



I. 1.

Palmer City Council Meeting

Meeting Date: 05/13/2024
Submitted For: Crystal Dermer, Administrative Assistant
Department: Public Works
Agenda Category: Action Memorandum
Legislation Number: AM 24-025 **Approved**

Subject

Action Memorandum No. 04-025: Authorizing Utility Water Connection for a 58-lot Subdivision Located Off East Bogard Road, Palmer, Alaska

Summary Statement/Background

A 58-lot residential subdivision development is currently in design and the owner, WM Construction, LLC., is requesting permission to connect to the City of Palmer water system running along the northern side of East Bogard Road. This development will be a benefit to the City's water enterprise operation. The Manager is recommending City Council approval.

Administration's Recommendation:

Approve Action Memorandum No. 24-025

Fiscal Impact

Total Amount of funds listed in this legislation: \$15,000.00
Legislation creates a saving in the amount of: \$15,000.00
Budgeted Y/N?: N
Line Item(s): 02-00-00-2215 Utility Extension Deposit

Attachments

Utility Extension Agreement
Map

UTILITY EXTENSION AGREEMENT

RETURN TO: City of Palmer
231 W. Evergreen Avenue
Palmer, AK 99645

Palmer Recording District

THE CITY OF PALMER (hereinafter the City), a municipal corporation, and **WM Construction, LLC**, (hereinafter the Developer), enter into the following Agreement this 24 day of **April, 2024**.

Mr. Mike Thompson executes this Agreement on behalf of the Developer. It is understood that the Developer is a corporation and that the person who executes this Agreement on behalf of the Developer does so in the capacity of Owner. Mr. Thompson warrants that he has the authority to execute this Agreement on behalf of the owner, developer of the property which is the subject of this Agreement. The parties to this Agreement shall accept notices at the following addresses and telephone numbers:

DEVELOPER

Mike Thompson (owner)
WM Construction, LLC
PO Box 4042
Palmer, AK 99645

CITY

City Manager, City of Palmer
231 W. Evergreen Ave.
Palmer, Alaska 99645
(907) 745-3271

The real property which is the subject of this Agreement (hereinafter the Property) is located within the Palmer Recording District and the Palmer Water Utility Service Area as certificated by the Regulatory Commission of Alaska, and is described as:

See Attached

(NOTE: If this legal description is taken from the preliminary plat for the subdivision, it is subject to change after filing of the final plat. See attached map for approximate location of Property).

Tax ID No. 118N01E36B020

Section 1 The Project.

- A. The Developer shall extend the existing water system to serve the Property in conformance with 2018 City of Palmer Standard Specifications. The water system shall include all water facilities necessary to provide safe, reliable water service to each lot and/or parcel.
- B. The Developer shall design, construct, and install waterlines from the Property to the City's existing water system. The Developer shall pay the entire cost of constructing the water systems to serve the Property. The total cost of constructing water facilities under this Agreement is estimated to be as indicated in Section 2 below. This estimate shall be used to compute the project cost deposit as required by Paragraph 2.03 of Article II of this Agreement.
- C. In the event the watermain to be constructed under the terms of this Agreement serves other parcels of land which are not owned by the Developer, then no construction may commence until the Developer submits a signed, notarized statement to the City waiving all claims for future reimbursement for providing service to such other parcels of land.
- D. For utility extensions outside the Palmer City Limits council authorization is required before construction per **Palmer Municipal Code 13.08.070 Service outside city.**

Section 2 Estimated Project Costs.

The Estimated Costs itemized below are predicated on the estimates provided by the Developer or his agents.

A. Developer's Estimated Cost:

Estimated construction cost of approximately 4600 lineal feet of 8-inch & 12-inch watermain and facilities: \$ 818,089.92

Estimated consultant engineering fees and other related costs (i.e. design, soils, survey, project administration, inspection, etc.): \$ 30,000.00

Estimated City warranty period costs (refer to Article 2.03 of this Agreement): \$ 15,000.00

TOTAL ESTIMATED DEVELOPER'S COST: \$.00

B. City's Estimated Share of Over sizing Cost: \$ N/A

C. **TOTAL ESTIMATED PROJECT COST:** \$ **863,089.92**

Section 3 Reserved.

Section 4 Reserved.

ARTICLE I

GENERAL PROVISIONS

1.01 Application of Article.

Unless this Agreement expressly provides otherwise, all provisions of this Article apply to every part of this Agreement.

1.02 Permits, Laws and Taxes.

The Developer shall acquire and maintain in good standing all permits, licenses and other entitlements necessary to its performance under this Agreement. All actions taken by the Developer under this Agreement shall comply with all applicable statutes, ordinances, rules and regulations. The Developer shall pay all taxes pertaining to its performance under this Agreement.

1.03 Relationship of Parties.

Neither by entering into this Agreement, nor by doing any act hereunder, may the Developer or any contractor or subcontractor of the Developer be deemed an agent, employee or partner of the City, or otherwise associated with the City other than, in the case of the Developer, as an independent contractor. The Developer and its contractors and subcontractors shall not represent themselves to be agents, employees or partners of the City, or otherwise associated with the City other than, in the case of the Developer, as an independent contractor. The Developer shall notify all its contractors and subcontractors of the provisions of this Paragraph.

