MISSOULA	**Public Works Department Administrative Rule No. 686**
	Water Main Extension Rules

Adopted: May 20, 2019

Revised: _____

PURPOSE:

Outline the rules associated with the extension of water mains by developers.

APPLICABILITY:

City Public Works Department and Development Services Department staff involved with extensions of water mains to serve new developments.

DISCUSSION:

This Rule replaces Rule 1: Main Extensions adopted by the City when the water utility ("Utility") was created in Ordinance 3576.

PROVISIONS:

1. **Applicability.** All water facility improvements ("Facilities"), including the Utility's basic production and transmission system and existing distribution system, to serve new customers shall be made under the provisions of this Rule unless specific authority is first obtained from the Public Works Director or his designee to deviate therefrom.
2. **Design and Ownership of Facilities.** Prior to construction of any new water Facilities, engineering plans, reports, and drawings shall be submitted to the City Engineer for review and approval pursuant to the Project Development Toolbox. Any Facilities installed hereunder shall be the sole property of the City once inspected and accepted in writing by the City Engineer. Putting the facility into service does not constitute acceptance by the City. The developer of water Facilities shall prepare and furnish acceptable as-built documentation to the City Engineer upon completion of the improvements, in conformance with applicable standards.
3. **Construction of Facilities.** The construction of the Facilities, including size, type, and quality of materials utilized, is specified in the Utility's rules, regulations, standard specifications, and drawings. The actual construction shall be completed by a construction firm that is qualified, licensed, and bonded in the City of Missoula. Regular construction inspection is required to be made by the developer's licensed engineer. If there is an apparent conflict between the Utility's standards and the engineering plans and specifications provided to the City Engineer, the standards shall control unless the City Engineer has expressly approved the deviation from the required standards.
4. **Bonding, Warranty, and Insurance for Facilities.** A developer must provide the Utility with documentation of compliance with the City's bonding and insurance requirements contained herein. This documentation must include a copy of an executed construction contract between the developer and contractor that includes the warranty provision detailed in subsection d

below. The bonds to be provided to the City may be in the form of a surety bond, a certificate of deposit (CD), a certified check, or an irrevocable letter of credit issued by a bank licensed to do business in the state of Montana. The bonds and insurance requirements may be fulfilled via bonds and insurance issued to the developer's contractor, provided the City is included as a dual obligee on the bonds and named as additional insured on the insurance. The date of acceptance by the City Engineer shall be the conveyance date of Facilities for the purposes of this section. The bonds may be provided in one form covering all the required elements or in multiple forms, as long as taken together the bonds cover all of the following required elements:

a. **Payment and Performance Bonds.** The developer or contractor shall warrant that the Facilities will be completed in accordance with the Utility's standards and engineering plans and specifications, and when completed, these Facilities will be free and clear of any and all liens at the time the Facilities are conveyed to the City. To effectuate this warranty, the developer or the developer's contractor shall provide payment and performance bonds to the City, each valued at one hundred percent (100%) of the total estimated cost of the Facilities, prior to the start of construction.
b. **Liability Insurance.** A developer shall provide general liability insurance, including products liability and completed operations insurance ("liability insurance") on the Facilities in the amount of $1,000,000 single limit per occurrence and $2,000,000 aggregate. The developer shall also hold an excess liability policy of at least an additional $1,000,000. These policies shall name the City as an additional insured and shall be in place prior to the start of construction. The developer shall maintain these coverages for a minimum of two years from the conveyance date.
c. **Workmanship and Maintenance.** The Facilities shall be warranted against defective and inferior materials and poor workmanship for a period of at least two years from the conveyance date, which will be secured by the payment and performance bonds described in this Rule. The contract between the contractor and developer shall contain the warranty provision described in subsection d below or an equivalent provision. The initial warranty period will be defined prior to the conveyance date at the sole discretion of the City. A warranty period in excess of two years may be required if the project is not built to applicable standards or the as-built documents (drawings, construction photos, etc.) lack the appropriate level of detail. The contractor or developer shall provide an additional performance security, as described previously in Section 4 of this Rule, to secure this additional warranty period or amend the underlying contract and update the bonds to be provided to the City. If defective or inferior materials or poor workmanship issues are discovered during the initial warranty period, the warranty period may be extended, and the contractor or developer would need to provide one of the forms of security described previously in Section 4 of this Rule to secure this additional warranty period. The developer shall be responsible for all reasonable and necessary costs incurred by the City to hire third party engineering and contracting firms to address defects in workmanship discovered during the warranty period. Failure to comply with the requirements of this subsection may bar the developer from future work on the City water systems.
d. **Warranty Provision to Be Included in Contract Between Developer and Contractor.** The following language shall be included in the contract between the developer and the

contractor: "The Contractor warranties against defective and inferior materials and poor workmanship for a period of at least two years from the Conveyance Date, and agrees that the City of Missoula is a third party beneficiary of this warranty term and is authorized to enforce the terms of this warranty."

5. **Easements.** The developer shall provide any easements or rights-of-way required for the installation, ongoing maintenance, and any replacement of Facilities prior to conveying them to the City. Any such easements shall meet the requirements and approval of the City. Once the easement or right-of-way documents are approved by the City, the developer shall sign these documents and submit them to the City. After the City determines that the Facilities have been constructed within the easements or rights-of-way, City staff will properly record the documents with the Missoula County Clerk and Recorder's Office.
6. **Indemnity.** In constructing any Facilities, the developer agrees to defend, indemnify, and hold harmless the City, its officers, agents, and employees against any and all claims for damages of any kind caused or alleged to have been caused as a result of the construction of the Facilities, whether such damage or injury results from normal operation or accident or any other cause.

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