



CITY COUNCIL AGENDA

NOTICE IS GIVEN THAT THE CITY COUNCIL OF THE CITY OF LAMESA, TEXAS, WILL MEET IN A REGULARLY SCHEDULED MEETING AT 5:30 P.M. ON TUESDAY, FEBRUARY 21, 2017, 601 SOUTH FIRST STREET, FOR THE PURPOSE OF CONSIDERING AND TAKING OFFICIAL ACTION ON THE FOLLOWING ITEMS:

1. **CALL TO ORDER:**
2. **INVOCATION:**
3. **CONSENT AGENDA:** All consent agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda. Information concerning consent agenda items is available for public review.
 - a. **APPROVAL OF THE MINUTES:** Approval of the minutes of the council meetings held on January 17, 2017 and January 20, 2017 (Special Called Meeting).
 - b. **BILLS FOR JANUARY 2017:** Approval of the bills paid by the City of Lamesa for the months of January, 2017.
4. **INTRODUCTION OF CITY'S NEW BUILDING INSPECTOR / CODE ENFORCEMENT OFFICER, MICHAEL LOPEZ.**
5. **RESOLUTION IN SUPPORT OF PROPOSED DEVELOPMENT OF WESTWIND OF LAMESA AFFORDABLE HOUSING DEVELOPMENT:** Consider passing a resolution supporting the proposed Westwind of Lamesa affordable rental housing development to be located at 211 NE 7th Street, Lamesa Texas and the 2017 TDHCA Application #17336. *(Nathan Tafoya, LEDC Director & Mark Mayfield, Texas Housing Foundation)*
6. **LEDC DIRECTOR CONTRACT RENEWAL:** City Council to consider and take action regarding renewal of LEDC Director contract.
7. **OPEN & AWARD BIDS FOR ONE-TIME SALE OF CALICHE FROM LANDFILL:** City Council to review, consider and award one-time sale of caliche from City landfill. *(City Manager & Holly Holder, City Engineer)*
8. **LEASE PURCHASE OF BACKHOE FOR WASTEWATER DEPARTMENT:** City Council to consider authorizing a lease purchase agreement with Caterpillar for a 5 year lease of a backhoe for the wastewater plant with \$10,000 trade-in of existing backhoe. This is a Buyboard purchase. *(Director of Water/Wastewater)*
9. **LEASE PURCHASE OF MOWER FOR WEAVER SPORTS COMPLEX:** City Council to consider authorizing a lease purchase agreement with Toro for a 4 year lease of a mower for use at the City's Weaver Sports Complex. This is a Buyboard purchase. *(Mayor & City Manager)*

- 10. CALL FOR BIDS – CITY-WIDE WATER METER REPLACEMENT & RELATED SOFTWARE:** City Council to consider approval of a call for bids for purchase of City-wide Water Meter Replacement and related software. *[Director of Water/Wastewater, City Manager, Finance Director and Mr. Holly Holder, City Engineer (Parkhill Smith & Cooper)]*
- 11. SALE OF DECOMMISSIONED VEHICLE TO LISD FOR SCHOOL RESOURCE OFFICER USE:** City Council to consider sale of a decommissioned Police vehicle (Unit #102) for \$1 to Lamesa Independent School District for use by School Resource Officer. *(Chief of Police and City Manager)*
- 12. AMENDMENT TO CITY LAND LEASE & USE OF WASTEWATER EFFLUENT:** City Council to consider an amendment to the City's land lease with Mike Tyler and use of wastewater effluent (TxDOT SH349 Project). *(Mayor, Russell Casselberry, City Attorney & City Manager)*
- 13. SALE OF EXTRA PIVOT JOINT TO BE USED AS CREDIT TOWARD WORK TO SHORTEN EXISTING PIVOT (TxDOT SH349 PROJECT):** City Council to consider sale of extra pivot joint to Mesa Irrigation Services as credit toward payment for shortening existing pivot for TxDOT SH349 Project. *(Mayor & City Manager)*
- 14. APPROVAL FOR DESTRUCTION OF EIGHT LINERS:** City Council to consider authorizing the destruction of eight liners seized in raids by the Lamesa Police Department. *(Police Chief & City Manager)*
- 15. AMEND CODE OF ORDINANCES BY ADDING SECTION 1.08.006 PARK FEES FOR USE OF THE WEAVER SPORTS COMPLEX:** City Council to consider adding Section 1.08.006 Park Fees to the Code of Ordinances for use of the Weaver Sports Complex.
- 16. BUDGET AMENDMENT I:** City Council to consider amending Ordinance O-18-16 on first reading with respect to October 1, 2016 fiscal year budget. *(City Manager & Finance Director)*
- 17. CITY STAFF REPORTS:**
- a. **PARKS, STREETS, SANITATION/LANDFILL REPORT:** Director to report on the city's recent events.
 - b. **UTILITIES DIRECTOR REPORT:** Utilities Director to report on the city's recent events.
- 18. INVESTMENT REPORT:** Finance Director to report on the city's investments for the first quarter of FY 2016-2017.
- 19. FINANCIAL REPORT:** Finance Director to report on the city's finances.
- 20. CITY MANAGER REPORT:** City Manager to report on current activities and answer questions from the City Council.
- a. CRMWA Debt Restructuring
 - b. CRMWA Annual Audit

21. EXECUTIVE SESSION: Council to consider convening into closed executive session under Sec. 551.074, Texas Government Code: "Personnel Matters; CLOSED MEETING. (a) This chapter does not require a governmental body to conduct an open meeting: (1) to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee."

a. City Manager Contract Renewal

22. RECONVENE TO OPEN SESSION: City Council to reconvene into open session to consider and discuss taking action regarding the renewal of the City Manager's contract.

a. City Manager Contract Renewal

23. ADJOURNMENT: *The next regularly scheduled meeting of the City Council of the City of Lamesa will be March 21st, 2017 at 5:30 P.M.*



Open Meetings Information



CLOSED MEETINGS

The City Council reserves the right to adjourn into closed session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).

PUBLIC PARTICIPATION

 The meeting will be held pursuant to the provisions of the Texas Open Meetings Act (Govt. Code, Chapter 551). Discussion and actions are limited to the agenda items listed above. Persons desiring to address the City Council or express their opinion about a particular item on this agenda should notify the City Secretary before the meeting. Persons desiring to present other business or discuss matters not on this agenda should submit a request in writing to the City Secretary by the end of business hours on the Wednesday before the next meeting in order to be considered for inclusion on that agenda.

MEETING ACCESSIBILITY

Upon request, auxiliary aids and services will be provided to an individual with a disability in order to allow them to effectively participate in the city council meeting. Those requesting auxiliary aids or services should notify the contact person listed below at least twenty-four hours prior to the meeting by mail, telephone or RELAY Texas (1-800-735-2989)

Contact: Norma Garcia at 806-872-4322

✉ 601 South First Street, Lamesa, Texas 79331

☎ Telephone - (806) 872-4322

📠 Fax - (806) 872-4338

CERTIFICATION OF NOTICE

I certify this agenda was posted at the City Hall, 601 South First Street, Lamesa, Texas at **4:45 p.m., February 17th, 2017** in accordance with Chapter 551.041 of the Government Code.

Norma Garcia, City Secretary



City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: FEBRUARY 21, 2017

AGENDA ITEMS: 1 & 2

1. **CALL TO ORDER:** *Announcement by the Mayor.* "This meeting is being held in accordance with the provisions of the Texas Open Meetings Act (Govt. Code, Chapter 551). Discussion and actions are limited to the agenda items as posted. Persons desiring to address the City Council or express their opinion about a particular item on this agenda should complete a request at this time. Persons desiring to present other business or discuss matters not on this agenda should submit a request in writing to the City Secretary in order to be considered for inclusion on the agenda of the next meeting. A quorum being present as evidenced by the presence of ___ members of the City Council, this meeting is hereby called to order."

The following members are present:

JOSH STEVENS	Mayor
BRANT STEWART	Council Member – District 1
MARIE A. BRISENO	Mayor Pro-tem/Council Member – District 2
FABIAN RUBIO	Council Member – District 3
BOBBY G. GONZALES	Council Member - District 4
FRED VERA	Council Member – District 5
CHANCE BRITT	Council Member – District 6

City Staff members present at the meeting:

SHAWNA D. BURKHART	City Manager
NORMA GARCIA	City Secretary
RUSSELL CASSELBERRY	Attorney

Members of the press present at the meeting:

Members of the public present at the meeting:

2. **INVOCATION:
AND PLEDGE OF ALLEGIANCE.**



City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: FEBRUARY 21, 2017

AGENDA ITEM: 3

SUBJECT: **CONSENT AGENDA ITEMS**
PROCEEDING: Approval
SUBMITTED BY: City Staff

SUMMARY STATEMENT

All consent agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda. Information concerning consent agenda items is available for public review.

- a. **APPROVAL OF THE MINUTES:** Approval of the minutes of the council meetings held on January 17, 2017 and January 20, 2017 (Special Called Meeting).
- b. **BILLS FOR JANUARY 2017:** Approval of the bills paid by the City of Lamesa for the months of January, 2017.

COUNCIL ACTION

DISCUSSION _____

Motion by Council Member _____ to approve Item 3a & b. Motion seconded by Council Member _____ and upon being put to a vote the motion _____.

VOTING: "AYE" _____ "NAY" _____ "ABSTAIN" _____

CITY MANAGER'S MEMORANDUM

These items are considered non-controversial but do require formal council approval. If a council member objects to a consent item, it is removed from the list and separate action is taken on the item(s). If a council member questions a consent item, but not so strongly as to require that it be removed from the list, his/her "no" vote or abstention can be entered in the minutes when the consent vote is taken. **Recommend approval.**

THE STATE OF TEXAS }
COUNTY OF DAWSON }
CITY OF LAMESA }

**MINUTES OF THE CITY COUNCIL REGULARLY CALLED MEETING:
JANUARY 17, 2017**

On this the 17TH day of January, 2017, at 5:30 P.M., there came on and was held a regularly called meeting of the City Council of the City of Lamesa, Dawson County, Texas. Notice of such meeting having been posted at the City Hall at 601 South First Street in the City of Lamesa, Texas in accordance with the provisions of the Texas Open Meetings Act (Texas Govt. Code, Chapter 551). The following items were listed on the notice and the following proceedings were had, viz.:

CALL TO ORDER: Mayor Josh Stevens announced that the meeting was being held in accordance with the provisions of the Texas Open Meetings Act (Texas Govt. Code, Chapter 551), and that discussion and actions are limited to the agenda items as posted. A quorum being present as evidenced by the presence 7 the Council Members were present:

JOSH STEVENS	MAYOR
MARIE BRISENO	COUNCIL MEMBER – DISTRICT 2
BRANT STEWART	COUNCIL MEMBER – DISTRICT 1
BOBBY G. GONZALES	COUNCIL MEMBER – DISTRICT 4
FABIAN RUBIO	COUNCIL MEMBER – DISTRICT 3
FRED VERA	COUNCIL MEMBER – DISTRICT 5
CHANCE BRITT	MAYOR PRO-TEM/COUNCIL DISTRICT 6

City staff members present at the meeting:

SHAWNA D. BURKHART	CITY MANAGER
NORMA GARCIA	CITY SECRETARY
RUSSELL CASSELBERRY	CITY ATTORNEY

Members of the public present at the meeting:

Herrel Hallmark	Nathan Tafoya	Sandy Trevino	Dionicio Garza
Ida Rodriguez	Robert Ramirez	Wayne Chapman	Larry Duyck
Chief Alwan	Holly Holder	Krista Tyra	Diana Hendrix
Scott Seymour	Mike Barnes	Mike Hughes	John Farris
Betty Mitchell	Larry Mitchell	Earnest Collins Jr.	Willie Ortiz
Scott Leonard	Kay Howard	David Burkhart	

Invocation was given by Scott Seymour, Pastor of First United Methodist Church.

CONSENT AGENDA: All consent agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda. Information concerning the consent agenda items is available for public review.

- a. **APPROVAL OF THE MINUTES:** Approval of the minutes of the council meetings held on November 22, 2016 (Special Called Meeting), December 20, 2016 and December 21, 2016 (Special Called Meeting).
- b. **BILLS FOR DECEMBER 2016:** Approval of the bills paid by the City of Lamesa for the months of December, 2016.

Motion by Council Member Vera to approve Item 3a and 3b. Motion seconded by Council Member Briseno and upon being put to a vote the motion passed.

VOTING: "AYE" 7 "NAY" 0 "ABSTAIN" 0

2017 GENERAL ELECTION: Consider passing a resolution ordering and establishing procedures for the City of Lamesa 2017 General Election and consolidation of districts for General Election to be held on Saturday, May 6, 2017 at Forrest Park Community Center, 814 S. Houston Street, Lamesa, Texas.

Motion by Council Member Vera to approve a resolution ordering and establishing procedures for the City of Lamesa 2017 General Election and consolidation of districts for General Election to be held on Saturday, May 6, 2017 at Forrest Park Community Center, 814 S. Houston Street, Lamesa, Texas. Motion seconded by Council Member Stewart and upon being put to a vote the motion passed.

VOTING: "AYE" 7 "NAY" 0 "ABSTAIN" 0

JOINT ELECTION AGREEMENT WITH LAMESA ISD: Consider passing a resolution on a Joint Election Agreement between the Lamesa Independent School District and the City of Lamesa to share the use of Forrest Park Community Center at 814 S. Houston, Lamesa, Texas for holding elections.

Motion by Council Member Stewart to approve a resolution on a Joint Election Agreement between the Lamesa Independent School District and the City of Lamesa to share the use of Forrest Park Community Center at 814 S. Houston, Lamesa, Texas for holding elections.

VOTING: "AYE" 7 "NAY" 0 "ABSTAIN" 0

REQUEST FOR SPECIFIC USE PERMIT – 502 SE 12TH STREET: Consider passing an Ordinance on second reading granting a specific use permit allowing placement of a manufactured home for the following property:

LEDC PROPERTY LOCATED AT 1600 N. BRYAN AVENUE: City Council to provide clarification on the future use of property. The property was rezoned by City Council on August 16 & 30, 2016 in Ordinance No. O-17-16 from R-2 Apartment District/Multi-family Residential to R-3 Multi-family Residential for a medical facility – (additional healthcare for Dawson County).

Motion by Council Member Britt to approve the purchase by the LEDC of the property located at 1600 N Bryan Ave from the Dawson County Hospital District with the restrictive covenants set out in the deed presented to the Council. Motion seconded by Council Member Stewart and upon being put to a vote the motion passed.

VOTING: “AYE” 7 “NAY” 0 “ABSTAIN” 0

LEDC/LEAP QUARTERLY REPORT: City Council to hear from Nathan Tafoya regarding LEDC/LEAP Quarterly Report.

BASEBALL/SOFTBALL FEE REPORT & UPDATE: City Council to hear results of Baseball/Softball Ad-hoc Committee recommendations.

PROFESSIONAL SERVICES FOR SOFTBALL FIELD : City Council to consider authorizing professional services for the design, layout, laser surfacing, preparation, installation of infield /warning track surfaces and installation of outfield grass for the new softball field by Texas Multi-Chem, Ltd. for \$90,350. This is a Buyboard purchase (#44714) requiring no formal bidding process.

Motion by Council Member Vera to authorize professional services for design, layout, laser surfacing, preparation, installation of infield/warning track surfaces and installation of outfield grass for the new softball field by Texas Multi-Chem, Ltd. for \$90,350. Motion seconded by Council Member Gonzales and upon being put to a vote the motion passed.

VOTING: “AYE” 6 “NAY” 0 “ABSTAIN” 0

PRESENTATION OF ANNUAL RACIAL PROFILING REPORT: Consider approval of the annual racial profiling report from the Police Department.

CITY MANAGER REPORT: City Manager to report on current activities and answer questions from the City Council.

- a. City of Lamesa MSW Landfill – Update
- b. 2015/2016 CDBG Grant
- c. 2016/2017 CDBG Grant

ADJOURNMENT: The next regularly scheduled meetings of the City Council of the City of Lamesa will be February 21, 2017 at 5:30 P.M. There being no other business, the meeting was adjourned at 8:50 P.M.

Pursuant to the provisions of the Texas Open Meetings Act, the City Council certifies that the items above are a full record of the subject matter of each deliberation and indicates each vote, order, decision or other action taken by the City Council of the City of Lamesa, Texas at the meeting held on the date indicated above. Ratified and approved at the regularly called meeting of the City Council of the City of Lamesa, Texas held on February 21, 2017.

ATTEST:

APPROVED:

Norma Garcia
City Secretary

Josh Stevens
Mayor

THE STATE OF TEXAS }
COUNTY OF DAWSON }
CITY OF LAMESA }

MINUTES OF THE CITY COUNCIL SPECIAL CALLED MEETING:
JANUARY 20, 2017

On this the 20TH day of January, 2017, at 5:00 P.M. there came on and was held a special called meeting of the City Council of the City of Lamesa, Dawson County, Texas. Notice of such meeting having been posted at the City Hall at 601 South First Street in the City of Lamesa, Texas in accordance with the provisions of the Texas Open Meetings Act (Texas Govt. Code, Chapter 551). The following items were listed on the notice and the following proceedings were had, viz.:

CALL TO ORDER: Mayor Josh Stevens announced that the meeting was being held in accordance with the provisions of the Texas Open Meetings Act (Texas Govt. Code, Chapter 551), and that discussion and actions are limited to the agenda items as posted. A quorum being present as evidenced by the presence 4 the Council Members were present:

	JOSH STEVENS	MAYOR
	MARIE BRISENO	COUNCIL MEMBER – DISTRICT 2
ABSENT	BRANT STEWART	COUNCIL MEMBER – DISTRICT 1
	BOBBY G. GONZALES	COUNCIL MEMBER – DISTRICT 4
	FABIAN RUBIO	COUNCIL MEMBER – DISTRICT 3
ABSENT	FRED VERA	COUNCIL MEMBER – DISTRICT 5
ABSENT	CHANCE BRITT	MAYOR PRO-TEM/COUNCIL DISTRICT 6

City staff members present at the meeting:

SHAWNA D. BURKHART	CITY MANAGER
NORMA GARCIA	CITY SECRETARY
RUSSELL CASSELBERRY	CITY ATTORNEY

Members of the public present at the meeting:

Herrel Hallmark Steve Garcia Kay Howard Dionicio Garza

2017 CDBG GRANT SUBMISSION: Consider, discuss and approve a resolution authorizing the submission of a 2017-2018 Texas Community Development Block Grant Program Application to the Texas Department of Agriculture.

Motion by Council Member Gonzales to pass a resolution authorizing the submission of a 2017-2018 Texas Community Development Block Grant Program Application to the Texas Department of Agriculture. Motion seconded by Council Member Rubio and upon being put to a vote the motion passed.

VOTING: "AYE" 4 "NAY" 0 "ABSTAIN" 0

ADJOURNMENT: The next regularly scheduled meetings of the City Council of the City of Lamesa will be February 21, 2017 at 5:30 P.M. There being no other business, the meeting was adjourned at 8:50 P.M.

Pursuant to the provisions of the Texas Open Meetings Act, the City Council certifies that the items above are a full record of the subject matter of each deliberation and indicates each vote, order, decision or other action taken by the City Council of the City of Lamesa, Texas at the meeting held on the date indicated above. Ratified and approved at the regularly called meeting of the City Council of the City of Lamesa, Texas held on February 21, 2017.

ATTEST:

APPROVED:

Norma Garcia
City Secretary

Josh Stevens
Mayor

FUND : 01 -GENERAL FUND

PERIOD TO USE: Jan-2017 THRU Jan-2017

DEPT : N/A

ACCOUNTS: 1001 THRU 1001

POST DATE TRAN # REFERENCE PACKET=====DESCRIPTION===== VEND INV/JE # NOTE =====AMOUNT===== BALANCE=====

1001 CASH IN BANK

1/03/17	2/14	B54188	Misc	000045	08730	STATE OF TEXAS FFPC PENSION	JE# 021750	11,600.00CR	11,600.00CR
1/04/17	1/24	B53984	Misc	000001	08687	METER POSTAGE	JE# 021660	500.00CR	12,100.00CR
1/05/17	1/05	A99886	CHK: 191175		12624	MIKE JOHNSON	1	50.00CR	12,150.00CR
1/05/17	1/05	A99887	CHK: 191176		12624	CONSOLIDATED SPECIAL FUN	1517	12,900.00CR	25,050.00CR
1/05/17	1/05	A99888	CHK: 191177		12623	ADVANCED ANALYSIS, INC	1022	930.00CR	25,980.00CR
1/05/17	1/05	A99889	CHK: 191178		12623	AUTOMOTIVE TECHNOLOGY	1139	534.50CR	26,514.50CR
1/05/17	1/05	A99890	CHK: 191179		12623	AUTOMATED CONTROLS	1140	147.23CR	26,661.73CR
1/05/17	1/05	A99891	CHK: 191180		12623	BIG COUNTRY BG	1226	215.25CR	26,876.98CR
1/05/17	1/05	A99892	CHK: 191181		12623	BROCK VETERINARY CLINIC	1302	50.00CR	26,926.98CR
1/05/17	1/05	A99893	CHK: 191182		12623	CAIN ELECTRICAL SUPPLY	1383	183.00CR	27,109.98CR
1/05/17	1/05	A99894	CHK: 191183		12623	CATERPILLAR FINANCIAL SE	1453	42,779.45CR	69,889.43CR
1/05/17	1/05	A99895	CHK: 191184		12623	DACO	1580	1,821.90CR	71,711.33CR
1/05/17	1/05	A99896	CHK: 191185		12623	LAMESA PRESS REPORTER	2590	779.10CR	72,490.43CR
1/05/17	1/05	A99897	CHK: 191186		12623	LAMESA TIRE & BATTERY	2645	3,390.40CR	75,880.83CR
1/05/17	1/05	A99898	CHK: 191187		12623	LYNTEGAR ELECTRIC COOP	2728	241.65CR	76,122.48CR
1/05/17	1/05	A99899	CHK: 191188		12623	MARGIE'S FLOWERS	2900	90.00CR	76,212.48CR
1/05/17	1/05	A99900	CHK: 191189		12623	NTS COMMUNICATIONS	3135	718.17CR	76,930.65CR
1/05/17	1/05	A99902	CHK: 191191		12623	PARKHILL, SMITH & COOPER	3263	10,743.60CR	87,674.25CR
1/05/17	1/05	A99903	CHK: 191192		12623	PAYTON PLUMBING INC	3286	9,648.99CR	97,323.24CR
1/05/17	1/05	A99904	CHK: 191193		12623	ROSE PLUMBING & SEPTIC	3560	230.60CR	97,553.84CR
1/05/17	1/05	A99905	CHK: 191194		12623	SOUTH PLAINS COMMUNICATI	3729	948.00CR	98,501.84CR
1/05/17	1/05	A99906	CHK: 191195		12623	TEXAS COMMISSION ON ENVI	3977	400.00CR	98,901.84CR
1/05/17	1/05	A99907	CHK: 191196		12623	WINDSTREAM COMMUNICATION	4460	1,740.87CR	100,642.71CR
1/05/17	1/05	A99909	CHK: 191198		12623	SALAZAR JANITORIAL SERVI	4610	900.00CR	101,542.71CR
1/05/17	1/05	A99910	CHK: 191199		12623	CREATIVE INKS	5035	10.00CR	101,552.71CR
1/05/17	1/05	A99911	CHK: 191200		12623	USABLUBOOK	5100	415.86CR	101,968.57CR
1/05/17	1/05	A99912	CHK: 191201		12623	MANDRY TECHNOLOGY SOLUTI	5160	3,710.00CR	105,678.57CR
1/05/17	1/05	A99913	CHK: 191202		12623	EQUIPMENT SUPPLY CO. INC	5225	207.28CR	105,885.85CR
1/05/17	1/05	A99914	CHK: 191203		12623	STANDARD COFFEE SERVICE	5275	157.26CR	106,043.11CR
1/05/17	1/05	A99915	CHK: 191204		12623	SPIKE DYKES	5651	450.90CR	106,494.01CR
1/05/17	1/05	A99916	CHK: 191205		12623	GREAT AMERICA FINANCIAL	5734	384.30CR	106,878.31CR
1/05/17	1/05	A99917	CHK: 191206		12623	NORTHLAND COMMUNICATIONS	5800	75.64CR	106,953.95CR
1/05/17	1/05	A99918	CHK: 191207		12623	UTILITY SERVICE CO., INC	5824	43,601.68CR	150,555.63CR
1/05/17	1/05	A99919	CHK: 191208		12623	JOHN DEERE FINANCIAL	5861	192.77CR	150,748.40CR
1/05/17	1/05	A99920	CHK: 191209		12623	IBS OF THE SOUTH PLAINS,	5867	140.95CR	150,889.35CR
1/05/17	1/05	A99921	CHK: 191210		12623	PNC EQUIPMENT FINANCE,LL	5960	584.29CR	151,473.64CR
1/05/17	1/05	A99922	CHK: 191211		12623	NORTH CEDAR OULLET	5974	171.96CR	151,645.60CR
1/05/17	1/05	A99923	CHK: 191212		12623	UNITED LABORATORIES	6077	554.40CR	152,200.00CR
1/05/17	1/05	A99924	CHK: 191213		12623	SIERRA SPRINGS	6114	101.01CR	152,301.01CR
1/05/17	1/05	A99925	CHK: 191214		12623	THE PIT STOP AUTO DETAIL	6132	75.00CR	152,376.01CR
1/05/17	1/05	A99926	CHK: 191215		12623	GONZALES WELDING	6254	600.00CR	152,976.01CR
1/05/17	1/05	A99927	CHK: 191216		12623	COSTCO	6265	410.94CR	153,386.95CR
1/05/17	1/05	A99928	CHK: 191217		12623	WEST TEXAS GRAPHICS	6315	35.98CR	153,422.93CR

POST	DATE	TRAN #	REFERENCE	PACKET=====	DESCRIPTION=====	VEND	INV/JE #	NOTE	=====AMOUNT=====	=====BALANCE=====
1001			CASH IN BANK							
										(CONTINUED)
1/05/17	1/05	A99929	CHK: 191218	12623	SNOOK ADERTON, INC	6424			796.00CR	154,218.93CR
1/05/17	1/05	A99930	CHK: 191219	12623	CRUTSE MASTER PRISMS INC	6433			245.85CR	154,464.78CR
1/05/17	1/05	A99931	CHK: 191220	12623	BLUETARP FINANCIAL, INC.	6434			1,162.92CR	155,627.70CR
1/05/17	1/05	A99932	CHK: 191221	12623	BIG PLATE RESTURANT SUPP	6435			3,696.98CR	159,324.68CR
1/09/17	1/09	A99957	CHK: 191222	12642	JOANNA VASQUEZ	1			50.00CR	159,374.68CR
1/09/17	1/09	A99958	CHK: 191223	12642	GARZA, DIONICIO JR	1969			31.77CR	159,406.45CR
1/09/17	1/09	A99959	CHK: 191224	12642	TEXAS CITY MANAGEMENT AS	5573			330.00CR	159,736.45CR
1/09/17	1/09	A99960	CHK: 191225	12640	ADVANCED ANALYSIS, INC	1022			330.00CR	160,066.45CR
1/09/17	1/09	A99961	CHK: 191226	12640	B & J WELDING SUPPLY	1180			300.35CR	160,366.80CR
1/09/17	1/09	A99962	CHK: 191227	12640	CLAIBORNE'S THRIFTWAY	1480			989.23CR	161,356.03CR
1/09/17	1/09	A99963	CHK: 191228	12640	DAVIS FURNITURE COMPANY	1600			450.85CR	161,806.88CR
1/09/17	1/09	A99965	CHK: 191230	12640	GEBO'S DISTRIBUTING	2000			1,129.88CR	162,936.76CR
1/09/17	1/09	A99968	CHK: 191233	12640	HIGGINBOTHAM'S GENERAL O	2180			1,369.32CR	164,306.08CR
1/09/17	1/09	A99970	CHK: 191235	12640	LAMESA BUTANE COMPANY	2500			17.67CR	164,323.75CR
1/09/17	1/09	A99971	CHK: 191236	12640	LAMESA MAILING & PACKING	2588			133.74CR	164,457.49CR
1/09/17	1/09	A99972	CHK: 191237	12640	LAMESA PRESS REPORTER	2590			100.00CR	164,557.49CR
1/09/17	1/09	A99973	CHK: 191238	12640	AMERICAN EXPRESS	4880			4,554.09CR	169,111.58CR
1/09/17	1/09	A99976	CHK: 191241	12640	TASCOSA OFFICE MACHINES	5115			2,329.98CR	171,441.56CR
1/09/17	1/09	A99979	CHK: 191244	12640	O'REILLY AUTOMOTIVE, INC	5618			78.64CR	171,520.20CR
1/09/17	1/09	A99980	CHK: 191245	12640	WEATHERMAN CONST. & OVER	5624			1,427.23CR	172,947.43CR
1/09/17	1/09	A99981	CHK: 191246	12640	GREAT AMERICA FINANCIAL	5734			167.00CR	173,114.43CR
1/09/17	1/09	A99982	CHK: 191247	12640	WILLIAMS ELECTRIC	5768			395.00CR	173,509.43CR
1/09/17	1/09	A99983	CHK: 191248	12640	NAPA AUTO PARTS	5833			2,474.65CR	175,984.08CR
1/09/17	1/09	A99986	CHK: 191251	12640	FRANKLIN & SON, INC.	5840			437.10CR	176,421.18CR
1/09/17	1/09	A99987	CHK: 191252	12640	TRUCK TOWN	6069			379.86CR	176,801.04CR
1/09/17	1/09	A99988	CHK: 191253	12640	WEST TEXAS GRAPHICS	6315			115.92CR	176,916.96CR
1/10/17	1/10	A00000	CHK: 000000	12647	INTERNAL REVENUE SERVICE	5832			34,146.08CR	211,063.04CR
1/10/17	1/10	A00001	CHK: 191254	12647	CAPROCK FEDERAL CREDIT U	1390			16,415.66CR	227,478.70CR
1/10/17	1/10	A00002	CHK: 191255	12647	PAYROLL FUND	3270			70,065.07CR	297,543.77CR
1/10/17	1/10	A00003	CHK: 191256	12647	TX CHILD SUPPORT SDU	5634			334.15CR	297,877.92CR
1/10/17	1/10	A00004	CHK: 191257	12647	TEXAS CHILD SUPPORT DISB	5811			184.62CR	298,062.54CR
1/10/17	1/10	A00005	CHK: 191258	12647	TX CHILD SUPPORT SDU	5829			115.38CR	298,177.92CR
1/10/17	1/10	A00006	CHK: 191259	12647	TEXAS CHILD SUPPORT DISB	5859			500.90CR	298,678.82CR
1/10/17	1/10	A00007	CHK: 191260	12647	TX CHILD SUPPORT SDU	5882			276.92CR	298,955.74CR
1/10/17	1/10	A00008	CHK: 191261	12647	TX CHILD SUPPORT SDU	5982			113.08CR	299,068.82CR
1/10/17	1/10	A00009	CHK: 191262	12647	JAE FITNESS	6023			152.70CR	299,221.52CR
1/10/17	1/10	A00010	CHK: 191263	12647	TX CHILD SUPPORT SDU	6059			46.15CR	299,267.67CR
1/10/17	1/10	A00011	CHK: 191264	12647	TG	6222			113.12CR	299,380.79CR
1/10/17	1/10	A00012	CHK: 191265	12647	TEXAS CHILD SUPPORT DISB	6380			265.38CR	299,646.17CR
1/10/17	1/10	A00013	CHK: 191266	12647	TEXAS CHILD SUPPORT DISB	6409			41.54CR	299,687.71CR
1/11/17	1/11	A00036	CHK: 191267	12656	LAMESA PRESS REPORTER	2590			145.20CR	299,832.91CR
1/11/17	1/11	A00037	CHK: 191268	12656	STAHL, TERRI	5940			157.99CR	299,990.90CR
1/11/17	1/11	A00038	CHK: 191269	12656	SYLVIA I ORTIZ DAWSON CO	6133			37.50CR	300,028.40CR
1/11/17	1/11	A00039	CHK: 191270	12656	BLUETARP FINANCIAL, INC.	6434			105.69CR	300,134.09CR
1/11/17	1/11	A00040	CHK: 191271	12655	ADVANCED ANALYSIS, INC	1022			165.00CR	300,299.09CR
1/11/17	1/11	A00041	CHK: 191272	12655	FARMERS MACHINE SHOP	1800			421.64CR	300,720.73CR
1/11/17	1/11	A00042	CHK: 191273	12655	GIBBS PRINTING	2030			887.08CR	301,607.81CR

FUND : 01 -GENERAL FUND

PERIOD TO USE: Jan-2017 THRU Jan-2017

DEPT : N/A

ACCOUNTS: 1001 THRU 1001

POST	DATE	TRAN #	REFERENCE	PACKET	DESCRIPTION	VEND	INV/JE #	NOTE	AMOUNT	BALANCE
1001			CASH IN BANK							
										*(CONTINUED) *
1/11/17	1/11	A00043	CHK: 191274	12655	MORRISON SUPPLY CO		3085		1,985.00CR	303,592.81CR
1/11/17	1/11	A00044	CHK: 191275	12655	S & C OIL COMPANY, INC.		3575		116.67CR	303,709.48CR
1/11/17	1/11	A00045	CHK: 191276	12655	SOUTH PLAINS COMMUNICATI		3729		642.00CR	304,351.48CR
1/11/17	1/11	A00046	CHK: 191277	12655	WESTERN INDUSTRIAL SUPPL		4240		1,748.79CR	306,100.27CR
1/11/17	1/11	A00047	CHK: 191278	12655	WINDSTREAM COMMUNICATION		4460		61.87CR	306,162.14CR
1/11/17	1/11	A00048	CHK: 191279	12655	CREATIVE INKS		5035		100.00CR	306,262.14CR
1/11/17	1/11	A00049	CHK: 191280	12655	R CERVANTES BODY SHOP		5040		185.00CR	306,447.14CR
1/11/17	1/11	A00050	CHK: 191281	12655	TEXASDATAVAULT		5607		1,725.00CR	308,172.14CR
1/11/17	1/11	A00051	CHK: 191282	12655	TEXAS MULTI-CHEM, LTD		5735		90,350.00CR	398,522.14CR
1/11/17	1/11	A00052	CHK: 191283	12655	IBS OF THE SOUTH PLAINS,		5867		31.90CR	398,554.04CR
1/11/17	1/11	A00053	CHK: 191284	12655	LAMESA RECYCLING		5869		490.79CR	399,044.83CR
1/11/17	1/11	A00054	CHK: 191285	12655	HORNUNG'S GOLF PRODUCTS,		5897		264.95CR	399,309.78CR
1/11/17	1/11	A00055	CHK: 191286	12655	IMPERATIVE INFORMATION G		6224		94.00CR	399,403.78CR
1/11/17	1/11	A00056	CHK: 191287	12655	SUMMIT TRUCK GROUP		6252		164.20CR	399,567.98CR
1/11/17	1/11	A00057	CHK: 191288	12655	WEATHERSBEE ELECTRIC CO.		6261		165.00CR	399,732.98CR
1/11/17	1/11	A00058	CHK: 191289	12655	RELIANT ENERGY		6316		33,495.45CR	433,228.43CR
1/11/17	1/11	A00060	CHK: 191291	12655	ADAMS PAINT CO.		6336		306.79CR	433,535.22CR
1/11/17	1/11	A00061	CHK: 191292	12655	BRANTLEY PLUMBING		6436		291.10CR	433,826.32CR
1/12/17	1/12	A00065	CHK: 191293	12666	DATA FLOW		1587		704.45CR	434,530.77CR
1/12/17	1/12	A00066	CHK: 191294	12666	PARKHILL,SMITH & COOPER,		3263		2,017.12CR	436,547.89CR
1/13/17	1/13	A00073	CHK: 191295	12668	ANNABELL LOSOYA		1		50.00CR	436,597.89CR
1/13/17	1/13	A00074	CHK: 191296	12668	GARZA, DIONICIO JR		1969		30.85CR	436,628.74CR
1/13/17	1/13	A00075	CHK: 191297	12668	TYLER TECHNOLOGIES, INC.		2310		1,606.24CR	438,234.98CR
1/13/17	1/13	A00076	CHK: 191298	12668	DUYCK LARRY		5777		491.90CR	438,726.88CR
1/13/17	1/13	A00077	CHK: 191299	12668	VERIZON WIRELESS		5969		1,327.41CR	440,054.29CR
1/13/17	1/13	A00079	CHK: 191301	12668	JEANETTE PARRISH		6213		150.00CR	440,204.29CR
1/16/17	1/16	A00092	CHK: 191303	12674	TIFFANY L ANNALLA		1		50.00CR	440,254.29CR
1/16/17	1/16	A00093	CHK: 191304	12674	TREVINO SANDY		5385		98.28CR	440,352.57CR
1/16/17	1/16	A00094	CHK: 191305	12674	SYLVIA I ORTIZ DAWSON CO		6133		30.00CR	440,382.57CR
1/16/17	1/16	A00095	CHK: 191306	12674	ERICA UBEDA		6140		150.00CR	440,532.57CR
1/16/17	1/16	A00096	CHK: 191307	12674	ROBERT SHERWOOD		6405		2,005.00CR	442,537.57CR
1/16/17	1/16	A00098	CHK: 191309	12674	MARK CHANDLER		6411		928.20CR	443,465.77CR
1/16/17	1/16	A00099	CHK: 191310	12674	JEFFREY PINKSTAFF		6430		1,858.02CR	445,323.79CR
1/16/17	1/16	A00101	CHK: 191302	12673	LAMESA CHAMBER OF COMMER		1457		3,270.00CR	448,593.79CR
1/18/17	1/19	A00121	CHK: 191312	12675	BILLY CHAPMAN		1		67.00CR	448,660.79CR
1/18/17	1/19	A00122	CHK: 191313	12675	FIDEL OGEDA		1		1,176.00CR	449,836.79CR
1/18/17	1/19	A00123	CHK: 191314	12675	NTS COMMUNICATIONS		3135		737.24CR	450,574.03CR
1/18/17	1/19	A00125	CHK: 191316	12675	WINDSTREAM COMMUNICATION		4460		72.41CR	450,646.44CR
1/18/17	1/19	A00126	CHK: 191317	12675	CHAPMAN, WAYNE		5150		80.99CR	450,727.43CR
1/18/17	1/19	A00127	CHK: 191318	12675	TEXAS REVENUE RECOVERY A		5350		175.00CR	450,902.43CR
1/18/17	1/19	A00129	CHK: 191320	12675	TEXAS MULTI-CHEM, LTD		5735		90,350.00CR	541,252.43CR
1/18/17	1/19	A00130	CHK: 191321	12675	STAHL,TERRI		5940		648.08CR	541,900.51CR
1/18/17	1/19	A00131	CHK: 191322	12675	ERICA UBEDA		6140		150.00CR	542,050.51CR
1/18/17	1/19	A00132	CHK: 191323	12675	LION GROUP, INC.		6209		198.00CR	542,248.51CR
1/18/17	1/19	A00133	CHK: 191324	12677	SKTR, INC.		5798		2,250.00CR	544,498.51CR
1/18/17	1/19	A00134	CHK: 191325	12677	BEATTY TRUCKING AND TRAI		5852		500.00CR	544,998.51CR
1/18/17	1/19	A00135	CHK: 191326	12677	LION GROUP, INC.		6209		399.00CR	545,397.51CR

POST	DATE	TRAN #	REFERENCE	PACKET	DESCRIPTION	VEND	INV/JE #	NOTE	AMOUNT	BALANCE
1001			CASH IN BANK							
										*(CONTINUED) *
1/18/17	1/19	A00136	CHK: 191327	12677	NATIONAL TOOL & SAFETY	6352			499.00CR	545,896.51CR
1/19/17	1/19	A00119	CHK: 000000	12683	INTERNAL REVENUE SERVICE	5832			97.12CR	545,993.63CR
1/19/17	1/19	A00120	CHK: 191328	12682	CITY OF LAMESA IMS HEALT	5155			21,850.68CR	567,844.31CR
1/19/17	1/20	U25309	CHECK 191329	15930	REFUND: PERMIAN PUMP& SUPPLY				37.07CR	567,881.38CR
1/19/17	1/20	U25309	CHECK 191330	15930	REFUND: LOPEZ, HILDA I				60.38CR	567,941.76CR
1/19/17	1/20	U25309	CHECK 191331	15930	REFUND: MITCHELL, MARIE				56.69CR	567,998.45CR
1/19/17	1/20	U25309	CHECK 191332	15930	REFUND: HERNANDEZ, BERNICE T				35.73CR	568,034.18CR
1/19/17	1/20	U25309	CHECK 191333	15930	REFUND: HARRIS, ALVIN				17.52CR	568,051.70CR
1/19/17	1/20	U25309	CHECK 191334	15930	REFUND: GARCIA, JESSICA A				17.98CR	568,069.68CR
1/19/17	1/20	U25309	CHECK 191335	15930	REFUND: WHITE, JANIE R				69.28CR	568,138.96CR
1/19/17	1/20	U25309	CHECK 191336	15930	REFUND: AGUIRRE JR, CORNELIO				100.00CR	568,238.96CR
1/19/17	1/20	U25309	CHECK 191337	15930	REFUND: HUTCHINGS, BRANDY/CHER				12.36CR	568,251.32CR
1/19/17	1/20	U25309	CHECK 191338	15930	REFUND: RODRIGUEZ, JEFFREY				54.85CR	568,306.17CR
1/19/17	1/20	U25309	CHECK 191339	15930	REFUND: BARRERA, AMANDA R				30.89CR	568,337.06CR
1/19/17	1/20	U25309	CHECK 191340	15930	REFUND: COKER, CLIFFORD L				30.43CR	568,367.49CR
1/19/17	1/20	U25309	CHECK 191341	15930	REFUND: CASEY, HUNTER P				56.69CR	568,424.18CR
1/19/17	1/20	U25309	CHECK 191342	15930	REFUND: DREW, TIMOTHY J				36.20CR	568,460.38CR
1/19/17	1/20	U25309	CHECK 191343	15930	REFUND: TAYLOR, LARRY				42.18CR	568,502.56CR
1/19/17	1/20	U25309	CHECK 191344	15930	REFUND: BIG RED BOX				86.76CR	568,589.32CR
1/20/17	1/20	A00137	CHK: 191345	12684	TEXAS COMMISSION ON ENVI	3977			6,994.19CR	575,583.51CR
1/20/17	1/20	A00138	CHK: 191346	12684	ERICA UBEDA	6140			230.00CR	575,813.51CR
1/20/17	1/20	A00139	CHK: 191347	12684	SHAWNA BURKHART	6184			648.00CR	576,461.51CR
1/20/17	1/20	A00140	CHK: 191348	12684	NORMA GARCIA	6274			648.08CR	577,109.59CR
1/20/17	1/20	A00141	CHK: 191349	12684	ROBERT SHERWOOD	6405			247.50CR	577,357.09CR
1/20/17	1/24	B53985	Misc 000002	08687	METER POSTAGE		JE# 021661		500.00CR	577,857.09CR
1/23/17	1/23	A00146	CHK: 000000	12687	INTERNAL REVENUE SERVICE	5832			31,352.57CR	609,209.66CR
1/23/17	1/23	A00147	CHK: 191350	12687	CAPROCK FEDERAL CREDIT U	1390			17,285.74CR	626,495.40CR
1/23/17	1/23	A00148	CHK: 191351	12687	PAYROLL FUND	3270			64,298.92CR	690,794.32CR
1/23/17	1/23	A00149	CHK: 191352	12687	TX CHILD SUPPORT SDU	5634			334.15CR	691,128.47CR
1/23/17	1/23	A00150	CHK: 191353	12687	TEXAS CHILD SUPPORT DISB	5811			184.62CR	691,313.09CR
1/23/17	1/23	A00151	CHK: 191354	12687	TX CHILD SUPPORT SDU	5829			115.38CR	691,428.47CR
1/23/17	1/23	A00152	CHK: 191355	12687	TEXAS CHILD SUPPORT DISB	5859			500.90CR	691,929.37CR
1/23/17	1/23	A00153	CHK: 191356	12687	TX CHILD SUPPORT SDU	5882			276.92CR	692,206.29CR
1/23/17	1/23	A00154	CHK: 191357	12687	TX CHILD SUPPORT SDU	5982			113.08CR	692,319.37CR
1/23/17	1/23	A00155	CHK: 191358	12687	JAE FITNESS	6023			152.70CR	692,472.07CR
1/23/17	1/23	A00156	CHK: 191359	12687	TX CHILD SUPPORT SDU	6059			46.15CR	692,518.22CR
1/23/17	1/23	A00157	CHK: 191360	12687	TG	6222			113.12CR	692,631.34CR
1/23/17	1/23	A00158	CHK: 191361	12687	TEXAS CHILD SUPPORT DISB	6380			265.38CR	692,896.72CR
1/23/17	1/23	A00159	CHK: 191362	12687	TEXAS CHILD SUPPORT DISB	6409			41.54CR	692,938.26CR
1/23/17	1/23	A00160	CHK: 191363	12687	TEXAS CHILD SUPPORT DISB	6437			164.82CR	693,103.08CR
1/23/17	1/23	A00161	CHK: 000000	12689	INTERNAL REVENUE SERVICE	5832			129.12CR	693,232.20CR
1/24/17	1/24	A00171	CHK: 191364	12691	CANADIAN RIVER MUNICIPAL	1385			78,838.75CR	772,070.95CR
1/24/17	1/24	A00172	CHK: 191365	12691	STATE COMPTRROLLER	3789			2,346.00CR	774,416.95CR
1/24/17	1/24	A00173	CHK: 191366	12691	WINDSTREAM COMMUNICATION	4460			99.38CR	774,516.33CR
1/24/17	1/24	A00174	CHK: 191367	12691	THE PRODUCTIVITY CENTER	5714			317.00CR	774,833.33CR
1/24/17	1/24	A00175	CHK: 191368	12691	RAMIREZ, IRMA	5830			401.25CR	775,234.58CR
1/24/17	1/24	A00176	CHK: 191369	12691	TMCEC	5863			150.00CR	775,384.58CR

POST	DATE	TRAN #	REFERENCE	PACKET=====	DESCRIPTION=====	VEND	INV/JE #	NOTE	=====AMOUNT=====	=====BALANCE=====
1001			CASH IN BANK							
										*(CONTINUED) *
1/24/17	1/24	A00177	CHK: 191370	12691	TOMMY ARGUIJO	5988			75.29CR	775,459.87CR
1/24/17	1/24	A00178	CHK: 191371	12691	STATE COMPTROLLER	6241			4,994.78CR	780,454.65CR
1/24/17	1/24	A00179	CHK: 191372	12691	MARK CHANDLER	6411			309.40CR	780,764.05CR
1/24/17	1/24	A00180	CHK: 191373	12691	MEGAN VILJANUOVA	6439			18.46CR	780,782.51CR
1/24/17	1/24	A00181	CHK: 191374	12691	LUBBOCK MASTER GARDENERS	6440			245.00CR	781,027.51CR
1/24/17	1/24	A00182	CHK: 191375	12695	ANGEL ACOSTA'S CONCRETE	5640			4,490.00CR	785,517.51CR
1/24/17	1/24	A00183	CHK: 191376	12695	WINDSTREAM COMMUNICATION	6389			61.07CR	785,579.38CR
1/25/17	1/25	B53992	Misc 000003	08688	TWC - 4TH QT UNEMPLOYMENT TAX		JE# 021668		1,045.57CR	786,624.95CR
1/30/17	1/30	B54011	Misc 000008	08696	HEALTH INS. TSF. - G/F		JE# 021680		27,636.92CR	814,261.87CR
1/30/17	1/30	A00219	CHK: 191380	12707	AFLAC INSURANCE	1020			3,862.14CR	818,124.01CR
1/30/17	1/30	A00220	CHK: 191381	12707	CAPROCK FEDERAL CREDIT U	1390			173.94CR	818,297.95CR
1/30/17	1/30	A00221	CHK: 191382	12707	SOUTH PLAINS COMMUNICATI	3729			950.00CR	819,247.95CR
1/30/17	1/30	A00222	CHK: 191383	12707	TEXAS MUNICIPAL RETIREME	3973			26,546.68CR	845,794.63CR
1/30/17	1/30	A00223	CHK: 191389	12707	LEGAL SHIELD	5900			492.10CR	846,286.73CR
1/30/17	1/30	A00229	CHK: 191390	12707	NEW YORK LIFE	5921			567.40CR	846,854.13CR
1/30/17	1/30	A00230	CHK: 191391	12707	SOLENI, LLC	6073			2,359.62CR	849,213.75CR
1/30/17	1/30	A00231	CHK: 191392	12707	GUARDIAN-APPLETON	6141			479.46CR	849,693.21CR
1/30/17	1/30	A00232	CHK: 191393	12707	CITY OF LAMESA FSA	6308			2,393.84CR	852,087.05CR
1/30/17	1/30	A00233	CHK: 191394	12707	CARE TECH MECHANICAL SER	6388			310.50CR	852,397.55CR
1/30/17	1/30	A00234	CHK: 191395	12697	ADVANCED ANALYSIS, INC	1022			309.00CR	852,706.55CR
1/30/17	1/30	A00235	CHK: 191396	12697	ATMOS ENERGY	1730			4,945.81CR	857,652.36CR
1/30/17	1/30	A00236	CHK: 191397	12697	FERRARA FIRE APPARATUS,	1861A			55.00CR	857,707.36CR
1/30/17	1/30	A00237	CHK: 191398	12697	LAMESA ECONOMIC DEVELOPM	2555			18,682.23CR	876,389.59CR
1/30/17	1/30	A00238	CHK: 191399	12697	LAMESA PRESS REPORTER	2590			228.30CR	876,617.89CR
1/30/17	1/30	A00239	CHK: 191400	12697	MARGIE'S FLOWERS	2900			57.00CR	876,674.89CR
1/30/17	1/30	A00240	CHK: 191401	12697	SOUTH PLAINS COMMUNICATI	3729			948.00CR	877,622.89CR
1/30/17	1/30	A00241	CHK: 191402	12697	STANDARD INSURANCE CO	3782			827.50CR	878,450.39CR
1/30/17	1/30	A00242	CHK: 191403	12697	WALMART COMMUNITY/GECRB	4110			116.79CR	878,567.18CR
1/30/17	1/30	A00243	CHK: 191404	12697	CREATIVE INKS	5035			111.00CR	878,678.18CR
1/30/17	1/30	A00244	CHK: 191405	12697	GREAT AMERICA FINANCIAL	5734			384.30CR	879,062.48CR
1/30/17	1/30	A00245	CHK: 191406	12697	LAMESA ECONOMIC ALLIANCE	5942			18,682.23CR	897,744.71CR
1/30/17	1/30	A00246	CHK: 191407	12697	LION GROUP, INC.	6209			55.00CR	897,799.71CR
1/30/17	1/30	A00247	CHK: 191408	12697	JEANETTE PARRISH	6213			300.00CR	898,099.71CR
1/30/17	1/30	A00248	CHK: 191409	12697	WTG FUELS, INC.	6220			14,700.33CR	912,800.04CR
1/30/17	1/30	A00250	CHK: 191411	12697	GONZALES WELDING	6254			240.00CR	913,040.04CR
1/30/17	1/30	A00251	CHK: 191412	12697	MICHAEL LOPEZ	6441			1,481.10CR	914,521.14CR
1/30/17	1/30	A00252	CHK: 191413	12697	REYNOLDS & REYNOLDS	6443			246.97CR	914,768.11CR
1/30/17	1/30	A00253	CHK: 191377	12709	FULBRIGHT & CASSELBERRY	2090			2,145.83CR	916,913.94CR
1/30/17	1/30	A00254	CHK: 191378	12709	PAYROLL FUND	3270			380.50CR	917,294.44CR
1/30/17	1/30	A00255	CHK: 191379	12709	SENIOR CITIZENS	3675			3,750.00CR	921,044.44CR
1/30/17	1/30	B54044	Misc 000012	08697	LIABILITY TSF G/F TO RISK MGMT		JE# 021685		6,213.08CR	927,257.52CR
1/30/17	1/30	B54049	Misc 000016	08698	WORKER COMP TSF TO RISK MGMT		JE# 021690		6,302.67CR	933,560.19CR
1/30/17	2/14	B54186	Deposit 000052	08728	TO CORRECT CC TRANS 1/30/17		JE# 021748		100.00CR	933,660.19CR
1/31/17	1/31	A00265	CHK: 191414	12715	WILLIE REDECOP	1			150.00CR	933,810.19CR
1/31/17	1/31	A00266	CHK: 191415	12715	DPC INDUSTRIES INC	1570			2,233.58CR	936,043.77CR
1/31/17	1/31	A00267	CHK: 191416	12715	TYLER TECHNOLOGIES, INC.	2310			609.50CR	936,653.27CR
1/31/17	1/31	A00268	CHK: 191417	12715	LAMESA PRESS REPORTER	2590			24.90CR	936,678.17CR

POST	DATE	TRAN #	REFERENCE	PACKET=====	DESCRIPTION=====	VEND	INV/JE #	NOTE	=====AMOUNT=====	=====BALANCE=====
1001			CASH IN BANK							
										* (CONTINUED) *
1/31/17	1/31	A00269	CHK: 191418	12715	MEDICAL ARTS HOSPITAL	2971			96.00CR	936,774.17CR
1/31/17	1/31	A00270	CHK: 191419	12715	PARKHILL,SMITH & COOPER,	3263			1,620.51CR	938,394.68CR
1/31/17	1/31	A00271	CHK: 191420	12715	CITY OF LAMESA IMS HEALT	5155			50,000.00CR	988,394.68CR
1/31/17	1/31	A00272	CHK: 191421	12715	TEXAS REVENUE RECOVERY A	5350			50.00CR	988,444.68CR
1/31/17	1/31	A00273	CHK: 191422	12715	AUTOZONE, INC.	5593			345.48CR	988,790.16CR
1/31/17	1/31	A00274	CHK: 191423	12715	NORTHLAND COMMUNICATIONS	5800			82.64CR	988,872.80CR
1/31/17	1/31	A00275	CHK: 191424	12715	DLL FINANCE LLC	5958			1,700.45CR	990,573.25CR
1/31/17	1/31	A00276	CHK: 191425	12715	PNC EQUIPMENT FINANCE,LL	5960			1,389.99CR	991,963.24CR
1/31/17	1/31	A00277	CHK: 191426	12715	DAVID HUCKERT	6182			200.00CR	992,163.24CR
1/31/17	1/31	A00278	CHK: 191427	12715	LYNN ROSS GANNAWAY & CRA	6194			157.50CR	992,320.74CR
1/31/17	1/31	A00279	CHK: 191428	12715	OFFICE OF CATHERINE M LA	6317			250.00CR	992,570.74CR
1/31/17	1/31	A00280	CHK: 191429	12715	WINDSTREAM COMMUNICATION	6389			1,730.17CR	994,300.91CR
1/31/17	1/31	A00282	CHK: 191431	12715	MARK CHANDLER	6411			309.40CR	994,610.31CR
1/31/17	1/31	A00283	CHK: 191432	12716	GALLS/QUARTERMASTER	1967			1,069.50CR	995,679.81CR
1/31/17	1/31	A00284	CHK: 191433	12716	USABLUBOOK	5100			375.99CR	996,055.80CR
1/31/17	1/31	A00285	CHK: 191434	12716	ODESSA PUMPS	6378			2,222.00CR	998,277.80CR
1/31/17	1/31	A00286	CHK: 191435	12716	DHINTNCK, INC.	6432			1,563.90CR	999,841.70CR
1/31/17	2/13	B54181	Misc 000001	08725	CITY SALES & USE TAX-ACH	DEBIT	JE# 021743		10,115.81CR	1,009,957.51CR
1/31/17	2/15	B54193	Misc 000022	08733	TRANSFER TO STATE AGENCY		JE# 021755		3,077.30CR	1,013,034.81CR
			*****		JANUARY ACTIVITY DB:	0.00	CR:	1,013,034.81CR	1,013,034.81CR	

SELECTION CRITERIA

FISCAL YEAR: Oct-2016 / Sep-2017
FUND: Include: 01
PERIOD TO USE: Jan-2017 THRU Jan-2017
TRANSACTIONS: CREDIT

ACCOUNT SELECTION

ACCOUNT RANGE: 1001 THRU 1001
DEPARTMENT RANGE: - THRU -
ACTIVE FUNDS ONLY: NO
ACTIVE ACCOUNT ONLY: NO
INCLUDE RESTRICTED ACCOUNTS: NO
DIGIT SELECTION:

PRINT OPTIONS DETAIL

OMIT ACCOUNTS WITH NO ACTIVITY: NO
PRINT ENCUMBRANCES: NO
PRINT VENDOR NAME: NO
PRINT PROJECTS: NO
PRINT MONTHLY TOTALS: YES
PRINT GRAND TOTALS: NO
PRINT: INVOICE #
PAGE BREAK BY: NONE

*** END OF REPORT ***

City Council Agenda
City of Lamesa, Texas

DATE OF MEETING: FEBRUARY 21, 2017

AGENDA ITEM: 4

**SUBJECT: INTRODUCTION OF CITY'S NEW BUILDING INSPECTOR /
CODE ENFORCEMENT OFFICER, MICHAEL LOPEZ**

SUBMITTED BY: City Staff

EXHIBITS:

SUMMARY STATEMENT

Introduction of City's new Building Inspector / Code Enforcement Officer, Michael Lopez.