1.04 Engineer's Relation to City.

Notwithstanding Paragraph 2.01, of Article II, or any agreement whereby the City reimburses the Developer's engineering costs; an engineer retained by the Developer to perform work under this Agreement shall not be deemed an agent, employee, partner or contractor of the City, or otherwise associated with the City.

1.05 Developer's Responsibility.

The Developer shall be solely responsible for the total performance of all terms, covenants and conditions of this Agreement notwithstanding the Developer's delegation to another of the actual performance of any term, covenant or condition hereof.

1.06 Developer's Assumption and Indemnification.

The Developer shall indemnify, defend, and hold harmless the City from any claim, or alleged claim, action or demand arising from any act or omission, related to this Agreement in whole or in part, of the Developer, his agents, employees or contractors. The liability assumed by the Developer pursuant to this Paragraph includes but is not limited to claims for labor and materials furnished for the construction of the improvements.

If applicable, the Developer shall perform this Agreement and carry out its work and operations related to this Project pursuant to and in conformance with the Utility Permit (the "ADOTPF Permit") issued by the State of Alaska Department of Transportation and Public Facilities (the "Department") for this project, or portion thereof, a copy of which ADOTPF Permit is attached to this Agreement as Attachment "A". The Developer hereby assumes all duties, obligations and liabilities imposed on the City by the ADOTPF Permit, the Alaska Statutes specified or referred to in the ADOTPF Permit, the terms, requirements and regulations specified or referred to in the ADOTPF Permit, the applicable policies, directives and orders issued by the Commissioner of the Department as referred to in the ADOTPF Permit, and any other obligations or liabilities imposed on the City under any agreement or requirement of the City to indemnify, hold harmless and or defend the Department or the State of Alaska on this project. In addition, the Developer shall indemnify, hold harmless and defend the City for any claims, actions, charges, liabilities, obligations, penalties, damages, costs and expenses (including costs and attorneys fees) arising, claimed or charged against the City for damage to property or injury to or death of persons, arising wholly or in part from any action taken by or failure to be taken by the Developer (including, but not limited to, its employees, officers, agents, contractors, subcontractors, licensees or similar persons), the City in relation to the project.

1.07 Disclaimer of Warranty.

Notwithstanding this Agreement or any action taken by any person hereunder; neither the City nor any municipal officer, agent or employee warrants or represents the fitness, suitability, or merchantability of any property, plan, design, material, workmanship or structure for any purpose.

1.08 Cost of Documents.

All plans, reports, drawings or other documents that this Agreement requires the Developer to provide the City shall be furnished at the Developer's expense.

1.09 Assignments.

- A. Except insofar as subparagraph B of this Paragraph specifically permits assignments, any assignment by the Developer of its interest in any part of this Agreement or any delegation of duties under this Agreement shall be void, and any attempt by the Developer to assign any part of its interest or delegate any duty under this Agreement shall constitute a default entitling the City to invoke any remedy available to it under Paragraph 1.10 of this Article.
- B. The Developer may not assign its interest or delegate its duties under this Agreement unless expressly permitted in writing by the City.

1.10 Default: City's Remedies.

- A. The City may declare the Developer to be in default:
 - 1. If the Developer is adjudged a bankrupt, makes a general assignment for the benefit of creditors, suffers a receiver to be appointed on account of insolvency, takes advantage of any law for the benefit of insolvent debtors; or
 - 2. If the Developer has failed in any measurable way to perform its obligations under this Agreement, provided the City gives the Developer notice of the failure to perform and the Developer fails to correct the failure within thirty (30) days of receiving the notice; or, if the failure requires more than thirty (30) days to cure, the Developer fails within 30 days of receiving the notice to commence and proceed with diligence to cure the failure.
- B. Upon a declaration of default the City may do any one or more of the following:
 - 1. Terminate this Agreement without liability for any obligation maturing subsequent to the date of the termination.
 - 2. Perform any act required of the Developer under this Agreement, including constructing all or any part of the improvements, after giving seven (7) days notice in writing to the Developer. The Developer shall be liable to the City for any costs thus incurred. The City may deduct any costs thus incurred from any payments then or thereafter due the Developer from the City, whether under this Agreement or otherwise.
 - 3. Exercise its rights under any performance or warranty guarantee securing the Developer's obligations under this Agreement.
 - 4. Pursue any appropriate judicial remedy including but not limited to an action for injunction and civil penalties.

1.11 Non-Waiver.

The failure of the City at any time to enforce a provision of this Agreement shall in no way constitute a waiver of the provision, nor in any way affect the validity of the Agreement or any part hereof, or the right of the City thereafter to enforce each and every provision hereof.

1.12 Effect of Standard Specifications

The City of Palmer Standard Specifications (2018) and Development Standards (1985) in effect at the time this Agreement is executed, as well as Title 18 of the Alaska Administrative Code and the State of Alaska criteria adopted for the design of water and/or sanitary waterfacilities, shall be the minimum standards for performance under this Agreement unless otherwise specifically provided in writing. Definitions or other provisions in the standard specifications describing the relationships and responsibilities of parties to City construction contracts do not apply herein to the extent that they conflict with any provision of this Agreement.

