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CBB WATER SYSTEM, INC.
SYSTEM EXPANSION POLICY
(EXPANSION POLICY)
ISSUED MAY 2013

FILED AND RECORDED
BOSSIER PARISH, LA

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Cynthia J. Johnston

CLERK & EX-OFFICIO

It is the policy of CBB Water System, Inc (the System) to provide safe, clean, affordable drinking water to the residents and businesses in the Cypress Black-Bayou area of north Louisiana whenever possible. The System is governed by a Board of Directors (Board) that approved this policy.

When a member, sponsor or developer (Developer) determines they would like the System to serve a new area or development (Project) several factors must be considered:

- 1) The Project must be in the System's area of service.
- 2) The System's current supply, infrastructure and/or capacity (Facilities) must either be adequate to serve the Project or the System's Facilities must be upgraded at the Developer's expense.
- 3) The main water lines, distribution lines and other equipment within the Project must conform to certain standards and specification and are subject to certain regulations and approvals before such lines and equipment can be donated to the System, thus allowing connection to, and thus water service from, the System.
- 4) There are engineering and lot (impact) fees that are accessed by the System and in cases where the System's Facilities must be upgraded there are assessments for such upgrades.

This Policy addresses these issues to ensure that all requirements are clearly laid out and conveyed to developers and potential developers of projects that may be served by the System.

PROCEDURE

- 1) A "SYSTEM EXPANSION APPLICATION" form must be submitted to CBB that will include the following information (the Application can be obtained at CBB's office or website):
 - a. Developer's name and contact information.
 - b. Design engineering firm's name and contact information.
 - c. Project name and location, with vicinity map attached.
 - d. Scheduled dates for beginning and completing construction (by phase or unit if applicable).

- e. An attached site plan of the Project including approximate distance from closest existing roadway intersection.
 - f. A description of the type and number of units, by phase or unit.
 - g. Flow rates required per unit and in total.
- 2) A check-sheet will be part of the Application that will be maintained by CBB to track the progress of the Project and to ensure no steps are omitted; a copy of the check-sheet will be made available to the Developer at anytime during the process.
- 3) If appropriate and requested, CBB can issue a letter of "Willingness to Serve" the Project once the above information is received and once it is determined that the Project is in CBB's service area. The "Willingness to Serve" letter will be subject to a formal engineering review and adherence to this policy. There is no cost or fee associated with this letter.
- 4) CBB System's Engineer must review the data provided to determine if the System's current Facilities are adequate to serve the Project. There is a fee for this review that must be received by CBB prior to the data being conveyed to the System's Engineer. The actual fee charged by the System's Engineer for this initial review will be passed on to the Developer (currently \$700, subject to change without notice). This fee is non-refundable, even if it is determined that the System does not have adequate Facilities to serve the Project.
- 5) If the System's Engineer determines that CBB does have adequate Facilities to serve the Project please skip to item 7.
- 6) In the event the System's Engineer determines the System does not have adequate Facilities to serve the Project and improvements to the System's Facilities will be necessary to serve the Project:
 - a. CBB System's Engineer shall develop engineering and construction cost estimates for the needed Facilities improvements.
 - b. Should the Developer agree to proceed and pay for the needed Facilities improvements a deposit equal to 100% of the engineering design fees will be required from the Developer to initiate preparation of the needed plans and specifications.
 - c. Upon completion of the design and bid process either an irrevocable letter of credit issued by a bank or a 100% deposit to cover the costs of construction will be required from the Developer before construction can begin.
 - d. Upon completion of the construction of the Facilities improvements by the System's contractor, the Developer will be assessed and invoiced any cost shortfalls or refunded any savings.
 - e. If the Developer wishes to engage their own design engineering firm and contractor to carry out the necessary Facilities improvements the Board will receive the Developer's proposal and give it due consideration; however the

Board is not required to accept the proposal. In this case the System will require detailed reviews of the plans and specifications (prepared by others) by the System's Engineer; an additional fee will be quoted to cover this cost.

