspectors redline construction drawings. The District will then inform the engineer/surveyor of any discrepancies noted between the redline construction drawings and the proposed record drawings, and/or request submittal of the acceptable record drawings. It is the sole responsibility of the engineer/surveyor to verify such information and certify the accuracy of the record drawings submitted.

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- Payment of all outstanding invoices from the District (i.e., the developer's project account), including estimating costs through the one-year maintenance period, must be paid in full.
 - Where applicable, documentation of satisfactory test results for backflow prevention assemblies on the District's most current test form will be provided by the developer. The District shall then conduct a cross connection control inspection, the passage of which inspection shall be a further condition for obtaining Substantial Completion.
- E.** Should the Developer default on the conditions herein and as set forth in the Substantial Completion Agreement, the District shall be authorized to utilize the funds held to guarantee completion to accomplish the necessary work and Developer shall have no further claim on the funds. The District reserves the right to refuse any future requests for Substantial Completion from any Developer who has defaulted on prior projects. For purposes of this section, the Developer shall be considered to have defaulted when surface appurtenances have not been adjusted and/or other identified items have not been completed within the time period set forth in the Substantial Completion Agreement. Developer may request a single extension of the expiration date, not to exceed twelve (12) months in duration. The District will consider additional extensions for extenuating circumstances (i.e., final pavement lifts delayed by land use authority requirements).
- F.** The completion guarantee shall be refunded/released upon Final Project Acceptance; provided, however, that the guarantee shall be reduced by any project account deficit existing at the time of the refund or release.

02/25/10

EXHIBIT "A"

[PROJECT NAME]
Project No. [NUMBER]

**Agreement for Connection of Water and Sewer
Facilities as Substantially Complete**

WHEREAS, Lakehaven and Developer have entered into a Developer Extension Agreement dated **[DE AGREEMENT EXECUTION DATE]**, and recorded under Auditor's File No. **[NUMBER]**, providing for the connection of facilities constructed by the Developer to Lakehaven's water and sewer systems, and

WHEREAS, the water and sewer facilities to be so connected are substantially complete and suitable for connection under Lakehaven Resolution allowing for such connection prior to final completion;

NOW, THEREFORE, IT IS AGREED as follows:

1. This Agreement shall modify the Developer Extension Agreement No. **[NUMBER]**, for the development known as **[PROJECT NAME]**, only so far as the connection of water and sewer facilities to serve the property as substantially complete are concerned, and the Developer shall be obligated to comply with all provisions in the Developer Extension Agreement regarding the final completion of the facilities to serve the property.

2. Lakehaven shall allow connection of the water facilities to said property upon execution of this Agreement and all other documentation necessary for acceptance of the project, completion of a satisfactory purity test, and delivery by Developer of the sum of \$**[WATER COMPLETION GUARANTEE AMOUNT]** to Lakehaven, which sum shall be deposited in a Lakehaven account and held to insure the final completion of **[LIST OF WATER FACILITIES TO BE COMPLETED]**, as same is needed to fully and finally complete the project in accordance with the Developer Extension Agreement. In the event that the final completion of the water facilities noted herein, are not completed by Developer on or before **[COMPLETION DATE]**, Lakehaven shall be authorized to utilize the funds so deposited to accomplish the necessary work and Developer shall have no further claim on the funds.

3. Lakehaven shall allow connection of the sewer facilities to said property upon execution of this Agreement and all other documentation necessary for acceptance of the project, and delivery by Developer of the sum of \$**[SEWER COMPLETION GUARANTEE AMOUNT]**, which sum shall be deposited in a Lakehaven account and held to insure the final completion of **[LIST OF SEWER FACILITIES TO BE COMPLETED]**, as same is needed to fully and finally complete the project in accordance with the Developer Extension Agreement. In the event that the final completion of the sewer facilities noted herein, are not completed by Developer on or before **[COMPLETION DATE]**, Lakehaven shall be authorized to utilize the funds so deposited to accomplish the necessary work and Developer shall have no further claim on the funds.

4. All other provisions of the Developer Extension Agreement referenced above which are not herein modified shall remain in full force and effect.

EXHIBIT "A"

WITNESS our hands and seals.

[COMPANY/DEVELOPER NAME]

LAKEHAVEN UTILITY DISTRICT
King County, Washington

By _____

Water / Engineering Manager

Its _____

Date: _____

Dated: _____

STATE OF _____)

County of _____)

ss.

I certify that I know or have satisfactory evidence that [SIGNATORY NAME] signed this instrument, on oath stated that [HE/SHE] was authorized to execute the instrument and acknowledged it as the [TITLE] of [COMPANY NAME] , to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____

Notary Public

Title

My appointment expires _____

SAMPLE

For recording in the State of Washington, the Notarial Seal must be fully legible and cannot intrude into document margins. Please affix seal in the space provided.