1.13 Amendment.

The parties may amend this Agreement only by mutual written agreement, which shall be attached hereto.

1.14 Jurisdiction: Choice of Law.

Any civil action arising from this Agreement shall be brought in the Superior Court for the Third Judicial District of the State of Alaska at Palmer. The laws of the State of Alaska shall govern the rights and duties of the parties under this Agreement.

1.15 Definitions.

Unless this Agreement expressly provides otherwise, the following definitions shall apply herein:

- A. "ACCEPTANCE" by the City means a determination that an improvement meets municipal construction standards, and does not refer to accepting a dedication of the improvement by the Developer.
- B. "AS-BUILT DRAWINGS" means the plan and profile reproducible drawings, verified and signed by a registered professional engineer, to be the actual horizontal and vertical alignment, distance, grade, amounts, etc. depicting the true location of utility improvements actually constructed.

- C. "THE CITY" means the City of Palmer, Alaska.
- D. "CERTIFIED COST STATEMENT" means an itemized statement provided to THE CITY of costs certified by the Developer to be the actual and final costs of water and/or sanitary waterfacilities constructed. A copy of the final pay estimate and/or other applicable billings sufficient to verify all costs shall be included. A form to be used when reporting certified costs shall be provided by the City.
- E. "FINAL INSPECTION" means that inspection performed by the City after completion of all improvements required of the Developer under the terms of this Agreement. All improvements must satisfactorily complete a final inspection before placing any part of the improvements under warranty period.
- F. "IMPROVEMENTS" means work the Developer is required to perform under the terms of this Agreement.
- G. "CITY" means the City of Palmer and, for the purposes of administering this Agreement, means the City of Palmer Public Works Department Director, or their designee.
- H. "RECORD DRAWINGS" means the plan and profile reproducible drawings, verified by a registered professional Engineer to be the horizontal and vertical alignment, distance, grade, amounts, etc. as reflected in survey notes, contractor's notes, line and grade notes, and engineer's notes, and as relates to the basic control rather than the construction stake line. When record drawings are submitted the engineer shall identify the contractor's name, contact name with phone number and address; a reference to the line and grade survey book number; the engineering firm's name and address, and a reference to the engineering survey book number. Record drawings will only be accepted as a substitute for as-built drawings if the Developer's engineer notes which portion of the drawing information was provided by the contractor, which by the line and grade person, and which by the engineer.
- I. "STANDARD SPECIFICATIONS" for purposes of this agreement, means those construction specifications maintained and periodically reviewed and modified by the City of Palmer which are published as the 2018 City of Palmer Standard Specifications.
- J. "WARRANTY INSPECTION" means that inspection performed by the City at the end of the two-year warranty period. All improvements must satisfactorily complete a warranty inspection before final acceptance of the improvements by the City.

- K. "WATER/SANITARY WATEREXTENSION" means that water or sanitary waterline which reaches from the water or sanitary waterservice connection to the structure and is generally located on private property.
- L. "WATER/SANITARY WATERSERVICE CONNECTION" means the pipe and appurtenances required to connect an individual property or facility to the water or sanitary watermain and which terminates at the property line or easement limit and shall not include the necessary further extension of the water or sanitary watersystem onto private property.

ARTICLE II

PREREQUISITES TO CONSTRUCTION

The Developer shall not obtain permits for construction of the improvements or commence construction until the requirements of Paragraphs 2.01 through 2.08 below have been met.

2.01 Engineer.

- A. The Developer shall retain an Engineer registered as a Professional Engineer under the laws of the State of Alaska to design and administer the construction of the improvements, including preparing plans, calculations for water flow including fire hydrants at 1000 GPM minimum flow and material specifications conformance to Standard Specifications, ADEC submission of all required paperwork, inspecting and controlling the quality of the work described herein in accordance with the City's recommended procedures for consulting engineers. If this agreement requires the City to reimburse the Developer for engineering costs, the professional fee schedule of the Engineer shall be attached as an appendix hereto.
- B. The Engineer hired by the Developer shall be retained so as to be available throughout the entire two-year warranty period to effect, through the contractor and/or the Developer, correction of all warranted conditions. A letter to this effect shall be signed by both the Developer and the Engineer and shall be filed with the City before a Notice to Proceed with the construction of this project is approved.
- C. The Developer shall inform the City of the name and mailing address of the Engineer he has retained to perform the duties described in subparagraphs A and B above and agrees that notice to the Engineer at the address so specified regarding the performance of such duties shall constitute notice to the Developer.

The Developer shall promptly inform the City of any change in the information required under this Paragraph.

The Developer has retained XXXX, License # XXXX, license expiration date, 00/00/20.