- 7) If sufficient System capacity exist and the Project is approved an applicable portion of the System's capacity shall be allocated to the Project for a period of two (2) years from the date of approval as noted on the check-sheet. If a plat has not been properly filed and if construction has not begun by the end of six (6) months from the date of approval and material factors have changed that would impact the System's ability to serve the Project, an update review may be necessary at the Developer's expense.
- 8) The Developer shall pay an assessment of \$1,000 per lot (Lot Fee) for all lots within the Project (paid by approved phase or unit) as described in documentation filed with the Bossier Parish Clerk of Court. This assessment is to be used by the System for future Facilities improvements. The fee shall be paid prior to the beginning of construction.
- 9) Plans and Specifications for the water mains and facilities within the Project shall be prepared by a licensed engineer registered in the State of Louisiana for the practice of this work engaged by the Developer. These Plans and Specifications shall comply with the standards of the System and, whenever possible, include a provision for the placement of the water lines on one side of the roads/streets and all other underground utilities on the opposite side.
- 10) These Plans and Specifications shall be submitted to the System by the Developer for review. The System's Engineer shall review the Plans and Specifications on behalf the System. A fee is charged cover the cost of this Plans and Specifications review will be required of the Developer prior to the System's Engineer beginning the review. The actual fee charged by the System's Engineer for the Plans and Specifications review will be passed on to the Developer (currently \$800, subject to change without notice). The System will need one month to complete for this review, with time commencing upon the receipt of all information. The review fee shall also cover the cost to the System to have the improvements incorporated into the System's digital map system.
- 11) Prior to the beginning construction, the following items shall be completed:
 - a. All Lot Fees (impact fees) and engineering fees due for work done by the System's Engineer must be paid in full.
 - b. The contractor selected by the Developer must be appropriately licensed by the State of Louisiana.
 - c. The Developer shall have its contractor(s) include the System as a named insured on the contractor's insurance. The Developer shall communicate to the contractor that the contractor is working for the Developer, not the System.
 - d. The Developer must acknowledge that they indemnify and hold harmless the System from and against any and all liabilities, losses, damages and costs that may arise from the construction of the water lines herein planned for the developer's subdivision.

- e. Submittal for all proposed construction materials shall be provided to the System by the Developer for review and approval. Ten (10) days shall be allowed for this review with the time commencing upon receipt of all the required information by the System.
- f. A proposed work schedule which includes the beginning and ending dates of construction along with milestone dates for tracking progress shall be furnished to the System by the Developer.
- g. Written approval of the Plan and Specifications by the State of Louisiana Department of Health and Hospitals, State Fire Marshal, Metropolitan Planning Commission, etc. shall be provided to the System by the Developer.
- h. Time must be allowed for the System to acquire any approvals from the lending or bonding companies which the project may require.
- i. Copies of all construction permits shall be provided to the System by the Developer.
- j. Two (2) complete sets of construction Plans and Specifications shall be provided to the System by the Developer.
- k. The developer shall notify the System not less than seven (7) days prior to beginning construction.

12) After beginning construction, the following shall be strictly adhered to by the Developer:

- a. The Developer's design engineering firm shall provide for resident inspection services.
- b. The System's representatives shall be allowed access to the project at all times.
- c. Open communications shall be maintained between all concerned parties.
- d. All discrepancies shall be resolved in a timely manner.
- e. The System will provide water equivalent to twice the volume of the Project's lines for pressure testing and flushing. Water used in excess of this volume will be billed to the Developer at the System's standard billing rate.
- f. All testing shall be witnessed and accepted by the Developer's design engineering firm. The System shall be notified seven (7) days prior to testing to permit a representative to be present.
- g. The Developer or the Developer's contractor shall arrange for water quality testing (health samples) as required by the DHH before the expansion can be accepted by the System. Costs of such tests are to be borne by the Developer or Developer's contractor, and not the System.
- h. After completing all work, including testing and cleanup, the developer shall arrange for a final inspection by the System, the design engineering firm, the Developer and other interested parties.

13) Upon completing the Project, a clear lien certificate, a two (2) year maintenance bond equal to fifty (50) percent of the construction cost, documentation for all rights-of-way and easements, inspection and testing reports, two (2) sets of "As Built" plans, an

electronic version of "As Built plans" and a certified statement by the design engineering firm that the project was inspected during construction and that it conforms to the Plans and Specifications and it recommends acceptance by the System, shall be furnished to the System.

14) A donation agreement shall be executed by the Developer and submitted to the System. The donation agreement shall include statements from all landowners that construction and cleanup/restoration meets their requirements, the assignment of all easement and servitude agreements to the System, and the donation of the water lines and facilities to the System.


15) The System shall consider acceptance of the Project at its next regularly scheduled meeting.

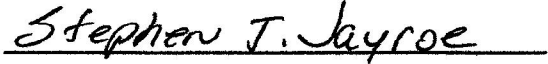
16) An inspection by the System's representatives will take place approximately two (2) months prior to the end of the maintenance bond period and recommend any necessary repair work; if deemed necessary they may/will be accompanied by the developer's design engineering firm and the System's Engineer.


17) The construction accomplished through this policy shall not include service lines and meters. Services shall be requested by the lot owners at the time water is needed and shall be installed by the System's contractor at an established rate and paid for by the builder or customer.

Approved by the CBB Water System, Inc. Board of Directors on May 21, 2013.


Signature


Date


Print Name


Title