COUNCIL ACTION

No City Council action required.

City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: FEBRUARY 21, 2017

AGENDA ITEM: 5

SUBJECT: RESOLUTION IN SUPPORT OF PROPOSED DEVELOPMENT OF WESTWIND OF LAMESA AFFORDABLE HOUSING DEVELOPMENT:
PROCEEDING: Resolution
SUBMITTED BY: City Staff
EXHIBITS: Resolution & Letter of Support
AUTHORITY:

SUMMARY STATEMENT

Consider passing a resolution supporting the proposed Westwind of Lamesa affordable rental housing development to be located at 211 NE 7th Street, Lamesa Texas and the 2017 TDHCA Application #17336. *(Nathan Tafoya, LEDC Director & Mark Mayfield, Texas Housing Foundation)*

COUNCIL ACTION

DISCUSSION _____

Motion by Council Member _____ To consider passing a resolution supporting the proposed Westwind of Lamesa affordable rental housing development to be located at 211 NE 7th Street, Lamesa Texas and the 2017 TDHCA Application #17336. Motion seconded by Council Member _____ and upon being put to a vote the motion _____.

VOTING: "AYE" _____ "NAY" _____ "ABSTAIN" _____

CITY MANAGER'S MEMORANDUM

Recommend approval.

RESOLUTION NO. _____

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LAMESA, TEXAS, EXPRESSING SUPPORT FOR THE APPLICATION OF SCF LAMESA 17, LP, TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR 2017 COMPETITIVE NINE-PERCENT HOUSING TAX CREDITS TO DEVELOP AFFORDABLE RENTAL HOUSING AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, SCF Lamesa 17, LP, and its affiliates (the “**Applicant**”) have brought to the City of Lamesa (the “**City**”) a proposal to develop an affordable rental housing community named Westwind of Lamesa (the “**Housing Community**”) to be located 211 NE 7th, Lamesa, Dawson County, Texas 79331 (the “**Development Site**”).

WHEREAS, the Applicant has advised the City that it intends to submit an application to the Texas Department of Housing and Community Affairs (“**TDHCA**”) for an allocation of 2017 Competitive 9% Housing Tax Credits (“**HTC**”) for the construction and development of the Housing Community.

WHEREAS, in accordance with the rules that govern the HTC program, an application may qualify for points for a resolution of support and evidence of a commitment of development funding from the governing body of the city in which the proposed development site is located.

WHEREAS, the Applicant has requested from the City support for its application to TDHCA and for a commitment of development funding that will benefit the Housing Community.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAMESA, TEXAS, that:

1. The findings contained in the preamble of this Resolution are determined to be true and correct and are hereby adopted as a part of this Resolution.
2. The City, acting through its governing body, hereby confirms that it supports the proposed development of the Housing Community on the Development Site and supports HTC Application #17336.
3. The City, acting through its governing body, hereby approves a commitment to the Applicant of funds in the amount of \$10.00 in the form of a grant, reduced fees or contribution of other value for the benefit of the Housing Community conditioned on (i) the Applicant securing HTCs from TDHCA in an amount sufficient to the development of the Housing Community, and (ii) any required zoning and site plan approvals from the City.
4. The City hereby recognizes that this formal action has been taken to put on record the opinions expressed by the City as of the date of this Resolution.

5. The City, acting through its governing body, hereby authorizes, empowers, and directs _____ to execute this Resolution on behalf of the City and to certify these resolutions to TDHCA.

DULY RESOLVED by the City Council of the City of Lamesa, Texas, on this the _____ day of _____, 2017.

ATTEST:

APPROVED:

Norma Garcia
City Secretary

Josh Stevens
Mayor



CITY OF LAMESA

601 SOUTH 1st STREET PHONE (806) 872-2124 FAX (806) 872-4338
LAMESA, TEXAS 79331

To: Texas Department of Housing and Community Affairs
Attn: Tim Irvine, Executive Director – via email – tim.irvine@tdhca.state.tx.us
P.O. Box 13941
221 East 11th Street
Austin, TX 78711-3941

Re: **Funding Commitment for Westwind of Lamesa, TDCHA #17336 – 211 NE 7th,
Lamesa, Dawson County, Texas, 79331**

Dear Mr. Irvine:

The City of Lamesa has been made aware that pursuant to §11.9(d)(2) of the 2017 Qualified Allocation Plan (“QAP”) the rules that govern the housing tax credit program in Texas, an application seeking competitive housing tax credits may qualify to receive one (1) point by providing evidence of a commitment of development funding from the city or county in which a development site is located. To qualify for the point, a letter from an official of the municipality, county, or other instrumentality must be provided. Furthermore, the letter must state that the jurisdiction will provide a loan, grant, reduced fees or other contribution that will benefit the proposed development.

SCF Lamesa 17, LP and its development team have applied for funding in connection with the proposed construction of Westwind of Lamesa to be located at approx. 211 NE 7th, Lamesa, Dawson County, Texas, 79331. In accordance with §11.9(d)(2) of the QAP, the City of Lamesa has approved providing a loan, grant, reduced fees or contribution of other value for the benefit of the proposed development in the amount of \$10. The City of Lamesa will contribute to the development the amount of \$10.00 in the form of contributions of other value related to water improvements.

Please do not hesitate to contact me at 806-759-7800 with any questions.

Sincerely,

Josh Stevens, Mayor
Authorized Official of the City of Lamesa

City Council Agenda
City of Lamesa, Texas

DATE OF MEETING: FEBRUARY 21, 2017

AGENDA ITEM: 6

SUBJECT: LEDC DIRECTOR CONTRACT RENEWAL
PROCEEDING: Approval
SUBMITTED BY: City staff
AUTHORITY:

SUMMARY STATEMENT

City Council to consider and take action regarding renewal of LEDC Director contract.

COUNCIL ACTION

DISCUSSION _____

Motion by Council Member _____ to approve the renewal of LEDC Director contract. Motion seconded by Council Member _____ and upon being put to a vote the motion _____.

VOTING: "AYE" _____ "NAY" _____ "ABSTAIN" _____

CITY MANAGER'S MEMORANDUM

Recommend approval.

City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: FEBRUARY 21, 2017

AGENDA ITEM: 7

SUBJECT: OPEN & AWARD BIDS FOR ONE-TIME SALE OF CALICHE FROM LANDFILL

PROCEEDING: Approval
 SUBMITTED BY: City Staff
 AUTHORITY:

SUMMARY STATEMENT

City Council to review, consider and award one-time sale of caliche from City landfill. *(City Manager & Holly Holder, City Engineer)*

COUNCIL ACTION

NAME OF ENTITY	TOTAL OF BID (\$)	TOTAL AMOUNT OF CALICHE REQUESTED	RANKING AFTER REVIEW

DISCUSSION _____

Motion by Council Member _____ to award one-time sale of caliche from City landfill to _____.
 Motion seconded by Council Member _____ and upon being put to a vote the motion _____.

VOTING: "AYE" _____ "NAY" _____ "ABSTAIN" _____

CITY MANAGER'S MEMORANDUM

Recommend approval.

CITY OF LAMESA NOTICE TO BIDDERS

The City of Lamesa is soliciting sealed bid proposals for sale of a minimum of 60,000 cubic yards of soil (caliche) meeting the specified requirements up to a maximum of 85,000 cubic yards, including excavation and grading to City Engineer's specifications (see attached specifications). Bid opening will be at Lamesa City Hall at 5:30 p.m. on Tuesday, February 21, 2017.

Minimum bid threshold is set at \$1.50 per cubic yard up to 85,000 cubic yards. Any soil over 85,000 cubic yards may be purchased at \$2.00 per cubic yard.

Successful bidder is required to provide the following prior to initiation of the project. These items include, but are not limited to:

- Copy of Bidder's liability insurance policy with a minimum limit of \$1,000,000, to include City of Lamesa as an additional insured.
- Proof of Bidder's Workers Compensation insurance coverage.
- Fencing of work site and construction entrance as approved by Public Works Director and City Engineer.
- Topsoil will be stripped and stored onsite and the cost for this is incidental to the price for soil that is purchased.
- Use of Bidder's equipment and manpower for all of the proposed project.

Note:

- **The City of Lamesa provides no guarantees on the quality or grade of caliche.**

Sealed proposals addressed to the Mayor and City Council of the City of Lamesa, Texas will be received at the

office of Shawna Burkhart, City Manager, 601 South 1st Street, Lamesa, Texas 79331 until **4:00 p.m., Monday, February 13, 2017.**

The owner reserves the right to reject any and all Bids and to waive formalities. In case of ambiguity or lack of clearness in stating the prices in the Bid, the Owner reserves the right to consider the most advantageous construction thereof, or to reject the Bid.

The Bids will be opened at **5:30 p.m., Tuesday, February 21, 2017** and read in open meeting. The City Council reserves the right to accept the bid most advantageous to the City.

ATTEST:
Norma Garcia
City Secretary

SIGNED:
Josh Stevens
Mayor

=====

Proposed Publish Dates:
January 15, 2017
January 22, 2017

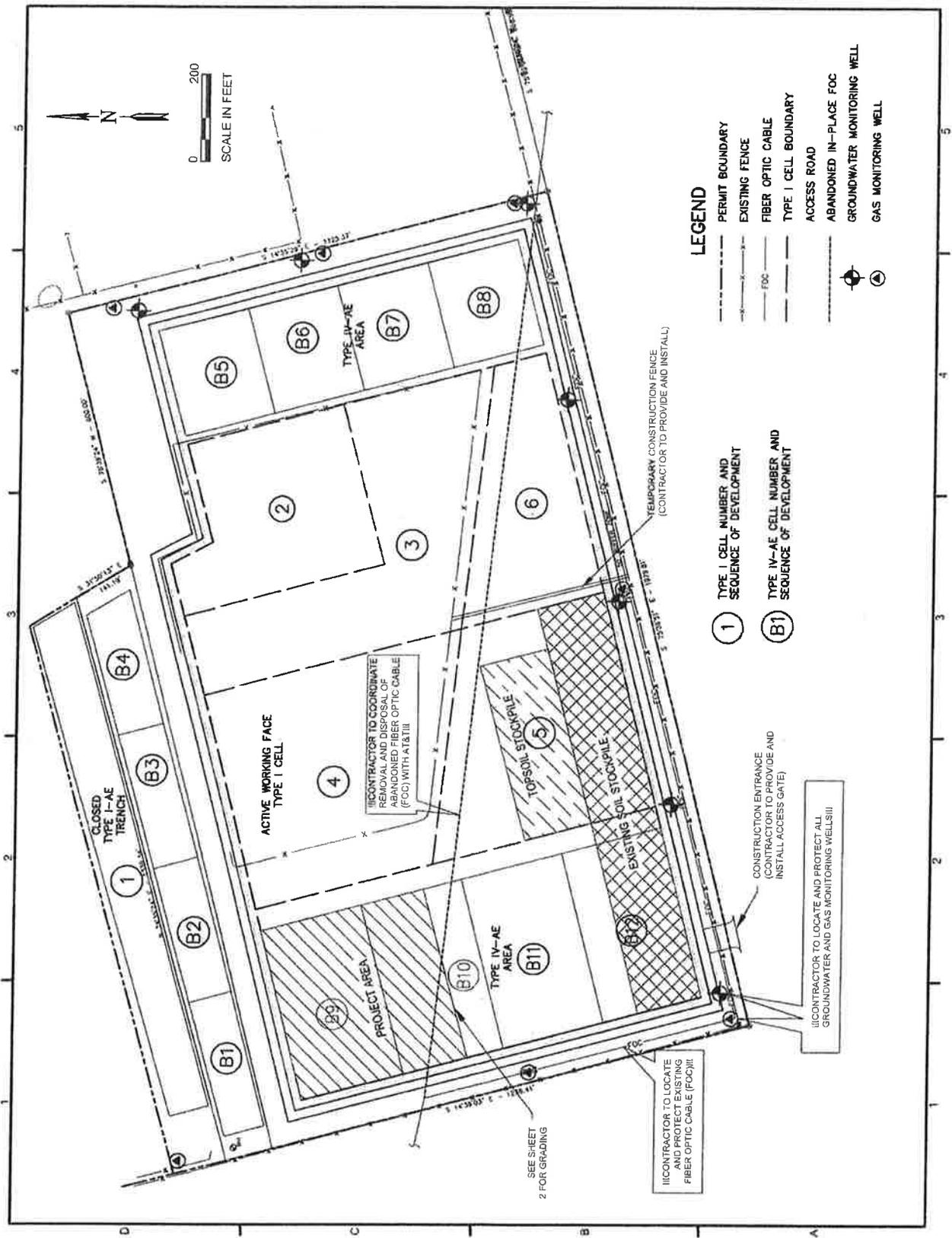
*Correction to Deadline for Receipt of Sealed Bids –
Publish Dates:*
February 5, 2017
February 12, 2017



ISSUED FOR BIDDING
 PURPOSES ONLY

**CITY OF LAMESA
 MUNICIPAL SOLID
 WASTE LANDFILL
 MSW NO. 517A**

601 S. 1ST. STREET
 LAMESA, TEXAS 78331



LEGEND

- 1 TYPE I CELL NUMBER AND SEQUENCE OF DEVELOPMENT
- B1 TYPE IV-AE CELL NUMBER AND SEQUENCE OF DEVELOPMENT
- PERMIT BOUNDARY
- - - EXISTING FENCE
- FOC
- TYPE I CELL BOUNDARY
- ACCESS ROAD
- ABANDONED IN-PLACE FOC
- ⊕ GROUNDWATER MONITORING WELL
- ⊙ GAS MONITORING WELL

SITE LAYOUT

SHEET 1

City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: FEBRUARY 21, 2016

AGENDA ITEM: 8

SUBJECT: LEASE PURCHASE OF BACKHOE FOR WASTEWATER DEPARTMENT
PROCEEDING: Resolution
SUBMITTED BY: City Staff
AUTHORITY:

SUMMARY STATEMENT

City Council to consider authorizing a lease purchase agreement with Caterpillar for a 5 year lease of a backhoe for the wastewater plant with \$10,000 trade-in of existing backhoe. This is a Buyboard purchase. (*Director of Water/Wastewater*)

COUNCIL ACTION

DISCUSSION _____

Motion by Council Member _____ to authorize a lease purchase agreement with Caterpillar for a 5 year lease of a backhoe for the wastewater plant with \$10,000 trade-in of existing backhoe. Motion seconded by Council Member _____ and upon being put to a vote the motion _____.

VOTING: "AYE" _____ "NAY" _____ "ABSTAIN" _____

CITY MANAGER'S MEMORANDUM

Recommend approval.



GOVERNMENTAL ENTITY RESOLUTION TO LEASE, PURCHASE AND/OR FINANCE

WHEREAS, the laws of the State of Texas (the "State") authorize CITY OF LAMESA, TEXAS (the "Governmental Entity"), a duly organized political subdivision, municipal corporation or similar public entity of the State, to purchase, acquire and lease personal property for the benefit of the Governmental Entity and its inhabitants and to enter into any necessary contracts; and

the Governmental Entity wants to lease, purchase and/or finance equipment ("Equipment") from Caterpillar Financial Services Corporation and/or an authorized Caterpillar dealer ("Caterpillar") by entering into that certain Governmental Equipment Lease-Purchase Agreement (the "Agreement") with Caterpillar; and

the form of the Agreement has been presented to the governing body of the Governmental Entity at this meeting.

RESOLVED, that: (i) the Agreement, including all schedules and exhibits attached to the Agreement, is approved in substantially the form presented at the meeting, with any Approved Changes (as defined below), (ii) the Governmental Entity enter into the Agreement with Caterpillar and (iii) the Agreement is adopted as a binding obligation of the Governmental Entity; and

that changes may later be made to the Agreement if the changes are approved by the Governmental Entity's counsel or members of the governing body of the Governmental Entity signing the Agreement (the "Approved Changes") and that the signing of the Agreement and any related documents is conclusive evidence of the approval of the changes; and

that the persons listed below, who are the incumbent officers of the Governmental Entity (the "Authorized Persons"):

Name (Print or Type)	Title (Print or Type)
_____	_____
_____	_____
_____	_____

be, and each is, authorized, directed and empowered, on behalf of the Governmental Entity, to (i) sign and deliver to Caterpillar, and its successors and assigns, the Agreement and any related documents, and (ii) take or cause to be taken all actions he/she deems necessary or advisable to acquire the Equipment, including the signing and delivery of the Agreement and related documents; and

that the Secretary/Clerk of the Governmental Entity is authorized to attest to these resolutions and affix the seal of the Governmental Entity to the Agreement, these resolutions, and any related documents; and

that nothing in these resolutions, the Agreement or any other document imposes a pecuniary liability or charge upon the general credit of the Governmental Entity or against its taxing power, except to the extent that the payments payable under the Agreement are special limited obligations of the Governmental Entity as provided in the Agreement; and

that a breach of these resolutions, the Agreement or any related document will not impose any pecuniary liability upon the Governmental Entity or any charge upon its general credit or against its taxing power, except to the extent that the payments payable under the Agreement are special limited obligations of the Governmental Entity as provided in the Agreement; and

that the authority granted by these resolutions will apply equally and with the same effect to the successors in office of the Authorized Persons.

I, _____ of CITY OF LAMESA, TEXAS, certify that the resolutions above are a full, true and correct copy of resolutions of the governing body of the Governmental Entity. I also certify that the resolutions were duly and regularly passed and adopted at a meeting of the governing body of the Governmental Entity. I also certify that such meeting was duly and regularly called and held in all respects as required by law, at the Governmental Entity's office. I also certify that at such meeting, a majority of the governing body of the Governmental Entity was present and voted in favor of these resolutions.

I also certify that these resolutions are still in full force and effect and have not been amended or revoked.

IN WITNESS of these resolutions, the officer named below executes this document on behalf of the Governmental Entity.

Signature: _____
Title: _____
Date: _____





SALES AGREEMENT

DATE Feb 15, 2017

WARREN CAT, PO BOX 60662, MIDLAND, TX 79711-0622 Phone:(432) 571-4200

PURCHASER	CITY OF LAMESA			
STREET ADDRESS	601 S 1ST ST			<SAME>
CITY/STATE	LAMESA, TX	COUNTY	DAWSON (6C1)	
POSTAL CODE	79331-6247	PHONE NO.	806 872 2124	
EQUIPMENT	Dionicio Garza Jr.			
PRODUCT SUPPORT	Shawna Burkhardt			
INDUSTRY CODE:	GOVT GENERAL USAGE (207G)	PRINCIPAL WORK CODE		F.O.B. AT: Amarillo
CUSTOMER NUMBER	9981500	Sales Tax Exemption # (if applicable)	GOVT	CUSTOMER PO NUMBER

PAYMENT TERMS:				(All terms and payments are subject to Finance Company - OAC approval)	
NET PAYMENT ON RECEIPT OF INVOICE	<input type="checkbox"/>	NET ON DELIVERY	<input type="checkbox"/>	FINANCIAL SERVICES	<input checked="" type="checkbox"/> CSC <input type="checkbox"/> LEASE
CASH WITH ORDER	\$0.00	BALANCE TO FINANCE	\$87,190.00	CONTRACT INTEREST RATE	3.2%
PAYMENT PERIOD	ANNUAL	PAYMENT AMOUNT	\$0.00	NUMBER OF PAYMENTS	5
				OPTIONAL BUY-OUT	

DESCRIPTION OF EQUIPMENT ORDERED / PURCHASED			
MAKE: CATERPILLAR	MODEL: 416F2 AE4	YEAR: 2016	
STOCK NUMBER: C77505	SERIAL NUMBER: 0HWB01026		
416F2 BHL ST, TIER 4 HRC, 70KW	450-8445	STABILIZER PADS, FLIP-OVER	9R-6007
416F2 BHL ST, TIER 4 HRC, 70KW	450-8445	BUCKET-GP, 89" 1.30YD3	337-7385
LANE 2 ORDER	0P-9002	CUTTING EDGE, TWO PIECE	9R-5321
STICK, EXTENDABLE, 14FT, PILOT	450-8728	BUCKET-HD ROCK, 24", 7.0 CFT	219-3396
PT, 4WD, STD SHIFT, PILOT	450-8640	INSTRUCTIONS, ANSI	430-9944
ENGINE, 70KW, C4.4 ACERT, T4F	450-8754	SERIALIZED TECHNICAL MEDIA KIT	421-8926
HYDRAULICS GP, 6FCN/8BNK, PT	450-8519	RIDE CONTROL	398-2680
PRODUCT LINK, CELLULAR, PL641I	447-0049	RADIO & CD PLAYER, BLUETOOTH	387-6598
COLD WEATHER PACKAGE, 120V HRC	398-2882	PLATE GROUP - BOOM WEAR	423-7607
CAB, STANDARD	450-8680	GUARD, STABILIZER	353-1389
SEAT, FABRIC	433-4805	SHIPPING/STORAGE PROTECTION	461-6839
BELT, SEAT, 2" SUSPENSION	206-1747	RUST PREVENTATIVE APPLICATOR	462-1033
AIR CONDITIONER, T4	450-8711	Buy Board	
TIRES, 12.5 80/19.5L-24, FS	380-8961		
COUNTERWEIGHT, 1015 LBS	337-9696		

YEAR	TRADE-IN EQUIPMENT	SERIAL NO.	Sell Price	
	420D - CATERPILLAR (AA)		\$97,190.00	Included
			CSA	Included
			Less Gross Trade Allowance	(\$10,000.00)
			Net Balance Due	\$87,190.00
			Ext Warranty	Included
			Document Fee	\$300.00
			After Tax Balance	\$87,490.00

ALL TRADE-INS ARE SUBJECT TO EQUIPMENT BEING IN "AS INSPECTED CONDITION" BY VENDOR AT TIME OF DELIVERY OF REPLACEMENT MACHINE PURCHASE ABOVE.

GROSS TRADE ALLOWANCE _____

PAYOUT TO _____ AMOUNT OWING _____

CUSTOMER TO PAYOUT WARREN CAT TO PAY OUT

PURCHASER HEREBY SELLS THE TRADE-IN EQUIPMENT DESCRIBED ABOVE TO THE VENDOR AND WARRANTS IT TO BE FREE AND CLEAR OF ALL CLAIMS, LIENS, MORTGAGES AND SECURITY INTEREST EXCEPT AS SHOWN ABOVE.

<input checked="" type="checkbox"/> CATERPILLAR EQUIPMENT WARRANTY	INITIAL _____	<input type="checkbox"/> USED EQUIPMENT WARRANTY	INITIAL _____
<p>The customer acknowledges that he has received a copy of the Warren CAT/Caterpillar Warranty and has read and understood said warranty. Scheduled oil sampling (S.O.S.) is mandatory with this warranty. The customer is responsible for taking oil samples at designated intervals from all power train components and failure to do so may result in voiding the warranty. Standard 12 Month Unlimited Hour Full Machine Coverage</p> <p>416 GOVERNMENT 60 / 2000 PREMIER</p>		<p>All used equipment is sold as is where is and no warranty is offered or implied except as specified here: Warranty applicable:</p>	

CSA: 60/2000

NOTES:

THIS AGREEMENT IS SUBJECT TO THE TERMS AND CONDITIONS ON THE REVERSE

To the extent that the property described herein is used equipment, Buyer is hereby notified that Warren Power & Machinery, Inc. has assigned its rights (but not its obligations) in this agreement to sell such equipment to CATD Exchange Services, LLC, a qualified intermediary, as part of an Internal Revenue Code Section 1031 exchange.

ORDER RECEIVED BY	WARREN CAT	PURCHASER
Lance Wells		
REPRESENTATIVE	APPROVED AND ACCEPTED ON	
	CITY OF LAMESA	

BY _____ SIGNATURE _____

TITLE _____

OTHER TERMS AND CONDITIONS

PAYMENT AND SECURITY INTEREST:

Unless otherwise indicated above, payment shall be made in full on or before Purchaser takes possession of Equipment. If full payment is not made prior to possession, then Purchaser grants to Seller a security interest in the Equipment and all proceeds thereof to secure payment of the Purchase Price and any and all liabilities and obligations of Purchaser to Seller. Seller may file Financing Statements, Continuation Statements, or any other such documents all without Purchaser's signature and at the expense of Purchaser. Any delinquent payment shall bear interest from the date it is due until paid at the highest interest rate permitted under applicable law.

WHERE AND WHOM TO MAKE PAYMENTS:

All checks shall be made payable to Warren Cat and sent to PO Box 842116, Dallas, TX 75284 and please underline and bold the address just as before.

DEFINITION OF WARREN CAT AND SELLER:

Warren Cat and Seller are defined as Warren Power & Machinery, Inc.

DELIVERY AND INSPECTION OF EQUIPMENT:

The Equipment shall be shipped to the location on the date stated in this Agreement. Shipping Date stated above is an estimate only, and if Equipment is not available or ready on that date it will be made available as reasonably soon thereafter as possible. PURCHASER SHALL INSPECT THE EQUIPMENT PRIOR TO SHIPMENT AND ONCE PURCHASER HAS AGREED TO AND AUTHORIZED THE SHIPMENT OF THE EQUIPMENT, IT SHALL BE CONCLUSIVELY PRESUMED THAT PURCHASER HAS FULLY INSPECTED AND ACCEPTED THE EQUIPMENT AS BEING IN GOOD CONDITION AND IN CONFORMITY WITH THIS AGREEMENT. Purchaser shall pay (to Seller or to third parties) all transportation costs in advance for delivery of the Equipment including but not limited to: loading, unloading, installing, dismantling, hauling, demurrage, freight and switching charges.

RISK OF LOSS AND INSURANCE.

Purchaser assumes all risks of loss and full responsibility for all loss or damage to Equipment from the date of this Agreement. Purchaser shall immediately provide and maintain in full force and effect the following policies of insurance: (a) fire, theft, and other hazards in sufficient amounts to cover the full replacement value of the Equipment; (b) comprehensive policy of public liability for each item of Equipment with the following minimum limits: (i) bodily injury - \$1,000,000; and (ii) property damage - \$1,000,000. In each policy, Seller shall be named as an additional insured or loss payee. Purchaser shall promptly furnish to Seller certificates or copies of each policy of insurance. Each policy shall provide for twenty (20) days written notice to Seller of the cancellation or material modification of the policy. Each policy must be in full force and effect until Purchaser takes possession of the Equipment and has paid in full.

TRANSFER OF EQUIPMENT AND WARRANTY OF TITLE:

For value received, Seller does hereby sell, convey, assign, and transfer the Equipment to Purchaser to be effective only after full payment of the Purchase Price. Seller warrants and delivers title unto Purchaser free and clear of any and all liens, security agreements, and encumbrances. The Seller hereby binds Seller, and its successors and assigns, to warrant and defend the title of the property described herein to Purchaser, and Purchaser's successors and assigns, forever against every person whomsoever lawfully claiming or to claim such Equipment or any part thereof.

WARRANTY, CLAIMS, AND DAMAGES:

The warranties on the Equipment shall be the manufacturer's warranties, if any, and only if in writing. There are no warranties from Seller. Purchaser shall look to the manufacturer for the description of the warranty and for any warranty claims. Purchaser acknowledges and agrees that the Equipment is of a size, design, and manufacture selected by Purchaser and is suitable for Purchaser's purposes and contains all safety features deemed necessary to Purchaser. No affirmation, representation, or warranty made by an employee or agent of Seller shall be enforceable unless it is specifically included in this Agreement. SELLER MAKES NO EXPRESS OR IMPLIED REPRESENTATION, COVENANT, OR WARRANTY AS TO THE EQUIPMENT INCLUDING MERCHANTABILITY, QUALITY, CONDITION, DURABILITY, SUITABILITY, FITNESS FOR USE, FITNESS FOR ANY PARTICULAR PURPOSE OR ANY OTHER WARRANTY WHATSOEVER. THE EQUIPMENT IS SOLD "AS IS, WHERE IS" AND SUBJECT TO ALL FAULTS. Seller shall not be liable to Purchaser, for any failure of the Equipment to operate, or for any delay, loss, or expense caused thereby or for any interruption of service or use of the Equipment while such Equipment is undergoing servicing or repair. Seller shall not be required to furnish replacement Equipment or to grant any credit because of such loss of use of the Equipment while undergoing repairs or because of inclement weather. NEITHER PARTY (NOR THE OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS OF EITHER PARTY) IS LIABLE HEREUNDER TO THE OTHER IN ANY ACTION OR CLAIM FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, PUNITIVE OR SPECIAL DAMAGES, WHETHER THE ACTION IN WHICH RECOVERY OF THE DAMAGES IS SOUGHT IS BASED ON CONTRACT, TORT (INCLUDING SOLE, CONCURRENT OR COMPARATIVE NEGLIGENCE), GROSS NEGLIGENCE, INTENTIONAL OR WRONGFUL ACTS OR STRICT LIABILITY. EXCEPT TO THE EXTENT PROHIBITED BY LAW, ANY STATUTORY REMEDIES INCONSISTENT WITH THESE TERMS ARE WAIVED BY THE PARTIES.

TRADE-IN PROPERTY:

In consideration for the credit against the Purchase Price and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Purchaser does hereby irrevocably sell, assign, transfer and convey unto Seller, its successors and assigns, the Trade-in Property described above. Purchaser represents and warrants that Purchaser is the sole owner of the Trade-in Property, that Purchaser has full power and authority to sell the Trade-in Property, and that there are no liens, claims, debts, mortgages or encumbrances of any kind, nature, or description against the Trade-in Property, of record or otherwise. The Purchaser hereby binds Purchaser, and its successors and assigns, to warrant and defend the title of the property described herein to Seller, and Seller's successors and assigns, forever against every person whomsoever lawfully claiming or to claim such Trade-in Property or any part thereof. Purchaser represents and warrants that the Trade-in Property is in good working condition, that there are no defects (latent or patent), and that there are no undisclosed conditions or defects.

JURISDICTION AND VENUE:

If the Equipment was sold from one of Seller's locations in the State of Texas, jurisdiction and venue of any dispute arising from or related to this Agreement shall be in Midland County, Texas and the laws of the State of Texas shall govern the dispute. If the Equipment was sold from one of Seller's locations in the State of Oklahoma, jurisdiction and venue of any dispute arising from or related to this Agreement shall be in Oklahoma County, Oklahoma, and the laws of the State of Oklahoma shall govern the dispute.

ARBITRATION:

Any claim by Purchaser against Seller arising out of or related to this Agreement or to the Equipment, Trade-in Property, repairs, warranties, etc. shall, at the option of Seller, be settled and decided by binding arbitration conducted in Midland County, Texas, in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The judgment by the arbitrator(s) shall be final, and judgment upon the decision rendered may be entered in any court having jurisdiction thereof.

MISCELLANEOUS PROVISIONS:

This Agreement is the entire agreement between the parties hereto containing all agreed upon terms and conditions, and it supersedes and cancels any and all prior agreements and negotiations, whether written or oral. Time is of the essence in the performance of this Sale. Seller is not in any way or for any purpose a partner of or joint venture with Purchaser. If any one or more provisions of this Agreement shall be found to be illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. Purchaser and Seller will execute and deliver all other documents as may be reasonably needed to effectuate and complete the transaction the subject of this Agreement. Both parties hereby represent and warrant that the person executing this Agreement has the proper authority from their respective entities to bind the entities to this Agreement. This Agreement may be executed by facsimile or electronically which shall have the same effect as an original signature.

INDEMNITY:

PURCHASER SHALL PROTECT, INDEMNIFY, DEFEND, AND SAVE SELLER AND ITS ASSIGNS HARMLESS AGAINST ANY AND ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER WHATSOEVER, INCLUDING ATTORNEYS FEES, ARISING IN FAVOR OF ANY PERSON, INCLUDING EMPLOYEES OF PURCHASER, ON ACCOUNT OF PERSONAL INJURIES OR DAMAGES TO PROPERTY OCCURRING, GROWING OUT OF, INCIDENT TO, OR RESULTING DIRECTLY OR INDIRECTLY FROM THE SELECTION, PURCHASE, OWNERSHIP, DELIVERY, USE, OPERATION, MAINTENANCE, REPAIR, OR RETURN OF THE EQUIPMENT WHETHER SUCH LOSS, DAMAGE, OR INJURY OR LIABILITY ARISES WHOLLY FROM OR IS CONTRIBUTED TO BY THE NEGLIGENCE OF THE SELLER OR ITS EMPLOYEES, AND WHETHER DUE OR CONTRIBUTED TO BY IMPERFECTIONS OR DEFECTS OF THE EQUIPMENT, WHETHER LATENT OR PATENT, OR FROM OTHER CAUSES WHATSOEVER.

WAIVER OF CONSUMER RIGHTS:

PURCHASER WAIVES ITS RIGHTS UNDER THE DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT, SECTION 17.41 ET SEQ., TEXAS BUSINESS COMMERCE CODE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS. AFTER CONSULTATION WITH AN ATTORNEY OF PURCHASER'S OWN SELECTION, PURCHASER VOLUNTARILY CONSENTS TO THIS WAIVER.

OTHER PROVISIONS:

Customer Number	9981500
Customer Name	CITY OF LAMESA

CUSTOMER CONTACT INFORMATION

Name:	ROBERT RAMERIZ	Phone:	806 332 6098
Job Role:		Email:	
Name:		Phone:	
Job Role:		Email:	
Name:		Phone:	
Job Role:		Email:	
Name:		Phone:	
Job Role:		Email:	
Name:		Phone:	
Job Role:		Email:	

SERIAL NUMBER		SERIAL NUMBER	
	Included with new machines delivery for 3 years.	0HWB01026	Included with new machines delivery for 3 years.
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	Included with new machines delivery for 3 years.		Included with new machines delivery for 3 years.
	Included with new machines delivery for 3 years.		Included with new machines delivery for 3 years.

I acknowledge an accept the terms and conditions of the data privacy Agreement.

CITY OF LAMESA _____ Feb 15, 2017
 Customer Signature Title Date

WARREN CAT _____ Feb 15, 2017
 Dealer Signature Title Date



I agree and acknowledge that to the extent this equipment is equipped with a telematics system (e.g., Product Link), that data concerning this equipment, its condition, and its operation is being collected and transmitted to Caterpillar Inc., its affiliates(collectively, "Caterpillar"), and/or its dealers.

Caterpillar Inc. recognizes and respects customer privacy. The Caterpillar Telematics Data Privacy Statement (the "Privacy Statement") describes the categories of information collected, the purposes of the processing of the information, how the information is shared, how to ask questions about telematics and how to revoke your consent. The Privacy Statement is available online at www.cat.com and attached to this consent form.

I consent, agree to allow, and grant a worldwide, perpetual, fully paid up, non-exclusive, nonrevocable, license to, Caterpillar and/or its dealers to use, access and transfer this information in accordance with this consent form and the Privacy Statement, including for this information to be transferred to jurisdictions that may not offer the same level of data protection as the jurisdiction in which I am located. Furthermore, I acknowledge and agree that to the extent consent of the operator is required that I will have and will obtain their consent prior to allowing them to use the equipment.

In the event that I transfer ownership of the equipment, I agree to notify the next owner about the telematics system, the information being transmitted and the Purposes and this language including the link to the privacy statement. In addition, I will notify my dealer that I have transferred ownership of the equipment.

I have been provided a copy of the Caterpillar Telematics Data Privacy Statement.

I have read and I understand the Caterpillar Telematics Data Privacy Statement.

I freely consent to the data collection and transfers described in this consent form, including the Caterpillar Telematics Data Privacy Statement.

The undersigned company hereby gives its voluntary consent and agreement:

CITY OF LAMESA
Company Name

Represented by (Please Print)

Signature

Date



BUYBOARD
Phone 1800-695-2919
FAX 1-800-211-5454

PO#

February 2, 2017

CITY OF LAMESA
601 S 1ST ST
LAMESA
Texas
79331-6247

Thank you for this opportunity to quote Caterpillar products for your business needs. We are pleased to quote the following for your purchase consideration.

One (1) New CATERPILLAR Model: 416F2 AE4 Backhoe Loaders with all standard equipment in addition to the additional specifications listed below:

STOCK NUMBER:C77505 **SERIAL NUMBER:**0HWB01026 **YEAR:**2016

We wish to thank you for the opportunity of quoting on your equipment needs. This quotation is valid for 30 days, after which time we reserve the right to re-quote. If there are any questions, please do not hesitate to contact me.

Sincerely,

Lance Wells
Machine Sales Representative

One (1) New CATERPILLAR Model: 416F2 AE4 Backhoe Loaders with all standard equipment in addition to the additional specifications listed below:

STANDARD EQUIPMENT

CONSIST NOTE-THIS LISTING IS A GENERAL DESCRIPTION-THE LOWEST CHARGE ITEMS.-OF A 416F2 BACKHOE LOADER EQUIPPED WITH

BOOMS, STICKS AND LINKAGES-14'4" Center pivot excavator style-Return-to-dig-backhoe with 2-lever control-(automatic bucket positioner)-Boom transport lock-Self-leveling loader with single lever-Swing transport lock-control-Street type stabilizer shoes-Transmission neutralizer switch-Bucket level indicator-Single Tilt Loader-Lift cylinder brace

POWERTRAIN-Cat C4.4, 70KW (Net 87HP / 65kW)-- dual pedals and interlock-- Direct Injection Turbo Charged Engine.-Differential lock-- with ACERT technology.-Drive-line parking brake-- US EPA Tier4 FinalEmissions Compliant-Torque converter-- Selective Catalytic Reduction (SCR)-Transmission-four speed synchro mesh inc-Water separator-- power shuttle-Thermal starting aid system-- neutral safety switch-A dry type axial seal air cleaner with-Spin-on filters for-- integral precleaner-- fuel-- automatic dust ejection system- engine oil-- filter condition indicator-- transmission oil-Hydraulically boosted multi-plate wet-Outboard Planetary Rear Axles-disk brake with

HYDRAULICS-Load sensing, variable flow system with-Caterpillar XT-3 hose-- 35 gpm axial piston pump-Hydraulic oil cooler-6 micron hydraulic filter-Flow-Sharing Hydraulic Valves-O-ring face seal hydraulic fittings-Hydraulic suction strainer

ELECTRICAL-12 volt electrical start-Stop and tail lights-150 ampere alternator-Audible system fault alarm-Horn-Key start/stop system-Backup alarm-880 CCA maintenance free battery-Hazard flashers/turn signals-Battery disconnect switch-Halogen head lights (2)-External Power Receptacle (12v)-Halogen rear flood lights (2)-Remote jump start connector

OPERATOR ENVIRONMENT-Lighted gauge group-2-inch retractable seat belt-Interior rearview mirror-Hand and foot throttle-Rear fenders-Air suspension seat-ROPS canopy-Coat Strap

FLUIDS-Antifreeze - Extended Life Coolant--30C (-20F)

OTHER STANDARD EQUIPMENT-Hydrostatic power steering-Rubber impact strips on radiator guards-Standard Storage Box-Bumper-Transport tie-down points-CD-ROM Parts Manual-Ground line fill fuel tank with-Backhoe Safety Manual-44 gallon capacity-Operations and Maintenance Manual-Ground line fill diesel exhaust fluid-Lockable hood-tank with 5 gallon capacity-Tire Valve Stem Protection

MACHINE SPECIFICATIONS

Description	Reference No
416F2 BHL ST, TIER 4 HRC, 70KW	450-8445
LANE 2 ORDER	0P-9002
STICK, EXTENDABLE, 14FT, PILOT	450-8728
PT, 4WD, STD SHIFT, PILOT	450-8640
ENGINE, 70KW, C4.4 ACERT, T4F	450-8754
HYDRAULICS GP, 6FCN/8BNK, PT	450-8519
PRODUCT LINK, CELLULAR, PL641I	447-0049
COLD WEATHER PACKAGE, 120V HRC	398-2882
CAB, STANDARD	450-8680
SEAT, FABRIC	433-4805
BELT, SEAT, 2" SUSPENSION	206-1747
AIR CONDITIONER, T4	450-8711
TIRES, 12.5 80/19.5L-24, FS	380-8961
COUNTERWEIGHT, 1015 LBS	337-9696
STABILIZER PADS, FLIP-OVER	9R-6007
BUCKET-GP, 89" 1.30YD3	337-7385
CUTTING EDGE, TWO PIECE	9R-5321
BUCKET-HD ROCK, 24", 7.0 CFT	219-3396
INSTRUCTIONS, ANSI	430-9944
SERIALIZED TECHNICAL MEDIA KIT	421-8926
RIDE CONTROL	398-2680
RADIO and CD PLAYER, BLUETOOTH	387-6598
PLATE GROUP - BOOM WEAR	423-7607
GUARD, STABILIZER	353-1389
SHIPPING/STORAGE PROTECTION	461-6839
RUST PREVENTATIVE APPLICATOR	462-1033

Sell Price	\$97,190.00
Ext Warranty	Included
CSA	Included
Less Gross Trade Allowance	(\$10,000.00)
After Tax Balance	\$87,190.00

TRADE-INS

Model	Make	Serial Number	Year	Trade Allowance
420d	CATERPILLAR(AA)			\$10,000.00

WARRANTY

Standard Warranty: Standard 12 Month Unlimited Hour Full Machine Coverage

Extended Warranty: 416 GOVERNMENT 60 / 2000 PREMIER

CSA 60/2000

F.O.B./TERMS

Lamesa

Accepted by _____ on _____

Signature

Thank you for selecting Caterpillar products and for allowing Caterpillar Financial Services Corporation to serve your financing needs. Included in this document package are all of the forms that will be needed for standard tax exempt lease purchase transactions. The forms have been designed to be clear, concise and user friendly. We have also provided a brief explanation of the purpose of each form. If you wish to discuss any of the forms or have any questions about any aspect of this transaction, we encourage you to contact your Caterpillar Dealer or Caterpillar Financial Services Corporation at 1-866-263-3791 Option # 5.

A. Governmental Equipment Lease-Purchase Agreement. The Governmental Lease-Purchase Agreement contains the terms that govern each transaction between us. It is the standard Caterpillar Financial Services Corporation tax exempt lease-purchase agreement, and provides that we will lease to you the equipment described therein pursuant to a full payout amortization schedule. A new Governmental Equipment Lease-Purchase Agreement will have to be signed in connection with each transaction.

B. Lessee's Authorizing Resolution. The Authorizing Resolution is evidence you have taken the necessary governing body actions to approve the Governmental Equipment Lease-Purchase Agreement. Although the authorizing instrument is often a resolution, it may also take other forms such as an ordinance. We are agreeable to using your customary or standard form provided it contains specific approval for the lease-purchase agreement, designates persons who are authorized to sign on your behalf and either approves the document forms or delegates this authority to a named official.

C. Verification of Insurance. The Certificate of Insurance is intended to supply information regarding the insurance coverage for the equipment being lease-purchased. You will need to supply the requested information to us so we can verify coverage.

D. Opinion of Counsel. An opinion of counsel is required in connection with each Governmental Equipment Lease-Purchase Agreement. The opinion is intended to confirm that you have complied with all open meeting laws, publication and notice requirements, procedural rules for governing body meetings, and any other relevant state or local government statutes, ordinances, rules or regulations. We would be unable to confirm compliance with these laws and regulations ourselves absent long delays and higher costs so we rely upon the opinion of your attorney since he/she may have been involved in the process to approve our transaction and is an expert in the laws and regulations to which you are subject. The opinion also confirms that you are an entity eligible to issue tax-exempt obligations and that the Governmental Equipment Lease-Purchase Agreement will be treated as tax-exempt as it is your obligation to ensure that you have complied with relevant tax law.

E. Form of 8038G or GC. Form 8038 is required by the Internal Revenue Service in order to monitor the amount of tax-exempt obligations issued. You have to execute a Form 8038 for each Governmental Equipment Lease-Purchase Agreement. Whether a Form 8038 G or GC is required depends on the original principal amount of the Governmental Equipment Lease-Purchase Agreement. If the original principal amount is less than \$100,000 Form 8038GC is filed with the IRS. If the original principal amount is \$100,000 or more Form 8038G is filed with the IRS. Choose the appropriate 8038 form and complete according to IRS guidelines. Contact your TM or Sales Support Representative for assistance.

IRS Form 8038G

<http://www.irs.gov/pub/irs-pdf/f8038g.pdf>

IRS Form 8038GC

<http://www.irs.gov/pub/irs-pdf/f8038gc.pdf>

This Explanation of Contents is prepared as an accommodation to the parties named herein. It is intended as an example of some of the documents that Caterpillar Financial Services Corporation, in its reasonable judgment, may require and is not intended to constitute legal advice. Please engage and use your own legal counsel. We understand that the laws of the various states are different so nothing herein shall be construed as a warranty or representation that the documents listed herein are the only documents that may be required in any particular transaction or that any particular transaction, if documented in accordance with this Explanation of Contents, will be a valid, binding and enforceable obligation enforceable against the parties named herein in accordance with the terms of the documents named herein.

DOCUMENT CHECKLIST (GOVERNMENTAL LEASE)
Transaction Number 3019607 Quote Number 5350011



These documents were prepared especially for:

CITY OF LAMESA, TEXAS
601 S. 1ST STREET
LAMESA, TX 79331

Dealer: WARREN POWER & MACHINERY, INC, E459
Date: 02/02/2017 **Time:** 2:23 PM
Comments:

Customer Executed Documents	Comments
<input type="checkbox"/> Lease Purchase Document	_____
<input type="checkbox"/> Delivery Certification	_____
<input type="checkbox"/> Insurance Verification	_____
<input type="checkbox"/> 8038G or 8038GC	_____
<input type="checkbox"/> Advance Payment (cross out if N/A)	_____
<input type="checkbox"/> Customer Information Verification	_____
<input type="checkbox"/> Tax Exemption Certificate	_____
<input type="checkbox"/> Any necessary Riders/Amendments	_____
<input type="checkbox"/> Lessee's Resolution + Minutes of Meeting OR	_____
<input type="checkbox"/> Opinion of Lessee's Counsel	_____
<input type="checkbox"/> Copy of Driver's License (Sole Proprietorships and Individuals)	_____

Dealer Executed Documents	Comments
<input type="checkbox"/> Purchase Agreement	_____
<input type="checkbox"/> Dealer Invoice	_____
<input type="checkbox"/> All Credit Conditions Met	_____

**If any of these documents are altered, or if the Buyer wishes to add or delete documents, please contact your CFSC Credit Analyst to obtain acceptance of any and all changes.*



**Governmental Equipment Lease-Purchase Agreement
Transaction Number 3019607**



1. PARTIES

LESSOR ("we", "us", or "our"):

CATERPILLAR FINANCIAL SERVICES CORPORATION
2120 West End Avenue
Nashville, TN 37203

LESSEE ("you" or "your"):

CITY OF LAMESA, TEXAS
601 S. 1ST STREET
LAMESA, TX 79331

In reliance on your selection of the equipment described below (each a "Unit"), we have agreed to acquire and lease the Units to you, subject to the terms of this Lease. **Until this Lease has been signed by our duly authorized representative, it will constitute an offer by you to enter into this Lease with us on the terms stated herein.**

2. DESCRIPTION OF THE UNITS

DESCRIPTION OF UNITS Whether the Unit is new or used, the model number, the manufacturer, and the model name.	SERIAL/VIN Unique ID number for this Unit.	ANNUAL LEASE PAYMENT This is due per period, as stated below in section 3.	FINAL LEASE PAYMENT	DELIVERY DATE Enter date machine was delivered to you
(1) New 416F2 Caterpillar Backhoe Loader	HWB01026	\$19,212.88	\$19,213.88	_____

TERMS AND CONDITIONS

3. Lease Payments; Current Expense You will pay us the lease payments, including the final lease payment set forth above (collectively, the "Lease Payments"). Lease Payments will be paid by you to us as follows: a first payment of \$19,212.88 will be paid in arrears and the balance of the Lease Payments is payable in 4 successive annual payments of which the first 3 payments are in the amount of \$19,212.88 each, and the last payment is in the amount of \$19,213.88 plus all other amounts then owing under this Lease, with the first Lease Payment due one year after the date that we sign this Lease and subsequent Lease Payments due on a like date of each year thereafter until paid in full. A portion of each Lease Payment constitutes interest and the balance of each Lease Payment is payment of principal. The Lease Payments will be due without demand. You will pay the Lease Payments to us at Caterpillar Financial Services Corporation; PO Box 730681; Dallas, TX 75373-0681 or such other location that we designate in writing. Your obligations, including your obligation to pay the Lease Payments due in any fiscal year, will constitute a current expense of yours for such fiscal year and will not constitute an indebtedness of yours within the meaning of the constitution and laws of the State in which you are located (the "State"). Nothing in this Agreement will constitute a pledge by you of any taxes or other moneys, other than moneys lawfully appropriated from time to time for the payment of the "Payments" (as defined in the last sentence of this Section) owing under this Agreement. **You agree that, except as provided in Section 7, your duties and liabilities under this Agreement and any associated documents are absolute and unconditional. Your payment and performance obligations are not subject to cancelation, reduction, or setoff for any reason. You agree to settle all claims, defenses, setoffs, counterclaims and other disputes you may have with the Supplier, the manufacturer of the Unit, or any other third party directly with the Supplier, the manufacturer or the third party, as the case may be. You will not assert, allege or make any such claim, defense, setoff, counterclaim or other dispute against us or with respect to the payments due us under this Agreement. As used in this Agreement, "Payments" will mean the Lease Payments and any other amounts required to be paid by you.**

The portion of the Lease Payments constituting principal will bear interest (computed on the basis of actual days elapsed in a 360 day year) at the rate of 3.20% per annum.

4. Late Charges If we do not receive a Payment on the date it is due, you will

pay to us, on demand, a late payment charge equal to the lesser of five percent (5%) of such Payment or the highest charge allowed by law.

5. Security Interest To secure your obligations under this Agreement, you grant us a continuing first priority security interest in each Unit (including any Additional Collateral), including all attachments, accessories and optional features (whether or not installed on such Units) and all substitutions, replacements, additions, and accessions, and the proceeds of all the foregoing, including, but not limited to, proceeds in the form of chattel paper. You authorize the filing of such financing statements and will, at your expense, do any act and execute, acknowledge, deliver, file, register and record any document, which we deem desirable to protect our security interest in each Unit and our rights and benefits under this Agreement. You, at your expense, will protect and defend our security interest in the Units and will keep the Units free and clear of any and all claims, liens, encumbrances and legal processes however and whenever arising.

6. Disclaimer of Warranties WE HAVE NOT MADE AND DO NOT MAKE ANY WARRANTY, REPRESENTATION OR COVENANT OF ANY KIND, EXPRESS OR IMPLIED, AS TO THE UNITS. AS TO US, YOUR LEASE AND PURCHASE OF THE UNITS WILL BE ON AN "AS IS" AND "WHERE IS" BASIS AND "WITH ALL FAULTS". **Nothing in this Agreement is intended to limit, waive, abridge or otherwise modify any rights, claims, or causes of action that you may have against any person or entity other than us.**

7. Non-Appropriation You have an immediate need for, and expect to make immediate use of, the Units. This need is not temporary or expected to diminish during the term of this Agreement. To that end, you agree, to the extent permitted by law, to include in your budget for the current and each successive fiscal year during the term of this Agreement, a sufficient amount to permit you to discharge your obligations under this Agreement. Notwithstanding any provision of this Agreement to the contrary, we and you agree that, in the event that prior to the commencement of any of your fiscal years you do not have sufficient funds appropriated to make the Payments due under this Agreement for such fiscal year, you will have the option of terminating this Agreement as of the date of the commencement of such fiscal year by giving us sixty (60) days prior written notice of your intent to terminate. No later than the last day of the last fiscal year for which appropriations were made for the Payments (the "Return Date"), you will



return to us all of the Units, at your sole expense, in accordance with Section 14, and this Agreement will terminate on the Return Date without penalty or expense to you and you will not be obligated to pay the Lease Payments beyond such fiscal year; provided, that you will pay all Payments for which moneys have been appropriated or are otherwise available; and provided further, that you will pay month to-month rent at the rate set by us for each month or part of any month that you fail to return the Units.

8. **Tax Warranty** You will, at all times, do and perform all acts and things necessary and within your control to ensure that the interest component of the Lease Payments will, for the purposes of Federal income taxation, be excluded from our gross income. You will not permit or cause your obligations under this Agreement to be guaranteed by the Federal Government or any branch or instrumentality of the Federal Government. You will use the Units for the purpose of performing one or more of your governmental functions consistent with the scope of your authority and not in any trade or business carried on by a person other than you. You will report this Agreement to the Internal Revenue Service by filing Form 8038G, 8038GC or 8038, as applicable. Failure to do so will cause this Agreement to lose its tax exempt status. You agree that if the appropriate form is not filed, the interest rate payable under this Agreement will be raised to the equivalent taxable interest rate. If the use, possession or acquisition of the Units is determined to be subject to taxation, you will pay when due all taxes and governmental charges assessed or levied against or with respect to the Units.
9. **Assignment** You may not, without our prior written consent, by operation of law or otherwise, assign, transfer, pledge, hypothecate or otherwise dispose of your right, title and interest in and to this Agreement and/or the Units and/or grant or assign a security interest in this Agreement and/or the Units, in whole or in part. We may not transfer, sell, assign, pledge, hypothecate, or otherwise dispose of our right, title and interest in and to this Agreement and/or the Units and/or grant or assign a security interest in this Agreement and/or the Units, in whole or in part.
10. **Indemnity** To the extent permitted by law, you assume liability for, agree to and do indemnify, protect and hold harmless us and our employees, officers, directors and agents from and against any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses (including reasonable attorney's fees), of whatsoever kind and nature, arising out of the use, condition (including, but not limited to, latent and other defects and whether or not discoverable by you or us), operation, ownership, selection, delivery, storage, leasing or return of any item of Units, regardless of where, how and by whom operated, or any failure on your part to accept the Units or otherwise to perform or comply with any conditions of this Agreement.
11. **Insurance; Loss and Damage** You bear the entire risk of loss, theft, destruction or damage to the Units from any cause whatsoever. No loss, theft, destruction or damage of the Units will relieve you of the obligation to make Lease Payments or to perform any obligation owing under this Agreement. You agree to keep the Units insured to protect all of our interests, at your expense, for such risks, in such amounts, in such forms and with such companies as we may require, including but not limited to fire and extended coverage insurance, explosion and collision coverage, and personal liability and property damage liability insurance. Any insurance policies relating to loss or damage to the Units will name us as loss payee as our interests may appear and the proceeds may be applied toward the replacement or repair of the Units or the satisfaction of the Payments due under this Agreement. You agree to use, operate and maintain the Units in accordance with all laws, regulations and ordinances and in accordance with the provision of any policies of insurance covering the Units, and will not rent the Units or permit the Units to be used by anyone other than you. You agree to keep the Units in good repair, working order and condition and house the Units in suitable shelter, and to permit us or our assigns to inspect the Units at any time and to otherwise protect our interests in the Units. If any Unit is customarily covered by a maintenance agreement, you will furnish us with a maintenance agreement by a party acceptable to us.
12. **Default; Remedies** An "Event of Default" will occur if (a) you fail to pay any

Payment when due and such failure continues for ten (10) days after the due date for such Payment or (b) you fail to perform or observe any other covenant, condition, or agreement to be performed or observed by you under this Agreement and such failure is not cured within twenty (20) days after written notice of such failure from us. Upon an Event of Default, we will have all rights and remedies available under applicable law. In addition, we may declare all Lease Payments due or to become due during the fiscal year in which the Event of Default occurs to be immediately due and payable by you and/or we may repossess the Units by giving you written notice to deliver the Units to us in the manner provided in Section 14, or in the event you fail to do so within ten (10) days after receipt of such notice, and subject to all applicable laws, we may enter upon your premises and take possession of the Units. Further, if we financed your obligations under any extended warranty agreement such as an Equipment Protection Plan, Extended Service Contract, Extended Warranty, Customer Service Agreement, Total Maintenance and Repair Agreement or similar agreement, we may cancel such extended warranty agreement on your behalf and receive the refund of the extended warranty agreement fees that we financed but had not received from you as of the date of the Event of Default.