Firm:

Mailing Address:

Telephone No:

Fax No:

E-Mail Address:

2.02 Plans and Specifications.

- A. The Developer shall submit to the City, in such form as the City may specify all plans and specifications pertaining to the construction of the improvements. The Developer shall submit design drawings in accordance with the City of Palmer Standard Specifications (2018) as amended for water and waterimprovements. The City reserves the right to return incomplete drawings (less than 85% complete) to the Developer for completion and re-submittal.
- B. The Developer shall submit to the City proof that he has retained an Engineer to perform the duties described in Paragraph 2.01 of Article II.
- C. If the City requires soil tests or other tests pertaining to the design of improvements, the Developer shall submit reports of the test results with the plans and specifications.
- D. The City shall approve the plans and specifications as submitted or indicate to the Developer how it may modify them to secure approval within three weeks from either: (1) the submission of all plans and specifications for the improvements, or (2) the payment of the deposit required upon plan submission under Paragraph 2.03 below, whichever occurs later.

2.03 Project Cost Deposit.

The Developer shall deposit with the City the amounts required under Paragraph 3.03.C of this Agreement. The City does not guarantee that final billings will be in accordance with amounts stated in this agreement, or orally given estimates. It is expressly understood by the Developer that a Developer shall pay the City's actual cost associated with all work performed under this agreement. The City's cost shall include, but is not

limited to, agreement administration, plan checking, field surveillance, testing, final inspections, warranty inspections and overhead.

2.04 Liability Insurance.

The Developer shall provide proof that it has acquired the insurance required under the Standard Specifications of the City in effect at the time of the execution of this Agreement, in the form prescribed in those Standard Specifications, or, if the Developer has engaged a prime contractor to perform the work under this Agreement, proof that the prime contractor has acquired such insurance, naming the Developer as an insured.

2.05 General Standard of Workmanship.

The Developer shall construct all improvements in accordance with plans, specifications and contracts approved by the City and with the terms, covenants and conditions of this Agreement. The Developer shall not incorporate any material or equipment into an improvement unless the City has approved its use. Unless the City specifically agrees otherwise in writing, all materials, supplies and equipment incorporated into an improvement shall be new.

2.06 Surveyor.

All surveys required for the completion of improvements under this Agreement shall be made by a person registered as a Professional Land Surveyor under the laws of the State of Alaska.

2.07 Required Reporting.

A. Quality Control:

1. Prior to the preconstruction conference, the Developer shall submit a certified Quality Control Plan for review and approval, to include the following:
 - a. Name and telephone number(s) of the Engineer;
 - b. Name and telephone number(s) of any individual(s) under the Engineer's direct supervision who will be conducting field inspections;
 - c. Engineer's review and signature procedure of field inspections performed by personnel under the Engineer's direct supervision;
 - d. Procedure(s) to be used to note and correct construction deficiencies;
 - e. Procedure(s) to be used to coordinate pipe testing with the City;

- f. Procedure(s) to be used to comply with minimum testing requirements specified in the 2018 City of Palmer Standard Specifications:
 - g. Procedure(s) to be used to request final inspections by the City.
- 2. The Developer shall submit written inspection reports on a weekly basis of material testing results and summaries of daily activities to the City. Copies of materials testing results shall be attached to inspection reports. Weekly reports shall be submitted no later than 4: 00 PM on Monday following each project work week.
- 3. Failure to submit weekly inspection reports shall be cause for the City to issue a stop work order under the provisions of Paragraph 2.10.A of this Agreement. Engineer's inspection shall include, but not necessarily be limited to, verification of the following:
 - a. adequacy of pipe foundation material:
 - b. compliance with approved vertical and horizontal pipe alignment;
 - c. bedding and backfill material type, quality, placement and density;
 - d. system component material by type, size and installation (for example pipe, valves, fittings, manholes, fire hydrant assemblies, pipe restraints, curb stops, corporation stops, polyethylene encasement of pipe, etc.);
 - e. compliance with required pipe tests;
 - f. compliance with any and all applicable permit stipulations; and
 - g. observed deficiencies during inspection or testing; actions taken to correct deficiencies; and notes of discussion with the City pertaining to the deficiencies.
- 4. The Developer shall coordinate testing and inspections with the City and provide 24 hour advance notice to the City of the need for such inspections.
- 5. Expressed or implied approval by the City of any report or inspection shall not authorize any deviation from approved plans and specifications or from the terms of this Agreement. If during the course of construction field conditions warrant changes to the approved plans, the Developer shall obtain written concurrence from THE CITY prior to implementing these changes.

2.08 Performance Guarantee.

- A. To guarantee the construction of the improvements required by this Agreement, the Developer shall grant to the City one of the following documents, in an amount equal to the Total Estimated Developer's Cost, as shown in Section 2.A. of this Agreement, plus an overrun allowance of twenty percent (20%).
1. A Surety Bond from a company qualified by law to act as a surety in the State of Alaska.
 2. An Escrow Account with a bank or financial institution authorized by law to do business in the State of Alaska. The escrow account shall be irrevocable, shall be established in the name of the City and shall authorize the City to draw on the account without the further written consent of the Developer.
 3. A Letter of Credit from a bank or financial institution authorized by law to do business in the State of Alaska. The letter of credit shall be irrevocable and shall identify the City as beneficiary.
 4. A Deed of Trust, a copy of which will be recorded in the Palmer District Recorder's Office, Third Judicial District, State of Alaska. No Deed of Trust shall be accepted unless the unencumbered value of the Property equals or exceeds the stated amount of the guarantee required.
 5. Cash.
- B. The total value of the performance guarantee provided shall be equal to or greater than the estimated total project cost as reflected in Section 2C of this Agreement plus project overrun allowances. The performance guarantee will not be released by the City until all improvements required by this Agreement have been completed by the Developer; the water improvements inspected and accepted under warranty by the City, and an acceptable warranty guarantee posted as required by Paragraph 3.04 of Article III of this Agreement.

2.09 Surveillance.

- A. The City may monitor the progress of the improvements and the Developer's compliance with this Agreement, and perform any inspection or test it deems necessary to determine whether the improvements conform to this Agreement.
- B. If the Developer fails to notify the City of inspections, tests and construction progress as required by Paragraph 2.07 above, the Utility may require, at the

Developer's expense, retesting, exposure of previous stages of construction, or any other steps which the City deems necessary to determine whether the improvements conform to this Agreement.

- C. Any monitoring, tests or inspections that the City orders or performs pursuant to this Paragraph are solely for the benefit of the Utility. The City does not undertake to test or inspect the improvements for the benefit of the Developer or any other person.

2.10 Stop Work Orders.

- A. If the City determines that there is a substantial likelihood that the Developer will fail to comply with this Agreement, or if the Developer does fail to comply, the Utility may stop all further construction of improvements by posting a stop work order at the site of the nonconforming construction and notifying the Developer or his Engineer of the order.
- B. A stop work order shall remain in effect until the City approves:
 - 1. Arrangements made by the Developer to remedy the nonconformity; and
 - 2. Assurances by the Developer that future nonconformities will not occur.
- C. The issuance of a stop work order under this Paragraph is solely for the benefit of the City. The City does not undertake to supervise the work for the benefit of the Developer or any other person. No suspension of work under this Paragraph shall be grounds for an action or claim against the City, or for an extension of time to perform the work.
- D. The Developer shall include in all contracts for work to be performed or materials to be used under this Agreement the following provision:

"The City of Palmer, pursuant to a Water Extension Agreement on file with the city manager and incorporated herein by reference, has the authority to inspect all work or materials under this contract, and to stop work in the event that the work performed under this contract fails to comply with any provision of the Water Extension Agreement. In the event that a stop work order is issued by the City of Palmer, the contractor immediately shall cease all work, and await further instruction from the Developer."

2.11 Specified Completion Date.

All improvements required under this Agreement shall be completed within two (2) years from the date of execution hereof.

ARTICLE III

ACCEPTANCE OF IMPROVEMENTS

3.01 Prerequisites to Acceptance.

The City shall not finally accept the improvements constructed under the terms of this Agreement until all the following requirements have been met.

- A. As-Built or Record Drawings. The Developer shall provide the City with one acceptable set of reproducible signed as-built or record drawings and two blue-line copies, one C.D. Electronic media thereof for each improvement constructed. The as-built or record drawings shall be submitted to the City of Palmer Public Works Department within 40 working days following successful completion of a final inspection of this project by Utility inspectors. The as-built or record drawings and blue-line copies shall be certified to represent accurately the improvements as actually constructed and shall be signed by a Professional Engineer, registered under the laws of the State of Alaska. Failure to submit approved as-built or record drawings within this 40 working day period shall be sufficient cause for the Utility to deny reimbursement to the Developer for providing water service to adjacent properties. The project warranty period for the improvements constructed under the terms of this Agreement will not commence until after the as-built or record drawings have been received and approved by the City. The Developer shall submit a copy of the post construction survey notes as well as the Engineer's "during construction" inspection notes to the City along with the as-built or record drawings. See paragraph 1.15 for a definition of as-built and record drawings.

- B. Certified Cost Statement. The Developer shall provide a certified cost statement to the City within 60 days of completion of a successful final inspection of the sanitary water lines by the City. The certified cost statement shall be notarized and submitted on a form provided by the City and shall consist of the total project costs including all labor, material, equipment, engineering inspection and all other direct or indirect costs incurred. A copy of the final pay estimate and/or other applicable billings or invoices sufficient to verify all costs shall be included. Failure to submit an approved certified cost statement within this 60 day period shall be sufficient cause for the City to deny reimbursement to the Developer for providing

water service to adjacent properties. The project warranty period for the improvements constructed under the terms of this Agreement will not commence until after the certified cost statement has been received and approved by the City.

- C. Alaska Department of Environmental Conservation Approval to Construct and Final Approval to Operate. The Developer must provide the City a copy of the Alaska Department of Environmental Conservation's Approval to Construct and Final Approval to operate prior to the City's acceptance and operation of any public water improvements constructed under this Agreement.
- D. Inspection and Testing.
 - 1. During the course of construction of the improvements required by this Agreement, or upon receiving notice from the Engineer that the Developer has completed the improvements, the City shall schedule an inspection of the improvements. The City may inspect the improvements and any related work in dedicated easements or rights-of-way.
 - 2. The City shall inform the Developer in writing of any deficiencies in the work found during the course of its inspections.
 - 3. At its own expense, the Developer shall correct all deficiencies found by the inspection performed under subparagraph 1 of this Paragraph. Upon receiving notice that the deficiencies have been corrected, the City shall re-inspect the improvements.
 - 4. The City may continue to re-inspect the improvements until the Developer has corrected all deficiencies in the improvements.
 - 5. Testing of the newly laid waterlines will be performed in accordance with the 2018 Palmer Standard Specifications and witnessed by Developer engineer & City personnel. This will consist of:
 - a. Flushing
 - b. Hydrostatic Pressure or Leakage Test
 - c. Sterilization Testing (ADEC) Standards
 - d. Removal of high chlorine water and neutralization
 - 6. Testing of the newly laid watermain will be performed in accordance with the 2018 Palmer Standard Specifications and witnessed by Developer Engineer & City personnel. This will consist of lamping to test watermain alignment. Pressure testing of all watermains and service lines to Palmer Standard Specifications. Inspections of Manholes for proper installation to Palmer