13. **Miscellaneous** This Agreement may not be modified, amended, altered or changed except by a written agreement signed by you and us. In the event any provision of this Agreement is found invalid or unenforceable, the remaining provisions will remain in full force and effect. This Agreement, together with exhibits, constitutes the entire agreement between you and us and supersedes all prior and contemporaneous writings, understandings, agreements, solicitations, documents and representations, expressed or implied. Any terms and conditions of any purchase order or other documents submitted by you in connection with this Agreement which are in addition to or inconsistent with the terms and conditions of this Agreement will not be binding on us and will not apply to this Agreement. You agree that we may correct patent errors in this Agreement and fill in blanks including, for example, correcting or filling in serial numbers, VIN numbers, and dates. Any notices required to be given under this Agreement will be given to the parties in writing and by certified mail at the address provided in this Agreement, or to such other addresses as each party may substitute by notice to the other, which notice will be effective upon its receipt.
14. **Title; Return of Units** Notwithstanding our designation as "Lessor", we do not own the Units. Legal title to the Units will be in you so long as an Event of Default has not occurred and you have not exercised your right of non-appropriation. If an Event of Default occurs or if you non-appropriate, full and unencumbered title to the Units will pass to us without the necessity of further action by the parties, and you will have no further interest in the Units. If we are entitled to obtain possession of any Units or if you are obligated at any time to return any Units, then (a) title to the Units will vest in us immediately, and (b) you will, at your expense, promptly deliver the Unit to us properly protected and in the condition required by Section 11. You will deliver the Unit, at our option, (i) to the nearest Caterpillar dealer selling equipment of the same type as the Unit; or (ii) on board a carrier named by us and shipping the Unit, freight collect, to a destination designated by us. If the Unit is not in the condition required by Section 11, you must pay us, on demand, all costs and expenses incurred by us to bring the Unit into the required condition. Until the Units are returned as required above, all terms of this Agreement will remain in full force and effect including, without limitation, your obligation to pay Lease Payments and to insure the Units.
15. **Other Documents** In connection with the execution of this Agreement, you will cause to be delivered to us (i) either (A) a certified copy of your authorizing resolution substantially in the form attached as Attachment B and a copy of the minutes of the relevant meeting or (B) an opinion of your counsel substantially in the form attached as Attachment C; (ii) a Verification of Insurance substantially in the form attached to this Agreement; (iii) a copy of the signed Form filed with the Internal Revenue Service required in Section 8 above as Attachment D; and (iv) any other documents or items required by us.
16. **Applicable Law** This Agreement will be governed by the laws, excluding the laws relating to the choice of law, of the State in which you are located.

SIGNATURES

LESSOR
CATERPILLAR FINANCIAL SERVICES CORPORATION
 Signature _____
 Name (print) _____
 Title _____
 Date _____

LESSEE
CITY OF LAMESA, TEXAS
 Signature _____
 Name (print) _____
 Title _____
 Date _____

CUSTOMER INFORMATION VERIFICATION
(Required Document)



In our efforts to continue providing timely customer service, we need your assistance confirming the following information. If any information is incorrect or missing, please note the necessary changes below and return this form with your signed documents. In addition, please review the Data Privacy Notice stated below. Thank you in advance for your cooperation.

Purchase Order # for new contract: _____

Current Information on file **Please make corrections here**

Customer Name:	CITY OF LAMESA, TEXAS	_____
Physical Address:	601 S. 1ST STREET	_____
	LAMESA, TX 79331	_____
Mailing Address:	601 S. 1ST STREET	_____
	LAMESA, TX 79331	_____
Equipment Location:	LAMESA, TX 79331, DAWSON	_____
Business Phone:	(806)872-2124	_____
E-mail Address:	fvera@ci.lamesa.tx.us	_____
Accounts Payable Contact Name and Phone:		_____
<u>Tax Information</u>		
Sales Tax Rate:	0	_____
(Please note: Sales Tax Rate, includes all applicable State, County, and City sales tax)		
City Limits	Asset outside the City Limits? Yes ___ No ___	

Tax Exemption Status

Please indicate if you are tax exempt. Exempt* Non-Exempt

***A Tax Exemption Certificate is required for all tax exempt customers. If you are tax exempt - please enclose a current tax exemption certificate to be returned with your documents.**

Electronic Copy Available Upon Funding

If you would like an electronic copy of your contract, please provide a valid email address below (one letter per line).

The information above has been reviewed and is accurate to the best of my knowledge with exception of any corrections as noted.

***Should the above changes apply to ALL of your contracts, OR for this contract ONLY?**

- ALL CONTRACTS
- THIS CONTRACT ONLY

THE ABOVE INFORMATION HAS BEEN REVIEWED AND IS ACCURATE TO THE BEST OF MY KNOWLEDGE WITH EXCEPTION OF ANY CORRECTIONS AS NOTED.

Customer Initials

Data Privacy Notice: *This notice pertains to personal data supplied in connection with your credit application. By providing your information to Caterpillar Inc. or any of its subsidiaries or affiliates, including Caterpillar Financial Services Corporation (collectively "Caterpillar"), you are agreeing that the information may be shared among Caterpillar and its partners and dealers, and used to process your applications for credit and other orders and to improve or market Caterpillar products and services. If you have any questions pertaining to this notice, please contact the Data Privacy Coordinator at 615-341-8222.*





Verification of Insurance

Lessee:

LESSOR (we):

CATERPILLAR FINANCIAL SERVICES CORPORATION
2120 West End Avenue
Nashville, TN 37203-0001

LESSEE (you):

CITY OF LAMESA, TEXAS
601 S. 1ST STREET
LAMESA, TX 79331

Subject: Insurance Coverage Requirements

1. The above-named Lessor and Lessee have entered into Governmental Equipment Lease-Purchase Agreement Transaction Number 3019607 (the "Agreement"). In accordance with the Agreement, Lessee has instructed the insurance agent named below:

Company: _____

Address: _____

Phone No: _____

Agent's Name: _____

to issue:

a. All Risk Physical Damage Insurance on the Equipment (as defined in the Agreement) evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming the Lessor and/or its Assignee, as loss payee.

The Coverage Required: the aggregate purchase price for the Equipment.

b. Public Liability Insurance evidenced by a Certificate of Insurance, naming the Lessor and/or its Assignee as Additional Insured, with a minimum of \$1,000,000 per occurrence is required.

2. Proof of insurance coverage will be provided to Lessor or its Assignee prior to the time the Equipment is delivered to Lessee.

Model #	Equipment Description	Serial #	VIN #	Value Including Tax
1. 416F2	Caterpillar Backhoe Loader	HWB01026		\$97,190.00

SIGNATURES

LESSEE

CITY OF LAMESA, TEXAS

Signature _____

Name (print) _____

Title _____

Date _____



Opinion of Counsel

Re: Governmental Equipment Lease-Purchase Agreement (Transaction Number 3019607) (the "Lease") Between CITY OF LAMESA, TEXAS("Lessee") and Caterpillar Financial Services Corporation ("Lessor")

Sir/Madam:

I am an attorney for Lessee, and in that capacity I am familiar with the above-referenced transaction, the Lease, and all other documents pertaining to the Lease (the Lease and such other documents pertaining to the Lease being referred to as the "Lease Agreements").

Based on my examination of these and such other documents, records and papers and matters of fact and laws as I deemed to be relevant and necessary as the basis for my opinion set forth below, upon which opinion Lessee and any subsequent assignee of Lessee's interest may rely, it is my opinion that:

- 1. Lessee is a fully constituted political subdivision or agency duly organized and existing under the Constitution and laws of the State of Texas (the "State"), and is authorized by such Constitution and laws (i) to enter into the transaction contemplated by the Lease Agreements and (ii) to carry out its obligations thereunder.
2. The Lease Agreements (i) have been duly authorized, executed and delivered by Lessee and (ii) constitute valid, legal and binding obligations and agreements of Lessee, enforceable against Lessee in accordance with their terms, assuming due authorization and execution thereof by Lessor.
3. No further approval, license, consent, authorization or withholding of objections is required from any federal, state or local governmental authority with respect to the entering into or performance by Lessee of the Lease Agreements and the transactions contemplated by the Lease Agreements.
4. Lessee has sufficient appropriations or other funds available to pay all amounts due under the Lease Agreements for the current fiscal year.
5. The interest payable to Lessor by Lessee under the Lease Agreements is exempt from federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended.
6. The entering into and performance of the Lease Agreements will not (i) conflict with, or constitute a breach or violation of, any judgment, consent decree, order, law, regulation, bond, indenture or lease applicable to Lessee, or (ii) result in any breach of, or constitute a default under, or result in the creation of, any lien, charge, security interest or other encumbrance upon any assets of Lessee or the Units (as defined in the Lease) pursuant to any indenture, mortgage, deed of trust, bank loan, credit agreement or other instrument to which Lessee is a party, or by which it or its assets may be bound.
7. No litigation or proceeding is pending or, to the best of my knowledge, threatened to, or which may, (a) restrain or enjoin the execution, delivery or performance by Lessee of the Lease Agreements, (b) in any way contest the validity of the Lease Agreements, (c) contest or question (i) the creation or existence of Lessee or its governing body or (ii) the authority or ability of Lessee to execute or deliver the Lease Agreements or to comply with or perform its obligations under the Lease Agreements. There is no litigation or proceeding pending or, to the best of my knowledge, threatened that seeks to or could restrain or enjoin Lessee from annually appropriating sufficient funds to pay the Lease Payments (as defined in the Lease) or other amounts contemplated by the Lease Agreements. In addition, I am not aware of any facts or circumstances which would give rise to any litigation or proceeding described in this paragraph.
8. The Units are personal property and, when subjected to use by Lessee, will not be or become fixtures under the laws of the State.
9. The authorization, approval and execution of the Lease Agreements, and all other proceedings related to the transactions contemplated by the Lease Agreements, have been performed in accordance with all applicable open meeting, public records, public bidding and all other applicable laws, rules and regulations of the State.
10. The appropriation of moneys to pay the Lease Payments coming due under the Lease and any other amounts contemplated by the Lease Agreements does not and will not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.
11. The Lessor will have a perfected security interest in the Units upon the filing of an executed UCC-1 or other financing statement at the time of acceptance of the Units with the Secretary of State for the State.

SIGNATURE

Name (PRINT): _____

Date: _____

Signature: _____

Address: _____

Title: _____



**Amendment to Governmental Lease-Purchase Agreement (Texas)
Transaction Number 3019607**



This Amendment (the "Amendment"), dated _____ (the "Effective Date"), to the Governmental Lease-Purchase Agreement (the "Agreement") for the Transaction Number set out above is by and between the parties identified below.

1. PARTIES

LESSOR:

CATERPILLAR FINANCIAL SERVICES CORPORATION
2120 West End Avenue
Nashville, TN 37203-0001

LESSEE:

CITY OF LAMESA, TEXAS
601 S. 1ST STREET
LAMESA, TX 79331

2. TERMS AND CONDITIONS

- a) Capitalized terms used but not defined herein will have the meaning given them in the Agreement.
- b) Except as provided herein, the Agreement will remain unchanged and in full force and effect in accordance with its terms. Any additional modifications are null and void unless approved in writing by you and us. Nothing herein will be deemed to be a waiver or amendment of any other provision contained in the Agreement or any of our rights or remedies under the Agreement.
- c) As of the Effective Date, the Agreement is amended as set forth below.

3. AMENDMENT

Section 7 of the Agreement is amended and restated in its entirety as follows:

"7. **Annual Right of Termination.** You may terminate this Agreement as of the last day of any fiscal year during the term hereof by giving us sixty (60) days prior written notice (although the failure to give such notice will not affect your right to terminate this Agreement as provided herein). In the event you terminate this Agreement during the term hereof pursuant to this Section, you will, no later than the last day of such fiscal year, return to us all, but not less than all, of the Units, at your sole expense and in accordance with the terms of this Agreement. Upon such return, this Agreement will terminate as of the last day of such fiscal year (the "Termination Date"). Thereafter, you will not incur any additional obligations under this Agreement, provided, however, that you must pay all Lease Payments and other Payments due prior to the Termination Date or attributable to such period, and provided, further, that you must pay month to-month lease payments at the rate set forth in this Agreement for each month or part thereof that you fail to return the Units."

SIGNATURES

CATERPILLAR FINANCIAL SERVICES CORPORATION

Signature _____
Name (print) _____
Title _____
Date _____

CITY OF LAMESA, TEXAS

Signature _____
Name (print) _____
Title _____
Date _____





CATERPILLAR INSURANCE COMPANY (CIC) SELECTION FORM

Before financing your equipment, you must arrange physical damage insurance on the equipment identified below. The insurance may be provided through an insurance agent or insurance company of your choice, provided the insurance company satisfies minimum financial requirements.

As an alternative to obtaining your own insurance, you may elect to have your equipment insured under coverage arranged by Caterpillar Insurance Services Corporation, that has been designed specifically for the purchasers of Cat® equipment.

Please complete this form if you elect to insure your equipment with Caterpillar Insurance Company (CIC).

CIC Physical Damage Insurance Policy Summary

Please note: This is only a brief description of the CIC Physical Damage Insurance Program. Contractual provisions contained in the policy will govern.

Coverage

CIC Physical Damage Insurance protects your equipment against physical damage losses, including collision, fire, theft, vandalism, upset or overturn, floods, sinking, earthquakes and other unfortunate acts of nature. The protection has been designed for owners of heavy equipment and provides superior benefits you most likely would not find in other plans.

The CIC Physical Damage Insurance does include normal exclusions. Some important exclusions are wear and tear, rust, loss of income, war, nuclear damage, and mechanical breakdown, automobiles, watercraft, waterborne shipments, tires or tubes or mobile track belts damaged by blow-out, puncture, and road damage.

Repairs

When a covered loss occurs, this plan will pay for Cat® replacement parts on all your new or used Caterpillar equipment. On all equipment from other manufacturers, the plan will pay for comparable replacement parts.

Transportation

Your CIC plan will pay for round-trip transportation of covered damaged equipment to and from your Cat dealer's repair facility, up to \$2,500 limit.

Rental Reimbursement

The plan allows for rental costs up to \$2,500 that you incur to rent similar equipment following a covered loss. You are automatically protected with up to \$100,000 of coverage for damage to the similar equipment you rent.

Claims

In the event of a total loss, the policy will pay the greatest of the following:

- The payoff value of the loan on the damaged parts or equipment as of the date of loss or
- The actual cash value of that covered property; or
- The cost of replacing that property with property of like kind and quality

The policy will pay 10% of scheduled loss, up to a \$10,000 maximum for debris removal.

The policy will pay fire department service fees up to \$5,000.

Deductible

\$1,000 Construction and Agricultural Equipment Deductibles:

\$5,000 deductible all logging Equipment

Customer Service

If you have any questions or need additional details, see your Authorized Cat Dealer or call CIC toll free at **1-800-248-4228**.

You may also e-mail CIC at physicaldamage@cat.com

POLICYHOLDER DISCLOSURE

NOTICE OF TERRORISM RISK INSURANCE ACT OF 2002

(as extended by the Terrorism Risk Insurance Extension Act of 2005, and as amended in 2007)

You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2007, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury - in concurrence with the Secretary of State, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended in 2007. However, your policy may contain other exclusions, which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced. The portion of your premium that is attributable to coverage for terrorist acts certified under the Act is: \$0.00



APPLICATION FOR CIC PHYSICAL DAMAGE INSURANCE

Model #	Equipment Description	Serial #	VIN	Value Including Total Tax	Pymt Method-3 Total Premium	Pymt Method-1 Finance Pymt
1. 416F2	Caterpillar Backhoe Loader	HWB01026			\$4,900.00	\$1,153.76

Marsha Blaisdell

Marsha Blaisdell, Authorized Insurance Producer

Arranged by Caterpillar Insurance Services Corporation

I understand that the total insurance premium for 60 months will be \$4,900.00, which is \$980.00 per year based upon the total equipment value of \$97,190.00.

- Method 1 I will finance the insurance premium, including finance charges, of \$1,153.76 per scheduled equipment payment. The finance charge is calculated at **3.20%** per annum on the total insurance premium covering the full term of the finance agreement. By choosing Method 1 and signing this document you are agreeing to finance the insurance along with the equipment payments with Caterpillar Financial Services Corporation.
- Method 2 I desire coverage for an initial 12 month term. I will pay the \$980.00 premium and return the payment with the signed equipment documents. Please make check payable to CIC.
- Method 3 I will pay the total premium and return the payment with the signed equipment documents. Please make check payable to CIC.
- Method 4 I decline Caterpillar Insurance. I elect to obtain my own commercial insurance on the equipment shown from an agent or insurance company of my choice.

I understand that the quote I receive is not a binder of insurance. If I elect to obtain coverage from CIC, coverage will be effective in accordance with the terms and conditions of the issued Policy and that I may terminate the coverage at any time with advance written notice.

I acknowledge that I have been notified that, under the TERRORISM RISK INSURANCE ACT of 2002 (as extended by the Terrorism Risk Insurance Extension Act of 2005), any losses caused by certified acts of terrorism under my policy will result in coverage under my policy that will be partially reimbursed by the United States as outlined in the attached policyholder disclosure notification.

I also acknowledge I have been advised that, if I accept this insurance, an appointed licensed insurance producer will receive commission compensation.

Customer Name: CITY OF LAMESA, TEXAS
Dealer Name: WARREN POWER & MACHINERY, INC

Please note: If you would like a no obligation quote on your additional equipment, call 1-800-248-4228 extension 5754.

Accepted By: _____ Name (PRINT): _____
 Title: _____ Date: _____



Fraud Warning:

Applicable in AL, AR, DC, LA, MD, NM, RI and WV: Any person who knowingly (or willfully)* presents a false or fraudulent claim for payment of a loss or benefit or knowingly (or willfully)* presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. *Applies in MD Only.

Applicable in CO: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

Applicable in FL and OK: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony (of the third degree)*. *Applies in FL Only.

Applicable in KS: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

Applicable in KY, NY, OH and PA: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties (not to exceed five thousand dollars and the stated value of the claim for each such violation)*. *Applies in NY Only.

Applicable in ME, TN, VA and WA: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties (may)* include imprisonment, fines and denial of insurance benefits. *Applies in ME Only.

Applicable in NJ: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Applicable in OR: Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

Applicable in PR: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.



Meeting Minutes

WARREN POWER & MACHINERY, INC
10325 West County Road 117
MIDLAND TX 79706-0662

Reference:

CITY OF LAMESA, TEXAS

We are requesting a copy of the minutes of the appropriation meeting during which the funds for this deal were allocated.

A copy of this information is necessary to complete the documentation package and to fund the deal. Your ability to return a complete package will ensure timely payment to you.

Thank you for your assistance.

CATERPILLAR FINANCIAL SERVICES CORPORATION
DOCUMENTATION DEPARTMENT



**Purchase Agreement
Transaction Number 3019607**



This Purchase Agreement is between **WARREN POWER & MACHINERY, INC** ("Vendor") and **Caterpillar Financial Services Corporation** ("Cat Financial"). Vendor agrees to sell to Cat Financial and Cat Financial agrees to buy from Vendor the equipment described below (the "Unit(s)"), subject to the terms and conditions set forth below and on the reverse side hereof.

<u>Description of Unit(s)</u>	<u>Serial#</u>	<u>VIN #</u>	<u>Freight</u>	<u>Total Price</u>
(1) 416F2 New Caterpillar Backhoe Loader	HWB01026		\$0.00	\$87,190.00

Lessee:
CITY OF LAMESA, TEXAS
601 S. 1ST STREET
LAMESA TX 79331

Subtotal	\$87,190.00
Federal Excise Tax	0.00
Other Tax	0.00
Total Purchase Price	\$87,190.00
Unit(s) Delivery Point:	
LAMESA, TX 79331, DAWSON	

See next page for additional terms and conditions.

SIGNATURES

CATERPILLAR FINANCIAL SERVICES CORPORATION

WARREN POWER & MACHINERY, INC

Signature _____
Name (print) _____
Title _____
Date _____

Signature _____
Name (print) _____
Title _____
Date _____



1. The lessee named on the front hereof (the "Lessee") has selected the Unit(s), instructed Cat Financial to purchase the Unit(s) from Vendor, and agreed to lease the Unit(s) from Cat Financial.
2. Cat Financial (or its assignee) will have no obligation hereunder (and any sums previously paid by Cat Financial to Vendor with respect to the Unit(s) shall be promptly refunded to Cat Financial) unless (a) all of the conditions set forth in Section 1.3 (if a master lease agreement) or Section 1 (if a non master lease agreement) of the lease with the Lessee covering the Unit(s) have been timely fulfilled and (b) the Lessee has not communicated to Cat Financial (or its assignee), prior to "Delivery" (as hereinafter defined) of the Unit(s), an intent not to lease the Unit(s) from Cat Financial. All conditions specified in this paragraph shall be deemed timely fulfilled unless prior to Delivery of the Unit(s), Cat Financial (or its assignee) shall notify Vendor to the contrary in writing, which shall include fax or email. "Delivery" shall mean the later of the time (a) Cat Financial executes this Purchase Agreement or (b) the Lessee or its agent takes control and/or physical possession of the Unit(s).
3. Upon timely satisfaction of the conditions specified in Paragraph 2 above, ownership, title and risk of loss to the Unit(s) shall transfer to Cat Financial (or its assignee) upon Delivery of the Unit(s).
4. Vendor warrants that (a) upon Delivery of the Unit(s), Cat Financial (or its assignee) will be the owner of and have absolute title to the Unit(s) free and clear of all claims, liens, security interests and encumbrances and the description of the Unit(s) set forth herein is correct and (b) the Unit Transaction Price set forth on the front hereof for each unit of Unit(s) leased under a lease is equal to such Unit(s)'s fair market value.
5. Vendor shall forever warrant and defend the sale of the Unit(s) to Cat Financial (or its assignee), its successors and assigns, against any person claiming an interest in the Unit(s).
6. Provided that no event of default exists under any agreement between Lessee and Cat Financial and upon timely satisfaction of the conditions specified in Paragraph 2 above, and unless otherwise agreed to in this Purchase Agreement, Cat Financial (or its assignee) shall pay Vendor the total Purchase Price set forth on the front hereof for the Unit(s) within three business days following (a) the receipt and approval by Cat Financial of all documentation deemed necessary by Cat Financial in connection with the lease transaction and (b) all credit conditions have been satisfied.
7. Vendor shall deliver the Unit(s) to the Lessee at the delivery point set forth on the front hereof.
8. This Purchase Agreement may be assigned by Cat Financial to a third party. Vendor hereby consents to any such assignment.
9. This Purchase Agreement shall become effective only upon execution by Cat Financial.



PLEASE DISREGARD THIS OFFER IF YOU ALREADY HAVE A COMMERCIAL ACCOUNT

CITY OF LAMESA, TEXAS
601 S. 1ST STREET
LAMESA, TX 79331

IMPORTANT OPPORTUNITY

As a Caterpillar Financial Services Corporation customer, you now have the opportunity to open a Commercial Account. Commercial Account is an easy and convenient way to pay for parts, service or rentals, and is accepted at all Cat Dealers and Cat Rental Stores in the U.S. With the Commercial Account, you will have the ability to better manage your cash flow by making a monthly minimum payment of 10% on all your parts and service purchases. Rental payments must be paid in full the month following the charge. You will receive one detailed monthly statement of your charges, and have the ability to view your transactions online through our secure website 24/7.

Through the Commercial Account you may also receive special 0% financing on rebuilds and major repairs (see your Cat Dealer for details).

- If you need flexibility in paying for a large repair or work tool purchase or
- You need expanded access to Caterpillar Dealers as your work grows beyond your dealership's area, then the Commercial Account is for you.

To request that an account be opened for you, please complete the application on the next page. Sign the application and return it with this document package OR fax it back to us at 615-341-5925.

If you are interested in a certain credit line amount, please indicate the desired amount on the application. Upon receipt, we will review your request and advise you of our decision.

Once you have returned the enclosed application, you will receive a welcome package with your credit line amount, account number and the Customer Agreement. **

For more information, please call us at 1-888-CAT-8811 or visit us at www.catfinancial.com/commercialaccount. Take advantage of this offer and activate your account today!

Best regards,

The Commercial Account Team

***Reply by: APRIL 03, 2017 to take advantage of this offer.**

****In some instances, we may not be able to open an account for you based on your credit report and other pre-determined criteria. We will notify you by mail if we are unable to open an account for you.**





CREDIT APPLICATION (SUBMIT WITH DOCUMENTATION PACKET)
 Caterpillar Financial Commercial Account Corporation
 Phone: (800) 651-0567 Fax: (615) 341-5925
 Email: Credit.Department@cat.com

CITY OF LAMESA, TEXAS
 601 S. 1ST STREET
 LAMESA, TX 79331

NOTICES

Definitions: The terms "you" and "your" will refer to the person applying for financing, each Guarantor and each Signatory signing this credit application. The terms "we", "us" or "our" will refer to Caterpillar Financial Services Corporation ("CFSC") and/or Caterpillar Financial Commercial Account Corporation ("CFCAC" and, together with CFSC, the "Cat Financial Companies"), either individually or collectively, as applicable. Collectively, the Cat Financial Companies, Caterpillar Inc. and their affiliates and subsidiaries are referred to herein as the "Caterpillar Companies".

Representations and warranties: You represent that the information provided by you in this credit application (i) is true, correct and complete and (ii) is provided for the purpose of you obtaining credit from us.

Privacy Notice: You authorize us, or our designee, to investigate or obtain from other Caterpillar Companies, sellers of Caterpillar products (each a "Dealer"), banks, consumer reporting agencies, financial institutions, merchants, customers or any other person or entity any personal or business information related to you that we may deem appropriate, including but not limited to consumer reports and credit histories, for the use described herein. You authorize and instruct each such person or entity to furnish, share or otherwise make accessible to us any such information in their possession. We may use and rely upon such information, and any information provided in this credit application, (a) to make a credit decision to extend credit now or in the future pursuant to a subsequent application or request, (b) to continue any previously provided credit, (c) to review your account, (d) to assist in any collection activity, (e) to otherwise investigate your credit, (f) to improve or market Caterpillar products and services, and (g) to share such information with any other person or entity, including but not limited to the Caterpillar Companies, Dealers, consumer reporting agencies, financial institutions, and merchants.

This application for credit is solely from us. A decision to grant or deny business credit by CFSC will be made by CFSC, and a decision to grant or deny credit by CFCAC will be made by CFCAC. We may, in our sole discretion, refuse to extend business credit, goods, or services to you and may terminate any such credit extended at any time. Any references to a requested amount of credit in this credit application will not be deemed a limitation of liability by you. You understand and agree that any credit granted by us to you will be governed by the provisions and conditions set forth in CFCAC's Customer Agreement (or similarly titled) between us where granted by CFCAC or the applicable agreements between us where granted by CFSC.

You acknowledge that this credit application is for business customers only (including sole proprietorships) and credit provided by us in connection with this credit application may not be used to acquire equipment or services for personal, household or family purposes. You acknowledge that you have read and fully understand the terms and conditions contained in this credit application.

The federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning these creditors is the FTC Regional Office for the region in which the Cat Financial Companies operate or the Federal Trade Commission, Equal Credit Opportunity, Washington, DC 20580.

If your application for business credit is denied, you have the right to a written statement of the specific reasons for the denial. To obtain the statement, contact us at the applicable address below within 60 days from the date you are notified of our decision. We will send you a written statement of the reasons for the denial within 30 days from receiving your request for the statement.

Caterpillar Financial Services Corporation, Attn: Credit Manager, 2120 West End Ave., P.O. Box 340001, Nashville, TN 37203

COMPLETE if you are financing PARTS, SERVICE, ATTACHMENTS or RENTING equipment from a Cat Dealer with Commercial Account

Requesting a revolving credit limit range of (select ONE): \$ _____ \$25,000 or less \$25,000-\$75,000 \$75,000 or more (see FINANCIAL section below)

Billing preference (select ONE or statement billing will apply):

- STATEMENT BILLING:** Receive one statement monthly that covers all transactions made during that period. A minimum payment of 10% (revolving) of the account balance plus interest is due each payment cycle, or pay in full without interest charges. Rental charges are due in full by the due date. As with all statement billing methods payments are applied to the oldest outstanding balance.
- INVOICE BILLING:** Immediately receive a separate Invoice Bill that mirrors the dealer invoice for each transaction you make, plus receive a monthly summary of all paid and open invoices. The full payment of the invoice is due on the stated terms.

Name(s) of individual(s) authorized to charge on account: 1) Name _____ 2) Name _____

Contact Credit.Department@cat.com to request additional authorized users.

FINANCIAL: Attach the following if financing exceeds \$75,000 for a Commercial Account

Financial statements for the last 2 fiscal year-ends, latest interim statements and comparable interims from prior year (if fiscal year-end is over 120 days), and a detailed list of work on hand

Additional financial information may be required.

SIGNATURES

Required signatures: If you are a legal entity (e.g., corporation, limited liability company or limited liability partnership), an authorized person must sign below on your behalf in addition to each owner listed in this credit application. If you are a partnership or a sole proprietorship, each owner must sign below.

Ownership (To be completed by every owner; ID required)

1) Signature _____ Printed Name _____ Date _____

2) Signature _____ Printed Name _____ Date _____

Authorized Signature (Individual OTHER than owner) _____ Date _____

Printed Name _____ Title _____

REVISED 2013



**Information Return for Small Tax-Exempt
Governmental Bond Issues, Leases, and Installment Sales**

Under Internal Revenue Code section 149(e)

Caution: If the issue price of the issue is \$100,000 or more, use Form 8038-G.

Part I Reporting Authority		Check box if Amended Return <input type="checkbox"/>	
1 Issuer's name City of Lamesa		2 Issuer's employer identification number (EIN)	
3 Number and street (or P.O. box if mail is not delivered to street address) 601 S. 1st St		Room/suite	
4 City, town, or post office, state, and ZIP code Lamesa, TX 79331		5 Report number (For IRS Use Only)	
6 Name and title of officer or other employee of issuer or designated contact person whom the IRS may call for more information		7 Telephone number of officer or legal representative	

Part II Description of Obligations Check one: a single issue <input checked="" type="checkbox"/> or a consolidated return <input type="checkbox"/>	
8a Issue price of obligation(s) (see instructions)	8a 87,490 00
b Issue date (single issue) or calendar date (consolidated). Enter date in mm/dd/yyyy format (for example, 01/01/2009) (see instructions) ▶	
9 Amount of the reported obligation(s) on line 8a that is:	
a For leases for vehicles	9a
b For leases for office equipment	9b
c For leases for real property	9c
d For leases for other (see instructions)	9d
e For bank loans for vehicles	9e
f For bank loans for office equipment	9f
g For bank loans for real property	9g
h For bank loans for other (see instructions)	9h
i Used to refund prior issue(s)	9i
j Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank)	9j
k Other	9k
10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check this box ▶ <input type="checkbox"/>	
11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions) ▶ <input type="checkbox"/>	
12 Vendor's or bank's name:	
13 Vendor's or bank's employer identification number:	

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person(s) that I have authorized above.

Signature of issuer's authorized representative _____ Date _____ Type or print name and title _____

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

The IRS has created a page on IRS.gov for information about the Form 8038 series and its instructions, at www.irs.gov/form8038. Information about any future developments affecting the Form 8038 series (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

Form 8038-GC is used by the issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

Filing a separate return for a single issue. Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to

pay a penalty in lieu of arbitrage rebate (see the line 11 instructions).

Filing a consolidated return for multiple issues. For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, if the issue is a construction issue, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

When To File

To file a separate return for a single issue, file Form 8038-GC on or before the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued.

To file a consolidated return for multiple issues, file Form 8038-GC on or before February 15th of the calendar year following the year in which the issue is issued.

Late filing. An issuer may be granted an extension of time to file Form 8038-GC under section 3 of Rev. Proc. 2002-48, 2002-37 I.R.B. 531, if it is determined that the failure to file on time is not due to willful neglect. Type or print at the top of the form, "Request for Relief under section 3 of Rev. Proc. 2002-48." Attach to the Form 8038-GC a letter briefly stating why the form was not submitted to the IRS on time. Also indicate whether the obligation in question is under examination by the IRS. Do not submit copies of any bond documents, leases, or installment sale documents. See *Where To File* next.

Where To File

File Form 8038-GC, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Private delivery services. You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. These private delivery services include only the following:

- DHL Express (DHL): DHL Same Day Service.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal Government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate. For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

For a tax-exempt governmental obligation with an issue price of \$100,000 or more, use Form 8038-G.

Rounding to Whole Dollars

You may show the money items on this return as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 to 99 cents to the next higher dollar.

Definitions

Obligations. This refers to a single tax-exempt governmental obligation if Form 8038-GC is used for separate reporting or to

multiple tax-exempt governmental obligations if the form is used for consolidated reporting.

Tax-exempt obligation. This is any obligation including a bond, installment purchase agreement, or financial lease, on which the interest is excluded from income under section 103.

Tax-exempt governmental obligation. A tax-exempt obligation that is not a private activity bond (see below) is a tax-exempt governmental obligation. This includes a bond issued by a qualified volunteer fire department under section 150(e).

Private activity bond. This includes an obligation issued as part of an issue in which:

- More than 10% of the proceeds are to be used for any private activity business use, and
- More than 10% of the payment of principal or interest of the issue is either (a) secured by an interest in property to be used for a private business use (or payments for such property) or (b) to be derived from payments for property (or borrowed money) used for a private business use.

It also includes a bond, the proceeds of which (a) are to be used to make or finance loans (other than loans described in section 141(c)(2)) to persons other than governmental units and (b) exceeds the lesser of 5% of the proceeds or \$5 million.

Issue. Generally, obligations are treated as part of the same issue only if they are issued by the same issuer, on the same date, and as part of a single transaction, or a series of related transactions. However, obligations issued during the same calendar year (a) under a loan agreement under which amounts are to be advanced periodically (a "draw-down loan") or (b) with a term not exceeding 270 days, may be treated as part of the same issue if the obligations are equally and ratably secured under a single indenture or loan agreement and are issued under a common financing arrangement (for example, under the same official statement periodically updated to reflect changing factual circumstances). Also, for obligations issued under a draw-down loan that meets the requirements of the preceding sentence, obligations issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first obligation. Likewise, obligations (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first obligation.

Arbitrage rebate. Generally, interest on a state or local bond is not tax-exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(f).

Construction issue. This is an issue of tax-exempt bonds that meets both of the following conditions:

1. At least 75% of the available construction proceeds of the issue are to be used for construction expenditures with respect to property to be owned by a governmental unit or a 501(c)(3) organization, and

2. All of the bonds that are part of the issue are qualified 501(c)(3) bonds, bonds that are not private activity bonds, or private activity bonds issued to finance property to be owned by a governmental unit or a 501(c)(3) organization.

In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make an irrevocable election to pay a penalty. The penalty is equal to 1-1/2% of the amount of construction proceeds that do not meet certain spending requirements. See section 148(f)(4)(C) and the Instructions for Form 8038-T.

Specific Instructions

In general, a Form 8038-GC must be completed on the basis of available information and reasonable expectations as of the date of issue. However, forms that are filed on a consolidated basis may be completed on the basis of information readily available to the issuer at the close of the calendar year to which the form relates, supplemented by estimates made in good faith.

Part I—Reporting Authority

Amended return. An issuer may file an amended return to change or add to the information reported on a previously filed return for the same date of issue. If you are filing to correct errors or change a previously filed return, check the "Amended Return" box in the heading of the form.

The amended return must provide all the information reported on the original return, in addition to the new corrected information. Attach an explanation of the reason for the amended return and write across the top "Amended Return Explanation."

Line 1. The issuer's name is the name of the entity issuing the obligations, not the name of the entity receiving the benefit of the financing. In the case of a lease or installment sale, the issuer is the lessee or purchaser.

Line 2. An issuer that does not have an employer identification number (EIN) should apply for one on Form SS-4, Application for Employer Identification Number. You can get this form on the IRS website at IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676). You may receive an EIN by telephone by following the instructions for Form SS-4.

Lines 3 and 4. Enter the issuer's address or the address of the designated contact person listed on line 6. If the issuer wishes to use its own address and the issuer receives its mail in care of a third party authorized representative (such as an accountant or attorney), enter on the street address line "C/O" followed by the third party's name and street address or P.O. box. Include the suite, room, or other unit number after the street address. If the post office does not deliver mail to the street address and the issuer has a P.O. box, show the box number instead of the

street address. If a change in address occurs after the return is filed, use Form 8822, Change of Address, to notify the IRS of the new address.

Note. The address entered on lines 3 and 4 is the address the IRS will use for all written communications regarding the processing of this return, including any notices. By authorizing a person other than an authorized officer or other employee of the issuer to communicate with the IRS and whom the IRS may contact about this return, the issuer authorizes the IRS to communicate directly with the individual listed on line 6, whose address is entered on lines 3 and 4 and consents to disclose the issuer's return information to that individual, as necessary, to process this return.

Line 5. This line is for IRS use only. Do not make any entries in this box.

Part II—Description of Obligations

Check the appropriate box designating this as a return on a single issue basis or a consolidated return basis.

Line 8a. The issue price of obligations is generally determined under Regulations section 1.148-1(b). Thus, when issued for cash, the issue price is the price at which a substantial amount of the obligations are sold to the public. To determine the issue price of an obligation issued for property, see sections 1273 and 1274 and the related regulations.

Line 8b. For a single issue, enter the date of issue (for example, 03/15/2010 for a single issue issued on March 15, 2010), generally the date on which the issuer physically exchanges the bonds that are part of the issue for the underwriter's (or other purchaser's) funds; for a lease or installment sale, enter the date interest starts to accrue. For issues reported on a consolidated basis, enter the first day of the calendar year during which the obligations were issued (for example, for calendar year 2010, enter 01/01/2010).

Lines 9a through 9h. Complete this section if property other than cash is exchanged for the obligation, for example, acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of obligation is sometimes referred to as a "municipal lease.") Also complete this section if real property is directly acquired in exchange for an obligation to make periodic payments of interest and principal.

Do not complete lines 9a through 9d if the proceeds of an obligation are received in the form of cash even if the term "lease" is used in the title of the issue. For lines 9a through 9d, enter the amount on the appropriate line that represents a lease or installment purchase. For line 9d, enter the type of item that is leased. For lines 9e through 9h, enter the amount on the appropriate line that represents a bank loan. For line 9h, enter the type of bank loan.

Lines 9i and 9j. For line 9i, enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds, including proceeds that will be used to fund an escrow account for this purpose. Several lines may apply to a particular obligation. For example, report on lines 9i and 9j obligations used to refund prior issues which represent loans from the proceeds of another tax-exempt obligation.

Line 9k. Enter on line 9k the amount on line 8a that does not represent an obligation described on lines 9a through 9j.

Line 10. Check this box if the issuer has designated any issue as a "small issuer exception" under section 265(b)(3)(B)(i)(III).

Line 11. Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a Form 8038-T for each 6-month period after the date the bonds are issued. Do not make any payment of penalty in lieu of rebate with Form 8038-GC. See Rev. Proc. 92-22, 1992-1 C.B. 736, for rules regarding the "election document."

Line 12. Enter the name of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple vendors or banks, the issuer should attach a schedule.

Line 13. Enter the employer identification number of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple vendors or banks, the issuer should attach a schedule.

Signature and Consent

An authorized representative of the issuer must sign Form 8038-GC and any applicable certification. Also print the name and title of the person signing Form 8038-GC. The authorized representative of the issuer signing this form must have the authority to consent to the disclosure of the issuer's return information, as necessary to process this return, to the person(s) that has been designated in this form.

Note. If the issuer authorizes in line 6 the IRS to communicate with a person other than an officer or other employee of the issuer, (such authorization shall include contact both in writing regardless of the address entered in lines 3 and 4, and by telephone) by signing this form, the issuer's authorized representative consents to the disclosure of the issuer's return information, as necessary to process this return, to such person.

Paid Preparer

If an authorized representative of the issuer filled in its return, the paid preparer's space should remain blank. Anyone who prepares the return but does not charge the organization should not sign the return. Certain others who prepare the return should not sign. For example, a regular, full-time employee of the issuer, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare a return must sign it and fill in the other blanks in the *Paid Preparer Use Only* area of the return. A paid preparer cannot use a social security number in the *Paid Preparer Use Only* box. The paid preparer must use a preparer tax identification number (PTIN). If the paid preparer is self-employed, the preparer should enter his or her address in the box.

The paid preparer must:

- Sign the return in the space provided for the preparer's signature, and
- Give a copy of the return to the issuer.

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

- Learning about the law or the form** 4 hr., 46 min.
- Preparing the form** 2 hr., 22 min.
- Copying, assembling, and sending the form to the IRS** 2 hr., 34 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:M:S, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where To File*.

City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: FEBRUARY 21, 2017

AGENDA ITEM: 9

SUBJECT: LEASE PURCHASE OF MOWER FOR WEAVER SPORTS COMPLEX
PROCEEDING: Resolution
SUBMITTED BY: City Staff
AUTHORITY:

SUMMARY STATEMENT

City Council to consider authorizing a lease purchase agreement with Toro for a 4 year lease of a mower for use at the City's Weaver Sports Complex. This is a Buyboard purchase. *(Mayor & City Manager)*

COUNCIL ACTION

DISCUSSION _____

Motion by Council Member _____ to authorize a lease purchase agreement with Toro for a 4 year lease of a mower for use at the City's Weaver Sports Complex. Motion seconded by Council Member _____ and upon being put to a vote the motion _____.

VOTING: "AYE" _____ "NAY" _____ "ABSTAIN" _____

CITY MANAGER'S MEMORANDUM

Request of local leagues and Baseball/Softball Ad-hoc Committee. Recommend approval.

RESOLUTION
LEASE NO. 008-0714136-100
DATED AS OF FEBRUARY 1, 2017

A resolution authorizing the negotiation, execution, and delivery of Lease No. **008-0714136-100** dated **February 1, 2017** (the "Lease"), between **City of Lamesa, Texas, 601 South First Street, Lamesa, TX 79331** and **TCF Equipment Finance, a division of TCF National Bank, 1111 West San Marnan Dr, Suite A2 West, Waterloo, IA 50701-8926**; and prescribing other details in connection therewith.

WHEREAS, City of Lamesa, Texas, (the "Lessee") is a political subdivision duly organized and existing pursuant to the Constitution and laws of the State of Texas; and

WHEREAS, Lessee is duly authorized by applicable law to acquire such items of personal property as are needed to carry out its governmental functions and to acquire such personal property by entering into lease-purchase agreements; and

WHEREAS, Lessee hereby finds and determines that the execution of a Lease for the purpose of leasing with the option to purchase the property designated and set forth in the Lease is appropriate and necessary to the function and operations of the Lessee; and

WHEREAS, TCF Equipment Finance, a division of TCF National Bank, (the "Lessor") shall act as Lessor under said Lease; and

WHEREAS, the Lease shall not constitute a general obligation indebtedness of the Lessee within the meaning of the Constitution and laws of the State;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF City of Lamesa, Texas:

 Section 1. The Lease, in substantially the form as presently before the governing body of the Lessee, is hereby approved, and the _____ of the Lessee, is hereby authorized to negotiate, enter into, execute, and deliver the Lease and related documents in substantially the form as presently before the governing body of the Lessee, with such changes therein as shall be approved by such officer, and which Lease will be available for public inspection at the offices of Lessee.

Section 2. The Lessee shall, and the officers, agents and employees of the Lessee are hereby authorized and directed to take such further action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, and to carry out, comply with and perform the duties of the Lessee with respect to the Lease.

Section 3. The Lessee's obligations under the Lease shall be expressly subject to annual appropriation by Lessee; and such obligations under the Lease shall not constitute a general obligation of Lessee or indebtedness of Lessee within the meaning of the Constitution and laws of the State of Texas.

Section 4. All other related contracts and agreements necessary and incidental to the Lease are hereby authorized, ratified and approved.

Section 5. This resolution shall take effect immediately upon its adoption and approval.

 **CERTIFIED AS TRUE AND CORRECT** this ____ day of _____, 20____.

 _____
Signature of Clerk, Secretary or Assistant Secretary

 _____
Printed Name of Clerk, Secretary or Assistant Secretary



4
TIER



Professional Turf Products, L.P.
 1010 North Industrial Blvd.
 Euless, Texas 76039
 Jason Kerby
 (888) 776-8873 ext. 5458
 kerbyj@proturf.com



Count on it.

Ship To	City Of Lamesa - Parks & Rec.	Date	1/13/2017
Quotation	BUYBOARD (CONTRACT # 447-14)	Tax Rate	0.0000
Contact	Robert Ramirez		
Address	601 S. 1st Stret	Trade-In	\$0.00
City	Lamesa, TX	Finance	TCF Equipment Finance
State	TX	Account Type	Contract
Postal Code	79331	Comments:	2129972
Phone			
Fax			

ktxt

Finance Proposal (Includes Destination)

Qty	Model #	Description	48 Month	BuyBoard Price
1	30807	Groundsmaster 3500-D (25HP Diesel Powered)		
1	30358	Bimini Canvas Sunshade		
1	30841	Work Light Kit		
1	131-6691	SEAT COVER, LARGE, GREY		
1	30090	400 Hour MVP Filter Kit		
		Toro GM3500	\$ 613.14	\$ 32,648.45

FMV_600

Monthly Payments (FMV)	\$ 613.14
Tax (Estimated)	Exempt
TOTAL	\$ 613.14

Comments:

For all New Equipment, Demo units may be available for up to 20% savings.
 For all New Equipment, Refurbished units may be available for up to 40% savings.

Terms & Conditions:

- Orders are considered contractual. Order cancellations are subject to fees up to 10% of the original order value.
- New equipment delivery time is estimated at six weeks from the time credit is approved & documents are executed.
- Pricing, including finance options, valid for 30 days from time of quotation.
- After 30 days all prices are subject to change without notice.
- Used and Demo equipment is in high demand and availability is subject to change.
 - Upon firm customer commitment to purchase, said equipment availability will be determined and "locked".
 - In the event equipment is unavailable at time of order, PTP will employ every resource to secure an acceptable substitute.
 - PTP strongly advises the customer to issue a firm PO as quickly as possible after acceptance of quotation.
- "Trade In Allowances" will be treated as a credit for future parts purchases on PTP account unless other arrangements have been made.

Returns Policy:

- All returns are subject to restocking, refurbishing, usage, and shipping fees.
- All returns must be able to be sold as new.
- Items missing parts are non returnable.
- Professional Turf Products will have sole discretion as to the resalable condition of the product.
- This policy does not apply to items that are defective, or shipped incorrectly by PTP or one of its vendors.

Payment:

- Terms are net 10 unless prior arrangements have been made.
- Quoted prices are subject to credit approval.
 - PTP will work with third party financial institutions to secure leases when requested to do so.
 - When using third party financiers, documentation fees & advance payments may be required.
 - For convenience, monthly payments are estimated based on third party rate factors in effect at time of the quotation.
 - PTP assumes no liability in the event credit becomes unavailable or rates change during the approval process.
- There will be a service charge equal to 1.5% per month (18% per annum) on all past due invoices.
- By Law we are required to file a "Notice to Owner" of our intent to file lien in the event of payment default. This notice must be sent within 60 days of the date the original invoice and will happen automatically regardless of any special payment arrangements that may have been made.

Authorized Signature: _____

Date: _____

The "Master Lease": Master Lease Number 714136L Dated February 1, 2017	
"Lessee"	
City of Lamesa, Texas, 601 South First Street, Lamesa, TX 79331	
Fax:	E-mail:
"Lessor"	
TCF Equipment Finance, a division of TCF National Bank, 1111 West San Marnan Dr, Suite A2 West, Waterloo, IA 50701-8926	
Fax: 319-833-4577	E-mail: customerservice@financediv.com

Master Lease Terms and Conditions

1. LEASE. Lessee hereby agrees to lease from Lessor and, subject to satisfaction of all Lessor's requirements and no material adverse change in Lessee's condition or business, Lessor agrees to lease to Lessee the personal property, services and/or software described in one or more Schedules (each a "Schedule") to this Master Lease signed by Lessor and Lessee from time to time on the terms and conditions set forth herein and in the related Schedule (such property and services, together with all replacements, repairs, and additions thereto, collectively the "Equipment"; and each item, an "Item"). Lessee authorizes Lessor to add to the Schedule, or make necessary corrections to, serial numbers or other identification of the Equipment when known. Each Schedule incorporates the terms of this Master Lease, is considered a separate lease and shall be referred to herein as "this Lease". Capitalized terms have the meanings given to them in the Schedule or herein. If the terms of a Schedule conflict with the terms of this Master Lease, the terms of the Schedule shall control.

2. TERM. The term of this Lease with respect to each Item begins on the date Lessee accepts such Item and continues for the number of consecutive months from the Commencement Date shown in the applicable Schedule (the "Initial Term") unless earlier canceled, terminated or extended as provided herein or in the Schedule. Lessee shall promptly inspect the Equipment upon delivery and, if acceptable in all respects, execute and deliver a certificate of acceptance, in form acceptable to Lessor. Lessee authorizes Lessor to fill in the Commencement Date in the Schedule, which will be a date designated by Lessor based on the date that the final Item thereunder is delivered to and accepted by Lessee. The term of this Lease may be extended as provided in the applicable Schedule.

3. PAYMENTS. Lessee shall pay to Lessor: (a) any Advance Rent Payment(s) and Security Deposit set forth in the Schedule, on the date Lessee signs the Schedule; (b) the periodic Rent Payment set forth in the Schedule payable as set forth in the Schedule for the Initial Term and any renewal term; (c) interim rent for each Item from the date accepted to the Commencement Date, at the daily rate equal to the Interim Rent Daily Factor set forth in the Schedule multiplied by the portion of the total cost of the Equipment paid by Lessor (including all amounts Lessor pays in connection with the purchase, delivery and installation of the Equipment, including any trade-up and buy out amounts, and any other amounts financed, before application of any subsidies or like amounts, the "Final Cost") applicable to such Item payable with respect to each calendar month by the 10th day of the following month and in any event on the Commencement Date. If, for any reason, the Final Cost is more or less than the estimated cost of the Equipment, each Rent Payment and the mandatory or optional fixed purchase price, if any, will be adjusted to provide Lessor the same yield it would have obtained if such Final Cost had been equal to such estimated cost of the Equipment. Lessee agrees that the Schedule will be amended to reflect the adjusted Rent Payment and purchase price, if applicable, by (i) written notice from Lessor to Lessee for adjustments of 10% or less; or (ii) signed Amendment. The Rent Payment in the Schedule has been indexed to the LIBOR Swap Rate (fixed rate swap for floating 90-day LIBOR) for a similar term to the Initial Term, interpolated as necessary. If such Swap Rate as of the date the final Item is accepted is more than the Swap Rate as of the date hereof, Lessor may increase the Rent Payment accordingly, and on or before the Commencement Date, Lessee will sign an amendment reflecting such increase. Lessee also shall pay all governmental fees, assessments and taxes, however designated, and any penalties or interest thereon, assessed on or related to the rent, this Lease or the Equipment, when due or invoiced; and all costs and charges of every kind regarding importation, shipment, delivery, installation, insurance, possession, use, lease, tax treatment, return, repossession, storage and transfer of any Item, when incurred; and if Lessor, in its discretion, pays any such amount, Lessee shall reimburse Lessor therefore, with interest, on demand, plus Lessor's administrative and other costs of paying and invoicing such amounts. Lessor may charge a late fee of 10% of any amount not paid by Lessee within 10 days of its due date hereunder, and all interest provided for under this Lease shall accrue at 18% per annum; provided that in no event shall such late fee or such interest exceed the maximum rate or amount permitted by applicable law. Lessee may from time to time make telephonic requests for, and Lessee hereby authorizes, Lessor or its agents to make and draw checks or drafts on a checking account to be designated by Lessee, payable to Lessor or order, to pay rent and other amounts due hereunder, plus Lessor's standard per item fee for making and drawing such check or draft not to exceed the maximum amount permitted by law. Lessor may rely on such request made by any person it believes has authority to make such request on behalf of Lessee. Lessee will pay Lessor on demand a fee, in an amount determined by Lessor, not to exceed the maximum amount from time to time permitted by applicable law, for any check or automatic payment request returned due to insufficient funds or stop payment. Lessor may apply payments and any security deposit to Lessee's obligations hereunder in such order as it

deems appropriate, and will return any unapplied balance to Lessee without interest when all such obligations are satisfied.

4. USE; REPAIRS. Lessee shall use the Equipment within recommended capacities, only for its designed purposes, in compliance with all laws, regulations and ordinances. At Lessee's expense, Lessee will maintain the Equipment in good repair and working order, furnish all needed parts and services and make all modifications and improvements required by law. Lessee will not modify or improve the Equipment without Lessor's prior written consent. All parts, modifications and improvements will become Lessor's property and part of the Equipment for all purposes. Lessee shall prepare and file all tax returns that it may file under the applicable taxing jurisdiction's laws for taxes that are Lessee's responsibility hereunder, including but not limited to personal property taxes if the End of Lease Provision under the applicable Schedule is (i) "Mandatory Purchase" or (ii) "Purchase Option" and the price for such option is a dollar amount stated in such Schedule.