Standard Specifications. These tests shall be performed before the City provides water service to the area served by the improvements. A copy of the test results will be furnished to the City.

7. A final inspection will be performed in accordance with the Palmer Standard Specifications 2018 and 1985 Development Standards and witnessed by City personnel. This final inspection will take place after completion of all improvements and will consist of, but is not limited to, the following as appropriate:
 - a. Continuity test of Water Main Line and Service Connections
 - b. Check Water Main Line Valve Boxes
 - c. Check Hydrant Valve Boxes
 - d. Check Hydrant for Operation and Installation
 - e. Check Water Service Line Key Boxes
 - f. Check Water Main Line Valve Box Markers
 - g. Check Water Manholes for proper Grouting, Ram-neck, Smooth Inverts, Beaver Slides, etc.
 - h. Check watermains for alignment by lamping
 - i. Location Markers for all Water Stub-Outs
 - j. Dual # 10 tracer wires installed on all HDPE piping
8. The Developer Engineer shall furnish the City a copy of the final inspection results itemizing any existing deficiencies. Upon notification that the deficiencies have been corrected, the City will require another final inspection of those items.
9. After a final inspection has revealed that all improvements and related work in dedicated easements and rights-of-way meet City standards; after the Developer & Engineer has furnished as-built or record drawings and a notarized certified cost statement; and after the Developer has deposited the fees required in Section 3.03; the City shall notify the Developer that the improvements have been accepted and are now under a two (2) year warranty period.
10. Prior to the end of the two (2) year warranty period, the City shall conduct a Warranty Inspection to determine whether all improvements and related work within the dedicated easements and rights-of-way continue to meet Palmer Standard Specifications. A copy of the Warranty Inspection results will be furnished to the Developer itemizing any existing deficiencies. After all deficiencies have been corrected to the satisfaction of the City, the City shall notify the Developer that the City accepts full responsibility for all future maintenance of the public water facilities constructed under this Agreement.

3.02 Consequence of Acceptance of Improvements.

The City's final acceptance of the improvements constitutes a grant to the Utility of all the Developer's rights; title and interest in and to all the improvements, together with all easements, rights-of-way or other property interest not previously conveyed which are necessary to provide adequate access to the water improvements.

3.03 Developer's Warranty.

- A. The Developer shall warrant the design, construction, materials and workmanship of the improvements against any freezing, failure and/or defect in design, construction, material or workmanship which is discovered prior to the expiration of the two years warranty period from the date the City notifies the Developer of the acceptance of the improvements.
- B. This warranty shall cover all direct and indirect costs of repair or replacement; damage to the property or other improvements to facilities owned by the City or any other person caused by freezing and/or other failure or defect; and any increase in cost to the City for operating and maintaining the improvements resulting from freezing and/or such other failures, defects or damage.
- C. Prior to acceptance under warranty of this project, the Developer shall provide the City with a cash project cost deposit (described in 2.03) to cover the City's costs incurred during the warranty period. This cash deposit is in addition to the warranty guarantee required by Paragraph 3.04 below. The amount of this deposit shall be as indicated below and shall be based on the Developer's certified cost statement for this project.

<u>CERTIFIED COSTS</u>	<u>REQUIRED DEPOSIT</u>
\$10,000.00 or less	\$500.00
\$10,000.01 to \$50,000.00	\$2,000.00
\$50,000.01 to \$150,000.00	\$7,500.00
Over \$150,000.00	\$15,000.00

- D. Any action or omission to take any action on the part of the City authorized by this Agreement including but not limited to operation or routine maintenance of the improvements prior to acceptance, or surveillance, inspections, review or approval of plans, tests or reports, shall in no way limit the scope of the Developer's warranty.

3.04 Warranty Guarantee.

- A. To secure the Developer's performance of the warranty under Paragraph 3.03 above, the performance guarantee provided by the Developer under Paragraph 2.08 of Article II shall remain in effect until the end of the warranty period, or until the Developer has furnished some other type of acceptable and adequate warranty guarantee as indicated in subparagraph B below.
- B. An acceptable warranty guarantee may be a corporate Surety Bond, a Cash Deposit, or a Letter of Credit in an amount equal to a percent of the project's approved certified cost statement as set forth below:

<u>Certified Project Cost</u>	<u>Percent to Secure Warranty</u>
Less than \$500,000	10%
\$500,000 to \$1,000,000	7.5%
More than \$1,000,000	5%

- C. The warranty period shall mean a period of two (2) years from and after acceptance date under warranty of the improvements by the City unless a longer warranty period is required by mutual agreement. The warranty period shall be understood to imply prompt attention by the Developer to repair any defects that occur. In those instances where the water system is constructed in conjunction with other public improvements, this warranty period shall run concurrently with the warranty of the last improvement to be constructed.