5. RETURN. Subject only to strict compliance with the terms of any purchase or renewal provisions which are set forth herein or in any Schedule, upon expiration or earlier cancellation or termination hereof, Lessee shall, at its sole cost and expense, return all, (not part) of such Equipment to Lessor's designee immediately upon expiration of the Initial Term and with respect to each item of Equipment, as applicable, the following must be true: All safety equipment must be in place and meet applicable federal, state and other governmental standards; All covers and guards must be in place with no sheet metal, plastic or cowlage damage; All parts, pieces, components and optional equipment must be present, installed and operational; All accessories shall be returned in proper order; All motors shall operate smoothly without overheating and shall have good bearings and bushings; All electronic controls shall operate per manufacturers' specifications; Controls which bypass normal operations shall be repaired at Lessee's expense; All electrical systems shall be able to provide electrical output as specified by the manufacturer; All batteries shall be in good, safe operating condition with no dead cells or cracked cases; Batteries shall hold a charge and provide adequate power to operate the Equipment; All Equipment shall have serviceable tires, with 50% remaining tread, retaining proper air pressure, and without repair patches; All oil and grease seals must contain lubrication in the manufacturer's designed reservoir; All Equipment must have a relatively clean appearance; All Equipment must be free from excessive wear necessitating major component repair or replacement caused by lack of recommended maintenance detailed in Equipment operation/maintenance manuals; All Equipment shall be free from structural damage or bent frames; Any usage or metering devices must not have been altered in any way; All Equipment attachments, if any, must be in good operating condition; All hydraulic cylinders must not be bent, nicked, gouged or leaking. If the Equipment is an electric golf car, then in addition to the above return provisions: (i) the golf car must be able to transport two (2) people and their golf clubs; (ii) all batteries and battery terminals must be clean, free of corrosion and have proper battery water levels; and (iii) each golf car must include operable battery chargers. Additionally, all Equipment must be able to complete the following tests: operate normally in forward and reverse directions through all its speed ranges or gears, steer normally right and left in both forward and reverse, have all functions and controls work in a normal manner, be able to stop with its service brakes in a safe distance in both forward and reverse, operate without leaking any fluids, perform its designed functions in a satisfactory manner, and all cutting units (if applicable) must be able to lower, turn on, run, raise and shut off as they are designed to do. If any Equipment is damaged or does not meet the standards set forth above for the return condition of such Equipment or if Lessee fails to discharge Lessee's obligations set forth under this Master Lease and/or a Lease with regard to any Equipment, Lessee shall remit to Lessor, immediately upon demand, the Stipulated Loss Value of such Equipment. The "Stipulated Loss Value" for a particular Item shall be an amount equal to: (i) the total of all monthly payments and other amounts, if any, due under the Lease with respect to such Item as of the date of payment of the Stipulated Loss Value, plus (ii) all rent not yet due for the Item for the remaining term of this Lease, discounted from their respective due dates at the rate of 3% per annum, plus (iii) the greater of (a) the Mandatory Purchase Price related to the Item; (b) the Item's "Anticipated Residual Value" as determined by Lessor's books at the Commencement Date; or (c) 10% of the original Final Cost related to the Item. Until properly returned, all Lease terms shall apply, including without limitation all Lessee's rent, insurance and maintenance obligations.

6. DISCLAIMERS. LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF, THE ABSENCE OF ANY CLAIM OF INFRINGEMENT OR THE LIKE WITH RESPECT TO, OR ANY OTHER MATTER CONCERNING, THE EQUIPMENT, AND EXPRESSLY DISCLAIMS ANY SUCH

WARRANTIES AND ANY OTHER WARRANTIES IMPLIED BY LAW. LESSEE HEREBY WAIVES ALL CLAIMS AGAINST LESSOR FOR ANY LOSS, DAMAGE OR EXPENSE CAUSED BY THE EQUIPMENT OR ANY DEFECT THEREIN, OR BY THE DELIVERY, INSTALLATION, USE, MAINTENANCE OR SERVICING OF OR ADJUSTMENT TO THE EQUIPMENT, AS TO LESSOR, LESSEE LEASES THE EQUIPMENT AS-IS, WITH ALL FAULTS, WITHOUT WARRANTY OF ANY KIND. Lessee acknowledges that: Lessor is not a dealer or manufacturer of equipment of any kind; is not the seller of the Equipment; each Item is of a type, size, design and capacity selected solely by Lessee; and this Lease is a "finance lease" under UCC Article 2A in all respects. To the extent permitted by law, Lessee unconditionally and irrevocably waives any and all rights and remedies against Lessor at law or in equity (including, without limitation, any rights and remedies granted Lessee under Article 2A of the Uniform Commercial Code and/or the right to reject any Equipment or repudiate this Lease).

7. **INDEMNITY.** To the extent permitted by law, Lessee shall indemnify and hold Lessor harmless from any and all claims, actions, damages, legal expenses (including reasonable attorneys' fees), obligations, liabilities, liens, fines, penalties or other amounts arising out of the manufacture, purchase, lease, use, condition, possession, ownership, operation or return of any Equipment, or in connection with latent or other defects, or any claim for patent, trademark or copyright infringement, including any strict liability claims, whether arising by operation of law, or with or without Lessee's fault or negligence or failure to comply with the terms hereof, and as a result of any lien, encumbrance or claim made on the Equipment by anyone, including Lessee's employees and agents, imposed or incurred by or asserted against Lessor, its successors or assigns. At Lessor's option, Lessee shall assume full responsibility for the defense of any indemnified claim.

8. **LOSS.** Lessee shall bear the entire risk of loss, theft, damage or destruction of any or all Items from any cause whatsoever ("Loss"); and no Loss shall relieve Lessee of any rent payment or other obligation hereunder. If Lessor determines that any Item has suffered an irreparable Loss, Lessee will either (i) replace the Item with like equipment (of the same year, make, model and accessories) in good repair, condition and working order; or (ii) pay Lessor the Stipulated Loss Value for such Item.

9. **INSURANCE.** With respect to the Equipment, Lessee shall pay for and maintain, and furnish Lessor a certificate evidencing, insurance insuring against: (a) liability for bodily injury and property damage with a minimum combined single limit of \$1,000,000.00 or such greater amount as may be prescribed by any applicable state law specifying minimum insurance requirements, with Lessor as additional insured, and (b) loss or damage to the Equipment in an amount no less than the Equipment's full replacement value, with Lessor as loss payee. Each insurance policy shall be in such form, including a maximum deductible, and with such insurers as Lessor may accept, shall require the insurer to give Lessor at least 30 days' prior written notice of any cancellation or change in terms, and shall specify that no action or misrepresentation by Lessee will affect Lessor's coverage. Lessor has no duty to verify or notify Lessee that any such policy exists or is free of defects. Lessee hereby appoints Lessor as Lessee's attorney-in-fact to make claims, receive payments and execute and endorse all documents, checks or drafts under any such policy. If Lessee fails to maintain, pay for or provide Lessor with evidence of the required insurance, Lessor may, but is not obligated to, obtain insurance covering Lessor's interest in the Equipment from an insurer of Lessor's choice. Lessor may charge Lessee the costs of acquiring and maintaining such insurance, and a fee for Lessor's services (collectively, "Insurance Charge"). At its discretion, Lessor may allocate the Insurance Charge to the remaining Rent Payments, which Lessee will pay with interest on such allocation. Nothing in this Lease will create an insurance relationship of any type between Lessor and any other person.

10. **DEFAULT.** Each of the following is an "Event of Default" hereunder: (a) Lessee fails to pay any rent or other payment required hereunder when due; (b) Lessee fails to comply with any other covenant or agreement hereunder and such failure continues for 10 days after notice by Lessor; (c) Lessee defaults under any other obligation to Lessor; (d) Lessee or any guarantor of this Lease ("Guarantor"), or any partner of Lessee ("Partner") if Lessee is a partnership, ceases doing business as a going concern or makes an assignment for the benefit of creditors; (e) Lessee or any Guarantor or Partner admits in writing an inability to pay debts as they come due, voluntarily files or has filed against it involuntarily a petition under the federal Bankruptcy Code or any other present or future federal or state bankruptcy or insolvency law, or a trustee, receiver or liquidator is appointed for it or for all or a substantial part of its assets; (f) any individual Lessee, Guarantor or Partner dies; (g) any material indebtedness of Lessee or any Guarantor is accelerated or payment in full thereof is demanded; (h) Lessee or any Guarantor consolidates with, merges into or transfers all or substantially all its assets to another entity or individual; or (i) Lessee fails to occupy the premises where any Item is located, or the mortgage or owner of such premises asserts the right to take possession thereof or exercise eviction or other remedies under the mortgage or lease of such premises.

11. **REMEDIES.** At any time on or after an Event of Default, Lessor may in its sole discretion, with or without canceling or terminating this Lease, exercise one or more of the following remedies: (a) on written notice to Lessee, cancel or terminate this Lease; (b) declare immediately due and payable and recover from Lessee the sum of all rent and other amounts then due in the current fiscal year; (c) enforce performance of, and/or recover damages for the breach of, Lessee's covenants; (d) repossess the Equipment wherever located, without notice or legal process; (e) exercise any other right or remedy available by law or agreement. Upon repossession, Lessor may retain the Equipment in full satisfaction of Lessee's obligations or may use reasonable efforts to sell or lease the Equipment in a manner and on terms as deemed appropriate by Lessor. Lessor will be entitled to any surplus and Lessee will be liable for any deficiency. Lessor may recover

legal fees and other expenses incurred due to an Event of Default or the exercise of any remedy hereunder, including costs of repossession, repair, storage, transportation and disposition of the Equipment. No remedy shall be exclusive, and each shall be cumulative to the extent necessary for Lessor to recover amounts for which Lessee is liable hereunder.

12. **ASSIGNMENT.** Without Lessor's prior written consent, Lessee will not sell, assign, sublet, pledge or otherwise encumber or permit a lien arising through Lessee to exist against any interest in this Lease or the Equipment. Lessor may assign its interest in this Lease and sell or grant a security interest in all or any part of the Equipment without notice to or consent of Lessee. Lessee agrees not to assert against any assignee of Lessor any claim or defense Lessee may have against Lessor.

13. **NON-CANCELABLE, UNCONDITIONAL OBLIGATION.** This Lease cannot be canceled or terminated except as expressly provided herein. This Lease is a net lease; Lessee agrees that its obligation to pay rent and other amounts payable hereunder is absolute and unconditional and shall not be subject to any abatement, reduction, setoff or defense of any kind. If this Lease is deemed to be a lease intended as security, (i) Lessee grants Lessor a security interest in the Equipment to secure its obligations under this Lease and all present and future indebtedness to Lessor; (ii) this Lease shall be construed so that interest, the applicable interest rate or other charges shall not exceed the maximum time price differential, rate, interest or amount allowed by applicable law, and any excess payment will be applied first to prepay principal hereunder and then as a refund to Lessee; and (iii) this Lease is made under Minn. Stat. Sec. 334.022. The Equipment shall at all times remain Lessor's property, and Lessee's only right, title or interest therein shall be as set forth herein. At its expense, Lessee shall protect and defend Lessor's title and interest and keep the Equipment free of all claims and liens except those created by or arising through Lessor. Lessee authorizes Lessor to file such financing statements, title certificates and instruments as Lessor deems necessary to protect Lessor's interests in the Equipment, without Lessee's signature, and, if such signature is needed, Lessee appoints Lessor as Lessee's attorney-in-fact to sign such items in Lessee's name. Lessee will reimburse Lessor's costs with respect thereto on demand. Lessee's exact legal name is as shown above and Lessee represents and warrants to Lessor that as of the date hereof, and throughout the term of the Lease: (a) Lessee is a political subdivision of the state or commonwealth in which it is located and is organized and existing under the constitution and laws of such state or commonwealth; (b) Lessee has complied, and will comply, fully with all applicable laws, rules, ordinances, and regulations governing open meetings, public bidding and appropriations required in connection with the Lease, the performance of its obligations under the Lease and the acquisition and use of the Equipment; (c) the person(s) signing the Lease and any other documents required to be delivered in connection with the Lease (collectively, the "Documents") have the authority to do so, are acting with the full authorization of Lessee's governing body, and hold the offices indicated below their signatures, each of which are genuine; (d) the Documents are and will remain valid, legal and binding Leases, and are and will remain enforceable against Lessee in accordance with their terms; and (e) the Equipment is essential to the immediate performance of a governmental or proprietary function by Lessee within the scope of its authority and will be used during the term of the Lease only by Lessee and only to perform such function. Lessee further represents and warrants to Lessor that, as of the date each item of Equipment becomes subject to the Lease and any applicable Schedule, it has funds available to pay all Lease payments payable thereunder until the end of Lessee's then current fiscal year, and, in this regard and upon Lessor's request, Lessee shall deliver in a form acceptable to Lessor a resolution enacted by Lessee's governing body, authorizing the appropriation of funds for the payment of Lessee's obligations under the Lease during Lessee's then current fiscal year. Lessor may inspect the Equipment and Lessee's records related thereto at any time during business hours. All representations, warranties and indemnities of Lessee made or agreed to in or in connection with this Lease shall survive expiration, cancellation or termination of this Lease.

14. **TERMINATION FOR GOVERNMENTAL NON-APPROPRIATIONS.** To the extent permitted by applicable law, Lessee agrees to take all necessary and timely action during the Lease term to obtain and maintain funds appropriations sufficient to satisfy its payment obligations under the Lease (the "Obligations"), including, without limitation, providing for the Obligations in each budget submitted to obtain applicable appropriations, causing approval of such budget, and exhausting all available reviews and appeals if an appropriation sufficient to satisfy the Obligations is not made. Notwithstanding anything to the contrary provided in the Lease, if Lessee does not appropriate funds sufficient to make all payments due during any fiscal year under the Lease and Lessee does not otherwise have funds available to lawfully pay the Lease payments (a "Non-Appropriation Event"), and provided Lessee is not in default of any of Lessee's obligations under such Lease as of the effective date of such termination, Lessee may terminate such Lease effective as of the end of Lessee's last funded fiscal year ("Termination Date") without liability for future payments or the early termination charge under such Lease, if any, by giving at least 60 days' prior written notice of termination ("Termination Notice") to Lessor. If Lessee terminates the Lease prior to the expiration of the end of such Lease's Initial Term, or any extension or renewal thereof, as permitted under the terms of the Lease or as set forth herein or in any Schedule, Lessee shall (i) on or before the Termination Date, return the Equipment subject to the terminated Lease in accordance with the return requirements set forth in such Lease, (ii) provide in the Termination Notice a certification of a responsible official that a Non-Appropriation Event has occurred, (iii) deliver to Lessor, upon request by Lessor, an opinion of Lessee's counsel (addressed to Lessor) verifying that the Non-Appropriation Event as set forth in the Termination Notice has occurred, and (iv) pay Lessor all sums payable to Lessor under such Lease up to and including the Termination Date. Lessee acknowledges and agrees that, in the event of the termination of a Lease and the return

of the Equipment as provided for herein, Lessee shall have no interest whatsoever in the Equipment or proceeds thereof and Lessor shall be entitled to retain for its own account the proceeds resulting from any disposition or re-leasing of the Equipment along with any advance rentals, security deposits or other sums previously paid by Lessee pursuant to the terms of the Lease. The termination of a Lease under this Section shall not terminate this Master Lease or any other Leases made pursuant hereto, and shall not terminate Lessee's obligation to make the required monthly payments for such Leases.

15. DELIVERY OF CERTAIN DOCUMENTS AND RELATED REQUIREMENTS. Lessee will execute or provide, as requested by Lessor, annual budget and financial information and such other documents and information, including an opinion of Lessee's counsel as to the validity and enforceability of this Master Lease and any Schedules, as are reasonably necessary with respect to the transaction contemplated by this Lease. If Lessee is a "Registered Organization" (as such term is defined in the UCC), then Lessee will: (i) upon request of Lessor, provide copies of its applicable registered organization documents; and (ii) not change its legal name or its chief executive office or state of organization, without, in each case, giving Lessor at least 30 days' prior written notice of any such event.

16. EXCESS USAGE AND SUPPLEMENTAL RENTALS (APPLICABLE TO TURF CARE AND MAINTENANCE EQUIPMENT ONLY). At the end of the Initial Term, Lessee shall remit to Lessor \$5.00 per hour on each Item that has hourly use in excess of the maximum hours as indicated on the applicable Schedule. Lessee shall remit such amounts within ten (10) days of Lessor's written demand. The hours of use of an Item shall be determined by the hour meter attached to said Item, provided that such meter remains operable and accurate. If any such hour meter becomes inoperable or inaccurate, Lessee shall immediately repair or replace same, and shall immediately notify Lessor in writing of such event and of the correct hours of usage of the Item during the period of time the hour meter was inoperable or inaccurate. Lessee shall promptly furnish Lessor such information as Lessor may reasonably request from time to time in order to document the hours of usage of the Equipment.

17. GOVERNING LAW; JURY TRIAL WAIVER. THIS LEASE, AND ALL MATTERS OF THIS LEASE, INCLUDING ALL INTEREST AND FINANCE CHARGES HEREUNDER, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, FEDERAL LAW AND, TO THE EXTENT NOT PREEMPTED BY FEDERAL LAW, BY THE LAWS OF THE STATE OF MINNESOTA (EXCLUDING CONFLICTS LAWS). LESSEE HEREBY CONSENTS TO JURISDICTION AND VENUE OF THE FEDERAL OR STATE COURTS SITTING IN THE STATE OF MINNESOTA FOR RESOLUTION OF ALL DISPUTES OF ANY NATURE WHATSOEVER REGARDING THIS LEASE OR ANY TRANSACTION CONTEMPLATED HEREBY. LESSEE AGREES THAT, AT LESSOR'S SOLE ELECTION AND DETERMINATION, LESSOR MAY SELECT AN ALTERNATIVE FORUM, INCLUDING ARBITRATION OR MEDIATION, TO ADJUDICATE ANY DISPUTE ARISING OUT OF THIS LEASE.

THE PARTIES HERETO, AFTER CONSULTING (OR HAVING HAD AN OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS LEASE, INCLUDING ANY ACTION TO ENFORCE THIS LEASE OR ANY RELATED AGREEMENTS.

18. MISCELLANEOUS. This Lease constitutes the entire agreement between Lessee and Lessor with respect to the subject matter hereof; there is no other oral or written agreement or understanding. In Lessor's sole discretion, this Lease and related documents may be electronically copied and/or delivered by facsimile, telecopier or other electronic means of transmission ("e-copy") and the e-copy of any document or the printed version thereof shall be deemed an original, and admissible as such in any court or other proceeding; provided that there shall be only one original counterpart of each Schedule, and it shall bear the original signature of Lessor and be marked "Original." To the extent a Schedule is "chattel paper", a security or ownership interest may only be created therein by transferring the "Original" bearing Lessor's original signature. If Lessor permits Lessee to deliver this lease or any related document to Lessor via facsimile or other electronic means, Lessee shall deliver to Lessor, promptly on request, such document bearing Lessee's original "wet ink" signature; provided that neither delivery nor failure to deliver the document bearing Lessee's original "wet ink" signature shall limit or modify the representations and agreements set forth above. Except as expressly set forth herein, this Lease may not be amended or modified except by a writing manually signed by the parties. Lessee shall pay Lessor's costs, fees and expenses incurred in connection with any amendment, waiver, release, cancellation or termination of this Lease or any related document, financing statement, title certificate or instrument, including but not limited to filing and recording fees. This Lease is binding on and inures to the benefit of the parties hereto, their permitted successors and assigns. Any written notice hereunder shall be deemed given when delivered personally, deposited with a nationally recognized overnight courier (with all fees pre-paid), delivered via facsimile or e-mail (with confirmation of transmission), or deposited in the United States mails, certified or registered mail, addressed to recipient at its address set forth above or such other address as may be substituted therefor by notice given pursuant to the terms hereof. Lessee hereby agrees that Lessor, including its vendors, service providers, partners, affiliates, successors and assigns, may contact Lessee at any telephone number provided to Lessor, by placing voice telephone calls (including use of automatic telephone dialing systems or prerecorded voice messaging) or, in the case of wireless telephones or other wireless devices, by sending e-mail or automated (SMS) text messages. If more than one Lessee is named herein, the obligations of each shall be joint and several. Lessee authorizes, and represents that all Lessee's principals have authorized, Lessor to obtain such credit bureau reports and make such other credit inquiries with respect to Lessee and such principals as Lessor deems appropriate throughout the term of this Lease; on written request, Lessor will identify any reporting agency used for such a reports. Lessee warrants and agrees that the Equipment is leased and will be used for business purposes only, and not for personal, family or household purposes. Our institution complies with Section 326 of the USA PATRIOT Act. This law mandates that we verify certain information about you while processing your account application.

Lessor: TCF Equipment Finance, a division of TCF National Bank

By: _____ Operations - T.C.

Lessee: City of Lamesa, Texas



By: _____



Print Name: _____



Title: _____



TEXAS ADDENDUM
TO MASTER LEASE NO. 714136L DATED AS OF February 1, 2017

LESSOR: TCF Equipment Finance, a division of TCF National Bank

LESSEE: City of Lamesa, Texas

This Addendum is hereby incorporated in and is hereby made a part of the above-referenced Master Lease No. 714136L (together with all Exhibits and Attachments and this Addendum, the "Master Lease"). Lessor and Lessee hereby agree that capitalized terms used herein and not otherwise defined herein shall have the terms assigned to such terms in the Master Lease and that the following changes and additions shall be made to the Master Lease:

1. Section 1 of the Master Lease is hereby amended by adding the following sentence at the end of that Section:

The initial Lease term as specified in the applicable Schedule does not exceed 25 years.

2. Section 18 of the Master Lease is hereby amended by adding the following sentence at the end of that Section:

Notwithstanding the foregoing, this Lease may be assigned by Lessor only in whole, not in part.

Except as specifically set forth in this Addendum, all terms and conditions contained in the Master Lease will remain in full force and effect and are hereby ratified and confirmed.

Lessor: TCF Equipment Finance, a division of TCF National Bank

By: _____

Operations - T.C.

Lessee: City of Lamesa, Texas



By: _____



Print Name: _____



Title: _____



Turf Equipment Schedule (Fair Market Value Purchase Option)

The "Lease": Equipment Schedule Number 008-0714136-100 Dated February 1, 2017 to Master Lease Number 714136L Dated February 1, 2017	
"Lessee": City of Lamesa, Texas, 601 South First Street, Lamesa, TX 79331	
Contact: Robert Ramirez	Phone: (806) 872-2124
"Lessor": TCF Equipment Finance, a division of TCF National Bank, 1111 West San Marnan Dr, Suite A2 West, Waterloo, IA 50701-8926	

This Equipment Schedule (this "Schedule") is entered into pursuant to and incorporates the terms of the Master Lease (except as expressly modified by this Schedule) identified above between Lessor and Lessee (the "Master Lease" and, together with this Schedule, this "Lease"). All capitalized terms not otherwise defined in this Schedule have the meanings assigned in the Master Lease. Upon execution and delivery of this Schedule by Lessor and Lessee, and Lessee's acceptance of the Equipment described below, Lessor leases to Lessee and Lessee leases from Lessor the Equipment on the terms and conditions of this Lease.

SUMMARY OF TERM AND RENTAL PAYMENTS:

Commencement Date	Initial Term 60 Months	Rent Payment Period Monthly	Each Rent Payment \$557.96 plus applicable taxes except financed sales tax included in the Final Cost	Advance Rent Payment(s) \$557.96 For Installments(s): First	Interim Rent Daily Factor N/A	Security Deposit N/A

EQUIPMENT, PERSONAL PROPERTY, SERVICES AND/OR SOFTWARE (the "Equipment"):

MAXIMUM HOURS:

Parks Barn, 800 S. Avenue, Lamesa, TX 79331: (1) Toro Groundsmaster 3500-D together with all attachments and accessories thereto	600/Year
---	-----------------

Each Rent Payment shall be payable in advance on the Commencement Date and on the same day of each subsequent Rent Payment Period for the Initial Term and any renewal term.

The following additional provisions apply to the Equipment and this Lease only:

1. So long as this Lease has not been canceled or terminated early and no Event of Default exists, upon expiration of the Initial Term ("Lease End"), Lessee may purchase all, but not less than all, of the Equipment for the fair market value of the Equipment, as mutually determined by Lessor and Lessee, plus all sales and use taxes arising on the sale of the Equipment. To exercise the foregoing purchase option, Lessee must give written notice thereof to Lessor at least 90 days and no more than 120 days prior to Lease End. If Lessee fails to give such notice, or if the parties cannot agree on the Fair Market Value of the Equipment by 60 days before Lease End, then the purchase option shall lapse. If the purchase option lapses, then at least 30 days before Lease End or the end of any renewal term, Lessee must give Lessor notice of its intent to return the Equipment and request return location instructions. If Lessee fails to give such notice, or gives notice but fails to return the Equipment in accordance with Section 5 of the Master Lease, this Lease will automatically renew, at the same rental and other terms set forth in this Lease, for additional successive non-cancelable 1-month terms after the Initial Term until timely written notice of return and proper return of the Equipment is made.
2. If Lessee gives timely notice of election to purchase the Equipment as provided in paragraph 1 and fails to timely pay the purchase price, then Lessor may, in its sole discretion, by written notice to Lessee (a) treat the Equipment as purchased and enforce payment of the purchase price, or (b) declare a failure to meet the purchase conditions whereupon Lessee's interest in the Lease and Equipment shall automatically be canceled and Lessee shall return the Equipment in accordance with Section 5 of the Master Lease.
3. Upon Lessee's exercise of the purchase option and Lessor's receipt of the purchase price plus applicable sales and use tax and any rent or other amount owing under this Lease, the Equipment will be deemed transferred to Lessee at its then location and, on Lessee's request at such time, Lessor will deliver to Lessee a bill of sale for the Equipment, "WHERE IS, AS IS" WITHOUT ANY WARRANTY AS TO TITLE OR WITH RESPECT TO THE EQUIPMENT, EXPRESS OR IMPLIED.
4. If Lessor suffers a Tax Loss because, for federal or state income tax purposes, for any reason, this Lease is not a true lease or Lessor otherwise is not entitled to depreciate the Equipment in the manner Lessor anticipated when entering into this Lease, then Lessee shall pay Lessor, as additional rent hereunder, a lump-sum amount which, after payment of all federal, state, and local income taxes on the receipt of such amount, and using the same assumptions as to tax benefits and other matters Lessor used in originally evaluating and pricing this Lease, will in Lessor's reasonable opinion maintain Lessor's net after-tax rate of return with respect to this Lease at the same level it would have been had such Tax Loss not occurred. Lessor will notify Lessee of any claim that may give rise to indemnity hereunder and will make a reasonable effort to contest any such claim at the administrative level of the applicable taxing authority. Lessor shall control all aspects of any settlement and contest, and Lessee agrees to pay the legal fees and other out-of-pocket expenses thereof even if Lessor's defense is successful. Notwithstanding the foregoing, Lessee will not be obligated to indemnify Lessor for any Tax Loss caused solely by (a) a casualty Loss to the Equipment if Lessee pays the amount required under Section 8 of the Master Lease, (b) Lessor's sale of the Equipment other than on account of an Event of Default, (c) failure of Lessor to have sufficient income to utilize its anticipated tax benefits or to timely claim such tax benefits, and (d) tax law changes, including rates, effective after the Lease begins. Lessee's indemnity obligations hereunder shall survive cancellation and termination of this Lease. For purposes of this paragraph, the term "Tax Loss", means Lessor's loss of, or loss of the right to claim, or recapture of, all or any part of the federal or state income tax benefits Lessor anticipated as a result of entering into this Lease and owning the Equipment; and the term "Lessor" shall include any member of an affiliated group of which Lessor is (or may become) a member if consolidated tax returns are filed for such affiliated group for federal income tax purposes.
5. If this Lease terminates or is cancelled prior to the end of the Initial Term, then the Maximum Hours specified above shall be reduced pro rata based on the number of months remaining in the current year or Initial Term, as applicable. If the Lease is renewed or extended, the Maximum Hours allowed during such renewal or extension shall be calculated pro rata based on the number of Maximum Hours specified above and the number of months of such extension or renewal.
6. This Schedule may, in Lessor's sole discretion, be delivered by facsimile or other electronic means ("e-copy"), and such e-copy or a printed version thereof shall be enforceable as an original and admissible as such in any court or other proceeding, provided that there shall be only one original of this Schedule and it shall bear the original signature of Lessor and be marked "Original". Lessee agrees to deliver to Lessor, on request, this Schedule bearing Lessee's original signature. If this Schedule constitutes chattel paper, a security or ownership interest intended to be created through the transfer and possession of this Schedule can be done only by the transfer of the "Original" bearing the original signature of Lessor.

Lessor: **TCF Equipment Finance, a division of TCF National Bank**

By: _____ Operations - T.C.

Lessee: **City of Lamesa, Texas**



By: _____



Print Name: _____



Title: _____

OPINION OF COUNSEL

(To be on Attorney's Letterhead)

Date:

Lessee: City of Lamesa, Texas
601 South First Street,
Lamesa, TX 79331

Lessor: TCF Equipment Finance, a division of TCF National Bank
1111 West San Marnan Dr, Suite A2 West
Waterloo, IA 50701-8926

Re: Contract 008-0714136-100, dated as of February 1, 2017, by and between City of Lamesa, Texas and Lessor

Ladies and Gentlemen:

I have acted as counsel to Lessee with respect to the contract described above (the "Lease") and various related matters, and in this capacity have reviewed a duplicate original or certified copy of the Lease and exhibit thereto. Based upon the examination of these and such other documents as I deem relevant, it is my opinion that:

1. Lessee is a public corporation and political subdivision of the State of Texas (the "State") duly organized, existing and operating under the Constitution and laws of the State. The full, true and correct legal name of Lessee is _____.
2. The Uniform Commercial Code, as adopted in the State (the "UCC"), and no other statute of the State, governs the creation, perfection, priority or enforcement of a security interest created by Lessee.
3. Lessee is authorized and has power under State law to enter into the Lease, and to carry out its obligations thereunder and the transactions contemplated thereby.
4. The Lease and the other documents described above have been duly authorized, approved, executed and delivered by and on behalf of Lessee, and the Lease is a valid and binding contract of Lessee enforceable in accordance with its terms, except to the extent limited by State and Federal laws affecting remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.
5. The authorization, approval and execution of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable State and Federal laws.
6. The execution of the Lease and the appropriation of moneys to pay the payments coming due under the Lease do not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.
7. There is no litigation, action, suit, or proceeding pending or before any court, administrative agency, arbitrator or governmental body, that challenges the organization or existence of Lessee; the authority of the organization or existence of Lessee; the authority of its officers; the proper authorization, approval and execution of the Lease and the other documents described above; the appropriation of monies to make Rental Payments under the Lease for the current fiscal year, or the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.

This opinion of counsel may be relied upon by Lessor and its successors and assigns.

Very truly yours,



**CERTIFICATE OF INCUMBENCY
LEASE NO. 008-0714136-100
DATED AS OF February 1, 2017**

X I, _____, do hereby certify that I am the duly elected or appointed and acting Clerk/Secretary of City of Lamesa, Texas (the "Lessee"), a political subdivision duly organized and existing under the laws of the State of Texas, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of the Lessee holding the offices set forth opposite their respective names.

NAME	TITLE	SIGNATURE
X _____	_____	_____
_____	_____	_____

X IN WITNESS WHEREOF, I have duly executed this certificate this ____ day of _____, 20__.

X Signed: _____

X Title: _____

NOTE: The Clerk or Secretary of the Lessee should sign unless that person is also the signor of the documents in which case the President or some other Officer of the Lessee should execute this document.



11100 Wayzata Blvd, Suite 801 Minnetonka, MN 55305

Insurance Certificate Request

To	To Whom It May Concern	From	Marisa Meyers
Company		Fax	(866) 465-3149
Fax		Phone	(800) 215-4738 x
Phone		Email	mmeyers@financediv.com
Subject	INSURANCE CERTIFICATE REQUEST	Date	February 1, 2017

Message:

Our mutual customer, City of Lamesa, Texas, is leasing equipment through TCF Equipment Finance, a division of TCF National Bank. We are in need of an INSURANCE CERTIFICATE for the equipment leased prior to us closing out their transaction. Please see below for specifics. Thanks!

Please include the following items on the certificate:

1. INSURED: City of Lamesa, Texas, 601 South First Street, Lamesa, TX 79331
2. COVERAGES: <ul style="list-style-type: none"> • Liability Insurance – Minimum \$1,000,000.00 per occurrence in Combined Single Limit or such greater minimum as may be prescribed by any applicable state law specifying minimum insurance requirements. <ul style="list-style-type: none"> ➤ Policy Number ➤ Policy Effective Date & Policy Expiration Date • Property Damage – Cost: \$32,648.45 or ACV <ul style="list-style-type: none"> ➤ Comprehensive & Collision Deductibles (if applicable) or Physical Damage Deductible (Shall not exceed \$10,000 or 10% of Total Cost) ➤ Policy Number ➤ Policy Effective Date & Policy Expiration Date
3. DESCRIPTION OF EQUIPMENT: (1) Toro Groundsmaster 3500-D together with all attachments and accessories thereto Or reference: "Leased Equipment on TCF Contract Number 008-0714136-100", if the description is too long
4. TCF National Bank, its successors and assigns needs to be listed as Loss Payee & Additional Insured on the Insurance Certificate.

If you have any questions, please feel free to contact me. Please send the certificate to my attention as soon as possible to mmeyers@financediv.com or fax to (866) 465-3149. Thank you!

Marisa Meyers

Senior Transaction Coordinator

TCF Equipment Finance, a division of TCF National Bank, 1111 West San Marnan Dr, Suite A2 West, Waterloo, IA 50701-8926

THE INFORMATION CONTAINED IN THIS FACSIMILE IS CONFIDENTIAL AND IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL NAMED ABOVE. IF THE READER OF THIS INFORMATION IS NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED AND YOU ARE DIRECTED TO DESTROY IT. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE CONTACT US IMMEDIATELY BY TELEPHONE AT 800-442-7811.



Invoice

Date of Invoice: 02/01/2017
Application Number: 320777
Contract Number: 008-0714136-100

To: City of Lamesa, Texas
601 South First Street
Lamesa, TX 79331

Advance Payments/Security Deposit

Description	Contract Payment	Sales/Use Tax	Other	Amount
First Payment in Advance	\$557.96	\$0.00		\$557.96
Last Payment in Advance	\$0.00	\$0.00		\$0.00
			\$0.00	\$0.00
Sub Total				\$557.96

Other Fees/Charges

Fee Description	Amount
Documentation Fee	\$250.00
Other Fees/Charges Sub Total	\$250.00

Invoice Total Due

Invoice Total Due	\$807.96
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Remit Payment with Completed Documents to: 866-465-3149
OR
TCF Equipment Finance, a division of TCF National Bank
1111 West San Marnan Dr, Suite A2 West
Waterloo, IA 50701-8926

Texas Sales and Use Tax Exemption Certification

This certificate does not require a number to be valid.

Name of purchaser, firm or agency	
Address (Street & number, P.O. Box or Route number)	Phone (Area code and number)
City, State, ZIP code	

I, the purchaser named above, claim an exemption from payment of sales and use taxes (for the purchase of taxable items described below or on the attached order or invoice) from:

Seller: TCF Equipment Finance, a division of TCF National Bank

Street address: 1111 W. San Marnan Dr, Ste A2 W City, State, ZIP code: Waterloo, IA 50701

Description of items to be purchased or on the attached order or invoice:

Purchaser claims this exemption for the following reason:

I understand that I will be liable for payment of all state and local sales or use taxes which may become due for failure to comply with the provisions of the Tax Code and/or all applicable law.

I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate, and depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.

sign here 	Title	Date
--	-------	------

NOTE: This certificate cannot be issued for the purchase, lease, or rental of a motor vehicle.

THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.

Sales and Use Tax "Exemption Numbers" or "Tax Exempt" Numbers do not exist.

**This certificate should be furnished to the supplier.
Do not send the completed certificate to the Comptroller of Public Accounts.**



Delivery and Acceptance

"Lessee"
City of Lamesa, Texas, 601 South First Street, Lamesa, TX 79331
"Lessor"
TCF Equipment Finance, a division of TCF National Bank, 1111 West San Marnan Dr, Suite A2 West, Waterloo, IA 50701-8926

Delivery and Acceptance agreement attached to and made a part of Lease 008-0714136-100 dated February 1, 2017 (the "Lease").

This Certificate relates to the Equipment (the "Equipment") that is described in the Lease.

Pursuant to the Lease, Lessee acknowledges that Lessor has acquired the Equipment in connection with the Lease and Lessee has either received a copy of the purchase agreement with the vendor of the Equipment on or before signing the Lease or has approved such purchase. Lessee hereby represents, warrants and certifies that (i) all of the Equipment has been delivered to Lessee at the Equipment Location set forth in the Lease and has been installed, tested and inspected by Lessee or duly authorized representatives of Lessee, (ii) the Equipment Description set forth in the Lease is complete and correct, (iii) the Equipment, together with any supporting documentation, is exactly what Lessee ordered, is in good working order, is satisfactory in all respects and has been accepted by Lessee under the Lease as of the Acceptance Date set forth below, and (iv) there has been no adverse change in the business or financial condition of Lessee or any guarantor of the Lease since the day the most recent financial statement of Lessee or any guarantor was submitted to Lessor. If Lessee has made a deposit to the Equipment vendor(s), by signing this Certificate, Lessee hereby transfers all of Lessee's right, title and interest in and to the Equipment to Lessor, except to the extent set forth in the Lease, whether or not Lessee has been reimbursed for the deposit(s).

IMPORTANT: LESSEE SHOULD SIGN THIS CERTIFICATE ONLY AFTER LESSEE HAS RECEIVED AND IS COMPLETELY SATISFIED WITH THE EQUIPMENT. BY SIGNING THIS CERTIFICATE, LESSEE (1) IS IRREVOCABLY ACCEPTING THE EQUIPMENT, (2) BECOMES ABSOLUTELY AND IRREVOCABLY OBLIGATED TO LESSOR UNDER THE LEASE, AND (3) MAY NOT THEREAFTER REJECT THE EQUIPMENT, CANCEL OR TERMINATE THE LEASE OR DENY ANY STATEMENT MADE IN THIS CERTIFICATE, FOR ANY REASON WHATSOEVER

 Acceptance Date: _____

Lessee: City of Lamesa, Texas

 By: _____ Title: _____

 Printed Name: _____

Please Complete and return this document by Fax to 800-741-8079 upon delivery and acceptance of the financed Equipment.

City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: FEBRUARY 21, 2017

AGENDA ITEM: 10

SUBJECT: CALL FOR BIDS – CITY-WIDE WATER METER REPLACEMENT & RELATED SOFTWARE
PROCEEDING: Approval
SUBMITTED BY: City Staff
EXHIBITS:

SUMMARY STATEMENT

City Council to consider approval of a call for bids for purchase of City-wide Water Meter Replacement and related software. *[Director of Water/Wastewater, City Manager, Finance Director and Mr. Holly Holder, City Engineer (Parkhill Smith & Cooper)]*

COUNCIL ACTION

DISCUSSION _____

Motion by Council Member _____ to approve a call for bids for purchase of City-wide Water Meter Replacement and related software. Motion seconded by Council Member _____ and upon being put to a vote the motion _____.

VOTING: "AYE" _____ "NAY" _____ "ABSTAIN" _____

CITY MANAGER'S MEMORANDUM

Recommend approval.

**CITY OF LAMESA
NOTICE TO BIDDERS**

The City of Lamesa is soliciting sealed bid proposals for a City-wide replacement of water meters, associated software and equipment as specified in Project Manual (see attached specifications).

Prospective bidders will be required to provide Bid Security as defined in the Project Manual Section 00200 Instruction to Bidders, ARTICLE 8 – BID SECURITY.

Sealed proposals addressed to City of Lamesa will be received at Lamesa City Hall, 601 South 1st Street, Lamesa, Texas 79331 until Tuesday, March 21, 2017 at 4 p.m. for City of Lamesa Water Meter Replacement.

Proposals will be publicly opened and read aloud at Lamesa City Hall during the regular city council meeting. Any bid received after closing time will be returned unopened. Bids will be tabulated and presented to City of Lamesa for action at a later date.

Information for bidders, proposal forms, specifications and plans are on file at City of Lamesa and the office of Parkhill, Smith & Cooper, Inc., (PSC) Consulting Engineers, 4222 85th Street, Lubbock, Texas 79423.

Copies of the plans, specifications and contract documents may be secured at the PSC office, 4222 85th Street, Lubbock, Texas 79423, 806.473.2200, as follows:

1. Download documents (PDF file extension format) from PSC's Info Exchange web site after registering as a plan holder with issuing PSC office. **No cost or deposit required for this option.**
2. One set of paper copies for a non-refundable deposit of \$50.00.
3. A digital copy (PDF file extension format) upon a non-refundable deposit of \$20.00 per each CD.

Deposit shall be company or cashiers' check made payable to Parkhill, Smith & Cooper, Inc. No partial sets issued.

The owner reserves the right to reject any and all Bids and to waive formalities. In case of ambiguity or lack of clearness in stating the prices in the Bid, the Owner reserves the right to consider the most advantageous proposal thereof, or to reject the Bid.

ATTEST:

Norma Garcia
City Secretary

SIGNED:

Josh Stevens
Mayor

=====
Proposed Publish Dates:
February 25, 2017
March 4, 2017

Project Manual



City of Lamesa, Texas Water Meter Replacement

February 2017

PSC Project # 01280110

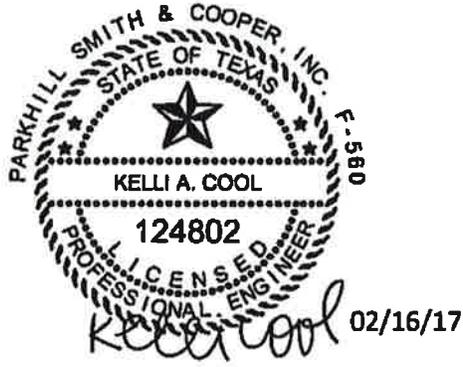


PARKHILLSMITH&COOPER

Project Manual



City of Lamesa, Texas Water Meter Replacement



February 2017
PSC Project # 01280110



ADVERTISEMENT

Sealed proposals addressed to City of Lamesa will be received at Lamesa City Hall, 601 South 1st Street, Lamesa, Texas 79331 until Tuesday, March 21, 2017 at 4 p.m. for City of Lamesa Water Meter Replacement.

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APPENDIX A – OSHA 1926, SUBPART B

SECTION 00200 - INSTRUCTIONS TO BIDDERS**ARTICLE 1 – DEFINED TERMS**

- 1.01 Terms used in these Instructions to Bidders have the meanings indicated in the General Conditions and Supplementary Conditions. Additional terms used in these Instructions to Bidders have the meanings indicated below:
- A. Issuing Office: The office from which the Bidding Documents are to be issued and where the bidding procedures are to be administered.

ARTICLE 2 – COPIES OF BIDDING DOCUMENTS

- 2.01 Complete sets of the Bidding Documents in the form stated in the advertisement and invitation to bid may be obtained from the Issuing Office.
- 2.02 Complete sets of Bidding Documents shall be used in preparing Bids; neither Owner nor Engineer assumes any responsibility for errors or misinterpretations resulting from the use of incomplete sets of Bidding Documents.
- 2.03 Owner and Engineer, in making available Bidding Documents on the above terms, do so only for the purpose of obtaining Bids for the Work and do not authorize or confer a license for any other use.

ARTICLE 3 – QUALIFICATIONS OF BIDDERS

- 3.01 To demonstrate Bidder's qualifications to perform the Work, Bidder shall submit written evidence such as financial data, previous experience, present commitments, and such other data as may be called for in Section 00631 - Bidder's Qualification Statement.
- 3.02 Bidder is advised to carefully review those portions of the Bid Form requiring Bidder's representations and certifications.

ARTICLE 4 – EXAMINATION OF BIDDING DOCUMENTS, OTHER RELATED DATA, AND SITE

- 4.01 Subsurface and Physical Conditions
- A. The Supplementary Conditions identify:
1. Those reports known to Owner of explorations and tests of subsurface conditions at or contiguous to the Site.
 2. Those drawings known to Owner of physical conditions relating to existing surface or subsurface structures at the Site (except Underground Facilities).
- B. Copies of reports and drawings referenced in Paragraph 4.01.A, if any, are included as an Appendix to these documents. Those reports and drawings are not part of the Contract Documents. Bidder is responsible for any interpretation or conclusion Bidder draws from any "technical data" or any other data, interpretations, opinions, or information contained in such reports or shown or indicated in such drawings.

- 4.02 Underground Facilities
- A. Information and data shown or indicated in the Bidding Documents with respect to existing Underground Facilities at or contiguous to the Site is based upon information and data furnished to Owner and Engineer by owners of such Underground Facilities, including Owner, or others.
- 4.03 Hazardous Environmental Condition
- A. The Supplementary Conditions identify any reports and drawings known to Owner relating to a Hazardous Environmental Condition identified at the Site.
- B. Copies of reports and drawings referenced in Paragraph 4.03.A, if any, are included as an Appendix to these documents. Those reports and drawings are not part of the Contract documents. Bidder is responsible for any interpretation or conclusion Bidder draws from any “technical data” or any other data, interpretations, opinions, or information contained in such reports or shown or indicated in such drawings.
- 4.04 Provisions concerning responsibilities for the adequacy of data furnished to prospective Bidders with respect to subsurface conditions, other physical conditions, and Underground Facilities, and possible changes in the Bidding Documents due to differing or unanticipated subsurface or physical conditions appear in Paragraphs 4.02, 4.03, and 4.04 of the General Conditions. Provisions concerning responsibilities for the adequacy of data furnished to prospective Bidders with respect to a Hazardous Environmental Condition at the Site, if any, and possible changes in the Contract Documents due to any Hazardous Environmental Condition uncovered or revealed at the Site which was not shown or indicated in the Drawings or Specifications or identified in the Contract Documents to be within the scope of the Work, appear in Paragraph 4.06 of the General Conditions.
- 4.05 On request, Owner will provide Bidder access to the Site to conduct such examinations, investigations, explorations, tests, and studies as Bidder deems necessary for submission of a Bid. Bidder shall fill all holes and clean up and restore the Site to its former condition upon completion of such explorations, investigations, tests, and studies. Bidder shall comply with all applicable Laws and Regulations relative to excavation and utility locates.
- 4.06 A. Reference is made to Article 7 of the Supplementary Conditions for the identification of the general nature of other work that is to be performed at the Site by Owner or others (such as utilities and other prime contractors) that relates to the Work contemplated by these Bidding Documents. On request, Owner will provide to each Bidder for examination access to or copies of contract documents (other than portions thereof related to price) for such other work.
- B. Paragraph 6.13.C of the General Conditions indicates that if an Owner safety program exists, it will be noted in the Supplementary Conditions.
- 4.07 It is the responsibility of each Bidder before submitting a Bid to:
- A. Examine and carefully study the Bidding Documents, and the other related data identified in the Bidding Documents;

- B. Visit the Site and become familiar with and satisfy Bidder as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work;
 - C. Become familiar with and satisfy Bidder as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work;
 - D. Carefully study all: (1) reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions relating to existing surface or subsurface structures at the Site (except Underground Facilities) that have been identified in Paragraph 4.02 of the Supplementary Conditions as containing reliable "technical data," and (2) reports and drawings of Hazardous Environmental Conditions, if any, at the Site that have been identified in the Paragraph 4.06 of the Supplementary Conditions as containing reliable "technical data";
 - E. Consider the information known to Bidder; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Bidding Documents; and the Site-related reports and drawings identified in the Bidding Documents, with respect to the effect of such information, observations, and documents on (1) the cost, progress, and performance of the Work; (2) the means, methods, techniques, sequences, and procedures of construction to be employed by Bidder, including applying any specific means, methods, techniques, sequences, and procedures of construction expressly required by the Bidding Documents; and (3) Bidder's safety precautions and programs;
 - F. Agree at the time of submitting its Bid that no further examinations, investigations, explorations, tests, studies, or data are necessary for the determination of its Bid for performance of the Work at the price(s) bid and within the times required, and in accordance with the other terms and conditions of the Bidding Documents;
 - G. Become aware of the general nature of the work to be performed by Owner and others at the Site that relates to the Work as indicated in the Bidding Documents;
 - H. Promptly give Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder discovers in the Bidding Documents and confirm that the written resolution thereof by Engineer is acceptable to Bidder; and
 - I. Determine that the Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for the performance of the Work.
- 4.08 The submission of a Bid will constitute an incontrovertible representation by Bidder that Bidder has complied with every requirement of this Article 4, that without exception the Bid is premised upon performing and furnishing the Work required by the Bidding Documents and applying any specific means, methods, techniques, sequences, and procedures of construction that may be shown or indicated or expressly required by the Bidding Documents, that Bidder has given Engineer written notice of all conflicts, errors, ambiguities, and discrepancies that Bidder has discovered in the Bidding Documents and the written resolutions thereof by Engineer are acceptable to Bidder, and that the Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performing and furnishing the Work.

ARTICLE 5 – PRE-BID CONFERENCE

- 5.01 A Pre-Bid conference, if any, will be held as stated in the Advertisement. Representatives of Owner and Engineer will be present to discuss the Project. Engineer will transmit to all prospective Bidders of record such Addenda as Engineer considers necessary in response to questions arising at the conference. Oral statements may not be relied upon and will not be binding or legally effective.

ARTICLE 6 – SITE AND OTHER AREAS

- 6.01 The Site is identified in the Bidding Documents. Easements for permanent structures or permanent changes in existing facilities are to be obtained and paid for by Owner unless otherwise provided in the Bidding Documents. All additional lands and access thereto required for temporary construction facilities, construction equipment, or storage of materials and equipment to be incorporated in the Work are to be obtained and paid for by Contractor.

ARTICLE 7 – INTERPRETATIONS AND ADDENDA

- 7.01 All questions about the meaning or intent of the Bidding Documents are to be submitted to Engineer in writing. Interpretations or clarifications considered necessary by Engineer in response to such questions will be issued by Addenda via the Engineer's Newforma Info Exchange website or via mail (if internet service is not available) to all parties recorded by Engineer as having received the Bidding Documents. Questions received less than ten days prior to the date for opening of Bids may not be answered. Only questions answered by Addenda will be binding. Oral and other interpretations or clarifications will be without legal effect.
- 7.02 Addenda may be issued to clarify, correct, or change the Bidding Documents as deemed advisable by Owner or Engineer.
- 7.03 Addenda will not be faxed to document holders. Addenda will be issued to document holders by one of the two following methods:
- A. E-mail notification to document holder with link to download addenda from PSC's Info Exchange web site.
 - B. For document holders not having e-mail address, addenda may be picked up at the issuing PSC office, or mailed via the United States Postal Service (USPS).

ARTICLE 8 – BID SECURITY

- 8.01 A Bid must be accompanied by Bid security made payable to Owner in an amount of 5% of Bidder's maximum Bid price and in the form of a certified check, bank money order, or a Bid bond (see Section 00430 - Bid Bond) issued by a surety meeting the requirements of Paragraphs 5.01 and 5.02 of the General Conditions.
- 8.02 The Bid security of the Successful Bidder will be retained until such Bidder has executed the Contract Documents, furnished the required contract security and met the other conditions of the Notice of Award, whereupon the Bid security will be returned. If the Successful Bidder fails to execute and deliver the Contract Documents and furnish the required contract security within 15 days after the Notice of Award, Owner may consider Bidder to be in default, annul the Notice of Award, and the Bid security of that Bidder will be forfeited. Such forfeiture shall be Owner's

exclusive remedy if Bidder defaults. The Bid security of other Bidders whom Owner believes to have a reasonable chance of receiving the award may be retained by Owner until the earlier of seven days after the Effective Date of the Agreement or 61 days after the Bid opening, whereupon Bid security furnished by such Bidders will be returned.

- 8.03 Bid security of other Bidders whom Owner believes do not have a reasonable chance of receiving the award will be returned within seven days after the Bid opening.

ARTICLE 9 – CONTRACT TIMES

- 9.01 The number of days within which, or the dates by which the Work is to be substantially completed and ready for final payment are set forth in the Agreement.

ARTICLE 10 – LIQUIDATED DAMAGES

- 10.01 Provisions for liquidated damages, if any, are set forth in the Agreement.

ARTICLE 11 – SUBSTITUTE AND “OR-EQUAL” ITEMS

- 11.01 The Contract, if awarded, will be on the basis of materials and equipment specified or described in the Bidding Documents without consideration of possible substitute or “or-equal” items. Whenever it is specified or described in the Bidding Documents that a substitute or “or-equal” item of material or equipment may be furnished or used by Contractor if acceptable to Engineer, application for such acceptance will not be considered by Engineer until after the Effective Date of the Agreement.

ARTICLE 12 – SUBCONTRACTORS, SUPPLIERS AND OTHERS

- 12.01 If the Supplementary Conditions require the identity of certain Subcontractors, Suppliers, individuals, or entities to be submitted to Owner in advance of a specified date prior to the Effective Date of the Agreement, the apparent Successful Bidder, and any other Bidder so requested, shall within five days after Bid opening, submit to Owner a list of all such Subcontractors, Suppliers, individuals, or entities proposed for those portions of the Work for which such identification is required. Such list shall be accompanied by an experience statement with pertinent information regarding similar projects and other evidence of qualification for each such Subcontractor, Supplier, individual, or entity if requested by Owner. If Owner or Engineer, after due investigation, has reasonable objection to any proposed Subcontractor, Supplier, individual, or entity, Owner may, before the Notice of Award is given, request apparent Successful Bidder to submit a substitute in which case apparent Successful Bidder shall submit an acceptable substitute, Bidders’ Bid price will be increased (or decreased) by the difference in cost occasioned by such substitution, and Owner may consider such price adjustment in evaluating Bids and making the Contract award.
- 12.02 If apparent Successful Bidder declines to make any such substitution, Owner may award the Contract to the next lowest Bidder that proposes to use acceptable Subcontractors, Suppliers, individuals, or entities. Declining to make requested substitutions will not constitute grounds for forfeiture of the Bid security of any Bidder. Any Subcontractor, Supplier, individual, or entity so listed and against which Owner or Engineer makes no written objection prior to the giving of the Notice of Award will be deemed acceptable to Owner and Engineer subject to revocation of such acceptance after the Effective Date of the Agreement as provided in Paragraph 6.06 of the General Conditions.

- 12.03 Contractor shall not be required to employ any Subcontractor, Supplier, individual, or entity against whom Contractor has reasonable objection.

ARTICLE 13 – PREPARATION OF BID

- 13.01 The Bid Form is included with the Bidding Documents.
- 13.02 All blanks on the Bid Form shall be completed and the Bid Form signed in ink. Erasures or alterations shall be initialed in ink by the person signing the Bid Form. A Bid price shall be indicated for each Bid item, listed therein. In the case of optional alternatives the words “No Bid,” may be entered.
- 13.03 A Bid by a corporation shall be executed in the corporate name by the president or a vice-president or other corporate officer accompanied by evidence of authority to sign. The corporate seal shall be affixed and attested by the secretary or an assistant secretary. The corporate address and state of incorporation shall be shown.
- 13.04 A Bid by a partnership shall be executed in the partnership name and signed by a partner (whose title must appear under the signature), accompanied by evidence of authority to sign. The official address of the partnership shall be shown.
- 13.05 A Bid by a limited liability company shall be executed in the name of the firm by a member and accompanied by evidence of authority to sign. The state of formation of the firm and the official address of the firm shall be shown.
- 13.06 A Bid by an individual shall show the Bidder’s name and official address.
- 13.07 A Bid by a joint venture shall be executed by each joint venturer in the manner indicated on the Bid Form. The official address of the joint venture shall be shown.
- 13.08 All names shall be printed below the signatures.
- 13.09 The Bid shall contain an acknowledgment of receipt of all Addenda, the numbers of which shall be filled in on the Bid Form.
- 13.10 Postal and e-mail addresses and telephone number for communications regarding the Bid shall be shown.
- 13.11 The Bid shall contain evidence of Bidder’s authority and qualification to do business in the state where the Project is located, or Bidder shall covenant in writing to obtain such authority and qualification prior to award of the Contract and attach such covenant to the Bid. Bidder’s state contractor license number, if any, shall also be shown on the Bid Form.