3.05 City's Remedies under Warranty.

- A. The City shall notify the Developer in writing upon its discovery of any failure or defect covered by the warranty required in Paragraph 3.03 above. The Utility shall notify the Developer before conducting any tests or inspections to determine the cause of the failure or defect, and shall notify the Developer of the results of all such tests and inspections.
- B. The Developer shall correct any failure or defect covered by warranty within 2 days of receiving notice of the failure or defect from the City. The Developer shall correct the failure or defect at its own expense and to the satisfaction of the City.
- C. If the Developer fails to correct the failure or defect within the time allowed by subparagraph B above, the City may correct the failure or defect at the Developer's expense. If the Developer fails to pay the City for the corrective work within thirty (30) days of receiving the City's bill thereof, the City may pursue any remedy provided by law of this Agreement to recover the cost of the corrective work.

- D. The City reserves the right to immediately remedy, at the Developer's sole expense, any failure or defect determined by the City to be hazardous in the event the failure or defect, if not corrected promptly, jeopardizes life and/or property.

3.06 Conditions of Reimbursement.

If this Agreement requires the City to reimburse the Developer for all or part of the cost of an over sizing improvement, the reimbursement shall be conditioned upon the Developer's performance of all its obligations under this Agreement and upon the successful sale of bonds.

3.07 Completion of Performance - Release of Warranty.

- A. The City shall perform a year-end warranty inspection of all improvements constructed prior to the end of the two-year warranty period, and before releasing any warranty guarantee and/or deposit then in effect. Pursuant to Paragraph 3.05 above, the Developer shall correct any failure or defect in the work revealed by the warranty inspection.
- B. Upon the Developer's satisfactory performance of all its obligations under this Agreement, the City shall execute a written statement acknowledging such performance and shall release any remaining security posted by the Developer under this Agreement.
- C. The City reserves the right to refuse to enter into an Agreement with any Developer for the future extension of water and/or sanitary watermains when said Developer fails or refuses to comply in a timely manner with the conditions of this Agreement, a previous Agreement or is currently delinquent in the payment of any account owed to THE CITY.

ARTICLE IV

SPECIAL CONDITIONS

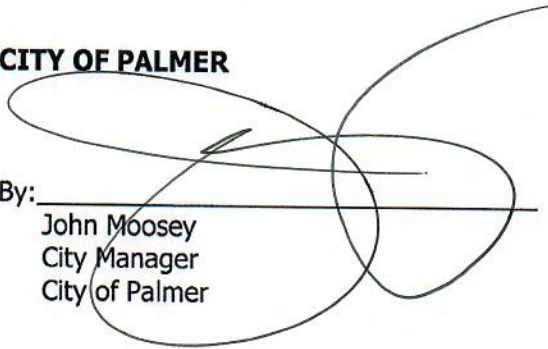
4.01 Testing.

- A. Developer will submit a plan for review by the City regarding pressure testing of the water lines in accordance with City of Palmer Standard Specifications. No water will be available in the Subdivision to complete Open Bore Flushing, Hydrostatic Pressure testing, Leak testing, Sterilization testing, Removal of High Chlorine (if present), and Neutralization until the new Bogard Road booster station is substantially complete.
- B. Developer will submit a QA/QC plan developed by the engineer of record to the City for review. The QA/QC plan should address how the requirements in section 4.01 (A) will be accomplished.

IN WITNESS HEREOF the parties hereto have set their hands on the date first set forth above.


CITY OF PALMER

By: _____
John Moosey
City Manager
City of Palmer



DEVELOPER

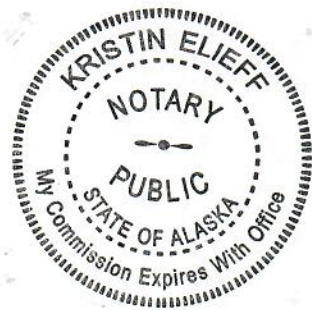
By: _____
Title: owner

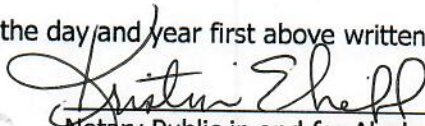

owner

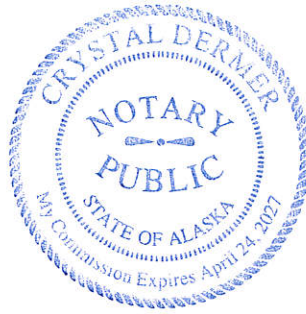
STATE OF ALASKA)
)
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 25th day of April, 2024, before me, the undersigned, Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared John Moosey known to me to be the City Manager of the City of Palmer, Alaska, the corporation that executed the foregoing instrument, and he acknowledged to me that he executed said instrument as the free and voluntary act and deed of said corporation for the uses and purposes therein stated.