ARTICLE 14 – BASIS OF BID; COMPARISON OF BIDS

- 14.01 Lump Sum
- A. Bidders shall submit a Bid on a lump sum basis for the base Bid and include a separate price for each alternate described in the Bidding Documents if provided in the Bid Form. The price for each alternate will be the amount added to or deleted from the base Bid if Owner selects the

alternate. In the comparison of Bids, alternates will be applied in the same order as listed in the Bid form.

- B. Bidders shall submit a Bid on individual sections or any combination of sections as set forth in the Bid Form.
 - 1. Bidders may submit a Bid for any of the separate sections or any combination of sections as provided in the Bid Form. Submission of a Bid on any section signifies Bidder's willingness to enter into a Contract for that section alone at the price offered.
 - 2. Bidders offering a Bid on one or more sections shall be capable of completing the Work within the time period stated in the Agreement.

14.02 Unit Price

- A. Bidders shall submit a Bid on a unit price basis for each item of Work listed in the Bid schedule.
- B. The total of all estimated prices will be the sum of the products of the estimated quantity of each item and the corresponding unit price. The final quantities and Contract Price will be determined in accordance with Paragraph 11.03 of the General Conditions.
- C. Discrepancies between the multiplication of units of Work and unit prices will be resolved in favor of the unit prices. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the correct sum.

ARTICLE 15 – SUBMITTAL OF BID

- 15.01 A Bid shall be submitted no later than the date and time prescribed and at the place indicated in the advertisement or invitation to bid and shall be enclosed in a plainly marked package with the Project title (and, if applicable, the designated portion of the Project for which the Bid is submitted), the name and address of Bidder, and shall be accompanied by the Bid security and other required documents (see Section 00410, Article 7). If a Bid is sent by mail or other delivery system, the sealed envelope containing the Bid shall be enclosed in a separate package plainly marked on the outside with the notation "BID ENCLOSED" to the Owner as noted in Advertisement.

ARTICLE 16 – MODIFICATION AND WITHDRAWAL OF BID

- 16.01 A Bid may be modified or withdrawn by an appropriate document duly executed in the same manner that a Bid must be executed and delivered to the place where Bids are to be submitted prior to the date and time for the opening of Bids.
- 16.02 If within 24 hours after Bids are opened any Bidder files a duly signed written notice with Owner and promptly thereafter demonstrates to the reasonable satisfaction of Owner that there was a material and substantial mistake in the preparation of its Bid, that Bidder may withdraw its Bid, and the Bid security will be returned. Thereafter, if the Work is rebid, that Bidder will be disqualified from further bidding on the Work.

ARTICLE 17 – OPENING OF BIDS

- 17.01 Bids will be opened at the time and place indicated in the Advertisement and Invitation to Bid and, unless obviously non-responsive, read aloud publicly. An abstract of the amounts of the base Bids and major alternates, if any, will be made available to Bidders after the opening of Bids.

ARTICLE 18 – BIDS TO REMAIN SUBJECT TO ACCEPTANCE

- 18.01 All Bids will remain subject to acceptance for the period of time stated in the Bid Form, but Owner may, in its sole discretion, release any Bid and return the Bid security prior to the end of this period.

ARTICLE 19 – EVALUATION OF BIDS AND AWARD OF CONTRACT

- 19.01 Owner reserves the right to reject any or all Bids, including without limitation, nonconforming, nonresponsive, unbalanced, or conditional Bids. Owner further reserves the right to reject the Bid of any Bidder whom it finds, after reasonable inquiry and evaluation, to not be responsible. Owner may also reject the Bid of any Bidder if Owner believes that it would not be in the best interest of the Project to make an award to that Bidder. Owner also reserves the right to waive all informalities not involving price, time, or changes in the Work and to negotiate contract terms with the Successful Bidder.
- 19.02 More than one Bid for the same Work from an individual or entity under the same or different names will not be considered. Reasonable grounds for believing that any Bidder has an interest in more than one Bid for the Work may be cause for disqualification of that Bidder and the rejection of all Bids in which that Bidder has an interest.
- 19.03 In evaluating Bids, Owner will consider whether or not the Bids comply with the prescribed requirements, and such alternates, unit prices and other data, as may be requested in the Bid Form or prior to the Notice of Award.
- 19.04 In evaluating Bidders, Owner will consider the qualifications of Bidders and may consider the qualifications and experience of Subcontractors, Suppliers, and other individuals or entities proposed for those portions of the Work for which the identity of Subcontractors, Suppliers, and other individuals or entities must be submitted as provided in the Supplementary Conditions.
- 19.05 Owner may conduct such investigations as Owner deems necessary to establish the responsibility, qualifications, and financial ability of Bidders, proposed Subcontractors, Suppliers, individuals, or entities proposed for those portions of the Work in accordance with the Contract Documents.
- 19.06 If the Contract is to be awarded, Owner will award the Contract to the Bidder whose Bid is in the best interests of the Project.

ARTICLE 20 – CONTRACT SECURITY AND INSURANCE

- 20.01 Article 5 of the General Conditions, as may be modified by the Supplementary Conditions, sets forth Owner's requirements as to performance and payment bonds and insurance. When the Successful Bidder delivers the executed Agreement to Owner, it shall be accompanied by such bonds.

ARTICLE 21 – SIGNING OF AGREEMENT

21.01 When Engineer issues a Notice of Award to the Successful Bidder, it shall be accompanied by the required number of unsigned counterparts of the Agreement along with the other Contract Documents which are identified in the Agreement as attached thereto. Within 15 days thereafter, Successful Bidder shall sign and deliver the required number of counterparts of the Agreement and attached documents to Engineer. Within ten days thereafter, Engineer shall deliver two fully signed counterparts to Successful Bidder.

ARTICLE 22 – SALES AND USE TAXES

22.01 Owner is exempt from state sales and use taxes on materials and equipment to be incorporated in the Work. Said taxes shall not be included in the Bid. Refer to Paragraph 6.10 of the Supplementary Conditions for additional information.

ARTICLE 23 – RETAINAGE

23.01 Provisions concerning retainage are set forth in the Agreement.

SECTION 00410 - BID FORM

ARTICLE 1 – BID RECIPIENT

1.01 This Bid is submitted to:

City of Lamesa
601 South 7th Street
Lamesa Texas 79331

1.02 The undersigned Bidder proposes and agrees, if this Bid is accepted, to enter into an Agreement with Owner in the form included in the Bidding Documents to perform all Work as specified or indicated in the Bidding Documents for the prices and within the times indicated in this Bid and in accordance with the other terms and conditions of the Bidding Documents.

ARTICLE 2 – BIDDER’S ACKNOWLEDGEMENTS

2.01 Bidder accepts all of the terms and conditions of the Instructions to Bidders, including without limitation those dealing with the disposition of Bid security. This Bid will remain subject to acceptance for 60 days after the Bid opening, or for such longer period of time that Bidder may agree to in writing upon request of Owner.

ARTICLE 3 – BIDDER’S REPRESENTATIONS

3.01 In submitting this Bid, Bidder represents that:

A. Bidder has examined and carefully studied the Bidding Documents, other related data identified in the Bidding Documents, and the following Addenda, receipt of which is hereby acknowledged:

<u>Addendum No.</u>	<u>Addendum Date</u>
_____	_____
_____	_____
_____	_____

B. Bidder has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.

C. Bidder is familiar with and is satisfied as to all Laws and Regulations that may affect cost, progress, and performance of the Work.

D. Bidder has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions relating to existing surface or subsurface structures at the Site (except Underground Facilities) that have been identified in SC-4.02 as containing reliable "technical data," and (2) reports and drawings of Hazardous Environmental Conditions, if any, at the Site that have been identified in SC-4.06 as containing reliable "technical data."

E. Bidder has considered the information known to Bidder; information commonly known to contractors doing business in the locality of the Site; information and observations obtained

from visits to the Site; the Bidding Documents; and the Site-related reports and drawings, if any, identified in the Bidding Documents, with respect to the effect of such information, observations, and documents on (1) the cost, progress, and performance of the Work; (2) the means, methods, techniques, sequences, and procedures of construction to be employed by Bidder, including applying the specific means, methods, techniques, sequences, and procedures of construction expressly required by the Bidding Documents; and (3) Bidder's safety precautions and programs.

- F. Based on the information and observations referred to in Paragraph 3.01.E above, Bidder does not consider that further examinations, investigations, explorations, tests, studies, or data are necessary for the determination of this Bid for performance of the Work at the price(s) bid and within the times required, and in accordance with the other terms and conditions of the Bidding Documents.
- G. Bidder is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Bidding Documents.
- H. Bidder has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder has discovered in the Bidding Documents, and the written resolution thereof by Engineer is acceptable to Bidder.
- I. The Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for the performance of the Work for which this Bid is submitted.

ARTICLE 4 – BIDDER'S CERTIFICATION

4.01 Bidder certifies that:

- A. This Bid is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any collusive agreement or rules of any group, association, organization, or corporation;
- B. Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid;
- C. Bidder has not solicited or induced any individual or entity to refrain from bidding; and
- D. Bidder has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the Contract. For the purposes of this Paragraph 4.01.D:
 - 1. "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process;
 - 2. "Fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process to the detriment of Owner, (b) to establish bid prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;
 - 3. "Collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish bid prices at artificial, non-competitive levels; and

4. "Coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

ARTICLE 5 – BASIS OF BID

- 5.01 Bidder will complete the Work in accordance with the Contract Documents for the following price(s):

Item No.	Description	Unit	Estimated Quantity	Bid Unit Price	Bid Price
BASE BID					
1.	Mobilization/demobilization	LS	1	\$	\$
2.	Furnish and install 3/4" water meter, complete system in place	EA	4,354	\$	\$
3.	Furnish and install 1" water meter, complete system in place	EA	207	\$	\$
4.	Furnish and install 1-1/2" water meter, complete system in place	EA	95	\$	\$
5.	Furnish and install 2" water meter, complete system in place	EA	119	\$	\$
6.	Furnish and install 3" water meter, complete system in place	EA	1	\$	\$
7.	Furnish and install 4" water meter, complete system in place	EA	5	\$	\$
8.	Furnish and install 8" water meter, complete system in place	EA	1	\$	\$
9.	Furnish and install additional 3/4" water meter, material only	EA	20	\$	\$
10.	Furnish and install additional 1" water meter, material only	EA	10	\$	\$
TOTAL BASE BID					\$

Unit Prices have been computed in accordance with Paragraph 11.03.B of the General Conditions.

Bidder acknowledges that estimated quantities are not guaranteed, and are solely for the purpose of comparison of Bids, and final payment for all unit price Bid items will be based on actual quantities, determined as provided in the Contract Documents.

ARTICLE 6 – TIME OF COMPLETION

- 6.01 Bidder agrees that the Work will be substantially complete and will be completed and ready for final payment in accordance with Paragraph 14.07 of the General Conditions on or before the dates or within the number of calendar days indicated in the Agreement.

6.02 Bidder accepts the provisions of the Agreement as to liquidated damages.

ARTICLE 7 – ATTACHMENTS TO THIS BID

7.01 The following documents are submitted with and made a condition of this Bid:

- A. Required Bid security;
- B. List of Proposed Subcontractors;
- C. List of Proposed Suppliers;
- D. List of Project References;
- E. Certification of Bidder;
- F. Required Bidder Qualification Statement with Supporting Data.

ARTICLE 8 – DEFINED TERMS

8.01 The terms used in this Bid with initial capital letters have the meanings stated in the Instructions to Bidders, the General Conditions, and the Supplementary Conditions.

ARTICLE 9 – BID SUBMITTAL

9.01 This Bid is submitted by:

If Bidder is:

An Individual

Name (typed or printed): _____

By: _____
(Individual's signature)

Doing business as: _____

A Partnership

Partnership Name: _____

By: _____
(Signature of general partner -- attach evidence of authority to sign)

Name (typed or printed): _____

A Corporation

Corporation Name: _____ (SEAL)

State of Incorporation: _____
Type (General Business, Professional, Service, Limited Liability): _____

By: _____
(Signature -- attach evidence of authority to sign)

Name (typed or printed): _____

Title: _____
(CORPORATE SEAL)

Attest _____

Date of Qualification to do business in Texas is ____/____/____.

A Joint Venture

Name of Joint Venture: _____

First Joint Venturer Name: _____ (SEAL)

By: _____
(Signature of first joint venture partner -- attach evidence of authority to sign)

Name (typed or printed): _____

Title: _____

Second Joint Venturer Name: _____ (SEAL)

By: _____
(Signature of second joint venture partner -- attach evidence of authority to sign)

Name (typed or printed): _____

Title: _____

(Each joint venturer must sign. The manner of signing for each individual, partnership, and corporation that is a party to the joint venture should be in the manner indicated above.)

Bidder's Business Address _____

Phone No. _____ Fax No. _____

E-mail _____

SUBMITTED on _____, 20__.

SECTION 00420 - CERTIFICATION OF BIDDER OF COMPLIANCE TO TEXAS STATE LAW

Art. 601g of V.A.C.S. applies to non-resident bidders and defines a non-resident as a bidder whose principal place of business is not in this state, but excludes a contractor whose ultimate parent company or majority owner has its principal place of business in this state. The appropriate blanks in Section A must be filled out by all out-of-state or non-resident bidders in order for your bid to meet specifications. The failure of out-of-state or non-resident contractors to do so will automatically disqualify that Bidder. Resident Bidders must check the box in Section B.

- A. Non-resident bidders in _____ (give state), our principal place of business, are required to be _____ percent lower than the lowest bid of resident bidders by said state law to obtain a comparable contract in the state in which the undersigned non-resident's principal place of business is located. A copy of the statute is attached.

Non-resident bidders in _____ (give state), our principal place of business, are not required to underbid resident bidders.

- B. Our principal place of business or corporate offices are in the State of Texas.

BIDDER

Company

By _____
(Please Print)

Address

Signature: _____

City State Zip

Title: _____
(Please Print)

Phone

SECTION 00430 - BID BOND

Any singular reference to Bidder, Surety, Owner or other party shall be considered plural where applicable.

BIDDER *(Name and Address):*

SURETY *(Name and Address of Principal Place of Business):*

OWNER *(Name and Address):*

BID

Bid Due Date: _____

Description *(Project Name and Include Location):*

BOND

Bond Number: _____

Date *(Not later than Bid due date):* _____

Penal sum _____ \$ _____
(Words) (Figures)

Surety and Bidder, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Bid Bond to be duly executed by an authorized officer, agent, or representative.

BIDDER

SURETY

Bidder's Name and Corporate Seal (Seal)

Surety's Name and Corporate Seal (Seal)

By: _____
Signature

By: _____
Signature (Attach Power of Attorney)

Print Name

Print Name

Title

Title

Attest: _____
Signature

Attest: _____
Signature

Title

Title

Note: Above addresses are to be used for giving any required notice. Provide execution by any additional parties, such as joint venturers, if necessary.

1. Bidder and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to pay to Owner upon default of Bidder the penal sum set forth on the face of this Bond. Payment of the penal sum is the extent of Bidder's and Surety's liability. Recovery of such penal sum under the terms of this Bond shall be Owner's sole and exclusive remedy upon default of Bidder.

2. Default of Bidder shall occur upon the failure of Bidder to deliver within the time required by the Bidding Documents (or any extension thereof agreed to in writing by Owner) the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents.

3. This obligation shall be null and void if:

3.1 Owner accepts Bidder's Bid and Bidder delivers within the time required by the Bidding Documents (or any extension thereof agreed to in writing by Owner) the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents, or

3.2 All Bids are rejected by Owner, or

3.3 Owner fails to issue a Notice of Award to Bidder within the time specified in the Bidding Documents (or any extension thereof agreed to in writing by Bidder and, if applicable, consented to by Surety when required by Paragraph 5 hereof).

4. Payment under this Bond will be due and payable upon default of Bidder and within 30 calendar days after receipt by Bidder and Surety of written notice of default from Owner, which notice will be given with reasonable promptness, identifying this Bond and the Project and including a statement of the amount due.

5. Surety waives notice of any and all defenses based on or arising out of any time extension to issue Notice of Award agreed to in writing by Owner and Bidder, provided that the total time for issuing Notice of Award including extensions shall not in the aggregate exceed 120 days from Bid due date without Surety's written consent.

6. No suit or action shall be commenced under this Bond prior to 30 calendar days after the notice of default required in Paragraph 4 above is received by Bidder and Surety and in no case later than one year after Bid due date.

7. Any suit or action under this Bond shall be commenced only in a court of competent jurisdiction located in the state in which the Project is located.
8. Notices required hereunder shall be in writing and sent to Bidder and Surety at their respective addresses shown on the face of this Bond. Such notices may be sent by personal delivery, commercial courier, or by United States Registered or Certified Mail, return receipt requested, postage pre-paid, and shall be deemed to be effective upon receipt by the party concerned.
9. Surety shall cause to be attached to this Bond a current and effective Power of Attorney evidencing the authority of the officer, agent, or representative who executed this Bond on behalf of Surety to execute, seal, and deliver such Bond and bind the Surety thereby.
10. This Bond is intended to conform to all applicable statutory requirements. Any applicable requirement of any applicable statute that has been omitted from this Bond shall be deemed to be included herein as if set forth at length. If any provision of this Bond conflicts with any applicable statute, then the provision of said statute shall govern and the remainder of this Bond that is not in conflict therewith shall continue in full force and effect.
11. The term "Bid" as used herein includes a Bid, offer, or proposal as applicable.

SECTION 00520 - AGREEMENT BETWEEN OWNER AND CONTRACTOR FOR CONSTRUCTION CONTRACT

THIS AGREEMENT is by and between _____ City of Lamesa _____ (“Owner”) and _____ (“Contractor”).

Owner and Contractor hereby agree as follows:

ARTICLE 1 – WORK

1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as replacement of 4,300 water meters throughout the City of Lamesa.

ARTICLE 2 – THE PROJECT

2.01 The Project for which the Work under the Contract Documents may be the whole or only a part is generally described as City of Lamesa Water Meter Replacement.

ARTICLE 3 – ENGINEER

3.01 The Project has been designed by Parkhill, Smith & Cooper, Inc. (Engineer), which is to act as Owner’s representative, assume all duties and responsibilities, and have the rights and authority assigned to Engineer in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

ARTICLE 4 – CONTRACT TIMES

4.01 Days to Achieve Substantial Completion and Final Payment

A. The Work will be substantially completed within 365 days after the date when the Contract Times commence to run as provided in Paragraph 2.03 of the General Conditions, and completed and ready for final payment in accordance with Paragraph 14.07 of the General Conditions within 385 days after the date when the Contract Times commence to run.

4.02 Liquidated Damages

A. Contractor and Owner recognize that time is of the essence and that Owner will suffer financial loss if the Work is not completed within the times specified in Paragraph 4.01 above, plus any extensions thereof allowed in accordance with Article 12 of the General Conditions. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty), Contractor shall pay Owner \$150.00 for each day that expires after the time specified in Paragraph 4.01 above for Substantial Completion until the Work is substantially complete. After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Time or any proper extension thereof granted by Owner, Contractor shall pay Owner \$150.00 for each day that

6.03 Final Payment

- A. Upon final completion and acceptance of the Work in accordance with Paragraph 14.07 of the General Conditions, Owner shall pay the remainder of the Contract Price as recommended by Engineer as provided in said Paragraph 14.07.

ARTICLE 7 – CONTRACTOR’S REPRESENTATIONS

7.01 To induce Owner to enter into this Agreement, Contractor makes the following representations:

- A. Contractor has examined and carefully studied the Contract Documents and the other related data identified in the Bidding Documents.
- B. Contractor has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
- C. Contractor is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.
- D. Contractor has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions relating to existing surface or subsurface structures at the Site (except Underground Facilities), if any, that have been identified in Paragraph SC-4.02 of the Supplementary Conditions as containing reliable "technical data," and (2) reports and drawings of Hazardous Environmental Conditions, if any, at the Site that have been identified in Paragraph SC-4.06 of the Supplementary Conditions as containing reliable "technical data."
- E. Contractor has considered the information known to Contractor; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Site-related reports and drawings, if any, identified in the Contract Documents, with respect to the effect of such information, observations, and documents on (1) the cost, progress, and performance of the Work; (2) the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, including any specific means, methods, techniques, sequences, and procedures of construction expressly required by the Contract Documents; and (3) Contractor’s safety precautions and programs.
- F. Based on the information and observations referred to in Paragraph 7.01.E above, Contractor does not consider that further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract Documents.
- G. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
- H. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
- I. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

ARTICLE 8 – CONTRACT DOCUMENTS**8.01 Contents**

- A. The Contract Documents consist of the following:
1. Contractor's executed Bid Form.
 2. This Agreement.
 3. Performance bond.
 4. Payment bond.
 5. General Conditions.
 6. Supplementary Conditions.
 7. Specifications as listed in the table of contents of the Project Manual.
 8. Addenda (numbers to , inclusive).
 9. Documentation submitted by Contractor prior to Notice of Award.
 10. The following which may be delivered or issued on or after the Effective Date of the Agreement and are not attached hereto:
 - a. Notice to Proceed.
 - b. Work Change Directives.
 - c. Change Orders.
- B. The documents listed in Paragraph 8.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 8.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in Paragraph 3.04 of the General Conditions.

ARTICLE 9 – MISCELLANEOUS**9.01 Terms**

- A. Terms used in this Agreement will have the meanings stated in the General Conditions and the Supplementary Conditions.

9.02 Assignment of Contract

- A. No assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and,

specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

9.03 Successors and Assigns

- A. Owner and Contractor each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

9.04 Severability

- A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

9.05 Contractor's Certifications

Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 9.05:

1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process or in the Contract execution;
2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of Owner, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;
3. "collusive practice" means a scheme or an arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

9.06 Other Provisions

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement. Counterparts have been delivered to Owner and Contractor. All portions of the Contract Documents have been signed or have been identified by Owner and Contractor or on their behalf.

This Agreement will be effective on ____ (which is the Effective Date of the Agreement).

OWNER:

CONTRACTOR

By: _____

By: _____

Title: _____

Title: _____

(If Contractor is a corporation, a partnership, or a joint venture, attach evidence of authority to sign.)

Attest: _____

Attest: _____

Title: _____

Title: _____

Address for giving notices:

Address for giving notices:

License No.: _____

(Where applicable)

(If Owner is a corporation, attach evidence of authority to sign. If Owner is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of this Agreement.)

NOTE TO USER: Use in those states or other jurisdictions where applicable or required.

Agent for service of process:

1. Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to Owner for the performance of the Contract, which is incorporated herein by reference.
2. If Contractor performs the Contract, Surety and Contractor have no obligation under this Bond, except to participate in conferences as provided in Paragraph 2.1.
3. If there is no Owner Default, Surety's obligation under this Bond shall arise after:
 - 3.1 Owner has notified Contractor and Surety, at the addresses described in Paragraph 9 below, that Owner is considering declaring a Contractor Default and has requested and attempted to arrange a conference with Contractor and Surety to be held not later than 15 days after receipt of such notice to discuss methods of performing the Contract. If Owner, Contractor, and Surety agree, Contractor shall be allowed a reasonable time to perform the Contract, but such an agreement shall not waive Owner's right, if any, subsequently to declare a Contractor Default; and
 - 3.2 Owner has declared a Contractor Default and formally terminated Contractor's right to complete the Contract. Such Contractor Default shall not be declared earlier than 20 days after Contractor and Surety have received notice as provided in Paragraph 2.1; and
 - 3.3 Owner has agreed to pay the Balance of the Contract Price to:
 1. Surety in accordance with the terms of the Contract; or
 2. Another contractor selected pursuant to Paragraph 3.3 to perform the Contract.
4. When Owner has satisfied the conditions of Paragraph 2, Surety shall promptly, and at Surety's expense, take one of the following actions:
 - 4.1 Arrange for Contractor, with consent of Owner, to perform and complete the Contract; or
 - 4.2 Undertake to perform and complete the Contract itself, through its agents or through independent contractors; or
 - 4.3 Obtain bids or negotiated proposals from qualified contractors acceptable to Owner for a contract for performance and completion of the Contract, arrange for a contract to be prepared for execution by Owner and contractor selected with Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Contract, and pay to Owner the amount of damages as described in Paragraph 5 in excess of the Balance of the Contract Price incurred by Owner resulting from Contractor Default; or
 - 4.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor, and with reasonable promptness under the circumstances:
 1. After investigation, determine the amount for which it may be liable to Owner and, as soon as practicable after the amount is determined, tender payment therefor to Owner; or
 2. Deny liability in whole or in part and notify Owner citing reasons therefor.
5. If Surety does not proceed as provided in Paragraph 3 with reasonable promptness, Surety shall be deemed to be in default on this Bond 15 days after receipt of an additional written notice from Owner to Surety demanding that Surety perform its obligations under this Bond, and Owner shall be entitled to enforce any remedy available to Owner. If Surety proceeds as provided in Paragraph 3.4, and Owner refuses the payment tendered or Surety has denied liability, in whole or in part, without further notice Owner shall be entitled to enforce any remedy available to Owner.
6. After Owner has terminated Contractor's right to complete the Contract, and if Surety elects to act under Paragraph 3.1, 3.2, or 3.3 above, then the responsibilities of Surety to Owner shall not be greater than those of Contractor under the Contract, and the responsibilities of Owner to Surety shall not be greater than those of Owner under the Contract. To the limit of the amount of this Bond, but subject to commitment by Owner of the Balance of the Contract Price to mitigation of costs and damages on the Contract, Surety is obligated without duplication for:
 - 6.1 The responsibilities of Contractor for correction of defective Work and completion of the Contract;
 - 6.2 Additional legal, design professional, and delay costs resulting from Contractor's Default, and resulting from the actions of or failure to act of Surety under Paragraph 3; and
 - 6.3 Liquidated damages, or if no liquidated damages are specified in the Contract, actual damages caused by delayed performance or non-performance of Contractor.
7. Surety shall not be liable to Owner or others for obligations of Contractor that are unrelated to the Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than Owner or its heirs, executors, administrators, or successors.
8. Surety hereby waives notice of any change, including changes of time, to Contract or to related subcontracts, purchase orders, and other obligations.
9. Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the Work or part of the Work is located, and shall be instituted within two years after Contractor Default or within two years after Contractor ceased working or within two years after Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.
10. Notice to Surety, Owner, or Contractor shall be mailed or delivered to the address shown on the signature page.
11. When this Bond has been furnished to comply with a statutory requirement in the location where the Contract was to be performed, any provision in this Bond conflicting with said statutory requirement shall be deemed deleted herefrom and provisions conforming to such statutory requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.
12. Definitions.
 - 12.1 Balance of the Contract Price: The total amount payable by Owner to Contractor under the Contract after all proper adjustments have been made, including allowance to Contractor of any amounts received or to be received by Owner in settlement of insurance or other Claims for damages to which Contractor is entitled, reduced by all valid and proper payments made to or on behalf of Contractor under the Contract.
 - 12.2 Contract: The agreement between Owner and Contractor identified on the signature page, including all Contract Documents and changes thereto.
 - 12.3 Contractor Default: Failure of Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Contract.
 - 12.4 Owner Default: Failure of Owner, which has neither been remedied nor waived, to pay Contractor as required by the Contract or to perform and complete or otherwise comply with the other terms thereof.

FOR INFORMATION ONLY – (Name, Address and Telephone)
 Surety Agency or Broker:
 Owner's Representative (Engineer or other party):

SECTION 00610 – PERFORMANCE BOND

Any singular reference to Contractor, Surety, Owner, or other party shall be considered plural where applicable.

CONTRACTOR (*Name and Address*):

SURETY (*Name and Principal Place of Business*):

OWNER (*Name and Address*):

City of Lamesa
601 South 1st Street
Lamesa Texas 79331

CONTRACT

Effective Date of Agreement:

Amount:

Description (*Name and Location*):

City of Lamesa Water Meter Replacement

BOND

Bond Number:

Date (*Not earlier than Effective Date of Agreement*):

Amount:

Modifications to this Bond Form:

Surety and Contractor, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Performance Bond to be duly executed by an authorized officer, agent, or representative.

CONTRACTOR AS PRINCIPAL

SURETY

Contractor's Name and Corporate Seal

(Seal)

By:

Surety's Name and Corporate Seal

(Seal)

By:

Signature

Signature (Attach Power of Attorney)

Print Name

Print Name

Title

Title

Attest:

Attest:

Signature

Signature

Title

Title

Note: Provide execution by additional parties, such as joint venturers, if necessary.

1. Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to Owner for the performance of the Contract, which is incorporated herein by reference.
2. If Contractor performs the Contract, Surety and Contractor have no obligation under this Bond, except to participate in conferences as provided in Paragraph 2.1.
3. If there is no Owner Default, Surety's obligation under this Bond shall arise after:
 - 3.1 Owner has notified Contractor and Surety, at the addresses described in Paragraph 9 below, that Owner is considering declaring a Contractor Default and has requested and attempted to arrange a conference with Contractor and Surety to be held not later than 15 days after receipt of such notice to discuss methods of performing the Contract. If Owner, Contractor, and Surety agree, Contractor shall be allowed a reasonable time to perform the Contract, but such an agreement shall not waive Owner's right, if any, subsequently to declare a Contractor Default; and
 - 3.2 Owner has declared a Contractor Default and formally terminated Contractor's right to complete the Contract. Such Contractor Default shall not be declared earlier than 20 days after Contractor and Surety have received notice as provided in Paragraph 2.1; and
 - 3.3 Owner has agreed to pay the Balance of the Contract Price to:
 1. Surety in accordance with the terms of the Contract; or
 2. Another contractor selected pursuant to Paragraph 3.3 to perform the Contract.
4. When Owner has satisfied the conditions of Paragraph 2, Surety shall promptly, and at Surety's expense, take one of the following actions:
 - 4.1 Arrange for Contractor, with consent of Owner, to perform and complete the Contract; or
 - 4.2 Undertake to perform and complete the Contract itself, through its agents or through independent contractors; or
 - 4.3 Obtain bids or negotiated proposals from qualified contractors acceptable to Owner for a contract for performance and completion of the Contract, arrange for a contract to be prepared for execution by Owner and contractor selected with Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Contract, and pay to Owner the amount of damages as described in Paragraph 5 in excess of the Balance of the Contract Price incurred by Owner resulting from Contractor Default; or
 - 4.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor, and with reasonable promptness under the circumstances:
 1. After investigation, determine the amount for which it may be liable to Owner and, as soon as practicable after the amount is determined, tender payment therefor to Owner; or
 2. Deny liability in whole or in part and notify Owner citing reasons therefor.
5. If Surety does not proceed as provided in Paragraph 3 with reasonable promptness, Surety shall be deemed to be in default on this Bond 15 days after receipt of an additional written notice from Owner to Surety demanding that Surety perform its obligations under this Bond, and Owner shall be entitled to enforce any remedy available to Owner. If Surety proceeds as provided in Paragraph 3.4, and Owner refuses the payment tendered or Surety has denied liability, in whole or in part, without further notice Owner shall be entitled to enforce any remedy available to Owner.
6. After Owner has terminated Contractor's right to complete the Contract, and if Surety elects to act under Paragraph 3.1, 3.2, or 3.3 above, then the responsibilities of Surety to Owner shall not be greater than those of Contractor under the Contract, and the responsibilities of Owner to Surety shall not be greater than those of Owner under the Contract. To the limit of the amount of this Bond, but subject to commitment by Owner of the Balance of the Contract Price to mitigation of costs and damages on the Contract, Surety is obligated without duplication for:
 - 6.1 The responsibilities of Contractor for correction of defective Work and completion of the Contract;
 - 6.2 Additional legal, design professional, and delay costs resulting from Contractor's Default, and resulting from the actions of or failure to act of Surety under Paragraph 3; and
 - 6.3 Liquidated damages, or if no liquidated damages are specified in the Contract, actual damages caused by delayed performance or non-performance of Contractor.
7. Surety shall not be liable to Owner or others for obligations of Contractor that are unrelated to the Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than Owner or its heirs, executors, administrators, or successors.
8. Surety hereby waives notice of any change, including changes of time, to Contract or to related subcontracts, purchase orders, and other obligations.
9. Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the Work or part of the Work is located, and shall be instituted within two years after Contractor Default or within two years after Contractor ceased working or within two years after Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.
10. Notice to Surety, Owner, or Contractor shall be mailed or delivered to the address shown on the signature page.
11. When this Bond has been furnished to comply with a statutory requirement in the location where the Contract was to be performed, any provision in this Bond conflicting with said statutory requirement shall be deemed deleted herefrom and provisions conforming to such statutory requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.
12. Definitions.
 - 12.1 Balance of the Contract Price: The total amount payable by Owner to Contractor under the Contract after all proper adjustments have been made, including allowance to Contractor of any amounts received or to be received by Owner in settlement of insurance or other Claims for damages to which Contractor is entitled, reduced by all valid and proper payments made to or on behalf of Contractor under the Contract.
 - 12.2 Contract: The agreement between Owner and Contractor identified on the signature page, including all Contract Documents and changes thereto.
 - 12.3 Contractor Default: Failure of Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Contract.
 - 12.4 Owner Default: Failure of Owner, which has neither been remedied nor waived, to pay Contractor as required by the Contract or to perform and complete or otherwise comply with the other terms thereof.

FOR INFORMATION ONLY – *(Name, Address and Telephone)*
 Surety Agency or Broker:
 Owner's Representative *(Engineer or other party)*:

SECTION 00615 - PAYMENT BOND

Any singular reference to Contractor, Surety, Owner, or other party shall be considered plural where applicable.

CONTRACTOR (*Name and Address*):

SURETY (*Name and Principal Place of Business*):

OWNER (*Name and Address*):

City of Lamesa
601 South 1st Street
Lamesa Texas 79331

CONTRACT

Effective Date of Agreement:
Amount:
Description (*Name and Location*):
City of Lamesa Water Meter Replacement

BOND

Bond Number:
Date (*Not earlier than Effective Date of Agreement*):
Amount:
Modifications to this Bond Form:

Surety and Contractor, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Payment Bond to be duly executed by an authorized officer, agent, or representative.

CONTRACTOR AS PRINCIPAL

SURETY

Contractor's Name and Corporate Seal
By: _____ (Seal)

Surety's Name and Corporate Seal
By: _____ (Seal)

Signature

Signature (Attach Power of Attorney)

Print Name

Print Name

Title

Title

Attest:

Signature

Title

Attest:

Signature

Title

Note: Provide execution by additional parties, such as joint venturers, if necessary.

1. Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to Owner to pay for labor, materials, and equipment furnished by Claimants for use in the performance of the Contract, which is incorporated herein by reference.

2. With respect to Owner, this obligation shall be null and void if Contractor:

- 2.1 Promptly makes payment, directly or indirectly, for all sums due Claimants, and
- 2.2 Defends, indemnifies, and holds harmless Owner from all claims, demands, liens, or suits alleging non-payment by Contractor by any person or entity who furnished labor, materials, or equipment for use in the performance of the Contract, provided Owner has promptly notified Contractor and Surety (at the addresses described in Paragraph 12) of any claims, demands, liens, or suits and tendered defense of such claims, demands, liens, or suits to Contractor and Surety, and provided there is no Owner Default.

3. With respect to Claimants, this obligation shall be null and void if Contractor promptly makes payment, directly or indirectly, for all sums due.

4. Surety shall have no obligation to Claimants under this Bond until:

- 4.1 Claimants who are employed by or have a direct contract with Contractor have given notice to Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to Owner, stating that a claim is being made under this Bond and, with substantial accuracy, the amount of the claim.
- 4.2 Claimants who do not have a direct contract with Contractor:

1. Have furnished written notice to Contractor and sent a copy, or notice thereof, to Owner, within 90 days after having last performed labor or last furnished materials or equipment included in the claim stating, with substantial accuracy, the amount of the claim and the name of the party to whom the materials or equipment were furnished or supplied, or for whom the labor was done or performed; and
2. Have either received a rejection in whole or in part from Contractor, or not received within 30 days of furnishing the above notice any communication from Contractor by which Contractor had indicated the claim will be paid directly or indirectly; and
3. Not having been paid within the above 30 days, have sent a written notice to Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to Owner, stating that a claim is being made under this Bond and enclosing a copy of the previous written notice furnished to Contractor.

5. If a notice by a Claimant required by Paragraph 4 is provided by Owner to Contractor or to Surety, that is sufficient compliance.

6. Reserved.

7. Surety's total obligation shall not exceed the amount of this Bond, and the amount of this Bond shall be credited for any payments made in good faith by Surety.

8. Amounts owed by Owner to Contractor under the Contract shall be used for the performance of the Contract and to satisfy claims, if any, under any performance bond. By Contractor furnishing and Owner accepting this Bond, they agree that all funds earned by Contractor in the performance of the Contract are dedicated to satisfy

obligations of Contractor and Surety under this Bond, subject to Owner's priority to use the funds for the completion of the Work.

9. Surety shall not be liable to Owner, Claimants, or others for obligations of Contractor that are unrelated to the Contract. Owner shall not be liable for payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligations to make payments to, give notices on behalf of, or otherwise have obligations to Claimants under this Bond.

10. Surety hereby waives notice of any change, including changes of time, to the Contract or to related subcontracts, purchase orders, and other obligations.

11. No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the location in which the Work or part of the Work is located or after the expiration of one year from the date (1) on which the Claimant gave the notice required by Paragraph 4.1 or Paragraph 4.2.3, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Contract, whichever of (1) or (2) first occurs. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

12. Notice to Surety, Owner, or Contractor shall be mailed or delivered to the addresses shown on the signature page. Actual receipt of notice by Surety, Owner, or Contractor, however accomplished, shall be sufficient compliance as of the date received at the address shown on the signature page.

13. When this Bond has been furnished to comply with a statutory requirement in the location where the Contract was to be performed, any provision in this Bond conflicting with said statutory requirement shall be deemed deleted herefrom and provisions conforming to such statutory requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory Bond and not as a common law bond.

14. Upon request of any person or entity appearing to be a potential beneficiary of this Bond, Contractor shall promptly furnish a copy of this Bond or shall permit a copy to be made.

15. Definitions

15.1 Claimant: An individual or entity having a direct contract with Contractor, or with a first-tier subcontractor of Contractor, to furnish labor, materials, or equipment for use in the performance of the Contract. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service, or rental equipment used in the Contract, architectural and engineering services required for performance of the Work of Contractor and Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials, or equipment were furnished.

15.2 Contract: The agreement between Owner and Contractor identified on the signature page, including all Contract Documents and changes thereto.

15.3 Owner Default: Failure of Owner, which has neither been remedied nor waived, to pay Contractor as required by the Contract, or to perform and complete or otherwise comply with the other terms thereof.

FOR INFORMATION ONLY – (Name, Address and Telephone)

Surety Agency or Broker:

Owner's Representative (Engineer or other):

SECTION 00615 - PAYMENT BOND

Any singular reference to Contractor, Surety, Owner, or other party shall be considered plural where applicable.

CONTRACTOR (*Name and Address*):

SURETY (*Name and Principal Place of Business*):

OWNER (*Name and Address*):

City of Lamesa
601 South 1st Street
Lamesa Texas 79331

CONTRACT

Effective Date of Agreement:
Amount:
Description (*Name and Location*):
City of Lamesa Water Meter Replacement

BOND

Bond Number:
Date (*Not earlier than Effective Date of Agreement*):
Amount:
Modifications to this Bond Form:

Surety and Contractor, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Payment Bond to be duly executed by an authorized officer, agent, or representative.

CONTRACTOR AS PRINCIPAL

SURETY

Contractor's Name and Corporate Seal

(Seal)

By:

Surety's Name and Corporate Seal

(Seal)

By:

Signature

Signature (Attach Power of Attorney)

Print Name

Print Name

Title

Title

Attest:

Attest:

Signature

Signature

Title

Title

Note: Provide execution by additional parties, such as joint venturers, if necessary.

1. Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to Owner to pay for labor, materials, and equipment furnished by Claimants for use in the performance of the Contract, which is incorporated herein by reference.

2. With respect to Owner, this obligation shall be null and void if Contractor:

2.1 Promptly makes payment, directly or indirectly, for all sums due Claimants, and

2.2 Defends, indemnifies, and holds harmless Owner from all claims, demands, liens, or suits alleging non-payment by Contractor by any person or entity who furnished labor, materials, or equipment for use in the performance of the Contract, provided Owner has promptly notified Contractor and Surety (at the addresses described in Paragraph 12) of any claims, demands, liens, or suits and tendered defense of such claims, demands, liens, or suits to Contractor and Surety, and provided there is no Owner Default.

3. With respect to Claimants, this obligation shall be null and void if Contractor promptly makes payment, directly or indirectly, for all sums due.

4. Surety shall have no obligation to Claimants under this Bond until:

4.1 Claimants who are employed by or have a direct contract with Contractor have given notice to Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to Owner, stating that a claim is being made under this Bond and, with substantial accuracy, the amount of the claim.

4.2 Claimants who do not have a direct contract with Contractor:

1. Have furnished written notice to Contractor and sent a copy, or notice thereof, to Owner, within 90 days after having last performed labor or last furnished materials or equipment included in the claim stating, with substantial accuracy, the amount of the claim and the name of the party to whom the materials or equipment were furnished or supplied, or for whom the labor was done or performed; and

2. Have either received a rejection in whole or in part from Contractor, or not received within 30 days of furnishing the above notice any communication from Contractor by which Contractor had indicated the claim will be paid directly or indirectly; and

3. Not having been paid within the above 30 days, have sent a written notice to Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to Owner, stating that a claim is being made under this Bond and enclosing a copy of the previous written notice furnished to Contractor.

5. If a notice by a Claimant required by Paragraph 4 is provided by Owner to Contractor or to Surety, that is sufficient compliance.

6. Reserved.

7. Surety's total obligation shall not exceed the amount of this Bond, and the amount of this Bond shall be credited for any payments made in good faith by Surety.

8. Amounts owed by Owner to Contractor under the Contract shall be used for the performance of the Contract and to satisfy claims, if any, under any performance bond. By Contractor furnishing and Owner accepting this Bond, they agree that all funds earned by Contractor in the performance of the Contract are dedicated to satisfy

obligations of Contractor and Surety under this Bond, subject to Owner's priority to use the funds for the completion of the Work.

9. Surety shall not be liable to Owner, Claimants, or others for obligations of Contractor that are unrelated to the Contract. Owner shall not be liable for payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligations to make payments to, give notices on behalf of, or otherwise have obligations to Claimants under this Bond.

10. Surety hereby waives notice of any change, including changes of time, to the Contract or to related subcontracts, purchase orders, and other obligations.

11. No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the location in which the Work or part of the Work is located or after the expiration of one year from the date (1) on which the Claimant gave the notice required by Paragraph 4.1 or Paragraph 4.2.3, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Contract, whichever of (1) or (2) first occurs. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

12. Notice to Surety, Owner, or Contractor shall be mailed or delivered to the addresses shown on the signature page. Actual receipt of notice by Surety, Owner, or Contractor, however accomplished, shall be sufficient compliance as of the date received at the address shown on the signature page.

13. When this Bond has been furnished to comply with a statutory requirement in the location where the Contract was to be performed, any provision in this Bond conflicting with said statutory requirement shall be deemed deleted herefrom and provisions conforming to such statutory requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory Bond and not as a common law bond.

14. Upon request of any person or entity appearing to be a potential beneficiary of this Bond, Contractor shall promptly furnish a copy of this Bond or shall permit a copy to be made.

15. Definitions

15.1 Claimant: An individual or entity having a direct contract with Contractor, or with a first-tier subcontractor of Contractor, to furnish labor, materials, or equipment for use in the performance of the Contract. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service, or rental equipment used in the Contract, architectural and engineering services required for performance of the Work of Contractor and Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials, or equipment were furnished.

15.2 Contract: The agreement between Owner and Contractor identified on the signature page, including all Contract Documents and changes thereto.

15.3 Owner Default: Failure of Owner, which has neither been remedied nor waived, to pay Contractor as required by the Contract, or to perform and complete or otherwise comply with the other terms thereof.

FOR INFORMATION ONLY – (Name, Address and Telephone)

Surety Agency or Broker:

Owner's Representative (Engineer or other):

SECTION 00631 - BIDDER'S QUALIFICATIONS STATEMENT

All questions must be answered and the data given must be clear and comprehensive. If necessary, questions may be answered on separate attached sheets. The Bidder may submit any additional information he desires:

Name of Bidder: _____ Date Organized: _____

Address: _____ Date Incorporated: _____

Number of Years in contracting business under present name _____

CONTRACTS ON HAND:

Contract	Amount \$	Completion Date
_____	_____	_____
_____	_____	_____
_____	_____	_____

Type of work performed by your company: _____

Have you ever failed to complete any work awarded to you? _____

Have you ever defaulted on a contract? _____

List the projects most recently completed by your firm (include project of similar importance):

Project	Amount \$	Mo/Yr Completed
_____	_____	_____
_____	_____	_____
_____	_____	_____

Major equipment available for this contract: _____

Attach resume(s) for the principal member(s) of your organization, including the officers as well as the proposed superintendent for the project.

Credit available: \$ _____ Bank reference: _____

The undersigned hereby authorizes and requests any person, firm, or corporation to furnish any information requested by the _____ in verification of the recitals comprising this Statement of Bidder's Qualifications.

Executed this _____ day of _____, 20____.

By: (signature) _____ Title: _____

(print name) _____

This document has important legal consequences; consultation with an attorney is encouraged with respect to its use or modification. This document should be adapted to the particular circumstances of the contemplated Project and the controlling Laws and Regulations.

STANDARD GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT

Prepared by

ENGINEERS JOINT CONTRACT DOCUMENTS COMMITTEE

and

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CONSTRUCTION SPECIFICATIONS INSTITUTE

These General Conditions have been prepared for use with the Suggested Forms of Agreement Between Owner and Contractor (EJCDC C-520 or C-525, 2007 Editions). Their provisions are interrelated and a change in one may necessitate a change in the other. Comments concerning their usage are contained in the Narrative Guide to the EJCDC Construction Documents (EJCDC C-001, 2007 Edition). For guidance in the preparation of Supplementary Conditions, see Guide to the Preparation of Supplementary Conditions (EJCDC C-800, 2007 Edition).

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STANDARD GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT

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ARTICLE 1 – DEFINITIONS AND TERMINOLOGY

1.01 *Defined Terms*

- A. Wherever used in the Bidding Requirements or Contract Documents and printed with initial capital letters, the terms listed below will have the meanings indicated which are applicable to both the singular and plural thereof. In addition to terms specifically defined, terms with initial capital letters in the Contract Documents include references to identified articles and paragraphs, and the titles of other documents or forms.
1. *Addenda*—Written or graphic instruments issued prior to the opening of Bids which clarify, correct, or change the Bidding Requirements or the proposed Contract Documents.
 2. *Agreement*—The written instrument which is evidence of the agreement between Owner and Contractor covering the Work.
 3. *Application for Payment*—The form acceptable to Engineer which is to be used by Contractor during the course of the Work in requesting progress or final payments and which is to be accompanied by such supporting documentation as is required by the Contract Documents.
 4. *Asbestos*—Any material that contains more than one percent asbestos and is friable or is releasing asbestos fibers into the air above current action levels established by the United States Occupational Safety and Health Administration.
 5. *Bid*—The offer or proposal of a Bidder submitted on the prescribed form setting forth the prices for the Work to be performed.
 6. *Bidder*—The individual or entity who submits a Bid directly to Owner.
 7. *Bidding Documents*—The Bidding Requirements and the proposed Contract Documents (including all Addenda).
 8. *Bidding Requirements*—The advertisement or invitation to bid, Instructions to Bidders, Bid security of acceptable form, if any, and the Bid Form with any supplements.
 9. *Change Order*—A document recommended by Engineer which is signed by Contractor and Owner and authorizes an addition, deletion, or revision in the Work or an adjustment in the Contract Price or the Contract Times, issued on or after the Effective Date of the Agreement.
 10. *Claim*—A demand or assertion by Owner or Contractor seeking an adjustment of Contract Price or Contract Times, or both, or other relief with respect to the terms of the Contract. A demand for money or services by a third party is not a Claim.
 11. *Contract*—The entire and integrated written agreement between the Owner and Contractor concerning the Work. The Contract supersedes prior negotiations, representations, or agreements, whether written or oral.

12. *Contract Documents*—Those items so designated in the Agreement. Only printed or hard copies of the items listed in the Agreement are Contract Documents. Approved Shop Drawings, other Contractor submittals, and the reports and drawings of subsurface and physical conditions are not Contract Documents.
13. *Contract Price*—The moneys payable by Owner to Contractor for completion of the Work in accordance with the Contract Documents as stated in the Agreement (subject to the provisions of Paragraph 11.03 in the case of Unit Price Work).
14. *Contract Times*—The number of days or the dates stated in the Agreement to: (i) achieve Milestones, if any; (ii) achieve Substantial Completion; and (iii) complete the Work so that it is ready for final payment as evidenced by Engineer's written recommendation of final payment.
15. *Contractor*—The individual or entity with whom Owner has entered into the Agreement.
16. *Cost of the Work*—See Paragraph 11.01 for definition.
17. *Drawings*—That part of the Contract Documents prepared or approved by Engineer which graphically shows the scope, extent, and character of the Work to be performed by Contractor. Shop Drawings and other Contractor submittals are not Drawings as so defined.
18. *Effective Date of the Agreement*—The date indicated in the Agreement on which it becomes effective, but if no such date is indicated, it means the date on which the Agreement is signed and delivered by the last of the two parties to sign and deliver.
19. *Engineer*—The individual or entity named as such in the Agreement.
20. *Field Order*—A written order issued by Engineer which requires minor changes in the Work but which does not involve a change in the Contract Price or the Contract Times.
21. *General Requirements*—Sections of Division 1 of the Specifications.
22. *Hazardous Environmental Condition*—The presence at the Site of Asbestos, PCBs, Petroleum, Hazardous Waste, or Radioactive Material in such quantities or circumstances that may present a substantial danger to persons or property exposed thereto.
23. *Hazardous Waste*—The term Hazardous Waste shall have the meaning provided in Section 1004 of the Solid Waste Disposal Act (42 USC Section 6903) as amended from time to time.
24. *Laws and Regulations; Laws or Regulations*—Any and all applicable laws, rules, regulations, ordinances, codes, and orders of any and all governmental bodies, agencies, authorities, and courts having jurisdiction.
25. *Liens*—Charges, security interests, or encumbrances upon Project funds, real property, or personal property.
26. *Milestone*—A principal event specified in the Contract Documents relating to an intermediate completion date or time prior to Substantial Completion of all the Work.

27. *Notice of Award*—The written notice by Owner to the Successful Bidder stating that upon timely compliance by the Successful Bidder with the conditions precedent listed therein, Owner will sign and deliver the Agreement.
28. *Notice to Proceed*—A written notice given by Owner to Contractor fixing the date on which the Contract Times will commence to run and on which Contractor shall start to perform the Work under the Contract Documents.
29. *Owner*—The individual or entity with whom Contractor has entered into the Agreement and for whom the Work is to be performed.
30. *PCBs*—Polychlorinated biphenyls.
31. *Petroleum*—Petroleum, including crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute), such as oil, petroleum, fuel oil, oil sludge, oil refuse, gasoline, kerosene, and oil mixed with other non-Hazardous Waste and crude oils.
32. *Progress Schedule*—A schedule, prepared and maintained by Contractor, describing the sequence and duration of the activities comprising the Contractor's plan to accomplish the Work within the Contract Times.
33. *Project*—The total construction of which the Work to be performed under the Contract Documents may be the whole, or a part.
34. *Project Manual*—The bound documentary information prepared for bidding and constructing the Work. A listing of the contents of the Project Manual, which may be bound in one or more volumes, is contained in the table(s) of contents.
35. *Radioactive Material*—Source, special nuclear, or byproduct material as defined by the Atomic Energy Act of 1954 (42 USC Section 2011 et seq.) as amended from time to time.
36. *Resident Project Representative*—The authorized representative of Engineer who may be assigned to the Site or any part thereof.
37. *Samples*—Physical examples of materials, equipment, or workmanship that are representative of some portion of the Work and which establish the standards by which such portion of the Work will be judged.
38. *Schedule of Submittals*—A schedule, prepared and maintained by Contractor, of required submittals and the time requirements to support scheduled performance of related construction activities.
39. *Schedule of Values*—A schedule, prepared and maintained by Contractor, allocating portions of the Contract Price to various portions of the Work and used as the basis for reviewing Contractor's Applications for Payment.

40. *Shop Drawings*—All drawings, diagrams, illustrations, schedules, and other data or information which are specifically prepared or assembled by or for Contractor and submitted by Contractor to illustrate some portion of the Work.
41. *Site*—Lands or areas indicated in the Contract Documents as being furnished by Owner upon which the Work is to be performed, including rights-of-way and easements for access thereto, and such other lands furnished by Owner which are designated for the use of Contractor.
42. *Specifications*—That part of the Contract Documents consisting of written requirements for materials, equipment, systems, standards and workmanship as applied to the Work, and certain administrative requirements and procedural matters applicable thereto.
43. *Subcontractor*—An individual or entity having a direct contract with Contractor or with any other Subcontractor for the performance of a part of the Work at the Site.
44. *Substantial Completion*—The time at which the Work (or a specified part thereof) has progressed to the point where, in the opinion of Engineer, the Work (or a specified part thereof) is sufficiently complete, in accordance with the Contract Documents, so that the Work (or a specified part thereof) can be utilized for the purposes for which it is intended. The terms “substantially complete” and “substantially completed” as applied to all or part of the Work refer to Substantial Completion thereof.
45. *Successful Bidder*—The Bidder submitting a responsive Bid to whom Owner makes an award.
46. *Supplementary Conditions*—That part of the Contract Documents which amends or supplements these General Conditions.
47. *Supplier*—A manufacturer, fabricator, supplier, distributor, materialman, or vendor having a direct contract with Contractor or with any Subcontractor to furnish materials or equipment to be incorporated in the Work by Contractor or Subcontractor.
48. *Underground Facilities*—All underground pipelines, conduits, ducts, cables, wires, manholes, vaults, tanks, tunnels, or other such facilities or attachments, and any encasements containing such facilities, including those that convey electricity, gases, steam, liquid petroleum products, telephone or other communications, cable television, water, wastewater, storm water, other liquids or chemicals, or traffic or other control systems.
49. *Unit Price Work*—Work to be paid for on the basis of unit prices.
50. *Work*—The entire construction or the various separately identifiable parts thereof required to be provided under the Contract Documents. Work includes and is the result of performing or providing all labor, services, and documentation necessary to produce such construction, and furnishing, installing, and incorporating all materials and equipment into such construction, all as required by the Contract Documents.
51. *Work Change Directive*—A written statement to Contractor issued on or after the Effective Date of the Agreement and signed by Owner and recommended by Engineer ordering an

addition, deletion, or revision in the Work, or responding to differing or unforeseen subsurface or physical conditions under which the Work is to be performed or to emergencies. A Work Change Directive will not change the Contract Price or the Contract Times but is evidence that the parties expect that the change ordered or documented by a Work Change Directive will be incorporated in a subsequently issued Change Order following negotiations by the parties as to its effect, if any, on the Contract Price or Contract Times.

1.02 Terminology

A. The words and terms discussed in Paragraph 1.02.B through F are not defined but, when used in the Bidding Requirements or Contract Documents, have the indicated meaning.

B. *Intent of Certain Terms or Adjectives:*

1. The Contract Documents include the terms “as allowed,” “as approved,” “as ordered,” “as directed” or terms of like effect or import to authorize an exercise of professional judgment by Engineer. In addition, the adjectives “reasonable,” “suitable,” “acceptable,” “proper,” “satisfactory,” or adjectives of like effect or import are used to describe an action or determination of Engineer as to the Work. It is intended that such exercise of professional judgment, action, or determination will be solely to evaluate, in general, the Work for compliance with the information in the Contract Documents and with the design concept of the Project as a functioning whole as shown or indicated in the Contract Documents (unless there is a specific statement indicating otherwise). The use of any such term or adjective is not intended to and shall not be effective to assign to Engineer any duty or authority to supervise or direct the performance of the Work, or any duty or authority to undertake responsibility contrary to the provisions of Paragraph 9.09 or any other provision of the Contract Documents.

C. *Day:*

1. The word “day” means a calendar day of 24 hours measured from midnight to the next midnight.

D. *Defective:*

1. The word “defective,” when modifying the word “Work,” refers to Work that is unsatisfactory, faulty, or deficient in that it:
 - a. does not conform to the Contract Documents; or
 - b. does not meet the requirements of any applicable inspection, reference standard, test, or approval referred to in the Contract Documents; or
 - c. has been damaged prior to Engineer’s recommendation of final payment (unless responsibility for the protection thereof has been assumed by Owner at Substantial Completion in accordance with Paragraph 14.04 or 14.05).

E. *Furnish, Install, Perform, Provide:*

1. The word “furnish,” when used in connection with services, materials, or equipment, shall mean to supply and deliver said services, materials, or equipment to the Site (or some other specified location) ready for use or installation and in usable or operable condition.
 2. The word “install,” when used in connection with services, materials, or equipment, shall mean to put into use or place in final position said services, materials, or equipment complete and ready for intended use.
 3. The words “perform” or “provide,” when used in connection with services, materials, or equipment, shall mean to furnish and install said services, materials, or equipment complete and ready for intended use.
 4. When “furnish,” “install,” “perform,” or “provide” is not used in connection with services, materials, or equipment in a context clearly requiring an obligation of Contractor, “provide” is implied.
- F. Unless stated otherwise in the Contract Documents, words or phrases that have a well-known technical or construction industry or trade meaning are used in the Contract Documents in accordance with such recognized meaning.

ARTICLE 2 – PRELIMINARY MATTERS

2.01 *Delivery of Bonds and Evidence of Insurance*

- A. When Contractor delivers the executed counterparts of the Agreement to Owner, Contractor shall also deliver to Owner such bonds as Contractor may be required to furnish.
- B. *Evidence of Insurance:* Before any Work at the Site is started, Contractor and Owner shall each deliver to the other, with copies to each additional insured identified in the Supplementary Conditions, certificates of insurance (and other evidence of insurance which either of them or any additional insured may reasonably request) which Contractor and Owner respectively are required to purchase and maintain in accordance with Article 5.

2.02 *Copies of Documents*

- A. Owner shall furnish to Contractor up to ten printed or hard copies of the Drawings and Project Manual. Additional copies will be furnished upon request at the cost of reproduction.

2.03 *Commencement of Contract Times; Notice to Proceed*

- A. The Contract Times will commence to run on the thirtieth day after the Effective Date of the Agreement or, if a Notice to Proceed is given, on the day indicated in the Notice to Proceed. A Notice to Proceed may be given at any time within 30 days after the Effective Date of the Agreement. In no event will the Contract Times commence to run later than the sixtieth day after the day of Bid opening or the thirtieth day after the Effective Date of the Agreement, whichever date is earlier.

2.04 *Starting the Work*

- A. Contractor shall start to perform the Work on the date when the Contract Times commence to run. No Work shall be done at the Site prior to the date on which the Contract Times commence to run.

2.05 *Before Starting Construction*

- A. *Preliminary Schedules*: Within 10 days after the Effective Date of the Agreement (unless otherwise specified in the General Requirements), Contractor shall submit to Engineer for timely review:
 - 1. a preliminary Progress Schedule indicating the times (numbers of days or dates) for starting and completing the various stages of the Work, including any Milestones specified in the Contract Documents;
 - 2. a preliminary Schedule of Submittals; and
 - 3. a preliminary Schedule of Values for all of the Work which includes quantities and prices of items which when added together equal the Contract Price and subdivides the Work into component parts in sufficient detail to serve as the basis for progress payments during performance of the Work. Such prices will include an appropriate amount of overhead and profit applicable to each item of Work.

2.06 *Preconstruction Conference; Designation of Authorized Representatives*

- A. Before any Work at the Site is started, a conference attended by Owner, Contractor, Engineer, and others as appropriate will be held to establish a working understanding among the parties as to the Work and to discuss the schedules referred to in Paragraph 2.05.A, procedures for handling Shop Drawings and other submittals, processing Applications for Payment, and maintaining required records.
- B. At this conference Owner and Contractor each shall designate, in writing, a specific individual to act as its authorized representative with respect to the services and responsibilities under the Contract. Such individuals shall have the authority to transmit instructions, receive information, render decisions relative to the Contract, and otherwise act on behalf of each respective party.

2.07 *Initial Acceptance of Schedules*

- A. At least 10 days before submission of the first Application for Payment a conference attended by Contractor, Engineer, and others as appropriate will be held to review for acceptability to Engineer as provided below the schedules submitted in accordance with Paragraph 2.05.A. Contractor shall have an additional 10 days to make corrections and adjustments and to complete and resubmit the schedules. No progress payment shall be made to Contractor until acceptable schedules are submitted to Engineer.
 - 1. The Progress Schedule will be acceptable to Engineer if it provides an orderly progression of the Work to completion within the Contract Times. Such acceptance will not impose on

Engineer responsibility for the Progress Schedule, for sequencing, scheduling, or progress of the Work, nor interfere with or relieve Contractor from Contractor's full responsibility therefor.

2. Contractor's Schedule of Submittals will be acceptable to Engineer if it provides a workable arrangement for reviewing and processing the required submittals.
3. Contractor's Schedule of Values will be acceptable to Engineer as to form and substance if it provides a reasonable allocation of the Contract Price to component parts of the Work.

ARTICLE 3 – CONTRACT DOCUMENTS: INTENT, AMENDING, REUSE

3.01 *Intent*

- A. The Contract Documents are complementary; what is required by one is as binding as if required by all.
- B. It is the intent of the Contract Documents to describe a functionally complete project (or part thereof) to be constructed in accordance with the Contract Documents. Any labor, documentation, services, materials, or equipment that reasonably may be inferred from the Contract Documents or from prevailing custom or trade usage as being required to produce the indicated result will be provided whether or not specifically called for, at no additional cost to Owner.
- C. Clarifications and interpretations of the Contract Documents shall be issued by Engineer as provided in Article 9.

3.02 *Reference Standards*

- A. Standards, Specifications, Codes, Laws, and Regulations
 1. Reference to standards, specifications, manuals, or codes of any technical society, organization, or association, or to Laws or Regulations, whether such reference be specific or by implication, shall mean the standard, specification, manual, code, or Laws or Regulations in effect at the time of opening of Bids (or on the Effective Date of the Agreement if there were no Bids), except as may be otherwise specifically stated in the Contract Documents.
 2. No provision of any such standard, specification, manual, or code, or any instruction of a Supplier, shall be effective to change the duties or responsibilities of Owner, Contractor, or Engineer, or any of their subcontractors, consultants, agents, or employees, from those set forth in the Contract Documents. No such provision or instruction shall be effective to assign to Owner, Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, any duty or authority to supervise or direct the performance of the Work or any duty or authority to undertake responsibility inconsistent with the provisions of the Contract Documents.

3.03 *Reporting and Resolving Discrepancies*

A. *Reporting Discrepancies:*

1. *Contractor's Review of Contract Documents Before Starting Work:* Before undertaking each part of the Work, Contractor shall carefully study and compare the Contract Documents and check and verify pertinent figures therein and all applicable field measurements. Contractor shall promptly report in writing to Engineer any conflict, error, ambiguity, or discrepancy which Contractor discovers, or has actual knowledge of, and shall obtain a written interpretation or clarification from Engineer before proceeding with any Work affected thereby.
2. *Contractor's Review of Contract Documents During Performance of Work:* If, during the performance of the Work, Contractor discovers any conflict, error, ambiguity, or discrepancy within the Contract Documents, or between the Contract Documents and (a) any applicable Law or Regulation, (b) any standard, specification, manual, or code, or (c) any instruction of any Supplier, then Contractor shall promptly report it to Engineer in writing. Contractor shall not proceed with the Work affected thereby (except in an emergency as required by Paragraph 6.16.A) until an amendment or supplement to the Contract Documents has been issued by one of the methods indicated in Paragraph 3.04.
3. Contractor shall not be liable to Owner or Engineer for failure to report any conflict, error, ambiguity, or discrepancy in the Contract Documents unless Contractor had actual knowledge thereof.

B. *Resolving Discrepancies:*

1. Except as may be otherwise specifically stated in the Contract Documents, the provisions of the Contract Documents shall take precedence in resolving any conflict, error, ambiguity, or discrepancy between the provisions of the Contract Documents and:
 - a. the provisions of any standard, specification, manual, or code, or the instruction of any Supplier (whether or not specifically incorporated by reference in the Contract Documents); or
 - b. the provisions of any Laws or Regulations applicable to the performance of the Work (unless such an interpretation of the provisions of the Contract Documents would result in violation of such Law or Regulation).

3.04 *Amending and Supplementing Contract Documents*

- A. The Contract Documents may be amended to provide for additions, deletions, and revisions in the Work or to modify the terms and conditions thereof by either a Change Order or a Work Change Directive.
- B. The requirements of the Contract Documents may be supplemented, and minor variations and deviations in the Work may be authorized, by one or more of the following ways:

1. A Field Order;
2. Engineer's approval of a Shop Drawing or Sample (subject to the provisions of Paragraph 6.17.D.3); or
3. Engineer's written interpretation or clarification.

3.05 *Reuse of Documents*

A. Contractor and any Subcontractor or Supplier shall not:

1. have or acquire any title to or ownership rights in any of the Drawings, Specifications, or other documents (or copies of any thereof) prepared by or bearing the seal of Engineer or its consultants, including electronic media editions; or
2. reuse any such Drawings, Specifications, other documents, or copies thereof on extensions of the Project or any other project without written consent of Owner and Engineer and specific written verification or adaptation by Engineer.

B. The prohibitions of this Paragraph 3.05 will survive final payment, or termination of the Contract. Nothing herein shall preclude Contractor from retaining copies of the Contract Documents for record purposes.

3.06 *Electronic Data*

- A. Unless otherwise stated in the Supplementary Conditions, the data furnished by Owner or Engineer to Contractor, or by Contractor to Owner or Engineer, that may be relied upon are limited to the printed copies (also known as hard copies). Files in electronic media format of text, data, graphics, or other types are furnished only for the convenience of the receiving party. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk. If there is a discrepancy between the electronic files and the hard copies, the hard copies govern.
- B. Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the party receiving electronic files agrees that it will perform acceptance tests or procedures within 60 days, after which the receiving party shall be deemed to have accepted the data thus transferred. Any errors detected within the 60-day acceptance period will be corrected by the transferring party.
- C. When transferring documents in electronic media format, the transferring party makes no representations as to long term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by the data's creator.

ARTICLE 4 – AVAILABILITY OF LANDS; SUBSURFACE AND PHYSICAL CONDITIONS; HAZARDOUS ENVIRONMENTAL CONDITIONS; REFERENCE POINTS

4.01 *Availability of Lands*

- A. Owner shall furnish the Site. Owner shall notify Contractor of any encumbrances or restrictions not of general application but specifically related to use of the Site with which Contractor must comply in performing the Work. Owner will obtain in a timely manner and pay for easements for permanent structures or permanent changes in existing facilities. If Contractor and Owner are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in the Contract Price or Contract Times, or both, as a result of any delay in Owner's furnishing the Site or a part thereof, Contractor may make a Claim therefor as provided in Paragraph 10.05.
- B. Upon reasonable written request, Owner shall furnish Contractor with a current statement of record legal title and legal description of the lands upon which the Work is to be performed and Owner's interest therein as necessary for giving notice of or filing a mechanic's or construction lien against such lands in accordance with applicable Laws and Regulations.
- C. Contractor shall provide for all additional lands and access thereto that may be required for temporary construction facilities or storage of materials and equipment.

4.02 *Subsurface and Physical Conditions*

- A. *Reports and Drawings:* The Supplementary Conditions identify:
 - 1. those reports known to Owner of explorations and tests of subsurface conditions at or contiguous to the Site; and
 - 2. those drawings known to Owner of physical conditions relating to existing surface or subsurface structures at the Site (except Underground Facilities).
- B. *Limited Reliance by Contractor on Technical Data Authorized:* Contractor may rely upon the accuracy of the "technical data" contained in such reports and drawings, but such reports and drawings are not Contract Documents. Such "technical data" is identified in the Supplementary Conditions. Except for such reliance on such "technical data," Contractor may not rely upon or make any claim against Owner or Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors with respect to:
 - 1. the completeness of such reports and drawings for Contractor's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, and safety precautions and programs incident thereto; or
 - 2. other data, interpretations, opinions, and information contained in such reports or shown or indicated in such drawings; or
 - 3. any Contractor interpretation of or conclusion drawn from any "technical data" or any such other data, interpretations, opinions, or information.

4.03 *Differing Subsurface or Physical Conditions*

A. *Notice:* If Contractor believes that any subsurface or physical condition that is uncovered or revealed either:

1. is of such a nature as to establish that any “technical data” on which Contractor is entitled to rely as provided in Paragraph 4.02 is materially inaccurate; or
2. is of such a nature as to require a change in the Contract Documents; or
3. differs materially from that shown or indicated in the Contract Documents; or
4. is of an unusual nature, and differs materially from conditions ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents;

then Contractor shall, promptly after becoming aware thereof and before further disturbing the subsurface or physical conditions or performing any Work in connection therewith (except in an emergency as required by Paragraph 6.16.A), notify Owner and Engineer in writing about such condition. Contractor shall not further disturb such condition or perform any Work in connection therewith (except as aforesaid) until receipt of written order to do so.

B. *Engineer’s Review:* After receipt of written notice as required by Paragraph 4.03.A, Engineer will promptly review the pertinent condition, determine the necessity of Owner’s obtaining additional exploration or tests with respect thereto, and advise Owner in writing (with a copy to Contractor) of Engineer’s findings and conclusions.

C. *Possible Price and Times Adjustments:*

1. The Contract Price or the Contract Times, or both, will be equitably adjusted to the extent that the existence of such differing subsurface or physical condition causes an increase or decrease in Contractor’s cost of, or time required for, performance of the Work; subject, however, to the following:
 - a. such condition must meet any one or more of the categories described in Paragraph 4.03.A; and
 - b. with respect to Work that is paid for on a unit price basis, any adjustment in Contract Price will be subject to the provisions of Paragraphs 9.07 and 11.03.
2. Contractor shall not be entitled to any adjustment in the Contract Price or Contract Times if:
 - a. Contractor knew of the existence of such conditions at the time Contractor made a final commitment to Owner with respect to Contract Price and Contract Times by the submission of a Bid or becoming bound under a negotiated contract; or
 - b. the existence of such condition could reasonably have been discovered or revealed as a result of any examination, investigation, exploration, test, or study of the Site and

contiguous areas required by the Bidding Requirements or Contract Documents to be conducted by or for Contractor prior to Contractor's making such final commitment; or

- c. Contractor failed to give the written notice as required by Paragraph 4.03.A.
3. If Owner and Contractor are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in the Contract Price or Contract Times, or both, a Claim may be made therefor as provided in Paragraph 10.05. However, neither Owner or Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors shall be liable to Contractor for any claims, costs, losses, or damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) sustained by Contractor on or in connection with any other project or anticipated project.

4.04 *Underground Facilities*

A. *Shown or Indicated:* The information and data shown or indicated in the Contract Documents with respect to existing Underground Facilities at or contiguous to the Site is based on information and data furnished to Owner or Engineer by the owners of such Underground Facilities, including Owner, or by others. Unless it is otherwise expressly provided in the Supplementary Conditions:

1. Owner and Engineer shall not be responsible for the accuracy or completeness of any such information or data provided by others; and
2. the cost of all of the following will be included in the Contract Price, and Contractor shall have full responsibility for:
 - a. reviewing and checking all such information and data;
 - b. locating all Underground Facilities shown or indicated in the Contract Documents;
 - c. coordination of the Work with the owners of such Underground Facilities, including Owner, during construction; and
 - d. the safety and protection of all such Underground Facilities and repairing any damage thereto resulting from the Work.

B. *Not Shown or Indicated:*

1. If an Underground Facility is uncovered or revealed at or contiguous to the Site which was not shown or indicated, or not shown or indicated with reasonable accuracy in the Contract Documents, Contractor shall, promptly after becoming aware thereof and before further disturbing conditions affected thereby or performing any Work in connection therewith (except in an emergency as required by Paragraph 6.16.A), identify the owner of such Underground Facility and give written notice to that owner and to Owner and Engineer. Engineer will promptly review the Underground Facility and determine the extent, if any, to which a change is required in the Contract Documents to reflect and document the

consequences of the existence or location of the Underground Facility. During such time, Contractor shall be responsible for the safety and protection of such Underground Facility.

2. If Engineer concludes that a change in the Contract Documents is required, a Work Change Directive or a Change Order will be issued to reflect and document such consequences. An equitable adjustment shall be made in the Contract Price or Contract Times, or both, to the extent that they are attributable to the existence or location of any Underground Facility that was not shown or indicated or not shown or indicated with reasonable accuracy in the Contract Documents and that Contractor did not know of and could not reasonably have been expected to be aware of or to have anticipated. If Owner and Contractor are unable to agree on entitlement to or on the amount or extent, if any, of any such adjustment in Contract Price or Contract Times, Owner or Contractor may make a Claim therefor as provided in Paragraph 10.05.

4.05 *Reference Points*

- A. Owner shall provide engineering surveys to establish reference points for construction which in Engineer's judgment are necessary to enable Contractor to proceed with the Work. Contractor shall be responsible for laying out the Work, shall protect and preserve the established reference points and property monuments, and shall make no changes or relocations without the prior written approval of Owner. Contractor shall report to Engineer whenever any reference point or property monument is lost or destroyed or requires relocation because of necessary changes in grades or locations, and shall be responsible for the accurate replacement or relocation of such reference points or property monuments by professionally qualified personnel.

4.06 *Hazardous Environmental Condition at Site*

- A. *Reports and Drawings:* The Supplementary Conditions identify those reports and drawings known to Owner relating to Hazardous Environmental Conditions that have been identified at the Site.
- B. *Limited Reliance by Contractor on Technical Data Authorized:* Contractor may rely upon the accuracy of the "technical data" contained in such reports and drawings, but such reports and drawings are not Contract Documents. Such "technical data" is identified in the Supplementary Conditions. Except for such reliance on such "technical data," Contractor may not rely upon or make any claim against Owner or Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors with respect to:
 1. the completeness of such reports and drawings for Contractor's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences and procedures of construction to be employed by Contractor and safety precautions and programs incident thereto; or
 2. other data, interpretations, opinions and information contained in such reports or shown or indicated in such drawings; or
 3. any Contractor interpretation of or conclusion drawn from any "technical data" or any such other data, interpretations, opinions or information.

- C. Contractor shall not be responsible for any Hazardous Environmental Condition uncovered or revealed at the Site which was not shown or indicated in Drawings or Specifications or identified in the Contract Documents to be within the scope of the Work. Contractor shall be responsible for a Hazardous Environmental Condition created with any materials brought to the Site by Contractor, Subcontractors, Suppliers, or anyone else for whom Contractor is responsible.
- D. If Contractor encounters a Hazardous Environmental Condition or if Contractor or anyone for whom Contractor is responsible creates a Hazardous Environmental Condition, Contractor shall immediately: (i) secure or otherwise isolate such condition; (ii) stop all Work in connection with such condition and in any area affected thereby (except in an emergency as required by Paragraph 6.16.A); and (iii) notify Owner and Engineer (and promptly thereafter confirm such notice in writing). Owner shall promptly consult with Engineer concerning the necessity for Owner to retain a qualified expert to evaluate such condition or take corrective action, if any. Promptly after consulting with Engineer, Owner shall take such actions as are necessary to permit Owner to timely obtain required permits and provide Contractor the written notice required by Paragraph 4.06.E.
- E. Contractor shall not be required to resume Work in connection with such condition or in any affected area until after Owner has obtained any required permits related thereto and delivered written notice to Contractor: (i) specifying that such condition and any affected area is or has been rendered safe for the resumption of Work; or (ii) specifying any special conditions under which such Work may be resumed safely. If Owner and Contractor cannot agree as to entitlement to or on the amount or extent, if any, of any adjustment in Contract Price or Contract Times, or both, as a result of such Work stoppage or such special conditions under which Work is agreed to be resumed by Contractor, either party may make a Claim therefor as provided in Paragraph 10.05.
- F. If after receipt of such written notice Contractor does not agree to resume such Work based on a reasonable belief it is unsafe, or does not agree to resume such Work under such special conditions, then Owner may order the portion of the Work that is in the area affected by such condition to be deleted from the Work. If Owner and Contractor cannot agree as to entitlement to or on the amount or extent, if any, of an adjustment in Contract Price or Contract Times as a result of deleting such portion of the Work, then either party may make a Claim therefor as provided in Paragraph 10.05. Owner may have such deleted portion of the Work performed by Owner's own forces or others in accordance with Article 7.
- G. To the fullest extent permitted by Laws and Regulations, Owner shall indemnify and hold harmless Contractor, Subcontractors, and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to a Hazardous Environmental Condition, provided that such Hazardous Environmental Condition: (i) was not shown or indicated in the Drawings or Specifications or identified in the Contract Documents to be included within the scope of the Work, and (ii) was not created by Contractor or by anyone for whom Contractor is responsible. Nothing in this Paragraph 4.06.G shall obligate Owner to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence.

- H. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to a Hazardous Environmental Condition created by Contractor or by anyone for whom Contractor is responsible. Nothing in this Paragraph 4.06.H shall obligate Contractor to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence.
- I. The provisions of Paragraphs 4.02, 4.03, and 4.04 do not apply to a Hazardous Environmental Condition uncovered or revealed at the Site.

ARTICLE 5 – BONDS AND INSURANCE

5.01 *Performance, Payment, and Other Bonds*

- A. Contractor shall furnish performance and payment bonds, each in an amount at least equal to the Contract Price as security for the faithful performance and payment of all of Contractor's obligations under the Contract Documents. These bonds shall remain in effect until one year after the date when final payment becomes due or until completion of the correction period specified in Paragraph 13.07, whichever is later, except as provided otherwise by Laws or Regulations or by the Contract Documents. Contractor shall also furnish such other bonds as are required by the Contract Documents.
- B. All bonds shall be in the form prescribed by the Contract Documents except as provided otherwise by Laws or Regulations, and shall be executed by such sureties as are named in the list of "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" as published in Circular 570 (amended) by the Financial Management Service, Surety Bond Branch, U.S. Department of the Treasury. All bonds signed by an agent or attorney-in-fact must be accompanied by a certified copy of that individual's authority to bind the surety. The evidence of authority shall show that it is effective on the date the agent or attorney-in-fact signed each bond.
- C. If the surety on any bond furnished by Contractor is declared bankrupt or becomes insolvent or its right to do business is terminated in any state where any part of the Project is located or it ceases to meet the requirements of Paragraph 5.01.B, Contractor shall promptly notify Owner and Engineer and shall, within 20 days after the event giving rise to such notification, provide another bond and surety, both of which shall comply with the requirements of Paragraphs 5.01.B and 5.02.

5.02 *Licensed Sureties and Insurers*

- A. All bonds and insurance required by the Contract Documents to be purchased and maintained by Owner or Contractor shall be obtained from surety or insurance companies that are duly licensed or authorized in the jurisdiction in which the Project is located to issue bonds or insurance policies for the limits and coverages so required. Such surety and insurance companies shall also

meet such additional requirements and qualifications as may be provided in the Supplementary Conditions.

5.03 *Certificates of Insurance*

- A. Contractor shall deliver to Owner, with copies to each additional insured and loss payee identified in the Supplementary Conditions, certificates of insurance (and other evidence of insurance requested by Owner or any other additional insured) which Contractor is required to purchase and maintain.
- B. Owner shall deliver to Contractor, with copies to each additional insured and loss payee identified in the Supplementary Conditions, certificates of insurance (and other evidence of insurance requested by Contractor or any other additional insured) which Owner is required to purchase and maintain.
- C. Failure of Owner to demand such certificates or other evidence of Contractor's full compliance with these insurance requirements or failure of Owner to identify a deficiency in compliance from the evidence provided shall not be construed as a waiver of Contractor's obligation to maintain such insurance.
- D. Owner does not represent that insurance coverage and limits established in this Contract necessarily will be adequate to protect Contractor.
- E. The insurance and insurance limits required herein shall not be deemed as a limitation on Contractor's liability under the indemnities granted to Owner in the Contract Documents.

5.04 *Contractor's Insurance*

- A. Contractor shall purchase and maintain such insurance as is appropriate for the Work being performed and as will provide protection from claims set forth below which may arise out of or result from Contractor's performance of the Work and Contractor's other obligations under the Contract Documents, whether it is to be performed by Contractor, any Subcontractor or Supplier, or by anyone directly or indirectly employed by any of them to perform any of the Work, or by anyone for whose acts any of them may be liable:
 - 1. claims under workers' compensation, disability benefits, and other similar employee benefit acts;
 - 2. claims for damages because of bodily injury, occupational sickness or disease, or death of Contractor's employees;
 - 3. claims for damages because of bodily injury, sickness or disease, or death of any person other than Contractor's employees;
 - 4. claims for damages insured by reasonably available personal injury liability coverage which are sustained:

- a. by any person as a result of an offense directly or indirectly related to the employment of such person by Contractor, or
 - b. by any other person for any other reason;
5. claims for damages, other than to the Work itself, because of injury to or destruction of tangible property wherever located, including loss of use resulting therefrom; and
 6. claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle.
- B. The policies of insurance required by this Paragraph 5.04 shall:
1. with respect to insurance required by Paragraphs 5.04.A.3 through 5.04.A.6 inclusive, be written on an occurrence basis, include as additional insureds (subject to any customary exclusion regarding professional liability) Owner and Engineer, and any other individuals or entities identified in the Supplementary Conditions, all of whom shall be listed as additional insureds, and include coverage for the respective officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of all such additional insureds, and the insurance afforded to these additional insureds shall provide primary coverage for all claims covered thereby;
 2. include at least the specific coverages and be written for not less than the limits of liability provided in the Supplementary Conditions or required by Laws or Regulations, whichever is greater;
 3. include contractual liability insurance covering Contractor's indemnity obligations under Paragraphs 6.11 and 6.20;
 4. contain a provision or endorsement that the coverage afforded will not be canceled, materially changed or renewal refused until at least 30 days prior written notice has been given to Owner and Contractor and to each other additional insured identified in the Supplementary Conditions to whom a certificate of insurance has been issued (and the certificates of insurance furnished by the Contractor pursuant to Paragraph 5.03 will so provide);
 5. remain in effect at least until final payment and at all times thereafter when Contractor may be correcting, removing, or replacing defective Work in accordance with Paragraph 13.07; and
 6. include completed operations coverage:
 - a. Such insurance shall remain in effect for two years after final payment.
 - b. Contractor shall furnish Owner and each other additional insured identified in the Supplementary Conditions, to whom a certificate of insurance has been issued, evidence satisfactory to Owner and any such additional insured of continuation of such insurance at final payment and one year thereafter.

5.05 *Owner's Liability Insurance*

- A. In addition to the insurance required to be provided by Contractor under Paragraph 5.04, Owner, at Owner's option, may purchase and maintain at Owner's expense Owner's own liability insurance as will protect Owner against claims which may arise from operations under the Contract Documents.

5.06 *Property Insurance*

- A. Unless otherwise provided in the Supplementary Conditions, Owner shall purchase and maintain property insurance upon the Work at the Site in the amount of the full replacement cost thereof (subject to such deductible amounts as may be provided in the Supplementary Conditions or required by Laws and Regulations). This insurance shall:
1. include the interests of Owner, Contractor, Subcontractors, and Engineer, and any other individuals or entities identified in the Supplementary Conditions, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, each of whom is deemed to have an insurable interest and shall be listed as a loss payee;
 2. be written on a Builder's Risk "all-risk" policy form that shall at least include insurance for physical loss or damage to the Work, temporary buildings, falsework, and materials and equipment in transit, and shall insure against at least the following perils or causes of loss: fire, lightning, extended coverage, theft, vandalism and malicious mischief, earthquake, collapse, debris removal, demolition occasioned by enforcement of Laws and Regulations, water damage (other than that caused by flood), and such other perils or causes of loss as may be specifically required by the Supplementary Conditions.
 3. include expenses incurred in the repair or replacement of any insured property (including but not limited to fees and charges of engineers and architects);
 4. cover materials and equipment stored at the Site or at another location that was agreed to in writing by Owner prior to being incorporated in the Work, provided that such materials and equipment have been included in an Application for Payment recommended by Engineer;
 5. allow for partial utilization of the Work by Owner;
 6. include testing and startup; and
 7. be maintained in effect until final payment is made unless otherwise agreed to in writing by Owner, Contractor, and Engineer with 30 days written notice to each other loss payee to whom a certificate of insurance has been issued.
- B. Owner shall purchase and maintain such equipment breakdown insurance or additional property insurance as may be required by the Supplementary Conditions or Laws and Regulations which will include the interests of Owner, Contractor, Subcontractors, and Engineer, and any other individuals or entities identified in the Supplementary Conditions, and the officers, directors,

members, partners, employees, agents, consultants and subcontractors of each and any of them, each of whom is deemed to have an insurable interest and shall be listed as a loss payee.

- C. All the policies of insurance (and the certificates or other evidence thereof) required to be purchased and maintained in accordance with this Paragraph 5.06 will contain a provision or endorsement that the coverage afforded will not be canceled or materially changed or renewal refused until at least 30 days prior written notice has been given to Owner and Contractor and to each other loss payee to whom a certificate of insurance has been issued and will contain waiver provisions in accordance with Paragraph 5.07.
- D. Owner shall not be responsible for purchasing and maintaining any property insurance specified in this Paragraph 5.06 to protect the interests of Contractor, Subcontractors, or others in the Work to the extent of any deductible amounts that are identified in the Supplementary Conditions. The risk of loss within such identified deductible amount will be borne by Contractor, Subcontractors, or others suffering any such loss, and if any of them wishes property insurance coverage within the limits of such amounts, each may purchase and maintain it at the purchaser's own expense.
- E. If Contractor requests in writing that other special insurance be included in the property insurance policies provided under this Paragraph 5.06, Owner shall, if possible, include such insurance, and the cost thereof will be charged to Contractor by appropriate Change Order. Prior to commencement of the Work at the Site, Owner shall in writing advise Contractor whether or not such other insurance has been procured by Owner.

5.07 *Waiver of Rights*

- A. Owner and Contractor intend that all policies purchased in accordance with Paragraph 5.06 will protect Owner, Contractor, Subcontractors, and Engineer, and all other individuals or entities identified in the Supplementary Conditions as loss payees (and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them) in such policies and will provide primary coverage for all losses and damages caused by the perils or causes of loss covered thereby. All such policies shall contain provisions to the effect that in the event of payment of any loss or damage the insurers will have no rights of recovery against any of the insureds or loss payees thereunder. Owner and Contractor waive all rights against each other and their respective officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them for all losses and damages caused by, arising out of or resulting from any of the perils or causes of loss covered by such policies and any other property insurance applicable to the Work; and, in addition, waive all such rights against Subcontractors and Engineer, and all other individuals or entities identified in the Supplementary Conditions as loss payees (and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them) under such policies for losses and damages so caused. None of the above waivers shall extend to the rights that any party making such waiver may have to the proceeds of insurance held by Owner as trustee or otherwise payable under any policy so issued.
- B. Owner waives all rights against Contractor, Subcontractors, and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them for:

1. loss due to business interruption, loss of use, or other consequential loss extending beyond direct physical loss or damage to Owner's property or the Work caused by, arising out of, or resulting from fire or other perils whether or not insured by Owner; and
 2. loss or damage to the completed Project or part thereof caused by, arising out of, or resulting from fire or other insured peril or cause of loss covered by any property insurance maintained on the completed Project or part thereof by Owner during partial utilization pursuant to Paragraph 14.05, after Substantial Completion pursuant to Paragraph 14.04, or after final payment pursuant to Paragraph 14.07.
- C. Any insurance policy maintained by Owner covering any loss, damage or consequential loss referred to in Paragraph 5.07.B shall contain provisions to the effect that in the event of payment of any such loss, damage, or consequential loss, the insurers will have no rights of recovery against Contractor, Subcontractors, or Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them.

5.08 *Receipt and Application of Insurance Proceeds*

- A. Any insured loss under the policies of insurance required by Paragraph 5.06 will be adjusted with Owner and made payable to Owner as fiduciary for the loss payees, as their interests may appear, subject to the requirements of any applicable mortgage clause and of Paragraph 5.08.B. Owner shall deposit in a separate account any money so received and shall distribute it in accordance with such agreement as the parties in interest may reach. If no other special agreement is reached, the damaged Work shall be repaired or replaced, the moneys so received applied on account thereof, and the Work and the cost thereof covered by an appropriate Change Order.
- B. Owner as fiduciary shall have power to adjust and settle any loss with the insurers unless one of the parties in interest shall object in writing within 15 days after the occurrence of loss to Owner's exercise of this power. If such objection be made, Owner as fiduciary shall make settlement with the insurers in accordance with such agreement as the parties in interest may reach. If no such agreement among the parties in interest is reached, Owner as fiduciary shall adjust and settle the loss with the insurers and, if required in writing by any party in interest, Owner as fiduciary shall give bond for the proper performance of such duties.

5.09 *Acceptance of Bonds and Insurance; Option to Replace*

- A. If either Owner or Contractor has any objection to the coverage afforded by or other provisions of the bonds or insurance required to be purchased and maintained by the other party in accordance with Article 5 on the basis of non-conformance with the Contract Documents, the objecting party shall so notify the other party in writing within 10 days after receipt of the certificates (or other evidence requested) required by Paragraph 2.01.B. Owner and Contractor shall each provide to the other such additional information in respect of insurance provided as the other may reasonably request. If either party does not purchase or maintain all of the bonds and insurance required of such party by the Contract Documents, such party shall notify the other party in writing of such failure to purchase prior to the start of the Work, or of such failure to maintain prior to any change in the required coverage. Without prejudice to any other right or remedy, the other party may elect to obtain equivalent bonds or insurance to protect such other party's

interests at the expense of the party who was required to provide such coverage, and a Change Order shall be issued to adjust the Contract Price accordingly.

5.10 *Partial Utilization, Acknowledgment of Property Insurer*

- A. If Owner finds it necessary to occupy or use a portion or portions of the Work prior to Substantial Completion of all the Work as provided in Paragraph 14.05, no such use or occupancy shall commence before the insurers providing the property insurance pursuant to Paragraph 5.06 have acknowledged notice thereof and in writing effected any changes in coverage necessitated thereby. The insurers providing the property insurance shall consent by endorsement on the policy or policies, but the property insurance shall not be canceled or permitted to lapse on account of any such partial use or occupancy.

ARTICLE 6 – CONTRACTOR’S RESPONSIBILITIES

6.01 *Supervision and Superintendence*

- A. Contractor shall supervise, inspect, and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract Documents. Contractor shall be solely responsible for the means, methods, techniques, sequences, and procedures of construction. Contractor shall not be responsible for the negligence of Owner or Engineer in the design or specification of a specific means, method, technique, sequence, or procedure of construction which is shown or indicated in and expressly required by the Contract Documents.
- B. At all times during the progress of the Work, Contractor shall assign a competent resident superintendent who shall not be replaced without written notice to Owner and Engineer except under extraordinary circumstances.

6.02 *Labor; Working Hours*

- A. Contractor shall provide competent, suitably qualified personnel to survey and lay out the Work and perform construction as required by the Contract Documents. Contractor shall at all times maintain good discipline and order at the Site.
- B. Except as otherwise required for the safety or protection of persons or the Work or property at the Site or adjacent thereto, and except as otherwise stated in the Contract Documents, all Work at the Site shall be performed during regular working hours. Contractor will not permit the performance of Work on a Saturday, Sunday, or any legal holiday without Owner’s written consent (which will not be unreasonably withheld) given after prior written notice to Engineer.

6.03 *Services, Materials, and Equipment*

- A. Unless otherwise specified in the Contract Documents, Contractor shall provide and assume full responsibility for all services, materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities and incidentals necessary for the performance, testing, start-up, and completion of the Work.

- B. All materials and equipment incorporated into the Work shall be as specified or, if not specified, shall be of good quality and new, except as otherwise provided in the Contract Documents. All special warranties and guarantees required by the Specifications shall expressly run to the benefit of Owner. If required by Engineer, Contractor shall furnish satisfactory evidence (including reports of required tests) as to the source, kind, and quality of materials and equipment.
- C. All materials and equipment shall be stored, applied, installed, connected, erected, protected, used, cleaned, and conditioned in accordance with instructions of the applicable Supplier, except as otherwise may be provided in the Contract Documents.

6.04 *Progress Schedule*

- A. Contractor shall adhere to the Progress Schedule established in accordance with Paragraph 2.07 as it may be adjusted from time to time as provided below.
 - 1. Contractor shall submit to Engineer for acceptance (to the extent indicated in Paragraph 2.07) proposed adjustments in the Progress Schedule that will not result in changing the Contract Times. Such adjustments will comply with any provisions of the General Requirements applicable thereto.
 - 2. Proposed adjustments in the Progress Schedule that will change the Contract Times shall be submitted in accordance with the requirements of Article 12. Adjustments in Contract Times may only be made by a Change Order.

6.05 *Substitutes and "Or-Equals"*

- A. Whenever an item of material or equipment is specified or described in the Contract Documents by using the name of a proprietary item or the name of a particular Supplier, the specification or description is intended to establish the type, function, appearance, and quality required. Unless the specification or description contains or is followed by words reading that no like, equivalent, or "or-equal" item or no substitution is permitted, other items of material or equipment or material or equipment of other Suppliers may be submitted to Engineer for review under the circumstances described below.
 - 1. "*Or-Equal*" Items: If in Engineer's sole discretion an item of material or equipment proposed by Contractor is functionally equal to that named and sufficiently similar so that no change in related Work will be required, it may be considered by Engineer as an "or-equal" item, in which case review and approval of the proposed item may, in Engineer's sole discretion, be accomplished without compliance with some or all of the requirements for approval of proposed substitute items. For the purposes of this Paragraph 6.05.A.1, a proposed item of material or equipment will be considered functionally equal to an item so named if:
 - a. in the exercise of reasonable judgment Engineer determines that:
 - 1) it is at least equal in materials of construction, quality, durability, appearance, strength, and design characteristics;

- 2) it will reliably perform at least equally well the function and achieve the results imposed by the design concept of the completed Project as a functioning whole; and
 - 3) it has a proven record of performance and availability of responsive service.
- b. Contractor certifies that, if approved and incorporated into the Work:
- 1) there will be no increase in cost to the Owner or increase in Contract Times; and
 - 2) it will conform substantially to the detailed requirements of the item named in the Contract Documents.

2. *Substitute Items:*

- a. If in Engineer's sole discretion an item of material or equipment proposed by Contractor does not qualify as an "or-equal" item under Paragraph 6.05.A.1, it will be considered a proposed substitute item.
- b. Contractor shall submit sufficient information as provided below to allow Engineer to determine if the item of material or equipment proposed is essentially equivalent to that named and an acceptable substitute therefor. Requests for review of proposed substitute items of material or equipment will not be accepted by Engineer from anyone other than Contractor.
- c. The requirements for review by Engineer will be as set forth in Paragraph 6.05.A.2.d, as supplemented by the General Requirements, and as Engineer may decide is appropriate under the circumstances.
- d. Contractor shall make written application to Engineer for review of a proposed substitute item of material or equipment that Contractor seeks to furnish or use. The application:
 - 1) shall certify that the proposed substitute item will:
 - a) perform adequately the functions and achieve the results called for by the general design,
 - b) be similar in substance to that specified, and
 - c) be suited to the same use as that specified;
 - 2) will state:
 - a) the extent, if any, to which the use of the proposed substitute item will prejudice Contractor's achievement of Substantial Completion on time,
 - b) whether use of the proposed substitute item in the Work will require a change in any of the Contract Documents (or in the provisions of any other direct contract with Owner for other work on the Project) to adapt the design to the proposed substitute item, and

- c) whether incorporation or use of the proposed substitute item in connection with the Work is subject to payment of any license fee or royalty;
 - 3) will identify:
 - a) all variations of the proposed substitute item from that specified, and
 - b) available engineering, sales, maintenance, repair, and replacement services; and
 - 4) shall contain an itemized estimate of all costs or credits that will result directly or indirectly from use of such substitute item, including costs of redesign and claims of other contractors affected by any resulting change.
- B. *Substitute Construction Methods or Procedures:* If a specific means, method, technique, sequence, or procedure of construction is expressly required by the Contract Documents, Contractor may furnish or utilize a substitute means, method, technique, sequence, or procedure of construction approved by Engineer. Contractor shall submit sufficient information to allow Engineer, in Engineer's sole discretion, to determine that the substitute proposed is equivalent to that expressly called for by the Contract Documents. The requirements for review by Engineer will be similar to those provided in Paragraph 6.05.A.2.
- C. *Engineer's Evaluation:* Engineer will be allowed a reasonable time within which to evaluate each proposal or submittal made pursuant to Paragraphs 6.05.A and 6.05.B. Engineer may require Contractor to furnish additional data about the proposed substitute item. Engineer will be the sole judge of acceptability. No "or equal" or substitute will be ordered, installed or utilized until Engineer's review is complete, which will be evidenced by a Change Order in the case of a substitute and an approved Shop Drawing for an "or equal." Engineer will advise Contractor in writing of any negative determination.
- D. *Special Guarantee:* Owner may require Contractor to furnish at Contractor's expense a special performance guarantee or other surety with respect to any substitute.
- E. *Engineer's Cost Reimbursement:* Engineer will record Engineer's costs in evaluating a substitute proposed or submitted by Contractor pursuant to Paragraphs 6.05.A.2 and 6.05.B. Whether or not Engineer approves a substitute so proposed or submitted by Contractor, Contractor shall reimburse Owner for the reasonable charges of Engineer for evaluating each such proposed substitute. Contractor shall also reimburse Owner for the reasonable charges of Engineer for making changes in the Contract Documents (or in the provisions of any other direct contract with Owner) resulting from the acceptance of each proposed substitute.
- F. *Contractor's Expense:* Contractor shall provide all data in support of any proposed substitute or "or-equal" at Contractor's expense.

6.06 *Concerning Subcontractors, Suppliers, and Others*

- A. Contractor shall not employ any Subcontractor, Supplier, or other individual or entity (including those acceptable to Owner as indicated in Paragraph 6.06.B), whether initially or as a replacement, against whom Owner may have reasonable objection. Contractor shall not be

required to employ any Subcontractor, Supplier, or other individual or entity to furnish or perform any of the Work against whom Contractor has reasonable objection.

- B. If the Supplementary Conditions require the identity of certain Subcontractors, Suppliers, or other individuals or entities to be submitted to Owner in advance for acceptance by Owner by a specified date prior to the Effective Date of the Agreement, and if Contractor has submitted a list thereof in accordance with the Supplementary Conditions, Owner's acceptance (either in writing or by failing to make written objection thereto by the date indicated for acceptance or objection in the Bidding Documents or the Contract Documents) of any such Subcontractor, Supplier, or other individual or entity so identified may be revoked on the basis of reasonable objection after due investigation. Contractor shall submit an acceptable replacement for the rejected Subcontractor, Supplier, or other individual or entity, and the Contract Price will be adjusted by the difference in the cost occasioned by such replacement, and an appropriate Change Order will be issued. No acceptance by Owner of any such Subcontractor, Supplier, or other individual or entity, whether initially or as a replacement, shall constitute a waiver of any right of Owner or Engineer to reject defective Work.
- C. Contractor shall be fully responsible to Owner and Engineer for all acts and omissions of the Subcontractors, Suppliers, and other individuals or entities performing or furnishing any of the Work just as Contractor is responsible for Contractor's own acts and omissions. Nothing in the Contract Documents:
 - 1. shall create for the benefit of any such Subcontractor, Supplier, or other individual or entity any contractual relationship between Owner or Engineer and any such Subcontractor, Supplier or other individual or entity; nor
 - 2. shall create any obligation on the part of Owner or Engineer to pay or to see to the payment of any moneys due any such Subcontractor, Supplier, or other individual or entity except as may otherwise be required by Laws and Regulations.
- D. Contractor shall be solely responsible for scheduling and coordinating the Work of Subcontractors, Suppliers, and other individuals or entities performing or furnishing any of the Work under a direct or indirect contract with Contractor.
- E. Contractor shall require all Subcontractors, Suppliers, and such other individuals or entities performing or furnishing any of the Work to communicate with Engineer through Contractor.
- F. The divisions and sections of the Specifications and the identifications of any Drawings shall not control Contractor in dividing the Work among Subcontractors or Suppliers or delineating the Work to be performed by any specific trade.
- G. All Work performed for Contractor by a Subcontractor or Supplier will be pursuant to an appropriate agreement between Contractor and the Subcontractor or Supplier which specifically binds the Subcontractor or Supplier to the applicable terms and conditions of the Contract Documents for the benefit of Owner and Engineer. Whenever any such agreement is with a Subcontractor or Supplier who is listed as a loss payee on the property insurance provided in Paragraph 5.06, the agreement between the Contractor and the Subcontractor or Supplier will contain provisions whereby the Subcontractor or Supplier waives all rights against Owner,

Contractor, Engineer, and all other individuals or entities identified in the Supplementary Conditions to be listed as insureds or loss payees (and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them) for all losses and damages caused by, arising out of, relating to, or resulting from any of the perils or causes of loss covered by such policies and any other property insurance applicable to the Work. If the insurers on any such policies require separate waiver forms to be signed by any Subcontractor or Supplier, Contractor will obtain the same.

6.07 *Patent Fees and Royalties*

- A. Contractor shall pay all license fees and royalties and assume all costs incident to the use in the performance of the Work or the incorporation in the Work of any invention, design, process, product, or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product, or device is specified in the Contract Documents for use in the performance of the Work and if, to the actual knowledge of Owner or Engineer, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by Owner in the Contract Documents.
- B. To the fullest extent permitted by Laws and Regulations, Owner shall indemnify and hold harmless Contractor, and its officers, directors, members, partners, employees, agents, consultants, and subcontractors from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) arising out of or relating to any infringement of patent rights or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, product, or device specified in the Contract Documents, but not identified as being subject to payment of any license fee or royalty to others required by patent rights or copyrights.
- C. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to any infringement of patent rights or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, product, or device not specified in the Contract Documents.

6.08 *Permits*

- A. Unless otherwise provided in the Supplementary Conditions, Contractor shall obtain and pay for all construction permits and licenses. Owner shall assist Contractor, when necessary, in obtaining such permits and licenses. Contractor shall pay all governmental charges and inspection fees necessary for the prosecution of the Work which are applicable at the time of opening of Bids, or, if there are no Bids, on the Effective Date of the Agreement. Owner shall pay all charges of utility owners for connections for providing permanent service to the Work.

6.09 *Laws and Regulations*

- A. Contractor shall give all notices required by and shall comply with all Laws and Regulations applicable to the performance of the Work. Except where otherwise expressly required by applicable Laws and Regulations, neither Owner nor Engineer shall be responsible for monitoring Contractor's compliance with any Laws or Regulations.
- B. If Contractor performs any Work knowing or having reason to know that it is contrary to Laws or Regulations, Contractor shall bear all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such Work. However, it shall not be Contractor's responsibility to make certain that the Specifications and Drawings are in accordance with Laws and Regulations, but this shall not relieve Contractor of Contractor's obligations under Paragraph 3.03.
- C. Changes in Laws or Regulations not known at the time of opening of Bids (or, on the Effective Date of the Agreement if there were no Bids) having an effect on the cost or time of performance of the Work shall be the subject of an adjustment in Contract Price or Contract Times. If Owner and Contractor are unable to agree on entitlement to or on the amount or extent, if any, of any such adjustment, a Claim may be made therefor as provided in Paragraph 10.05.

6.10 *Taxes*

- A. Contractor shall pay all sales, consumer, use, and other similar taxes required to be paid by Contractor in accordance with the Laws and Regulations of the place of the Project which are applicable during the performance of the Work.

6.11 *Use of Site and Other Areas*

A. *Limitation on Use of Site and Other Areas:*

1. Contractor shall confine construction equipment, the storage of materials and equipment, and the operations of workers to the Site and other areas permitted by Laws and Regulations, and shall not unreasonably encumber the Site and other areas with construction equipment or other materials or equipment. Contractor shall assume full responsibility for any damage to any such land or area, or to the owner or occupant thereof, or of any adjacent land or areas resulting from the performance of the Work.
2. Should any claim be made by any such owner or occupant because of the performance of the Work, Contractor shall promptly settle with such other party by negotiation or otherwise resolve the claim by arbitration or other dispute resolution proceeding or at law.
3. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to any claim or action, legal or equitable, brought

by any such owner or occupant against Owner, Engineer, or any other party indemnified hereunder to the extent caused by or based upon Contractor's performance of the Work.

- B. *Removal of Debris During Performance of the Work:* During the progress of the Work Contractor shall keep the Site and other areas free from accumulations of waste materials, rubbish, and other debris. Removal and disposal of such waste materials, rubbish, and other debris shall conform to applicable Laws and Regulations.
- C. *Cleaning:* Prior to Substantial Completion of the Work Contractor shall clean the Site and the Work and make it ready for utilization by Owner. At the completion of the Work Contractor shall remove from the Site all tools, appliances, construction equipment and machinery, and surplus materials and shall restore to original condition all property not designated for alteration by the Contract Documents.
- D. *Loading Structures:* Contractor shall not load nor permit any part of any structure to be loaded in any manner that will endanger the structure, nor shall Contractor subject any part of the Work or adjacent property to stresses or pressures that will endanger it.

6.12 *Record Documents*

- A. Contractor shall maintain in a safe place at the Site one record copy of all Drawings, Specifications, Addenda, Change Orders, Work Change Directives, Field Orders, and written interpretations and clarifications in good order and annotated to show changes made during construction. These record documents together with all approved Samples and a counterpart of all approved Shop Drawings will be available to Engineer for reference. Upon completion of the Work, these record documents, Samples, and Shop Drawings will be delivered to Engineer for Owner.

6.13 *Safety and Protection*

- A. Contractor shall be solely responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work. Such responsibility does not relieve Subcontractors of their responsibility for the safety of persons or property in the performance of their work, nor for compliance with applicable safety Laws and Regulations. Contractor shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury or loss to:
 - 1. all persons on the Site or who may be affected by the Work;
 - 2. all the Work and materials and equipment to be incorporated therein, whether in storage on or off the Site; and
 - 3. other property at the Site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, utilities, and Underground Facilities not designated for removal, relocation, or replacement in the course of construction.
- B. Contractor shall comply with all applicable Laws and Regulations relating to the safety of persons or property, or to the protection of persons or property from damage, injury, or loss; and

shall erect and maintain all necessary safeguards for such safety and protection. Contractor shall notify owners of adjacent property and of Underground Facilities and other utility owners when prosecution of the Work may affect them, and shall cooperate with them in the protection, removal, relocation, and replacement of their property.

- C. Contractor shall comply with the applicable requirements of Owner's safety programs, if any. The Supplementary Conditions identify any Owner's safety programs that are applicable to the Work.
- D. Contractor shall inform Owner and Engineer of the specific requirements of Contractor's safety program with which Owner's and Engineer's employees and representatives must comply while at the Site.
- E. All damage, injury, or loss to any property referred to in Paragraph 6.13.A.2 or 6.13.A.3 caused, directly or indirectly, in whole or in part, by Contractor, any Subcontractor, Supplier, or any other individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable, shall be remedied by Contractor (except damage or loss attributable to the fault of Drawings or Specifications or to the acts or omissions of Owner or Engineer or anyone employed by any of them, or anyone for whose acts any of them may be liable, and not attributable, directly or indirectly, in whole or in part, to the fault or negligence of Contractor or any Subcontractor, Supplier, or other individual or entity directly or indirectly employed by any of them).
- F. Contractor's duties and responsibilities for safety and for protection of the Work shall continue until such time as all the Work is completed and Engineer has issued a notice to Owner and Contractor in accordance with Paragraph 14.07.B that the Work is acceptable (except as otherwise expressly provided in connection with Substantial Completion).

6.14 *Safety Representative*

- A. Contractor shall designate a qualified and experienced safety representative at the Site whose duties and responsibilities shall be the prevention of accidents and the maintaining and supervising of safety precautions and programs.

6.15 *Hazard Communication Programs*

- A. Contractor shall be responsible for coordinating any exchange of material safety data sheets or other hazard communication information required to be made available to or exchanged between or among employers at the Site in accordance with Laws or Regulations.

6.16 *Emergencies*

- A. In emergencies affecting the safety or protection of persons or the Work or property at the Site or adjacent thereto, Contractor is obligated to act to prevent threatened damage, injury, or loss. Contractor shall give Engineer prompt written notice if Contractor believes that any significant changes in the Work or variations from the Contract Documents have been caused thereby or are required as a result thereof. If Engineer determines that a change in the Contract Documents is

required because of the action taken by Contractor in response to such an emergency, a Work Change Directive or Change Order will be issued.

6.17 *Shop Drawings and Samples*

A. Contractor shall submit Shop Drawings and Samples to Engineer for review and approval in accordance with the accepted Schedule of Submittals (as required by Paragraph 2.07). Each submittal will be identified as Engineer may require.

1. *Shop Drawings:*

- a. Submit number of copies specified in the General Requirements.
- b. Data shown on the Shop Drawings will be complete with respect to quantities, dimensions, specified performance and design criteria, materials, and similar data to show Engineer the services, materials, and equipment Contractor proposes to provide and to enable Engineer to review the information for the limited purposes required by Paragraph 6.17.D.

2. *Samples:*

- a. Submit number of Samples specified in the Specifications.
- b. Clearly identify each Sample as to material, Supplier, pertinent data such as catalog numbers, the use for which intended and other data as Engineer may require to enable Engineer to review the submittal for the limited purposes required by Paragraph 6.17.D.

B. Where a Shop Drawing or Sample is required by the Contract Documents or the Schedule of Submittals, any related Work performed prior to Engineer's review and approval of the pertinent submittal will be at the sole expense and responsibility of Contractor.

C. *Submittal Procedures:*

1. Before submitting each Shop Drawing or Sample, Contractor shall have:

- a. reviewed and coordinated each Shop Drawing or Sample with other Shop Drawings and Samples and with the requirements of the Work and the Contract Documents;
- b. determined and verified all field measurements, quantities, dimensions, specified performance and design criteria, installation requirements, materials, catalog numbers, and similar information with respect thereto;
- c. determined and verified the suitability of all materials offered with respect to the indicated application, fabrication, shipping, handling, storage, assembly, and installation pertaining to the performance of the Work; and
- d. determined and verified all information relative to Contractor's responsibilities for means, methods, techniques, sequences, and procedures of construction, and safety precautions and programs incident thereto.

2. Each submittal shall bear a stamp or specific written certification that Contractor has satisfied Contractor's obligations under the Contract Documents with respect to Contractor's review and approval of that submittal.
3. With each submittal, Contractor shall give Engineer specific written notice of any variations that the Shop Drawing or Sample may have from the requirements of the Contract Documents. This notice shall be both a written communication separate from the Shop Drawings or Sample submittal; and, in addition, by a specific notation made on each Shop Drawing or Sample submitted to Engineer for review and approval of each such variation.