WITNESS my hand and official seal on the day and year first above written.



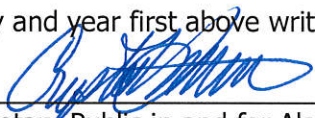

Notary Public in and for Alaska
My Commission Expires: with office



STATE OF ALASKA)
)
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 24 day of April, 2024, before me, the undersigned, Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Michael Thompson known to me to be the owner of WM Construction LLC that executed the foregoing instrument, and he acknowledged to me that he executed said instrument as the free and voluntary act and deed of said corporation for the uses and purposes therein stated.

WITNESS my hand and official seal on the day and year first above written.



Notary Public in and for Alaska
My Commission Expires: 4/24/27



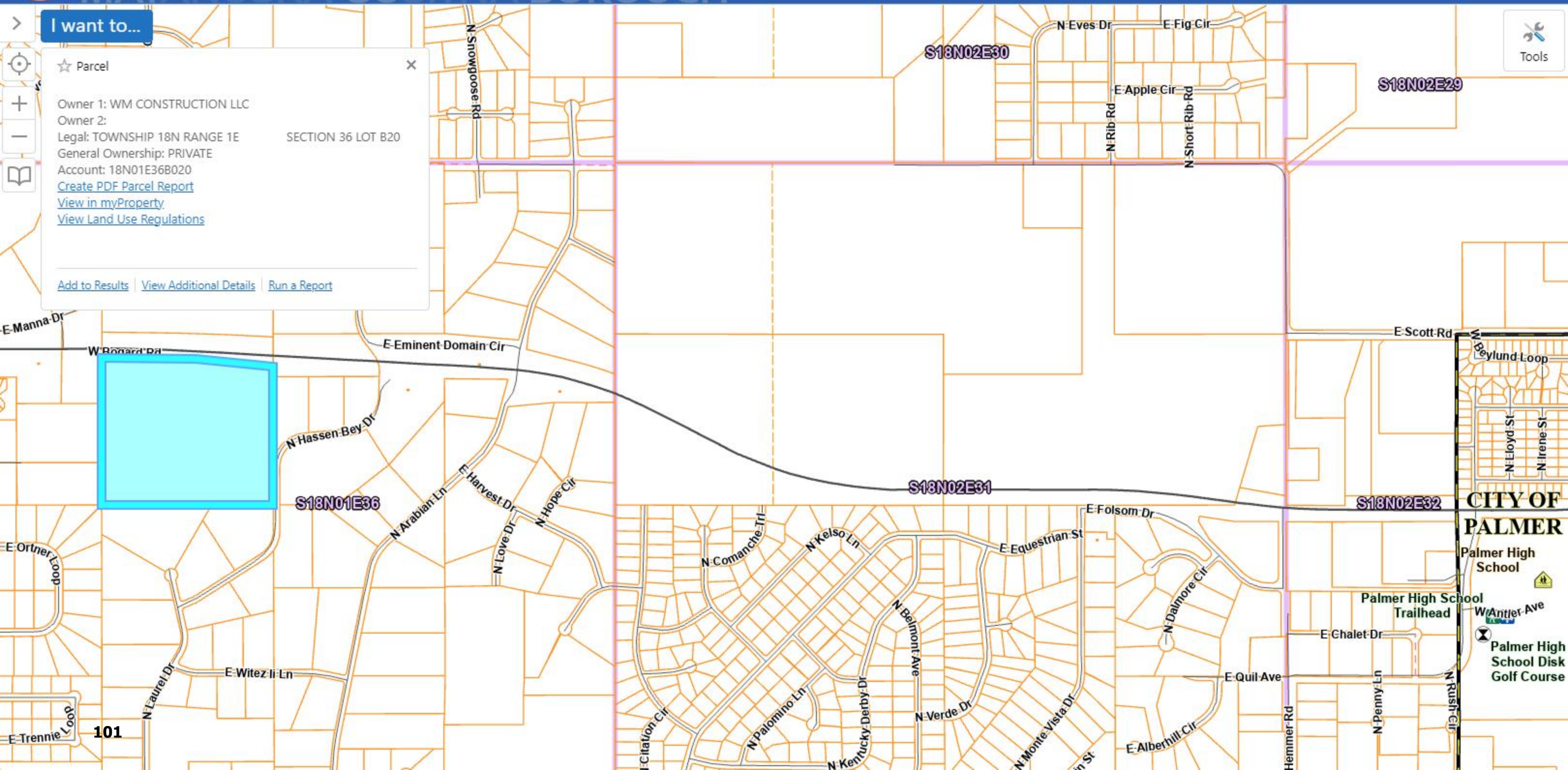
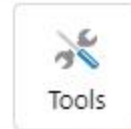
I want to...

☆ Parcel

Owner 1: WM CONSTRUCTION LLC
 Owner 2:
 Legal: TOWNSHIP 18N RANGE 1E SECTION 36 LOT B20
 General Ownership: PRIVATE
 Account: 18N01E36B020

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CITY OF PALMER

Palmer High School
 Palmer High School Trailhead
 Palmer High School Disk Golf Course

101