D. Engineer's Review:

1. Engineer will provide timely review of Shop Drawings and Samples in accordance with the Schedule of Submittals acceptable to Engineer. Engineer's review and approval will be only to determine if the items covered by the submittals will, after installation or incorporation in the Work, conform to the information given in the Contract Documents and be compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents.
2. Engineer's review and approval will not extend to means, methods, techniques, sequences, or procedures of construction (except where a particular means, method, technique, sequence, or procedure of construction is specifically and expressly called for by the Contract Documents) or to safety precautions or programs incident thereto. The review and approval of a separate item as such will not indicate approval of the assembly in which the item functions.
3. Engineer's review and approval shall not relieve Contractor from responsibility for any variation from the requirements of the Contract Documents unless Contractor has complied with the requirements of Paragraph 6.17.C.3 and Engineer has given written approval of each such variation by specific written notation thereof incorporated in or accompanying the Shop Drawing or Sample. Engineer's review and approval shall not relieve Contractor from responsibility for complying with the requirements of Paragraph 6.17.C.1.

E. Resubmittal Procedures:

1. Contractor shall make corrections required by Engineer and shall return the required number of corrected copies of Shop Drawings and submit, as required, new Samples for review and approval. Contractor shall direct specific attention in writing to revisions other than the corrections called for by Engineer on previous submittals.

6.18 *Continuing the Work*

- A. Contractor shall carry on the Work and adhere to the Progress Schedule during all disputes or disagreements with Owner. No Work shall be delayed or postponed pending resolution of any disputes or disagreements, except as permitted by Paragraph 15.04 or as Owner and Contractor may otherwise agree in writing.

6.19 *Contractor's General Warranty and Guarantee*

- A. Contractor warrants and guarantees to Owner that all Work will be in accordance with the Contract Documents and will not be defective. Engineer and its officers, directors, members, partners, employees, agents, consultants, and subcontractors shall be entitled to rely on representation of Contractor's warranty and guarantee.
- B. Contractor's warranty and guarantee hereunder excludes defects or damage caused by:
 - 1. abuse, modification, or improper maintenance or operation by persons other than Contractor, Subcontractors, Suppliers, or any other individual or entity for whom Contractor is responsible; or
 - 2. normal wear and tear under normal usage.
- C. Contractor's obligation to perform and complete the Work in accordance with the Contract Documents shall be absolute. None of the following will constitute an acceptance of Work that is not in accordance with the Contract Documents or a release of Contractor's obligation to perform the Work in accordance with the Contract Documents:
 - 1. observations by Engineer;
 - 2. recommendation by Engineer or payment by Owner of any progress or final payment;
 - 3. the issuance of a certificate of Substantial Completion by Engineer or any payment related thereto by Owner;
 - 4. use or occupancy of the Work or any part thereof by Owner;
 - 5. any review and approval of a Shop Drawing or Sample submittal or the issuance of a notice of acceptability by Engineer;
 - 6. any inspection, test, or approval by others; or
 - 7. any correction of defective Work by Owner.

6.20 *Indemnification*

- A. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to the performance of the Work, provided that any such claim, cost, loss, or damage is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property (other than the Work itself), including the loss of use resulting therefrom but only to the extent caused by any negligent act or omission of Contractor, any Subcontractor, any Supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work or anyone for whose acts any of them may be liable .

- B. In any and all claims against Owner or Engineer or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors by any employee (or the survivor or personal representative of such employee) of Contractor, any Subcontractor, any Supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable, the indemnification obligation under Paragraph 6.20.A shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for Contractor or any such Subcontractor, Supplier, or other individual or entity under workers' compensation acts, disability benefit acts, or other employee benefit acts.
- C. The indemnification obligations of Contractor under Paragraph 6.20.A shall not extend to the liability of Engineer and Engineer's officers, directors, members, partners, employees, agents, consultants and subcontractors arising out of:
 - 1. the preparation or approval of, or the failure to prepare or approve maps, Drawings, opinions, reports, surveys, Change Orders, designs, or Specifications; or
 - 2. giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.

6.21 *Delegation of Professional Design Services*

- A. Contractor will not be required to provide professional design services unless such services are specifically required by the Contract Documents for a portion of the Work or unless such services are required to carry out Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. Contractor shall not be required to provide professional services in violation of applicable law.
- B. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of Contractor by the Contract Documents, Owner and Engineer will specify all performance and design criteria that such services must satisfy. Contractor shall cause such services or certifications to be provided by a properly licensed professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to Engineer.
- C. Owner and Engineer shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications or approvals performed by such design professionals, provided Owner and Engineer have specified to Contractor all performance and design criteria that such services must satisfy.
- D. Pursuant to this Paragraph 6.21, Engineer's review and approval of design calculations and design drawings will be only for the limited purpose of checking for conformance with performance and design criteria given and the design concept expressed in the Contract Documents. Engineer's review and approval of Shop Drawings and other submittals (except design calculations and design drawings) will be only for the purpose stated in Paragraph 6.17.D.1.

- E. Contractor shall not be responsible for the adequacy of the performance or design criteria required by the Contract Documents.

ARTICLE 7 – OTHER WORK AT THE SITE

7.01 *Related Work at Site*

- A. Owner may perform other work related to the Project at the Site with Owner's employees, or through other direct contracts therefor, or have other work performed by utility owners. If such other work is not noted in the Contract Documents, then:
 - 1. written notice thereof will be given to Contractor prior to starting any such other work; and
 - 2. if Owner and Contractor are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in the Contract Price or Contract Times that should be allowed as a result of such other work, a Claim may be made therefor as provided in Paragraph 10.05.
- B. Contractor shall afford each other contractor who is a party to such a direct contract, each utility owner, and Owner, if Owner is performing other work with Owner's employees, proper and safe access to the Site, provide a reasonable opportunity for the introduction and storage of materials and equipment and the execution of such other work, and properly coordinate the Work with theirs. Contractor shall do all cutting, fitting, and patching of the Work that may be required to properly connect or otherwise make its several parts come together and properly integrate with such other work. Contractor shall not endanger any work of others by cutting, excavating, or otherwise altering such work; provided, however, that Contractor may cut or alter others' work with the written consent of Engineer and the others whose work will be affected. The duties and responsibilities of Contractor under this Paragraph are for the benefit of such utility owners and other contractors to the extent that there are comparable provisions for the benefit of Contractor in said direct contracts between Owner and such utility owners and other contractors.
- C. If the proper execution or results of any part of Contractor's Work depends upon work performed by others under this Article 7, Contractor shall inspect such other work and promptly report to Engineer in writing any delays, defects, or deficiencies in such other work that render it unavailable or unsuitable for the proper execution and results of Contractor's Work. Contractor's failure to so report will constitute an acceptance of such other work as fit and proper for integration with Contractor's Work except for latent defects and deficiencies in such other work.

7.02 *Coordination*

- A. If Owner intends to contract with others for the performance of other work on the Project at the Site, the following will be set forth in Supplementary Conditions:
 - 1. the individual or entity who will have authority and responsibility for coordination of the activities among the various contractors will be identified;
 - 2. the specific matters to be covered by such authority and responsibility will be itemized; and
 - 3. the extent of such authority and responsibilities will be provided.

- B. Unless otherwise provided in the Supplementary Conditions, Owner shall have sole authority and responsibility for such coordination.

7.03 *Legal Relationships*

- A. Paragraphs 7.01.A and 7.02 are not applicable for utilities not under the control of Owner.
- B. Each other direct contract of Owner under Paragraph 7.01.A shall provide that the other contractor is liable to Owner and Contractor for the reasonable direct delay and disruption costs incurred by Contractor as a result of the other contractor's wrongful actions or inactions.
- C. Contractor shall be liable to Owner and any other contractor under direct contract to Owner for the reasonable direct delay and disruption costs incurred by such other contractor as a result of Contractor's wrongful action or inactions.

ARTICLE 8 – OWNER'S RESPONSIBILITIES

8.01 *Communications to Contractor*

- A. Except as otherwise provided in these General Conditions, Owner shall issue all communications to Contractor through Engineer.

8.02 *Replacement of Engineer*

- A. In case of termination of the employment of Engineer, Owner shall appoint an engineer to whom Contractor makes no reasonable objection, whose status under the Contract Documents shall be that of the former Engineer.

8.03 *Furnish Data*

- A. Owner shall promptly furnish the data required of Owner under the Contract Documents.

8.04 *Pay When Due*

- A. Owner shall make payments to Contractor when they are due as provided in Paragraphs 14.02.C and 14.07.C.

8.05 *Lands and Easements; Reports and Tests*

- A. Owner's duties with respect to providing lands and easements and providing engineering surveys to establish reference points are set forth in Paragraphs 4.01 and 4.05. Paragraph 4.02 refers to Owner's identifying and making available to Contractor copies of reports of explorations and tests of subsurface conditions and drawings of physical conditions relating to existing surface or subsurface structures at the Site.

8.06 *Insurance*

- A. Owner's responsibilities, if any, with respect to purchasing and maintaining liability and property insurance are set forth in Article 5.

8.07 *Change Orders*

A. Owner is obligated to execute Change Orders as indicated in Paragraph 10.03.

8.08 *Inspections, Tests, and Approvals*

A. Owner's responsibility with respect to certain inspections, tests, and approvals is set forth in Paragraph 13.03.B.

8.09 *Limitations on Owner's Responsibilities*

A. The Owner shall not supervise, direct, or have control or authority over, nor be responsible for, Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work. Owner will not be responsible for Contractor's failure to perform the Work in accordance with the Contract Documents.

8.10 *Undisclosed Hazardous Environmental Condition*

A. Owner's responsibility in respect to an undisclosed Hazardous Environmental Condition is set forth in Paragraph 4.06.

8.11 *Evidence of Financial Arrangements*

A. Upon request of Contractor, Owner shall furnish Contractor reasonable evidence that financial arrangements have been made to satisfy Owner's obligations under the Contract Documents.

8.12 *Compliance with Safety Program*

A. While at the Site, Owner's employees and representatives shall comply with the specific applicable requirements of Contractor's safety programs of which Owner has been informed pursuant to Paragraph 6.13.D.

ARTICLE 9 – ENGINEER'S STATUS DURING CONSTRUCTION

9.01 *Owner's Representative*

A. Engineer will be Owner's representative during the construction period. The duties and responsibilities and the limitations of authority of Engineer as Owner's representative during construction are set forth in the Contract Documents.

9.02 *Visits to Site*

A. Engineer will make visits to the Site at intervals appropriate to the various stages of construction as Engineer deems necessary in order to observe as an experienced and qualified design professional the progress that has been made and the quality of the various aspects of Contractor's executed Work. Based on information obtained during such visits and observations, Engineer, for the benefit of Owner, will determine, in general, if the Work is proceeding in accordance with the Contract Documents. Engineer will not be required to make exhaustive or

continuous inspections on the Site to check the quality or quantity of the Work. Engineer's efforts will be directed toward providing for Owner a greater degree of confidence that the completed Work will conform generally to the Contract Documents. On the basis of such visits and observations, Engineer will keep Owner informed of the progress of the Work and will endeavor to guard Owner against defective Work.

- B. Engineer's visits and observations are subject to all the limitations on Engineer's authority and responsibility set forth in Paragraph 9.09. Particularly, but without limitation, during or as a result of Engineer's visits or observations of Contractor's Work, Engineer will not supervise, direct, control, or have authority over or be responsible for Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work.

9.03 *Project Representative*

- A. If Owner and Engineer agree, Engineer will furnish a Resident Project Representative to assist Engineer in providing more extensive observation of the Work. The authority and responsibilities of any such Resident Project Representative and assistants will be as provided in the Supplementary Conditions, and limitations on the responsibilities thereof will be as provided in Paragraph 9.09. If Owner designates another representative or agent to represent Owner at the Site who is not Engineer's consultant, agent or employee, the responsibilities and authority and limitations thereon of such other individual or entity will be as provided in the Supplementary Conditions.

9.04 *Authorized Variations in Work*

- A. Engineer may authorize minor variations in the Work from the requirements of the Contract Documents which do not involve an adjustment in the Contract Price or the Contract Times and are compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. These may be accomplished by a Field Order and will be binding on Owner and also on Contractor, who shall perform the Work involved promptly. If Owner or Contractor believes that a Field Order justifies an adjustment in the Contract Price or Contract Times, or both, and the parties are unable to agree on entitlement to or on the amount or extent, if any, of any such adjustment, a Claim may be made therefor as provided in Paragraph 10.05.

9.05 *Rejecting Defective Work*

- A. Engineer will have authority to reject Work which Engineer believes to be defective, or that Engineer believes will not produce a completed Project that conforms to the Contract Documents or that will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. Engineer will also have authority to require special inspection or testing of the Work as provided in Paragraph 13.04, whether or not the Work is fabricated, installed, or completed.

9.06 *Shop Drawings, Change Orders and Payments*

- A. In connection with Engineer's authority, and limitations thereof, as to Shop Drawings and Samples, see Paragraph 6.17.
- B. In connection with Engineer's authority, and limitations thereof, as to design calculations and design drawings submitted in response to a delegation of professional design services, if any, see Paragraph 6.21.
- C. In connection with Engineer's authority as to Change Orders, see Articles 10, 11, and 12.
- D. In connection with Engineer's authority as to Applications for Payment, see Article 14.

9.07 *Determinations for Unit Price Work*

- A. Engineer will determine the actual quantities and classifications of Unit Price Work performed by Contractor. Engineer will review with Contractor the Engineer's preliminary determinations on such matters before rendering a written decision thereon (by recommendation of an Application for Payment or otherwise). Engineer's written decision thereon will be final and binding (except as modified by Engineer to reflect changed factual conditions or more accurate data) upon Owner and Contractor, subject to the provisions of Paragraph 10.05.

9.08 *Decisions on Requirements of Contract Documents and Acceptability of Work*

- A. Engineer will be the initial interpreter of the requirements of the Contract Documents and judge of the acceptability of the Work thereunder. All matters in question and other matters between Owner and Contractor arising prior to the date final payment is due relating to the acceptability of the Work, and the interpretation of the requirements of the Contract Documents pertaining to the performance of the Work, will be referred initially to Engineer in writing within 30 days of the event giving rise to the question.
- B. Engineer will, with reasonable promptness, render a written decision on the issue referred. If Owner or Contractor believes that any such decision entitles them to an adjustment in the Contract Price or Contract Times or both, a Claim may be made under Paragraph 10.05. The date of Engineer's decision shall be the date of the event giving rise to the issues referenced for the purposes of Paragraph 10.05.B.
- C. Engineer's written decision on the issue referred will be final and binding on Owner and Contractor, subject to the provisions of Paragraph 10.05.
- D. When functioning as interpreter and judge under this Paragraph 9.08, Engineer will not show partiality to Owner or Contractor and will not be liable in connection with any interpretation or decision rendered in good faith in such capacity.

9.09 *Limitations on Engineer's Authority and Responsibilities*

- A. Neither Engineer's authority or responsibility under this Article 9 or under any other provision of the Contract Documents nor any decision made by Engineer in good faith either to exercise or not

exercise such authority or responsibility or the undertaking, exercise, or performance of any authority or responsibility by Engineer shall create, impose, or give rise to any duty in contract, tort, or otherwise owed by Engineer to Contractor, any Subcontractor, any Supplier, any other individual or entity, or to any surety for or employee or agent of any of them.

- B. Engineer will not supervise, direct, control, or have authority over or be responsible for Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work. Engineer will not be responsible for Contractor's failure to perform the Work in accordance with the Contract Documents.
- C. Engineer will not be responsible for the acts or omissions of Contractor or of any Subcontractor, any Supplier, or of any other individual or entity performing any of the Work.
- D. Engineer's review of the final Application for Payment and accompanying documentation and all maintenance and operating instructions, schedules, guarantees, bonds, certificates of inspection, tests and approvals, and other documentation required to be delivered by Paragraph 14.07.A will only be to determine generally that their content complies with the requirements of, and in the case of certificates of inspections, tests, and approvals that the results certified indicate compliance with, the Contract Documents.
- E. The limitations upon authority and responsibility set forth in this Paragraph 9.09 shall also apply to the Resident Project Representative, if any, and assistants, if any.

9.10 *Compliance with Safety Program*

- A. While at the Site, Engineer's employees and representatives shall comply with the specific applicable requirements of Contractor's safety programs of which Engineer has been informed pursuant to Paragraph 6.13.D.

ARTICLE 10 – CHANGES IN THE WORK; CLAIMS

10.01 *Authorized Changes in the Work*

- A. Without invalidating the Contract and without notice to any surety, Owner may, at any time or from time to time, order additions, deletions, or revisions in the Work by a Change Order, or a Work Change Directive. Upon receipt of any such document, Contractor shall promptly proceed with the Work involved which will be performed under the applicable conditions of the Contract Documents (except as otherwise specifically provided).
- B. If Owner and Contractor are unable to agree on entitlement to, or on the amount or extent, if any, of an adjustment in the Contract Price or Contract Times, or both, that should be allowed as a result of a Work Change Directive, a Claim may be made therefor as provided in Paragraph 10.05.

10.02 *Unauthorized Changes in the Work*

- A. Contractor shall not be entitled to an increase in the Contract Price or an extension of the Contract Times with respect to any work performed that is not required by the Contract Documents as amended, modified, or supplemented as provided in Paragraph 3.04, except in the case of an emergency as provided in Paragraph 6.16 or in the case of uncovering Work as provided in Paragraph 13.04.D.

10.03 *Execution of Change Orders*

- A. Owner and Contractor shall execute appropriate Change Orders recommended by Engineer covering:
 - 1. changes in the Work which are: (i) ordered by Owner pursuant to Paragraph 10.01.A, (ii) required because of acceptance of defective Work under Paragraph 13.08.A or Owner's correction of defective Work under Paragraph 13.09, or (iii) agreed to by the parties;
 - 2. changes in the Contract Price or Contract Times which are agreed to by the parties, including any undisputed sum or amount of time for Work actually performed in accordance with a Work Change Directive; and
 - 3. changes in the Contract Price or Contract Times which embody the substance of any written decision rendered by Engineer pursuant to Paragraph 10.05; provided that, in lieu of executing any such Change Order, an appeal may be taken from any such decision in accordance with the provisions of the Contract Documents and applicable Laws and Regulations, but during any such appeal, Contractor shall carry on the Work and adhere to the Progress Schedule as provided in Paragraph 6.18.A.

10.04 *Notification to Surety*

- A. If the provisions of any bond require notice to be given to a surety of any change affecting the general scope of the Work or the provisions of the Contract Documents (including, but not limited to, Contract Price or Contract Times), the giving of any such notice will be Contractor's responsibility. The amount of each applicable bond will be adjusted to reflect the effect of any such change.

10.05 *Claims*

- A. *Engineer's Decision Required:* All Claims, except those waived pursuant to Paragraph 14.09, shall be referred to the Engineer for decision. A decision by Engineer shall be required as a condition precedent to any exercise by Owner or Contractor of any rights or remedies either may otherwise have under the Contract Documents or by Laws and Regulations in respect of such Claims.
- B. *Notice:* Written notice stating the general nature of each Claim shall be delivered by the claimant to Engineer and the other party to the Contract promptly (but in no event later than 30 days) after the start of the event giving rise thereto. The responsibility to substantiate a Claim shall rest with the party making the Claim. Notice of the amount or extent of the Claim, with supporting data

shall be delivered to the Engineer and the other party to the Contract within 60 days after the start of such event (unless Engineer allows additional time for claimant to submit additional or more accurate data in support of such Claim). A Claim for an adjustment in Contract Price shall be prepared in accordance with the provisions of Paragraph 12.01.B. A Claim for an adjustment in Contract Times shall be prepared in accordance with the provisions of Paragraph 12.02.B. Each Claim shall be accompanied by claimant's written statement that the adjustment claimed is the entire adjustment to which the claimant believes it is entitled as a result of said event. The opposing party shall submit any response to Engineer and the claimant within 30 days after receipt of the claimant's last submittal (unless Engineer allows additional time).

- C. *Engineer's Action:* Engineer will review each Claim and, within 30 days after receipt of the last submittal of the claimant or the last submittal of the opposing party, if any, take one of the following actions in writing:
1. deny the Claim in whole or in part;
 2. approve the Claim; or
 3. notify the parties that the Engineer is unable to resolve the Claim if, in the Engineer's sole discretion, it would be inappropriate for the Engineer to do so. For purposes of further resolution of the Claim, such notice shall be deemed a denial.
- D. In the event that Engineer does not take action on a Claim within said 30 days, the Claim shall be deemed denied.
- E. Engineer's written action under Paragraph 10.05.C or denial pursuant to Paragraphs 10.05.C.3 or 10.05.D will be final and binding upon Owner and Contractor, unless Owner or Contractor invoke the dispute resolution procedure set forth in Article 16 within 30 days of such action or denial.
- F. No Claim for an adjustment in Contract Price or Contract Times will be valid if not submitted in accordance with this Paragraph 10.05.

ARTICLE 11 – COST OF THE WORK; ALLOWANCES; UNIT PRICE WORK

11.01 *Cost of the Work*

- A. *Costs Included:* The term Cost of the Work means the sum of all costs, except those excluded in Paragraph 11.01.B, necessarily incurred and paid by Contractor in the proper performance of the Work. When the value of any Work covered by a Change Order or when a Claim for an adjustment in Contract Price is determined on the basis of Cost of the Work, the costs to be reimbursed to Contractor will be only those additional or incremental costs required because of the change in the Work or because of the event giving rise to the Claim. Except as otherwise may be agreed to in writing by Owner, such costs shall be in amounts no higher than those prevailing in the locality of the Project, shall not include any of the costs itemized in Paragraph 11.01.B, and shall include only the following items:

1. Payroll costs for employees in the direct employ of Contractor in the performance of the Work under schedules of job classifications agreed upon by Owner and Contractor. Such employees shall include, without limitation, superintendents, foremen, and other personnel employed full time on the Work. Payroll costs for employees not employed full time on the Work shall be apportioned on the basis of their time spent on the Work. Payroll costs shall include, but not be limited to, salaries and wages plus the cost of fringe benefits, which shall include social security contributions, unemployment, excise, and payroll taxes, workers' compensation, health and retirement benefits, bonuses, sick leave, vacation and holiday pay applicable thereto. The expenses of performing Work outside of regular working hours, on Saturday, Sunday, or legal holidays, shall be included in the above to the extent authorized by Owner.
2. Cost of all materials and equipment furnished and incorporated in the Work, including costs of transportation and storage thereof, and Suppliers' field services required in connection therewith. All cash discounts shall accrue to Contractor unless Owner deposits funds with Contractor with which to make payments, in which case the cash discounts shall accrue to Owner. All trade discounts, rebates and refunds and returns from sale of surplus materials and equipment shall accrue to Owner, and Contractor shall make provisions so that they may be obtained.
3. Payments made by Contractor to Subcontractors for Work performed by Subcontractors. If required by Owner, Contractor shall obtain competitive bids from subcontractors acceptable to Owner and Contractor and shall deliver such bids to Owner, who will then determine, with the advice of Engineer, which bids, if any, will be acceptable. If any subcontract provides that the Subcontractor is to be paid on the basis of Cost of the Work plus a fee, the Subcontractor's Cost of the Work and fee shall be determined in the same manner as Contractor's Cost of the Work and fee as provided in this Paragraph 11.01.
4. Costs of special consultants (including but not limited to engineers, architects, testing laboratories, surveyors, attorneys, and accountants) employed for services specifically related to the Work.
5. Supplemental costs including the following:
 - a. The proportion of necessary transportation, travel, and subsistence expenses of Contractor's employees incurred in discharge of duties connected with the Work.
 - b. Cost, including transportation and maintenance, of all materials, supplies, equipment, machinery, appliances, office, and temporary facilities at the Site, and hand tools not owned by the workers, which are consumed in the performance of the Work, and cost, less market value, of such items used but not consumed which remain the property of Contractor.
 - c. Rentals of all construction equipment and machinery, and the parts thereof whether rented from Contractor or others in accordance with rental agreements approved by Owner with the advice of Engineer, and the costs of transportation, loading, unloading, assembly, dismantling, and removal thereof. All such costs shall be in accordance with the terms of

said rental agreements. The rental of any such equipment, machinery, or parts shall cease when the use thereof is no longer necessary for the Work.

- d. Sales, consumer, use, and other similar taxes related to the Work, and for which Contractor is liable, as imposed by Laws and Regulations.
- e. Deposits lost for causes other than negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, and royalty payments and fees for permits and licenses.
- f. Losses and damages (and related expenses) caused by damage to the Work, not compensated by insurance or otherwise, sustained by Contractor in connection with the performance of the Work (except losses and damages within the deductible amounts of property insurance established in accordance with Paragraph 5.06.D), provided such losses and damages have resulted from causes other than the negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable. Such losses shall include settlements made with the written consent and approval of Owner. No such losses, damages, and expenses shall be included in the Cost of the Work for the purpose of determining Contractor's fee.
- g. The cost of utilities, fuel, and sanitary facilities at the Site.
- h. Minor expenses such as telegrams, long distance telephone calls, telephone service at the Site, express and courier services, and similar petty cash items in connection with the Work.
- i. The costs of premiums for all bonds and insurance Contractor is required by the Contract Documents to purchase and maintain.

B. *Costs Excluded:* The term Cost of the Work shall not include any of the following items:

1. Payroll costs and other compensation of Contractor's officers, executives, principals (of partnerships and sole proprietorships), general managers, safety managers, engineers, architects, estimators, attorneys, auditors, accountants, purchasing and contracting agents, expeditors, timekeepers, clerks, and other personnel employed by Contractor, whether at the Site or in Contractor's principal or branch office for general administration of the Work and not specifically included in the agreed upon schedule of job classifications referred to in Paragraph 11.01.A.1 or specifically covered by Paragraph 11.01.A.4, all of which are to be considered administrative costs covered by the Contractor's fee.
2. Expenses of Contractor's principal and branch offices other than Contractor's office at the Site.
3. Any part of Contractor's capital expenses, including interest on Contractor's capital employed for the Work and charges against Contractor for delinquent payments.
4. Costs due to the negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, including but not

limited to, the correction of defective Work, disposal of materials or equipment wrongly supplied, and making good any damage to property.

5. Other overhead or general expense costs of any kind and the costs of any item not specifically and expressly included in Paragraphs 11.01.A.
- C. *Contractor's Fee:* When all the Work is performed on the basis of cost-plus, Contractor's fee shall be determined as set forth in the Agreement. When the value of any Work covered by a Change Order or when a Claim for an adjustment in Contract Price is determined on the basis of Cost of the Work, Contractor's fee shall be determined as set forth in Paragraph 12.01.C.
- D. *Documentation:* Whenever the Cost of the Work for any purpose is to be determined pursuant to Paragraphs 11.01.A and 11.01.B, Contractor will establish and maintain records thereof in accordance with generally accepted accounting practices and submit in a form acceptable to Engineer an itemized cost breakdown together with supporting data.

11.02 Allowances

- A. It is understood that Contractor has included in the Contract Price all allowances so named in the Contract Documents and shall cause the Work so covered to be performed for such sums and by such persons or entities as may be acceptable to Owner and Engineer.
- B. *Cash Allowances:*
1. Contractor agrees that:
 - a. the cash allowances include the cost to Contractor (less any applicable trade discounts) of materials and equipment required by the allowances to be delivered at the Site, and all applicable taxes; and
 - b. Contractor's costs for unloading and handling on the Site, labor, installation, overhead, profit, and other expenses contemplated for the cash allowances have been included in the Contract Price and not in the allowances, and no demand for additional payment on account of any of the foregoing will be valid.
- C. *Contingency Allowance:*
1. Contractor agrees that a contingency allowance, if any, is for the sole use of Owner to cover unanticipated costs.
- D. Prior to final payment, an appropriate Change Order will be issued as recommended by Engineer to reflect actual amounts due Contractor on account of Work covered by allowances, and the Contract Price shall be correspondingly adjusted.

11.03 Unit Price Work

- A. Where the Contract Documents provide that all or part of the Work is to be Unit Price Work, initially the Contract Price will be deemed to include for all Unit Price Work an amount equal to

the sum of the unit price for each separately identified item of Unit Price Work times the estimated quantity of each item as indicated in the Agreement.

- B. The estimated quantities of items of Unit Price Work are not guaranteed and are solely for the purpose of comparison of Bids and determining an initial Contract Price. Determinations of the actual quantities and classifications of Unit Price Work performed by Contractor will be made by Engineer subject to the provisions of Paragraph 9.07.
- C. Each unit price will be deemed to include an amount considered by Contractor to be adequate to cover Contractor's overhead and profit for each separately identified item.
- D. Owner or Contractor may make a Claim for an adjustment in the Contract Price in accordance with Paragraph 10.05 if:
 - 1. the quantity of any item of Unit Price Work performed by Contractor differs materially and significantly from the estimated quantity of such item indicated in the Agreement; and
 - 2. there is no corresponding adjustment with respect to any other item of Work; and
 - 3. Contractor believes that Contractor is entitled to an increase in Contract Price as a result of having incurred additional expense or Owner believes that Owner is entitled to a decrease in Contract Price and the parties are unable to agree as to the amount of any such increase or decrease.

ARTICLE 12 – CHANGE OF CONTRACT PRICE; CHANGE OF CONTRACT TIMES

12.01 *Change of Contract Price*

- A. The Contract Price may only be changed by a Change Order. Any Claim for an adjustment in the Contract Price shall be based on written notice submitted by the party making the Claim to the Engineer and the other party to the Contract in accordance with the provisions of Paragraph 10.05.
- B. The value of any Work covered by a Change Order or of any Claim for an adjustment in the Contract Price will be determined as follows:
 - 1. where the Work involved is covered by unit prices contained in the Contract Documents, by application of such unit prices to the quantities of the items involved (subject to the provisions of Paragraph 11.03); or
 - 2. where the Work involved is not covered by unit prices contained in the Contract Documents, by a mutually agreed lump sum (which may include an allowance for overhead and profit not necessarily in accordance with Paragraph 12.01.C.2); or
 - 3. where the Work involved is not covered by unit prices contained in the Contract Documents and agreement to a lump sum is not reached under Paragraph 12.01.B.2, on the basis of the Cost of the Work (determined as provided in Paragraph 11.01) plus a Contractor's fee for overhead and profit (determined as provided in Paragraph 12.01.C).

C. *Contractor's Fee*: The Contractor's fee for overhead and profit shall be determined as follows:

1. a mutually acceptable fixed fee; or
2. if a fixed fee is not agreed upon, then a fee based on the following percentages of the various portions of the Cost of the Work:
 - a. for costs incurred under Paragraphs 11.01.A.1 and 11.01.A.2, the Contractor's fee shall be 15 percent;
 - b. for costs incurred under Paragraph 11.01.A.3, the Contractor's fee shall be five percent;
 - c. where one or more tiers of subcontracts are on the basis of Cost of the Work plus a fee and no fixed fee is agreed upon, the intent of Paragraphs 12.01.C.2.a and 12.01.C.2.b is that the Subcontractor who actually performs the Work, at whatever tier, will be paid a fee of 15 percent of the costs incurred by such Subcontractor under Paragraphs 11.01.A.1 and 11.01.A.2 and that any higher tier Subcontractor and Contractor will each be paid a fee of five percent of the amount paid to the next lower tier Subcontractor;
 - d. no fee shall be payable on the basis of costs itemized under Paragraphs 11.01.A.4, 11.01.A.5, and 11.01.B;
 - e. the amount of credit to be allowed by Contractor to Owner for any change which results in a net decrease in cost will be the amount of the actual net decrease in cost plus a deduction in Contractor's fee by an amount equal to five percent of such net decrease; and
 - f. when both additions and credits are involved in any one change, the adjustment in Contractor's fee shall be computed on the basis of the net change in accordance with Paragraphs 12.01.C.2.a through 12.01.C.2.e, inclusive.

12.02 *Change of Contract Times*

- A. The Contract Times may only be changed by a Change Order. Any Claim for an adjustment in the Contract Times shall be based on written notice submitted by the party making the Claim to the Engineer and the other party to the Contract in accordance with the provisions of Paragraph 10.05.
- B. Any adjustment of the Contract Times covered by a Change Order or any Claim for an adjustment in the Contract Times will be determined in accordance with the provisions of this Article 12.

12.03 *Delays*

- A. Where Contractor is prevented from completing any part of the Work within the Contract Times due to delay beyond the control of Contractor, the Contract Times will be extended in an amount equal to the time lost due to such delay if a Claim is made therefor as provided in Paragraph 12.02.A. Delays beyond the control of Contractor shall include, but not be limited to, acts or

neglect by Owner, acts or neglect of utility owners or other contractors performing other work as contemplated by Article 7, fires, floods, epidemics, abnormal weather conditions, or acts of God.

- B. If Owner, Engineer, or other contractors or utility owners performing other work for Owner as contemplated by Article 7, or anyone for whom Owner is responsible, delays, disrupts, or interferes with the performance or progress of the Work, then Contractor shall be entitled to an equitable adjustment in the Contract Price or the Contract Times, or both. Contractor's entitlement to an adjustment of the Contract Times is conditioned on such adjustment being essential to Contractor's ability to complete the Work within the Contract Times.
- C. If Contractor is delayed in the performance or progress of the Work by fire, flood, epidemic, abnormal weather conditions, acts of God, acts or failures to act of utility owners not under the control of Owner, or other causes not the fault of and beyond control of Owner and Contractor, then Contractor shall be entitled to an equitable adjustment in Contract Times, if such adjustment is essential to Contractor's ability to complete the Work within the Contract Times. Such an adjustment shall be Contractor's sole and exclusive remedy for the delays described in this Paragraph 12.03.C.
- D. Owner, Engineer, and their officers, directors, members, partners, employees, agents, consultants, or subcontractors shall not be liable to Contractor for any claims, costs, losses, or damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) sustained by Contractor on or in connection with any other project or anticipated project.
- E. Contractor shall not be entitled to an adjustment in Contract Price or Contract Times for delays within the control of Contractor. Delays attributable to and within the control of a Subcontractor or Supplier shall be deemed to be delays within the control of Contractor.

ARTICLE 13 – TESTS AND INSPECTIONS; CORRECTION, REMOVAL OR ACCEPTANCE OF DEFECTIVE WORK

13.01 Notice of Defects

- A. Prompt notice of all defective Work of which Owner or Engineer has actual knowledge will be given to Contractor. Defective Work may be rejected, corrected, or accepted as provided in this Article 13.

13.02 Access to Work

- A. Owner, Engineer, their consultants and other representatives and personnel of Owner, independent testing laboratories, and governmental agencies with jurisdictional interests will have access to the Site and the Work at reasonable times for their observation, inspection, and testing. Contractor shall provide them proper and safe conditions for such access and advise them of Contractor's safety procedures and programs so that they may comply therewith as applicable.

13.03 *Tests and Inspections*

- A. Contractor shall give Engineer timely notice of readiness of the Work for all required inspections, tests, or approvals and shall cooperate with inspection and testing personnel to facilitate required inspections or tests.
- B. Owner shall employ and pay for the services of an independent testing laboratory to perform all inspections, tests, or approvals required by the Contract Documents except:
 - 1. for inspections, tests, or approvals covered by Paragraphs 13.03.C and 13.03.D below;
 - 2. that costs incurred in connection with tests or inspections conducted pursuant to Paragraph 13.04.B shall be paid as provided in Paragraph 13.04.C; and
 - 3. as otherwise specifically provided in the Contract Documents.
- C. If Laws or Regulations of any public body having jurisdiction require any Work (or part thereof) specifically to be inspected, tested, or approved by an employee or other representative of such public body, Contractor shall assume full responsibility for arranging and obtaining such inspections, tests, or approvals, pay all costs in connection therewith, and furnish Engineer the required certificates of inspection or approval.
- D. Contractor shall be responsible for arranging and obtaining and shall pay all costs in connection with any inspections, tests, or approvals required for Owner's and Engineer's acceptance of materials or equipment to be incorporated in the Work; or acceptance of materials, mix designs, or equipment submitted for approval prior to Contractor's purchase thereof for incorporation in the Work. Such inspections, tests, or approvals shall be performed by organizations acceptable to Owner and Engineer.
- E. If any Work (or the work of others) that is to be inspected, tested, or approved is covered by Contractor without written concurrence of Engineer, Contractor shall, if requested by Engineer, uncover such Work for observation.
- F. Uncovering Work as provided in Paragraph 13.03.E shall be at Contractor's expense unless Contractor has given Engineer timely notice of Contractor's intention to cover the same and Engineer has not acted with reasonable promptness in response to such notice.

13.04 *Uncovering Work*

- A. If any Work is covered contrary to the written request of Engineer, it must, if requested by Engineer, be uncovered for Engineer's observation and replaced at Contractor's expense.
- B. If Engineer considers it necessary or advisable that covered Work be observed by Engineer or inspected or tested by others, Contractor, at Engineer's request, shall uncover, expose, or otherwise make available for observation, inspection, or testing as Engineer may require, that portion of the Work in question, furnishing all necessary labor, material, and equipment.

- C. If it is found that the uncovered Work is defective, Contractor shall pay all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such uncovering, exposure, observation, inspection, and testing, and of satisfactory replacement or reconstruction (including but not limited to all costs of repair or replacement of work of others); and Owner shall be entitled to an appropriate decrease in the Contract Price. If the parties are unable to agree as to the amount thereof, Owner may make a Claim therefor as provided in Paragraph 10.05.
- D. If the uncovered Work is not found to be defective, Contractor shall be allowed an increase in the Contract Price or an extension of the Contract Times, or both, directly attributable to such uncovering, exposure, observation, inspection, testing, replacement, and reconstruction. If the parties are unable to agree as to the amount or extent thereof, Contractor may make a Claim therefor as provided in Paragraph 10.05.

13.05 *Owner May Stop the Work*

- A. If the Work is defective, or Contractor fails to supply sufficient skilled workers or suitable materials or equipment, or fails to perform the Work in such a way that the completed Work will conform to the Contract Documents, Owner may order Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, this right of Owner to stop the Work shall not give rise to any duty on the part of Owner to exercise this right for the benefit of Contractor, any Subcontractor, any Supplier, any other individual or entity, or any surety for, or employee or agent of any of them.

13.06 *Correction or Removal of Defective Work*

- A. Promptly after receipt of written notice, Contractor shall correct all defective Work, whether or not fabricated, installed, or completed, or, if the Work has been rejected by Engineer, remove it from the Project and replace it with Work that is not defective. Contractor shall pay all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such correction or removal (including but not limited to all costs of repair or replacement of work of others).
- B. When correcting defective Work under the terms of this Paragraph 13.06 or Paragraph 13.07, Contractor shall take no action that would void or otherwise impair Owner's special warranty and guarantee, if any, on said Work.

13.07 *Correction Period*

- A. If within one year after the date of Substantial Completion (or such longer period of time as may be prescribed by the terms of any applicable special guarantee required by the Contract Documents) or by any specific provision of the Contract Documents, any Work is found to be defective, or if the repair of any damages to the land or areas made available for Contractor's use by Owner or permitted by Laws and Regulations as contemplated in Paragraph 6.11.A is found to be defective, Contractor shall promptly, without cost to Owner and in accordance with Owner's written instructions:

1. repair such defective land or areas; or
 2. correct such defective Work; or
 3. if the defective Work has been rejected by Owner, remove it from the Project and replace it with Work that is not defective, and
 4. satisfactorily correct or repair or remove and replace any damage to other Work, to the work of others or other land or areas resulting therefrom.
- B. If Contractor does not promptly comply with the terms of Owner's written instructions, or in an emergency where delay would cause serious risk of loss or damage, Owner may have the defective Work corrected or repaired or may have the rejected Work removed and replaced. All claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such correction or repair or such removal and replacement (including but not limited to all costs of repair or replacement of work of others) will be paid by Contractor.
- C. In special circumstances where a particular item of equipment is placed in continuous service before Substantial Completion of all the Work, the correction period for that item may start to run from an earlier date if so provided in the Specifications.
- D. Where defective Work (and damage to other Work resulting therefrom) has been corrected or removed and replaced under this Paragraph 13.07, the correction period hereunder with respect to such Work will be extended for an additional period of one year after such correction or removal and replacement has been satisfactorily completed.
- E. Contractor's obligations under this Paragraph 13.07 are in addition to any other obligation or warranty. The provisions of this Paragraph 13.07 shall not be construed as a substitute for, or a waiver of, the provisions of any applicable statute of limitation or repose.

13.08 *Acceptance of Defective Work*

- A. If, instead of requiring correction or removal and replacement of defective Work, Owner (and, prior to Engineer's recommendation of final payment, Engineer) prefers to accept it, Owner may do so. Contractor shall pay all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) attributable to Owner's evaluation of and determination to accept such defective Work (such costs to be approved by Engineer as to reasonableness) and for the diminished value of the Work to the extent not otherwise paid by Contractor pursuant to this sentence. If any such acceptance occurs prior to Engineer's recommendation of final payment, a Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work, and Owner shall be entitled to an appropriate decrease in the Contract Price, reflecting the diminished value of Work so accepted. If the parties are unable to agree as to the amount thereof, Owner may make a Claim therefor as provided in Paragraph 10.05. If the acceptance occurs after such recommendation, an appropriate amount will be paid by Contractor to Owner.

13.09 *Owner May Correct Defective Work*

- A. If Contractor fails within a reasonable time after written notice from Engineer to correct defective Work, or to remove and replace rejected Work as required by Engineer in accordance with Paragraph 13.06.A, or if Contractor fails to perform the Work in accordance with the Contract Documents, or if Contractor fails to comply with any other provision of the Contract Documents, Owner may, after seven days written notice to Contractor, correct, or remedy any such deficiency.
- B. In exercising the rights and remedies under this Paragraph 13.09, Owner shall proceed expeditiously. In connection with such corrective or remedial action, Owner may exclude Contractor from all or part of the Site, take possession of all or part of the Work and suspend Contractor's services related thereto, take possession of Contractor's tools, appliances, construction equipment and machinery at the Site, and incorporate in the Work all materials and equipment stored at the Site or for which Owner has paid Contractor but which are stored elsewhere. Contractor shall allow Owner, Owner's representatives, agents and employees, Owner's other contractors, and Engineer and Engineer's consultants access to the Site to enable Owner to exercise the rights and remedies under this Paragraph.
- C. All claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) incurred or sustained by Owner in exercising the rights and remedies under this Paragraph 13.09 will be charged against Contractor, and a Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work; and Owner shall be entitled to an appropriate decrease in the Contract Price. If the parties are unable to agree as to the amount of the adjustment, Owner may make a Claim therefor as provided in Paragraph 10.05. Such claims, costs, losses and damages will include but not be limited to all costs of repair, or replacement of work of others destroyed or damaged by correction, removal, or replacement of Contractor's defective Work.
- D. Contractor shall not be allowed an extension of the Contract Times because of any delay in the performance of the Work attributable to the exercise by Owner of Owner's rights and remedies under this Paragraph 13.09.

ARTICLE 14 – PAYMENTS TO CONTRACTOR AND COMPLETION

14.01 *Schedule of Values*

- A. The Schedule of Values established as provided in Paragraph 2.07.A will serve as the basis for progress payments and will be incorporated into a form of Application for Payment acceptable to Engineer. Progress payments on account of Unit Price Work will be based on the number of units completed.

14.02 *Progress Payments*

A. *Applications for Payments:*

- 1. At least 20 days before the date established in the Agreement for each progress payment (but not more often than once a month), Contractor shall submit to Engineer for review an

Application for Payment filled out and signed by Contractor covering the Work completed as of the date of the Application and accompanied by such supporting documentation as is required by the Contract Documents. If payment is requested on the basis of materials and equipment not incorporated in the Work but delivered and suitably stored at the Site or at another location agreed to in writing, the Application for Payment shall also be accompanied by a bill of sale, invoice, or other documentation warranting that Owner has received the materials and equipment free and clear of all Liens and evidence that the materials and equipment are covered by appropriate property insurance or other arrangements to protect Owner's interest therein, all of which must be satisfactory to Owner.

2. Beginning with the second Application for Payment, each Application shall include an affidavit of Contractor stating that all previous progress payments received on account of the Work have been applied on account to discharge Contractor's legitimate obligations associated with prior Applications for Payment.
3. The amount of retainage with respect to progress payments will be as stipulated in the Agreement.

B. Review of Applications:

1. Engineer will, within 10 days after receipt of each Application for Payment, either indicate in writing a recommendation of payment and present the Application to Owner or return the Application to Contractor indicating in writing Engineer's reasons for refusing to recommend payment. In the latter case, Contractor may make the necessary corrections and resubmit the Application.
2. Engineer's recommendation of any payment requested in an Application for Payment will constitute a representation by Engineer to Owner, based on Engineer's observations of the executed Work as an experienced and qualified design professional, and on Engineer's review of the Application for Payment and the accompanying data and schedules, that to the best of Engineer's knowledge, information and belief:
 - a. the Work has progressed to the point indicated;
 - b. the quality of the Work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, the results of any subsequent tests called for in the Contract Documents, a final determination of quantities and classifications for Unit Price Work under Paragraph 9.07, and any other qualifications stated in the recommendation); and
 - c. the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled in so far as it is Engineer's responsibility to observe the Work.
3. By recommending any such payment Engineer will not thereby be deemed to have represented that:
 - a. inspections made to check the quality or the quantity of the Work as it has been performed have been exhaustive, extended to every aspect of the Work in progress, or

- involved detailed inspections of the Work beyond the responsibilities specifically assigned to Engineer in the Contract Documents; or
- b. there may not be other matters or issues between the parties that might entitle Contractor to be paid additionally by Owner or entitle Owner to withhold payment to Contractor.
4. Neither Engineer's review of Contractor's Work for the purposes of recommending payments nor Engineer's recommendation of any payment, including final payment, will impose responsibility on Engineer:
 - a. to supervise, direct, or control the Work, or
 - b. for the means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or
 - c. for Contractor's failure to comply with Laws and Regulations applicable to Contractor's performance of the Work, or
 - d. to make any examination to ascertain how or for what purposes Contractor has used the moneys paid on account of the Contract Price, or
 - e. to determine that title to any of the Work, materials, or equipment has passed to Owner free and clear of any Liens.
 5. Engineer may refuse to recommend the whole or any part of any payment if, in Engineer's opinion, it would be incorrect to make the representations to Owner stated in Paragraph 14.02.B.2. Engineer may also refuse to recommend any such payment or, because of subsequently discovered evidence or the results of subsequent inspections or tests, revise or revoke any such payment recommendation previously made, to such extent as may be necessary in Engineer's opinion to protect Owner from loss because:
 - a. the Work is defective, or completed Work has been damaged, requiring correction or replacement;
 - b. the Contract Price has been reduced by Change Orders;
 - c. Owner has been required to correct defective Work or complete Work in accordance with Paragraph 13.09; or
 - d. Engineer has actual knowledge of the occurrence of any of the events enumerated in Paragraph 15.02.A.

C. Payment Becomes Due:

1. Ten days after presentation of the Application for Payment to Owner with Engineer's recommendation, the amount recommended will (subject to the provisions of Paragraph 14.02.D) become due, and when due will be paid by Owner to Contractor.

D. *Reduction in Payment:*

1. Owner may refuse to make payment of the full amount recommended by Engineer because:
 - a. claims have been made against Owner on account of Contractor's performance or furnishing of the Work;
 - b. Liens have been filed in connection with the Work, except where Contractor has delivered a specific bond satisfactory to Owner to secure the satisfaction and discharge of such Liens;
 - c. there are other items entitling Owner to a set-off against the amount recommended; or
 - d. Owner has actual knowledge of the occurrence of any of the events enumerated in Paragraphs 14.02.B.5.a through 14.02.B.5.c or Paragraph 15.02.A.
2. If Owner refuses to make payment of the full amount recommended by Engineer, Owner will give Contractor immediate written notice (with a copy to Engineer) stating the reasons for such action and promptly pay Contractor any amount remaining after deduction of the amount so withheld. Owner shall promptly pay Contractor the amount so withheld, or any adjustment thereto agreed to by Owner and Contractor, when Contractor remedies the reasons for such action.
3. Upon a subsequent determination that Owner's refusal of payment was not justified, the amount wrongfully withheld shall be treated as an amount due as determined by Paragraph 14.02.C.1 and subject to interest as provided in the Agreement.

14.03 *Contractor's Warranty of Title*

- A. Contractor warrants and guarantees that title to all Work, materials, and equipment covered by any Application for Payment, whether incorporated in the Project or not, will pass to Owner no later than the time of payment free and clear of all Liens.

14.04 *Substantial Completion*

- A. When Contractor considers the entire Work ready for its intended use Contractor shall notify Owner and Engineer in writing that the entire Work is substantially complete (except for items specifically listed by Contractor as incomplete) and request that Engineer issue a certificate of Substantial Completion.
- B. Promptly after Contractor's notification, Owner, Contractor, and Engineer shall make an inspection of the Work to determine the status of completion. If Engineer does not consider the Work substantially complete, Engineer will notify Contractor in writing giving the reasons therefor.
- C. If Engineer considers the Work substantially complete, Engineer will deliver to Owner a tentative certificate of Substantial Completion which shall fix the date of Substantial Completion. There shall be attached to the certificate a tentative list of items to be completed or corrected before

final payment. Owner shall have seven days after receipt of the tentative certificate during which to make written objection to Engineer as to any provisions of the certificate or attached list. If, after considering such objections, Engineer concludes that the Work is not substantially complete, Engineer will, within 14 days after submission of the tentative certificate to Owner, notify Contractor in writing, stating the reasons therefor. If, after consideration of Owner's objections, Engineer considers the Work substantially complete, Engineer will, within said 14 days, execute and deliver to Owner and Contractor a definitive certificate of Substantial Completion (with a revised tentative list of items to be completed or corrected) reflecting such changes from the tentative certificate as Engineer believes justified after consideration of any objections from Owner.

- D. At the time of delivery of the tentative certificate of Substantial Completion, Engineer will deliver to Owner and Contractor a written recommendation as to division of responsibilities pending final payment between Owner and Contractor with respect to security, operation, safety, and protection of the Work, maintenance, heat, utilities, insurance, and warranties and guarantees. Unless Owner and Contractor agree otherwise in writing and so inform Engineer in writing prior to Engineer's issuing the definitive certificate of Substantial Completion, Engineer's aforesaid recommendation will be binding on Owner and Contractor until final payment.
- E. Owner shall have the right to exclude Contractor from the Site after the date of Substantial Completion subject to allowing Contractor reasonable access to remove its property and complete or correct items on the tentative list.

14.05 *Partial Utilization*

- A. Prior to Substantial Completion of all the Work, Owner may use or occupy any substantially completed part of the Work which has specifically been identified in the Contract Documents, or which Owner, Engineer, and Contractor agree constitutes a separately functioning and usable part of the Work that can be used by Owner for its intended purpose without significant interference with Contractor's performance of the remainder of the Work, subject to the following conditions:
 - 1. Owner at any time may request Contractor in writing to permit Owner to use or occupy any such part of the Work which Owner believes to be ready for its intended use and substantially complete. If and when Contractor agrees that such part of the Work is substantially complete, Contractor, Owner, and Engineer will follow the procedures of Paragraph 14.04.A through D for that part of the Work.
 - 2. Contractor at any time may notify Owner and Engineer in writing that Contractor considers any such part of the Work ready for its intended use and substantially complete and request Engineer to issue a certificate of Substantial Completion for that part of the Work.
 - 3. Within a reasonable time after either such request, Owner, Contractor, and Engineer shall make an inspection of that part of the Work to determine its status of completion. If Engineer does not consider that part of the Work to be substantially complete, Engineer will notify Owner and Contractor in writing giving the reasons therefor. If Engineer considers that part of the Work to be substantially complete, the provisions of Paragraph 14.04 will apply with respect to certification of Substantial Completion of that part of the Work and the division of responsibility in respect thereof and access thereto.

4. No use or occupancy or separate operation of part of the Work may occur prior to compliance with the requirements of Paragraph 5.10 regarding property insurance.

14.06 *Final Inspection*

- A. Upon written notice from Contractor that the entire Work or an agreed portion thereof is complete, Engineer will promptly make a final inspection with Owner and Contractor and will notify Contractor in writing of all particulars in which this inspection reveals that the Work is incomplete or defective. Contractor shall immediately take such measures as are necessary to complete such Work or remedy such deficiencies.

14.07 *Final Payment*

A. *Application for Payment:*

1. After Contractor has, in the opinion of Engineer, satisfactorily completed all corrections identified during the final inspection and has delivered, in accordance with the Contract Documents, all maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance, certificates of inspection, marked-up record documents (as provided in Paragraph 6.12), and other documents, Contractor may make application for final payment following the procedure for progress payments.
2. The final Application for Payment shall be accompanied (except as previously delivered) by:
 - a. all documentation called for in the Contract Documents, including but not limited to the evidence of insurance required by Paragraph 5.04.B.6;
 - b. consent of the surety, if any, to final payment;
 - c. a list of all Claims against Owner that Contractor believes are unsettled; and
 - d. complete and legally effective releases or waivers (satisfactory to Owner) of all Lien rights arising out of or Liens filed in connection with the Work.
3. In lieu of the releases or waivers of Liens specified in Paragraph 14.07.A.2 and as approved by Owner, Contractor may furnish receipts or releases in full and an affidavit of Contractor that: (i) the releases and receipts include all labor, services, material, and equipment for which a Lien could be filed; and (ii) all payrolls, material and equipment bills, and other indebtedness connected with the Work for which Owner might in any way be responsible, or which might in any way result in liens or other burdens on Owner's property, have been paid or otherwise satisfied. If any Subcontractor or Supplier fails to furnish such a release or receipt in full, Contractor may furnish a bond or other collateral satisfactory to Owner to indemnify Owner against any Lien.

B. *Engineer's Review of Application and Acceptance:*

1. If, on the basis of Engineer's observation of the Work during construction and final inspection, and Engineer's review of the final Application for Payment and accompanying

documentation as required by the Contract Documents, Engineer is satisfied that the Work has been completed and Contractor's other obligations under the Contract Documents have been fulfilled, Engineer will, within ten days after receipt of the final Application for Payment, indicate in writing Engineer's recommendation of payment and present the Application for Payment to Owner for payment. At the same time Engineer will also give written notice to Owner and Contractor that the Work is acceptable subject to the provisions of Paragraph 14.09. Otherwise, Engineer will return the Application for Payment to Contractor, indicating in writing the reasons for refusing to recommend final payment, in which case Contractor shall make the necessary corrections and resubmit the Application for Payment.

C. Payment Becomes Due:

1. Thirty days after the presentation to Owner of the Application for Payment and accompanying documentation, the amount recommended by Engineer, less any sum Owner is entitled to set off against Engineer's recommendation, including but not limited to liquidated damages, will become due and will be paid by Owner to Contractor.

14.08 Final Completion Delayed

- A. If, through no fault of Contractor, final completion of the Work is significantly delayed, and if Engineer so confirms, Owner shall, upon receipt of Contractor's final Application for Payment (for Work fully completed and accepted) and recommendation of Engineer, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance to be held by Owner for Work not fully completed or corrected is less than the retainage stipulated in the Agreement, and if bonds have been furnished as required in Paragraph 5.01, the written consent of the surety to the payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by Contractor to Engineer with the Application for such payment. Such payment shall be made under the terms and conditions governing final payment, except that it shall not constitute a waiver of Claims.

14.09 Waiver of Claims

- A. The making and acceptance of final payment will constitute:
 1. a waiver of all Claims by Owner against Contractor, except Claims arising from unsettled Liens, from defective Work appearing after final inspection pursuant to Paragraph 14.06, from failure to comply with the Contract Documents or the terms of any special guarantees specified therein, or from Contractor's continuing obligations under the Contract Documents; and
 2. a waiver of all Claims by Contractor against Owner other than those previously made in accordance with the requirements herein and expressly acknowledged by Owner in writing as still unsettled.

ARTICLE 15 – SUSPENSION OF WORK AND TERMINATION

15.01 *Owner May Suspend Work*

- A. At any time and without cause, Owner may suspend the Work or any portion thereof for a period of not more than 90 consecutive days by notice in writing to Contractor and Engineer which will fix the date on which Work will be resumed. Contractor shall resume the Work on the date so fixed. Contractor shall be granted an adjustment in the Contract Price or an extension of the Contract Times, or both, directly attributable to any such suspension if Contractor makes a Claim therefor as provided in Paragraph 10.05.

15.02 *Owner May Terminate for Cause*

- A. The occurrence of any one or more of the following events will justify termination for cause:
1. Contractor's persistent failure to perform the Work in accordance with the Contract Documents (including, but not limited to, failure to supply sufficient skilled workers or suitable materials or equipment or failure to adhere to the Progress Schedule established under Paragraph 2.07 as adjusted from time to time pursuant to Paragraph 6.04);
 2. Contractor's disregard of Laws or Regulations of any public body having jurisdiction;
 3. Contractor's repeated disregard of the authority of Engineer; or
 4. Contractor's violation in any substantial way of any provisions of the Contract Documents.
- B. If one or more of the events identified in Paragraph 15.02.A occur, Owner may, after giving Contractor (and surety) seven days written notice of its intent to terminate the services of Contractor:
1. exclude Contractor from the Site, and take possession of the Work and of all Contractor's tools, appliances, construction equipment, and machinery at the Site, and use the same to the full extent they could be used by Contractor (without liability to Contractor for trespass or conversion);
 2. incorporate in the Work all materials and equipment stored at the Site or for which Owner has paid Contractor but which are stored elsewhere; and
 3. complete the Work as Owner may deem expedient.
- C. If Owner proceeds as provided in Paragraph 15.02.B, Contractor shall not be entitled to receive any further payment until the Work is completed. If the unpaid balance of the Contract Price exceeds all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) sustained by Owner arising out of or relating to completing the Work, such excess will be paid to Contractor. If such claims, costs, losses, and damages exceed such unpaid balance, Contractor shall pay the difference to Owner. Such claims, costs, losses, and damages incurred by Owner will be reviewed by Engineer as to their reasonableness and, when

so approved by Engineer, incorporated in a Change Order. When exercising any rights or remedies under this Paragraph, Owner shall not be required to obtain the lowest price for the Work performed.

- D. Notwithstanding Paragraphs 15.02.B and 15.02.C, Contractor's services will not be terminated if Contractor begins within seven days of receipt of notice of intent to terminate to correct its failure to perform and proceeds diligently to cure such failure within no more than 30 days of receipt of said notice.
- E. Where Contractor's services have been so terminated by Owner, the termination will not affect any rights or remedies of Owner against Contractor then existing or which may thereafter accrue. Any retention or payment of moneys due Contractor by Owner will not release Contractor from liability.
- F. If and to the extent that Contractor has provided a performance bond under the provisions of Paragraph 5.01.A, the termination procedures of that bond shall supersede the provisions of Paragraphs 15.02.B and 15.02.C.

15.03 *Owner May Terminate For Convenience*

- A. Upon seven days written notice to Contractor and Engineer, Owner may, without cause and without prejudice to any other right or remedy of Owner, terminate the Contract. In such case, Contractor shall be paid for (without duplication of any items):
 - 1. completed and acceptable Work executed in accordance with the Contract Documents prior to the effective date of termination, including fair and reasonable sums for overhead and profit on such Work;
 - 2. expenses sustained prior to the effective date of termination in performing services and furnishing labor, materials, or equipment as required by the Contract Documents in connection with uncompleted Work, plus fair and reasonable sums for overhead and profit on such expenses;
 - 3. all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) incurred in settlement of terminated contracts with Subcontractors, Suppliers, and others; and
 - 4. reasonable expenses directly attributable to termination.
- B. Contractor shall not be paid on account of loss of anticipated profits or revenue or other economic loss arising out of or resulting from such termination.

15.04 *Contractor May Stop Work or Terminate*

- A. If, through no act or fault of Contractor, (i) the Work is suspended for more than 90 consecutive days by Owner or under an order of court or other public authority, or (ii) Engineer fails to act on any Application for Payment within 30 days after it is submitted, or (iii) Owner fails for 30 days

to pay Contractor any sum finally determined to be due, then Contractor may, upon seven days written notice to Owner and Engineer, and provided Owner or Engineer do not remedy such suspension or failure within that time, terminate the Contract and recover from Owner payment on the same terms as provided in Paragraph 15.03.

- B. In lieu of terminating the Contract and without prejudice to any other right or remedy, if Engineer has failed to act on an Application for Payment within 30 days after it is submitted, or Owner has failed for 30 days to pay Contractor any sum finally determined to be due, Contractor may, seven days after written notice to Owner and Engineer, stop the Work until payment is made of all such amounts due Contractor, including interest thereon. The provisions of this Paragraph 15.04 are not intended to preclude Contractor from making a Claim under Paragraph 10.05 for an adjustment in Contract Price or Contract Times or otherwise for expenses or damage directly attributable to Contractor's stopping the Work as permitted by this Paragraph.

ARTICLE 16 – DISPUTE RESOLUTION

16.01 Methods and Procedures

- A. Either Owner or Contractor may request mediation of any Claim submitted to Engineer for a decision under Paragraph 10.05 before such decision becomes final and binding. The mediation will be governed by the Construction Industry Mediation Rules of the American Arbitration Association in effect as of the Effective Date of the Agreement. The request for mediation shall be submitted in writing to the American Arbitration Association and the other party to the Contract. Timely submission of the request shall stay the effect of Paragraph 10.05.E.
- B. Owner and Contractor shall participate in the mediation process in good faith. The process shall be concluded within 60 days of filing of the request. The date of termination of the mediation shall be determined by application of the mediation rules referenced above.
- C. If the Claim is not resolved by mediation, Engineer's action under Paragraph 10.05.C or a denial pursuant to Paragraphs 10.05.C.3 or 10.05.D shall become final and binding 30 days after termination of the mediation unless, within that time period, Owner or Contractor:
1. elects in writing to invoke any dispute resolution process provided for in the Supplementary Conditions; or
 2. agrees with the other party to submit the Claim to another dispute resolution process; or
 3. gives written notice to the other party of the intent to submit the Claim to a court of competent jurisdiction.

ARTICLE 17 – MISCELLANEOUS

17.01 Giving Notice

- A. Whenever any provision of the Contract Documents requires the giving of written notice, it will be deemed to have been validly given if:

1. delivered in person to the individual or to a member of the firm or to an officer of the corporation for whom it is intended; or
2. delivered at or sent by registered or certified mail, postage prepaid, to the last business address known to the giver of the notice.

17.02 *Computation of Times*

- A. When any period of time is referred to in the Contract Documents by days, it will be computed to exclude the first and include the last day of such period. If the last day of any such period falls on a Saturday or Sunday or on a day made a legal holiday by the law of the applicable jurisdiction, such day will be omitted from the computation.

17.03 *Cumulative Remedies*

- A. The duties and obligations imposed by these General Conditions and the rights and remedies available hereunder to the parties hereto are in addition to, and are not to be construed in any way as a limitation of, any rights and remedies available to any or all of them which are otherwise imposed or available by Laws or Regulations, by special warranty or guarantee, or by other provisions of the Contract Documents. The provisions of this Paragraph will be as effective as if repeated specifically in the Contract Documents in connection with each particular duty, obligation, right, and remedy to which they apply.

17.04 *Survival of Obligations*

- A. All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with the Contract Documents, as well as all continuing obligations indicated in the Contract Documents, will survive final payment, completion, and acceptance of the Work or termination or completion of the Contract or termination of the services of Contractor.

17.05 *Controlling Law*

- A. This Contract is to be governed by the law of the state in which the Project is located.

17.06 *Headings*

- A. Article and paragraph headings are inserted for convenience only and do not constitute parts of these General Conditions.

SECTION 00800 - SUPPLEMENTARY CONDITIONS

These Supplementary Conditions amend or supplement the Standard General Conditions of the Construction Contract, EJCDC C-700 (2007 Edition). All provisions which are not so amended or supplemented remain in full force and effect.

The terms used in these Supplementary Conditions have the meanings stated in the General Conditions. Additional terms used in these Supplementary Conditions have the meanings stated below, which are applicable to both the singular and plural thereof.

The address system used in these Supplementary Conditions is the same as the address system used in the General Conditions, with the prefix "SC" added thereto.

SC-2.02 Copies of Documents

SC-2.02 Delete Paragraph 2.02.A in its entirety and insert the following in its place:

- A. Owner shall furnish to Contractor up to three (3) printed or hard copies of the Drawings and Project Manual and one set in electronic format. Additional copies will be furnished upon request at the cost of reproduction.

SC-4.02 Subsurface and Physical Conditions

SC-4.02 Delete Paragraphs 4.02.A and 4.02.B in their entirety and insert the following:

- A. No reports of explorations or tests of subsurface conditions at or contiguous to the Site, or drawings of physical conditions relating to existing surface or subsurface structures at the Site, are known to Owner.

SC-4.06 Hazardous Environmental Conditions

SC-4.06 Delete Paragraphs 4.06.A and 4.06.B in their entirety and insert the following:

- A. No reports or drawings related to Hazardous Environmental Conditions at the Site are known to Owner.
- B. Not Used.

SC-5.04 Contractor's Liability Insurance

SC-5.04 Add the following new paragraph immediately after Paragraph 5.04.B:

- C. The limits of liability for the insurance required by Paragraph 5.04 of the General Conditions shall provide coverage for not less than the following amounts or greater where required by Laws and Regulations:
 1. Workers' Compensation, and related coverages under Paragraphs 5.04.A.1 and A.2 of the General Conditions:
 - a. State: Statutory
 - b. Employer's Liability:

- | | |
|-----------------------|-----------|
| Each accident | \$100,000 |
| Each employee disease | \$100,000 |
| Per Policy disease | \$500,000 |
2. Contractor's General Liability under Paragraphs 5.04.A.3 through A.6 of the General Conditions which shall include completed operations and product liability coverages and eliminate the exclusion with respect to property under the care, custody and control of Contractor:
- | | |
|---|-------------|
| a. General Aggregate | \$2,000,000 |
| b. Products – Completed Operations Aggregate | \$2,000,000 |
| c. Personal and Advertising Injury | \$1,000,000 |
| d. Each Occurrence (Bodily Injury and Property Damage) | \$1,000,000 |
| e. Property Damage liability insurance will provide Explosion, Collapse, and Under-ground coverages where applicable. | |
| f. Excess or Umbrella Liability | |
| General Aggregate | \$3,000,000 |
| Each Occurrence | \$3,000,000 |
3. Automobile Liability under Paragraph 5.04.A.6 of the General Conditions:
- | | |
|-----------------------------|-------------|
| a. Bodily Injury: | |
| Each person | \$1,000,000 |
| Each Accident | \$1,000,000 |
| b. Property Damage: | |
| Each Accident | \$1,000,000 |
| <i>or</i> | |
| a. Combined Single Limit of | \$1,000,000 |
4. The Contractual Liability coverage required by Paragraph 5.04.B.4 of the General Conditions shall be provided by the CONTRACTOR as part of the CONTRACTOR's General Liability coverage.
5. The Certificate of Insurance shall name the Owner and Engineer as additional insureds and provide a waiver of subrogation in favor of the Engineer on the CONTRACTOR'S General Liability and Automobile Liability Insurance.

SC-5.09 Delete Paragraph 5.09.A in its entirety and insert the following in its place:

If OWNER has any objection to the coverage afforded by or other provisions of the bonds or insurance required to be purchased and maintained by the CONTRACTOR in accordance with Article 5 on the basis of non-conformance with the Contract Documents, the OWNER shall so notify the CONTRACTOR in writing within 15 days after receipt of the certificates (or other evidence requested) required by Paragraph 2.01.B. CONTRACTOR shall provide to the OWNER such additional information in respect of insurance provided as the OWNER may reasonably request.

SC-5.11 Worker's Compensation Insurance Coverage

Add a new paragraph immediately after Paragraph 5.10:

Workers' Compensation Insurance Coverage.

A. Definitions:

Certificate of coverage ("certificate") - A copy of a certificate of insurance, a certificate of authority to self-insure issued by the commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.

Duration of the project - includes the time from the beginning of the work on the project until the Contractor's/person's work on the project has been completed and accepted by the governmental entity.

Persons providing services on the project ("subcontractor" in §406.096) - includes all persons or entities performing all or part of the services the Contractor has undertaken to perform on the project, regardless of whether that person contracted directly with the Contractor and regardless of whether that person has employees. This includes, without limitation, independent Contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

- B. Contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the Contractor providing services on the project, for the duration of the project.
- C. Contractor must provide a certificate of coverage to the governmental entity prior to being awarded the contract.
- D. If the coverage period shown on the Contractor's current certificate of coverage ends during the duration of the project, the Contractor must, prior to the end of the coverage period, file a new certificate of coverage with the governmental entity showing that coverage has been extended.

- E. Contractor shall obtain from each person providing services on a project, and provide to the governmental entity:
- (1) A certificate of coverage, prior to that person beginning work on the project, so the governmental entity will have on file certificates of coverage showing coverage for all persons providing services on the project; and
 - (2) No later than seven days after receipt by the Contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.
- F. Contractor shall retain all required certificates of coverage for the duration of the project and for one year thereafter.
- G. Contractor shall notify the governmental entity in writing by certified mail or personal delivery, within 10 days after the Contractor knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project.
- H. Contractor shall post on each project site a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.
- I. Contractor shall contractually require each person with whom it contracts to provide services on a project, to:
- (1) Provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the project, for the duration of the project;
 - (2) Provide to the Contractor, prior to that person beginning work on the project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the project, for the duration of the project;
 - (3) Provide the Contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;
 - (4) Obtain from each other person with whom it contracts, and provide to the Contractor:
 - (a) A certificate of coverage, prior to the other person beginning work on the project; and
 - (b) A new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project;
 - (5) Retain all required certificates of coverage on file for the duration of the project and for one year thereafter;

- (6) Notify the governmental entity in writing by certified mail or personal delivery, within 10 days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project; and
- (7) Contractually require each person with whom it contracts, to perform as required by paragraphs (1) - (7), with the certificates of coverage to be provided to the person for whom they are providing services.
- J. By signing this contract or providing or causing to be provided a certificate of coverage, the Contractor is representing to the governmental entity that all employees of the Contractor who will provide services on the project will be covered by workers' compensation coverage for the duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the Contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.
- K. The Contractor's failure to comply with any of these provisions is a breach of contract by the Contractor which entitles the governmental entity to declare the contract void if the Contractor does not remedy the breach within ten days after receipt of notice of breach from the governmental entity.

SC-6.10 Taxes

SC-6.10 Add a new paragraph immediately after Paragraph 6.10.A:

- B. Owner is exempt from payment of sales and compensating use taxes of the State of Texas and of cities and counties thereof on all materials to be incorporated into the Work.
1. Owner will furnish the required certificates of tax exemption to Contractor for use in the purchase of supplies and materials to be incorporated into the Work.
 2. Owner's exemption does not apply to construction tools, machinery, equipment, or other property purchased by or leased by Contractor, or to supplies or materials not incorporated into the Work.

SC-6.17 Shop Drawings and Samples

SC-6.17 Add the following new paragraphs immediately after Paragraph 6.17.E:

- F. Contractor shall furnish required submittals with sufficient information and accuracy in order to obtain required approval of an item with no more than three submittals (initial submittal and two re-submittals). Engineer will record Engineer's time for reviewing subsequent submittals of Shop Drawings, Samples, or other items requiring approval and Contractor shall reimburse Owner for Engineer's charges for such time.
- G. In the event that Contractor requests a change of a previously approved item, Contractor shall reimburse Owner for Engineer's charges for its review time based on

Engineer's current billing rates unless the need for such change is beyond the control of Contractor.

SC-9.03 Project Representative

SC-9.03 Add the following new paragraphs immediately after Paragraph 9.03.A:

- B. The Resident Project Representative (RPR) will be Engineer's employee or agent at the Site, will act as directed by and under the supervision of Engineer, and will confer with Engineer regarding RPR's actions. RPR's dealings in matters pertaining to the Work in general shall be with Engineer and Contractor. RPR's dealings with Subcontractors shall be through or with the full knowledge and approval of Contractor. The RPR shall:
1. Schedules: Review the progress schedule, schedule of Shop Drawing and Sample submittals, and schedule of values prepared by Contractor and consult with Engineer concerning acceptability.
 2. Conferences and Meetings: Attend meetings with Contractor, such as preconstruction conferences, progress meetings, job conferences and other project-related meetings, and prepare and circulate copies of minutes thereof.
 3. Liaison:
 - a. Serve as Engineer's liaison with Contractor, working principally through Contractor's authorized representative, assist in providing information regarding the intent of the Contract Documents.
 - b. Assist Engineer in serving as Owner's liaison with Contractor when Contractor's operations affect Owner's on-Site operations.
 - c. Assist in obtaining from Owner additional details or information, when required for proper execution of the Work.
 4. Interpretation of Contract Documents: Report to Engineer when clarifications and interpretations of the Contract Documents are needed and transmit to Contractor clarifications and interpretations as issued by Engineer.
 5. Shop Drawings and Samples:
 - a. Record date of receipt of Samples and approved Shop Drawings.
 - b. Receive Samples which are furnished at the Site by Contractor, and notify Engineer of availability of Samples for examination.
 6. Modifications: Consider and evaluate Contractor's suggestions for modifications in Drawings or Specifications and report such suggestions, together with RPR's recommendations, to Engineer. Transmit to Contractor in writing decisions as issued by Engineer.

7. Review of Work and Rejection of Defective Work:
 - a. Conduct on-Site observations of Contractor's work in progress to assist Engineer in determining if the Work is in general proceeding in accordance with the Contract Documents.
 - b. Report to Engineer whenever RPR believes that any part of Contractor's work in progress will not produce a completed Project that conforms generally to the Contract Documents or will imperil the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents, or has been damaged, or does not meet the requirements of any inspection, test or approval required to be made; and advise Engineer of that part of work in progress that RPR believes should be corrected or rejected or should be uncovered for observation, or requires special testing, inspection or approval.
8. Inspections, Tests, and System Startups:
 - a. Verify that tests, equipment, and systems start-ups and operating and maintenance training are conducted in the presence of appropriate Owner's personnel, and that Contractor maintains adequate records thereof.
 - b. Observe, record, and report to Engineer appropriate details relative to the test procedures and systems start-ups.
9. Records:
 - a. Record names, addresses, fax numbers, e-mail addresses, web site locations, and telephone numbers of all Contractors, Subcontractors, and major Suppliers of materials and equipment.
 - b. Maintain records for use in preparing Project documentation.
10. Reports:
 - a. Furnish to Engineer periodic reports as required of progress of the Work and of Contractor's compliance with the progress schedule and schedule of Shop Drawing and Sample submittals.
 - b. Draft and recommend to Engineer proposed Change Orders, Work Change Directives, and Field Orders. Obtain backup material from Contractor.
 - c. Immediately notify Engineer of the occurrence of any Site accidents, emergencies, acts of God endangering the Work, damage to property by fire or other causes, or the discovery of any Hazardous Environmental Condition.
11. Payment Requests: Review Applications for Payment with Contractor for compliance with the established procedure for their submission and forward with recommendations to Engineer, noting particularly the relationship of the payment requested to the schedule of values, Work completed, and materials and equipment delivered at the Site but not incorporated in the Work.

12. Certificates, Operation and Maintenance Manuals: During the course of the Work, verify that materials and equipment certificates, operation and maintenance manuals and other data required by the Specifications to be assembled and furnished by Contractor are applicable to the items actually installed and in accordance with the Contract Documents, and have these documents delivered to Engineer for review and forwarding to Owner prior to payment for that part of the Work.

13. Completion:

- a. Participate in a Substantial Completion inspection, assist in the determination of Substantial Completion and the preparation of lists of items to be completed or corrected.
- b. Participate in a final inspection in the company of Engineer, Owner, and Contractor and prepare a final list of items to be completed and deficiencies to be remedied.
- c. Observe whether all items on the final list have been completed or corrected and make recommendations to Engineer concerning acceptance and issuance of the Notice of Acceptability of the Work.

C. RPR shall not:

1. Authorize any deviation from the Contract Documents or substitution of materials or equipment (including "or-equal" items).
2. Exceed limitations of Engineer's authority as set forth in the Contract Documents.
3. Undertake any of the responsibilities of Contractor, subcontractors, suppliers, or Contractor's superintendent.
4. Advise on, issue directions relative to, or assume control over any aspect of the means, methods, techniques, sequences or procedures of Contractor's work unless such advice or directions are specifically required by the Contract Documents.
5. Advise on, issue directions regarding, or assume control over safety practices, precautions, and programs in connection with the activities or operations of Owner or Contractor.
6. Participate in specialized field or laboratory tests or inspections conducted off-site by others except as specifically authorized by Engineer.
7. Accept Shop Drawing or Sample submittals from anyone other than Contractor.
8. Authorize Owner to occupy the Project in whole or in part.

SC-11.03 Unit Price Work

SC-11.03.D Delete Paragraph 11.03.D in its entirety and insert the following in its place:

- D. The unit price of an item of Unit Price Work shall be subject to reevaluation and adjustment under the following conditions:
1. If the Bid price of a particular item of Unit Price Work amounts to 5 percent or more of the Contract Price and the variation in the quantity of that particular item of Unit Price Work performed by Contractor differs by more than 25 percent from the estimated quantity of such item indicated in the Agreement.
 2. If there is no corresponding adjustment with respect to any other item of Work.
 3. If Contractor believes that Contractor has incurred additional expense as a result thereof or if Owner believes that the quantity variation entitles Owner to an adjustment in the unit price, either Owner or Contractor may make a Claim for an adjustment in the Contract Price in accordance with Article 10 if the parties are unable to agree as to the effect of any such variations in the quantity of Unit Price Work performed.

SECTION 01010 - SUMMARY OF WORK

PART 1 - GENERAL

1.1 SUMMARY

- A. Section Includes:
 - 1. Project description and definitions.
 - 2. Licenses and warranty.
 - 3. Access to the site.
 - 4. Security procedures.
 - 5. Coordination requirements.
- B. Related Sections:
 - 1. Other Division 01 Specification Sections apply to Work of this Section.

1.2 WORK COVERED BY CONTRACT DOCUMENTS

- A. Identification: City of Lamesa Water Meter Replacement.
 - 1. Location: Lamesa, Texas.
 - 2. Owner: City of Lamesa, Texas.
- B. Verbal Summary: Without force or effect on requirements of the Contract Documents, a brief description of the Project is replacement of 4,300 water meters throughout the City of Lamesa, complete system in place.
- C. The work will be constructed under a single prime contract.

1.3 DEFINITIONS

- A. Furnish: To supply products to the project site, including delivering ready for unloading and replacing damaged and rejected products.
- B. Install: To put products in place in the work ready for the intended use, including unloading, unpacking, handling, storing, assembling, installing, erecting, placing, applying, anchoring, working, finishing, curing, protecting, cleaning, and similar operations.
- C. Provide: To furnish and install products.
- D. Indicated: Scheduled or specified somewhere in the contract documents.

1.4 REGULATORY REQUIREMENTS

- A. Submit copies of all permits, licenses, and similar permissions obtained, and receipts for fees paid, to Owner directly.

1.5 ACCESS TO THE SITE AND USE OF THE PREMISES

- A. Contractor shall make arrangements with Owner to use additional space. An additional staging area will be made available if required.

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION

3.1 SECURITY PROCEDURES

- A. Limit access to the site to persons involved in the work.
- B. Provide secure storage for materials for which Owner made payment and are stored onsite.
- C. Secure completed work as required to prevent loss.

3.2 COORDINATION

- A. If necessary, inform each party involved, in writing, of procedures required for coordination. Include requirements for giving notice, submitting reports, and attending meetings. Inform Owner when coordination of his work is required.
- B. See other requirements in other portions of Contract Documents.
- C. Prepare coordination drawings specified in product sections.
 - 1. Where space is limited, show plan and cross-section dimensions of space available.
 - 2. Coordinate shop drawings prepared by separate entities.
 - 3. Show installation sequence when necessary for proper installation.
- D. Coordinate utility adjustments where applicable.

3.3 WARRANTY

- A. Contractor shall warrant 100 percent of the project for one year after the date of final acceptance of the work.
- B. On the 11th month from the date of final acceptance, Owner's representative will schedule an annual Inspection with the presence of Contractor to inspect for defects and assessment of work performed. Any work considered defective by Owner's representative will be repaired.
- C. Contractor shall remedy any defects in workmanship and pay for any and all damages of any nature whatsoever resulting in defects at no cost to Owner.

END OF SECTION

SECTION 01019 - CONTRACT CONSIDERATIONS

PART 1 - GENERAL

1.1 SUMMARY

- A. Section Includes:
 - 1. Schedule of Values.
 - 2. Application for Payment.
 - 3. Change procedures.
- B. Related Sections:
 - 1. Other Division 01 Specification Sections apply to Work of this Section.

1.2 SCHEDULE OF VALUES

- A. Submit a printed schedule on Engineer-approved Contractor form or electronic media printout.
- B. Submit Schedule of Values in duplicate within five days after receiving the bid tabulation.
- C. Revise schedule to list approved Change Orders, with each Application for Payment.

1.3 APPLICATIONS FOR PAYMENT

- A. Submit five copies of each application on Engineer-approved Contractor form or electronic media printout.
- B. Content and Format: Utilize listed bid items for listing items in Application for Payment.
- C. Payment Period: Monthly, submit application for payment on or about the first day of each month. Applications for payment submitted later than previously described will be processed the following month.
- D. Include an updated construction progress schedule, invoice for materials on hand, certified payroll reports and documentation of weather days.
- E. Submit the following along with the application for final payment:
 - 1. Documentation for the completed Project.
 - 2. Signed affidavit from Notary Public that all claims on this job are settled and all bills owed by Contractor for the project including materials and labor, are paid.
 - 3. Contractor warranties for this job shall be signed and sealed by a Notary Public.

1.4 CHANGE PROCEDURES

- A. Engineer will advise of minor changes in the Work not involving an adjustment to Contract Sum/Price or Contract Time as authorized by General Conditions by issuing a work directive change.
- B. Engineer may issue a Proposal Request which includes a detailed description of a proposed change with supplementary or revised Drawings and specifications, a change in Contract Time for executing the change. Contractor will prepare and submit an estimate within seven days.
- C. Contractor may propose a change by submitting request for change to the Engineer, describing the proposed change and its full effect on the Work. Include a statement describing the reason for the change, and the effect on Contract Price and Contract Time with full documentation and a statement describing the effect on Work by separate or other contractors. Document any requested substitutions in accordance with Section 01300 - Submittals.
- D. Stipulated Price Change Order: Based on Proposal Request and Contractor's fixed price quotation or Contractor's request for a Change Order as approved by Engineer.

- E. Construction Change Authorization: Engineer may issue a directive on Work Directive Change, signed by Owner, instructing Contractor to proceed with a change in the Work, for subsequent inclusion in a Change Order. Document will describe changes in the Work, and designate method of determining any change in Contract Price or Contract Time. Promptly execute the change.
- F. Time and Material Change Order: Submit itemized account and supporting data after completion of change, within time limits indicated in the Conditions of the Contract. Engineer will determine the change allowable in Contract Price and Contract Time as provided in the Contract Documents.
- G. Maintain detailed records of work done on Time and Material basis. Provide full information required for evaluation of proposed changes, and to substantiate costs for changes in the Work.
- H. Change Order Forms: As specified by Owner.
- I. Execution of Change Orders: Engineer will issue Change Orders for signatures of parties as provided in the General Conditions of the Contract.

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION (Not Used)

END OF SECTION

SECTION 01025 - MEASUREMENT AND PAYMENT

PART 1 - GENERAL

The bid price on each item, as stated in the proposal, shall include furnishing all labor, superintendence, machinery, equipment, and materials necessary or incidental to complete the various items of work in accordance with the plans and specifications. Cost of work or materials shown on the plans or called for in the specifications and for which no separate payment is made shall be included in the prices on the various items.

1.1 MOBILIZATION/DEMobilIZATION

- A. Payment will be made for mobilization and demobilization on a lump sum basis. Bid amount for mobilization/demobilization shall not exceed 5 percent of the total bid price. The work covered under this item consists of preparatory work and operations, including but not limited to those necessary for the movement of personnel, equipment, supplies and incidentals to the Project site; for the establishment of all offices, buildings, and other facilities necessary for work on the Project; and for all other work and operations which must be performed or costs incurred prior to beginning work on the various items on the Project site.
- B. Contractor shall demobilize within 30 days after substantial completion of the work. No additional payment will be made for items overlooked in the bid.

1.2 UNIT COST ITEMS

- A. Unit cost items, not otherwise included in this section to be paid for at a unit cost per unit shall include all work and materials involved in the installation within the limits designated on the plans. Measurement shall be made in units shown on the Bid Sheet. All work so included shall be installed, constructed or performed as shown on Drawings and/or specified.

1.3 LUMP SUM ITEMS

- A. Lump sum items to be paid for at a lump sum price per job shall include all work and materials involved in the installation within the limits designated on the plans. No measurement of the work or material included in such items will be made. All work so included shall be installed, constructed or performed as shown on Drawings and specified herein.

1.4 FURNISH AND INSTALL WATER METER, COMPLETE SYSTEM IN PLACE

- A. Furnishing and installing meters, complete system in place, will be paid for at the unit price bid per item. The unit price shall include: removal and disposal of an existing wires and meters, furnishing and installing new meters, reconnecting, a complete ultrasonic measurement system, towers and repeaters as determined by Contractor, and all incidental work required for complete installation and operable system.

1.5 FURNISH ADDITIONAL METERS

- A. Payment will be made on a per each unit basis for providing additional water meters.

1.6 FINANCIAL TERMS

- A. Water meter replacement project shall be financed by the Contractor following the terms in Section 02710 – Municipal Water Meter.

1.7 FINAL CLEANUP

- A. Contractor shall make a final cleanup of all parts of work before final acceptance of work by Owner. This cleanup shall include, among other things, removing all construction materials, and in general preparing the sites of the work in an orderly manner.
- B. Cost of the cleanup shall be included as a part of the cost of the various items of work involved and no direct compensation will be made for this work.

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION (Not Used)

END OF SECTION

SECTION 01028 - CHANGE ORDER PROCEDURES

PART 1 - GENERAL

1.1 SUMMARY

- A. Section Includes:
 - 1. Submittals.
 - 2. Documentation of change in Contract Sum/Price and Contract Time.
 - 3. Change procedures and construction change authorization.
 - 4. Stipulated, unit, time, and material price change orders.
 - 5. Execution of change orders.
 - 6. Correlation of Contractor submittals.
- B. Related Sections:
 - 1. Other Division 01 Specification Sections apply to Work of this Section.

1.2 SUBMITTALS

- A. Submit name of the individual authorized to receive change documents, and be responsible for informing others in Contractor's employ or subcontractors of changes to the Work.
- B. Change Order Forms.

1.3 DOCUMENTATION OF CHANGE IN CONTRACT SUM/PRICE AND CONTRACT TIME

- A. Maintain detailed records of work done on a time and material basis. Provide full information required for evaluation of proposed changes, and to substantiate costs of changes in the Work.
- B. Document each quotation for a change in cost or time with sufficient data to allow evaluation of the quotation.
- C. On request, provide additional data to support computations:
 - 1. Quantities of products, labor, and equipment.
 - 2. Taxes, insurance, and bonds.
 - 3. Overhead and profit.
 - 4. Justification for any change in Contract Time.
 - 5. Credit for deletions from Contract, similarly documented.
- D. Support each claim for additional costs and work done on a time and material basis, with additional information:
 - 1. Origin and date of claim.
 - 2. Dates and times work was performed, and by whom.
 - 3. Time records and wage rates paid.
 - 4. Invoices and receipts for products, equipment, and subcontracts, similarly documented.

1.4 CHANGE PROCEDURES

- A. Engineer will advise of minor changes in the Work not involving an adjustment to Contract Sum/Price or Contract Time as authorized by the Contract by issuing supplemental instructions by letter.
- B. Engineer may issue a Proposal Request which includes a detailed description of a proposed change with supplementary or revised specifications, a change in Contract Time for executing the change. Contractor will prepare and submit an estimate within seven days.

- C. Contractor may propose a change by submitting a request for change to the Engineer, describing the proposed change and its full effect on the Work, with a statement describing the reason for the change, and the effect on the Contract Sum/Price and Contract Time with full documentation and a statement describing the effect on Work by separate or other contractors.

1.5 CONSTRUCTION CHANGE AUTHORIZATION

- A. Engineer may issue a document, signed by Owner, instructing Contractor to proceed with a change in the Work, for subsequent inclusion in a Change Order.
- B. The document will describe changes in the Work, and will designate method of determining any change in Contract Sum/Price or Contract Time.
- C. Promptly execute the change in Work.

1.6 STIPULATED PRICE CHANGE ORDER

- A. Based on Proposal Request and Contractor's maximum price quotation or Contractor's request for a Change Order as approved by Engineer.

1.7 UNIT PRICE CHANGE ORDER

- A. For predetermined unit prices and quantities, the Change Order will be executed on a fixed unit price basis.
- B. For unit costs or quantities of units of work which are not predetermined, execute Work under a Construction Change Authorization.
- C. Changes in Contract Sum/Price or Contract Time will be computed as specified for Time and Material Change Order.

1.8 TIME AND MATERIAL CHANGE ORDER

- A. Submit itemized account and supporting data after completion of change, within time limits indicated in the Conditions of the Contract.
- B. Engineer will determine the change allowable in Contract Sum/Price and Contract Time as provided in the Contract Documents.
- C. Maintain detailed records of work done on Time and Material basis.
- D. Provide full information required for evaluation of proposed changes, and to substantiate costs for changes in the Work.

1.9 EXECUTION OF CHANGE ORDERS

- A. Execution of Change Order: Engineer will issue Change Orders for signatures of parties as provided in the Conditions of the Contract.

1.10 CORRELATION OF CONTRACTOR SUBMITTALS

- A. Promptly revise Schedule of Values and Application for Payment forms to records each authorized Change Order as a separate line item and adjust the Contract Sum/Price.
- B. Promptly revise progress schedules to reflect any change in Contract Time, revise sub-schedules to adjust time for other items of work affected by the change, and resubmit.
- C. Promptly enter changes in Project Record Documents.

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION (Not Used)

END OF SECTION

SECTION 01039 - COORDINATION AND MEETINGS

PART 1 - GENERAL

1.1 SUMMARY

- A. Section Includes:
 - 1. Coordination and field engineering.
 - 2. Preconstruction and progress meetings.
 - 3. Examination and preparation.
 - 4. Cutting and Patching.
- B. Related Sections:
 - 1. Other Division 01 Specification Sections apply to Work of this Section.

1.2 COORDINATION

- A. Coordinate scheduling, submittals, and Work of the various Sections of the Project Manual to assure efficient and orderly sequence of installation of interdependent construction elements, with provisions for accommodating items installed later.
- B. Coordinate completion and clean-up of Work of separate Sections in preparation for Substantial Completion.
- C. After Owner occupancy of premises, coordinate access to site for correction of defective Work and Work not in accordance with Contract Documents, to minimize disruption of Owners activities.

1.3 PRECONSTRUCTION MEETING

- A. Engineer will schedule a meeting after Notice to Proceed.
- B. Attendance Required: Owner, Engineer, Contractor and major subcontractors.
- C. Agenda:
 - 1. Designation of personnel representing the parties in Contract and the Engineer.
 - 2. Procedures and processing of field decisions, submittals, substitutions, applications for payments, proposal request, Change Orders, and Contract closeout procedures.
 - 3. Scheduling
 - a. Use of premises by Owner and Contractor.
 - b. Owner requirements.
 - c. Construction facilities and controls provided by Owner.
 - d. Security and housekeeping procedures.
 - e. Schedules.
 - f. Procedures for testing.
 - g. Procedures for maintaining record documents.
 - h. Requirements for start-up of equipment.
 - i. Inspection and acceptance of equipment put into service during construction period.
- D. Engineer will record minutes and distribute copies within five days after meeting to participants.

1.4 PROGRESS MEETINGS

- A. Schedule and administer meetings throughout progress of the Work as required.
- B. Make arrangements for meetings, prepare agenda with copies for participants, and preside at meetings.
- C. Attendance Required: Job superintendent, major subcontractors, suppliers, and Engineer, as appropriate to agenda topics for each meeting.
- D. Agenda:
 - 1. Review minutes of previous meetings.
 - 2. Review of Work progress.
 - 3. Field observations, problems, and decisions.
 - 4. Identification of problems which impede planned progress.
 - 5. Review of submittals schedule and status of submittals.
 - 6. Review of off-site fabrication and delivery schedules.
 - 7. Maintenance of progress schedule.
 - 8. Corrective measures to regain projected schedules.
 - 9. Planned progress during succeeding work period.
 - 10. Coordination of projected progress.
 - 11. Maintenance of quality and work standards.
 - 12. Effect of proposed changes on progress schedule and coordination.
 - 13. Other business relating to Work.
- E. Contractor will record minutes and distribute copies within five days.

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION

3.1 EXAMINATION

- A. Verify existing site conditions and substrate surfaces are acceptable for subsequent Work. Beginning new Work means acceptance of existing conditions.
- B. Examine and verify specific conditions described in individual specification sections.
- C. Verify utility services are available, of correct characteristics, and in correct location.

3.2 PREPARATION

- A. Clean substrate surfaces prior to applying next material or substance.
- B. Seal cracks or openings of substrate prior to applying next material or substance.
- C. Apply any manufacturer required or recommended substrate primer, sealer, or conditioner prior to applying any new material or substance in contact or bond.

3.3 CUTTING AND PATCHING

- A. Employ skilled and experienced installer to perform cutting and patching.
- B. Submit written request in advance of cutting or altering elements which affects:
 - 1. Structural integrity of element.
 - 2. Integrity of weather-exposed or moisture-resistant elements.
 - 3. Efficiency, maintenance, or safety of element.
 - 4. Visual qualities of sight-exposed elements.
 - 5. Work of Owner or separate contractor.

- C. Execute cutting, fitting, and patching, including excavation and fill, to complete Work, and:
 - 1. Fit the several parts together, to integrate with other Work.
 - 2. Uncover Work to install or correct ill-timed Work.
 - 3. Remove and replace defective and non-conforming Work.
 - 4. Remove samples of installed Work for testing.
 - 5. Provide openings in elements of Work for penetrations of mechanical and electrical Work.
- D. Execute work by methods which will avoid damage to other Work, and provide proper surfaces to receive patching and finishing.
- E. Cut rigid materials using masonry saw or core drill.
- F. Restore Work with new products in accordance with requirements of Contract Documents.
- G. Fit Work tight to pipes, sleeves, ducts, conduit, and other penetrations through surfaces.
- H. Refinish surfaces to match adjacent finishes. For continuous surfaces, refinish to nearest intersection; for an assembly, refinish entire unit.
- I. Identify any hazardous condition exposed during the Work to the Architect or Engineer for Decision or remedy.

END OF SECTION

SECTION 01090

REFERENCE STANDARDS

PART 1 - GENERAL

1.1 SUMMARY

- A. Section Includes: Quality assurance and reference schedule.
- B. Related Sections: Other Division 01 Specification Sections apply to Work of this Section.

1.2 QUALITY ASSURANCE

- A. For products or workmanship specified by association, trade, or Federal Standards, comply with requirements of the standard, except when more rigid requirements are specified or are required by applicable codes.
- B. Conform to reference standard by date of issue current on date for receiving bids.
- C. Obtain copies of standards when required by Contract Documents.
- D. Should specified reference standards conflict with Contract Documents, request clarification from Engineer before proceeding.
- E. The contractual relationship of the parties to the Contract shall not be altered from the Contract Documents by mention or inference otherwise in any reference document.

1.3 SCHEDULE OF REFERENCES

AA	Aluminum Association 818 Connecticut Avenue, N.W. Washington, DC 20006
AABC	Associated Air Balance Council 1000 Vermont Avenue, N.W. Washington, DC 20005
AASHTO	American Association of State Highway and Transportation Officials 444 North Capitol Street, N.W. Washington, DC 20001
ACI	American Concrete Institute Box 19150, Reford Station Detroit, MI 48219
ADC	Air Diffusion Council 230 North Michigan Avenue Chicago, IL 60601
AGC	Associated General Contractors of America 1957 E Street, N.W. Washington, DC 20006

AI	Asphalt Institute Asphalt Institute Building College Park, MD 20740
AISC	American Institute of Steel Construction 400 North Michigan Avenue, Eighth Floor Chicago, IL 60611
AISI	American Iron and Steel Institute 1000 16th Street, N.W. Washington, DC 20036
AMCA	Air Movement and Control Association 30 West University Drive Arlington Heights, IL 60004
ANSI	American National Standards Institute 1430 Broadway New York, NY 10018
ASME	American Society of Mechanical Engineers 345 East 47th Street New York, NY 10017
ASTM	American Society for Testing and Materials 1916 Race Street Philadelphia, PA 19103
AWI	Architectural Woodwork Institute 2310 South Walter Reed Drive Arlington, VA 22206
AWS	American Welding Society 550 LeJeune Road, N.W. Miami, FL 33135
AWWA	American Water Works Association 6666 West Quincy Avenue Denver, CO 80235
BHMA	Builders' Hardware Manufacturer Association 60 East 42nd Street, Room 511 New York, NY 10165
CDA	Copper Development Association 57th Floor, Chrysler Building 405 Lexington Avenue New York, NY 10174

CPSC	Consumer Product Safety Commission 1111 Eighteenth Street, NW Washington, DC 20207
CRSI	Concrete Reinforcing Steel Institute 933 Plum Grove Road Schaumburg, IL 60195
DHI	Door and Hardware Institute 7711 Old Springhouse Road McLean, VA 22102
EJCDC	Engineers' Joint Contract Documents Committee American Consulting Engineers Council 1015 15th Street, N.W. Washington, DC 20005
EJMA	Expansion Joint Manufacturers Association 25 North Broadway Tarrytown, NY 10591
FGMA	Flat Glass Marketing Association White Lakes Professional Building 3310 Harrison Topeka, KS 66611
FM	Factory Mutual System 1151 Boston-Providence Turnpike P.O. Box 688 Norwood, MA 02062
FS	Federal Specification, General Services Administration Specifications and Consumer Information, Distribution Section (WFSIS) Washington Navy Yard, Bldg. 197 Washington, DC 20407
IES	Illumination Engineering Society of North America 345 East 47th Street New York, NY 10017
IMIAC	International Masonry Industry All-Weather Council International Masonry Institute 815 15th Street, N.W. Washington, DC 20005
MIL	Military Specification Naval Publications and Forms Center 5801 Tabor Avenue Philadelphia, PA 19120

ML/SFA	Metal Lath/Steel Framing Association 221 North LaSalle Street Chicago, IL 60601
NAAMM	National Association of Architectural Metal Manufacturers 221 North LaSalle Street Chicago, IL 60601
NBS	National Bureau of Standards (U.S. Department of Commerce) Gaithersburg, MD 20234
NCMA	National Concrete Masonry Association P.O. Box 781 Herndon, VA 22070
NEBB	National Environmental Balancing Bureau 8224 Old Courthouse Road Vienna, VA 22180
NPCA	National Paint and Coating Association 1500 Rhode Island Avenue N.W. Washington, D.C. 20005
NSF	National Sanitation Foundation 3475 Plymouth Road / P.O. Box 1468 Ann Arbor, MI 47106
OSHA	Occupational Safety and Health Administration (U.S. Department of Labor) Government Printing Office Washington, D.C. 20402
PCA	Portland Cement Association 5420 Old Orchard Road Skokie, IL 60077
PS	Product Standard U. S. Department of Commerce Washington, DC 20203
RMA	Rubber Manufacturer's Association 1400 K Street, N.W. Washington, D.C. 20005
S.D.I.	Steel Door Institute 712 Lakewood Center North 14600 Detroit Avenue Cleveland, OH 44107

- SGCC Safety Glazing Certification Council
Route 11, Industrial Park
Cortland, NY 13045
- SIGMA Sealed Insulating Glass Manufacturers Association
111 East Wacker Drive
Chicago, IL 60601
- SJI Steel Joist Institute
1205 48th Avenue North, Suite A
Myrtle Beach, SC 29577
- SMACNA Sheet Metal and Air Conditioning Contractors' National Association
8224 Old Court House Road
Vienna, VA 22180
- SSPC Steel Structures Painting Council
4400 Fifth Avenue
Pittsburgh, PA 15213
- UL Underwriters' Laboratories, Inc.
333 Pfingston Road
Northbrook, IL 60062

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION (Not Used)

END OF SECTION

SECTION 01300 - SUBMITTALS

PART 1 - GENERAL

1.1 SUMMARY

- A. Section Includes:
 - 1. Submittal procedures and resubmittal requirements.
 - 2. Construction progress schedules.
 - 3. Proposed products list and product data.
 - 4. Manufacturer instructions and certificates.
- B. Related Sections:
 - 1. Other Division 01 Specification Sections apply to Work of this Section.

1.2 SUBMITTAL PROCEDURES

- A. Transmit each submittal using Engineer's electronic site including Contractor name, address, and phone number.
- B. Identify Project, Contractor, subcontractor, supplier, detail number(s), and specification Section number, as appropriate.
- C. Apply Contractor stamp, signed or initialed certifying that review, verification of Products required, field dimensions, adjacent construction Work, and coordination of information, is in accordance with the requirements of the Work and Contract Documents.
- D. Schedule submittals to expedite the Project. Coordinate submission of related items.
- E. Identify variations from Contract Documents and Product or system limitations which may be detrimental to successful performance of the completed Work.
- F. Revise and resubmit submittals as required, identify all changes made since previous submittal.
- G. Distribute copies of reviewed submittals to concerned parties. Instruct parties to promptly report any inability to comply with provisions.
- H. Submittals not requested will not be recognized or processed.

1.3 RESUBMITTAL REQUIREMENTS

- A. Revise initial submittal as required and resubmit to meet requirements as specified.
- B. Mark as "Resubmittal."
- C. Reuse original transmittal number and supplement with sequential alphabetical suffix for each resubmittal.

1.4 CONSTRUCTION PROGRESS SCHEDULES

- A. Submit initial progress schedule electronically to Engineer if required.
- B. Submit revised schedules with each Application for Payment, identifying changes since previous version.
- C. Submit a horizontal bar chart with separate line for each section of Work, identifying first work day of each week.
- D. Show complete sequence of construction by activity, identifying Work of separate stages and other logically grouped activities. Indicate the early and late start, early and late finish, float dates, and duration.
- E. Indicate estimated percentage of completion for each item of Work at each submission.

- F. Indicate submittal dates required for shop drawings, product data, samples, and product delivery dates, including those furnished by Owner.

1.5 PROPOSED PRODUCTS LIST

- A. Within 15 days after date of Notice to Proceed, submit complete list of major products proposed for use, with name of manufacturer, trade name, and model number of each product.
- B. For products specified only by reference standards, give manufacturer, trade name, model or catalog designation, and reference standards.

1.6 SHOP DRAWINGS

- A. Submit all shop drawings electronically.
- B. Drawing size shall be minimum 8-1/2 x 11 inches and maximum of 30 x 42 inches.
- C. Draw details to a minimum size 2 inches equal to 1 foot.
- D. After review, produce copies and distribute in accordance with Article 1.2 - Submittal Procedures, and for record document purposes described in Section 01700 – Contract Closeout.

1.7 PRODUCT DATA

- A. Mark submittal to identify applicable products, models, options, and other data. Supplement manufacturers' standard data to provide information unique to this Project.
- B. Include recommendations for application and use, compliance with specified standards of trade associations and testing agencies.
- C. Include notation of special coordination requirements for interfacing with adjacent work.
- D. After review, distribute in accordance with Article on Procedures above and provide copies for Record Documents described in Section 01700 - Contract Closeout.

1.8 MANUFACTURER'S INSTRUCTIONS

- A. When specified in individual specification Sections, submit manufacturers' printed instructions for delivery, storage, assembly, installation, start-up, adjusting, and finishing, in quantities specified for Product Data.
- B. Identify conflicts between manufacturers' instructions and Contract Documents.
- C. Indicate special procedures, conditions requiring special attention and special environmental criteria required for application or installation.

1.9 MANUFACTURER'S CERTIFICATES

- A. When specified in individual specification Sections, submit manufacturers' certificate to Engineer for review, in quantities specified for Product Data.
- B. Indicate material or product conforms to or exceeds specified requirements. Submit supporting reference date, affidavits, and certifications as appropriate.
- C. Certificates may be recent or previous test results on material or Product, but must be acceptable to Engineer.

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION (Not Used)

END OF SECTION

SECTION 01400 - QUALITY CONTROL

PART 1 - GENERAL

1.1 SUMMARY

- A. Section Includes:
 - 1. Quality assurance and control of installation.
 - 2. Inspection and testing laboratory services.
 - 3. Manufacturers' field services and reports.
- B. Related Sections:
 - 1. Other Division 01 Specification Sections apply to Work of this Section.

1.2 QUALITY ASSURANCE/CONTROL OF INSTALLATION

- A. Monitor quality control over suppliers, manufacturers, Products, services, site conditions, and workmanship, to produce Work of specified quality.
- B. Comply fully with manufacturers' instructions, including each step in sequence.
- C. Should manufacturers' instructions conflict with Contract Documents, request clarification from Engineer before proceeding.
- D. Comply with specified standards as a minimum quality for the Work except when more stringent tolerances, codes, or specified requirements indicate higher standards or more precise workmanship.
- E. Perform work by persons qualified to produce workmanship of specified quality.
- F. Secure Products in place with positive anchorage devices designed and sized to withstand stresses, vibration, physical distortion or disfigurement.

1.3 INSPECTION AND TESTING LABORATORY SERVICES

- A. Owner will appoint, employ, and pay for services of an independent firm to perform inspection and testing.
- B. The independent firm will perform inspections, tests, and other services specified in individual specification Sections and as required by the Engineer.
- C. Reports will be submitted by the independent firm to Engineer, in triplicate, indicating observations and results of tests and indicating compliance or non-compliance with Contract Documents.
- D. Cooperate with independent firm; furnish samples of materials, design mix, equipment, tools, storage and assistance as requested.
 - 1. Notify Engineer and independent firm 48 hours prior to expected time for operations requiring services.
 - 2. Make arrangements with independent firm and pay for additional samples and tests required for Contractor's use.
- E. Retesting required because of non-conformance to specified requirements shall be performed by the same independent firm on instructions by the Engineer. Payment for retesting will be charged to the Contractor by deducting inspection or testing charges from the Contract Sum/Price.

1.4 MANUFACTURERS' FIELD SERVICES AND REPORTS

- A. Submit qualifications of observer to Engineer 30 days in advance of required observations. Observer subject to approval of Engineer.
- B. When specified in individual specification Sections, require material or Product suppliers or manufacturers to provide qualified staff personnel to observe site conditions, conditions of surfaces and installation, quality of workmanship, start-up of equipment, test, adjust, and balance of equipment as applicable, and to initiate instructions when necessary.
- C. Individuals to report observations and site decisions or instructions given to applicators or installers that are supplemental or contrary to manufacturers' written instructions.
- D. Submit report in triplicate within 30 days of observation to Engineer for review.

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION (Not Used)

END OF SECTION

SECTION 01500 - TEMPORARY FACILITIES AND CONTROLS

PART 1 - GENERAL

1.1 SUMMARY

- A. Section Includes:
 - 1. Temporary Utilities: Electricity, lighting, heat, ventilation, telephone service, water, and sanitary facilities.
 - 2. Temporary Controls: Barriers, enclosures and fencing, protection of the Work, and water control.
 - 3. Construction Facilities: Access roads, parking, progress cleaning, project signage, and temporary buildings.
- B. Related Sections:
 - 1. Other Division 01 Specification Sections apply to Work of this Section.

1.2 TEMPORARY WATER SERVICE

- A. Provide, maintain and pay for suitable quality water service required for construction operations.
- B. Exercise measures to conserve water.
- C. Extend branch piping with outlets located so water is available by hoses with threaded connections. Provide temporary pipe insulation to prevent freezing.

1.3 TEMPORARY SANITARY FACILITIES

- A. Provide and maintain required facilities and enclosures.
- B. Permanent building facilities shall not be used during construction operations. Maintain daily in clean and sanitary condition.

1.4 BARRIERS

- A. Provide barriers to prevent unauthorized entry to construction areas to allow for Owner's use of the site, and to protect existing facilities and adjacent properties from damage from construction operations and demolition.
- B. Provide protection for plant life designated to remain. Replace damaged plant life.
- C. Protect non-owned vehicular traffic, stored materials, site and structures from damage.

1.5 WATER CONTROL

- A. Grade to site to drain. Maintain excavations free of water. Provide, operate, and maintain pumping equipment.
- B. Protect site from puddling or running water. Provide water barriers as required to protect site from soil erosion.

1.6 PROTECTION OF INSTALLED WORK

- A. Protect installed Work and provide special protection where specified in individual specification Sections.

- B. Provide temporary and removable protection for installed Products. Control activity in immediate work area to minimize damage.
- C. Prohibit traffic from landscaped areas.

1.7 ACCESS ROADS

- A. Construct and maintain temporary roads accessing public thoroughfares to serve construction area.
- B. Extend and relocate as Work progress requires. Provide detours necessary for unimpeded traffic flow.
- C. Provide and maintain access to fire hydrants, free of obstructions.
- D. Existing onsite roads may be used for construction traffic.

1.8 PROGRESS CLEANING

- A. Maintain areas free of waste materials, debris, and rubbish. Maintain a clean and orderly site.
- B. Remove waste materials, debris, and rubbish from site and dispose off-site at intervals as required to maintain clean site.

1.9 PROJECT IDENTIFICATION

- A. Owner will provide project identification signs.

1.10 REMOVAL OF UTILITIES, FACILITIES, AND CONTROLS

- A. Remove temporary above grade or buried utilities, equipment, facilities and materials as soon as permanent facilities can be utilized.
- B. Remove underground installations to a minimum depth of 2 feet.
- C. Clean and repair damage caused by installation or use of temporary work.
- D. Restore existing facilities used during construction to original condition. Restore permanent facilities used during construction to specified condition.

PART 2 - PRODUCTS (Not Used)

PART 3 - PRODUCTS (Not Used)

END OF SECTION

SECTION 01600 - MATERIAL AND EQUIPMENT

PART 1 - GENERAL

1.1 SUMMARY

- A. Section Includes:
 - 1. Products, options, and substitutions.
 - 2. Transportation and handling.
 - 3. Storage and protection.
- B. Related Sections:
 - 1. Other Division 01 Specification Sections apply to Work of this Section.

1.2 PRODUCTS

- A. Products: New material, machinery, components, equipment, fixtures, and systems forming the Work. Does not include machinery and equipment used for preparation, fabrication, conveying and erection of the Work. Products may also include existing materials or components required for reuse.
- B. Do not use materials and equipment removed from existing premises, except as specifically permitted by the Contract Documents.
- C. Provide interchangeable components of the same manufacturer, for similar components.

1.3 PRODUCT DELIVERY, STORAGE, AND HANDLING

- A. Delivery
 - 1. Deliver materials, products, and equipment to the project site in undamaged condition in manufacturer's original, unopened containers or packaging, with identifying labels intact and legible.
 - 2. Promptly inspect shipments to assure that products comply with requirements, quantities are correct, and products are undamaged.
 - 3. Provide equipment and personnel to handle products by methods to prevent soiling, disfigurement, or damage.
 - 4. Arrange deliveries in accordance with the construction schedule and in ample time to facilitate inspection prior to installation to avoid unnecessary delays in the construction process.
- B. Storage
 - 1. Store and protect products in accordance with manufacturer's instructions, with seals and labels intact and legible. Store sensitive products in weather-tight, climate-controlled enclosures.
 - 2. For exterior storage of fabricated products, place on sloped supports, above ground.
 - 3. Provide off-site storage and protection when site does not permit onsite storage or protection.
 - 4. Cover products subject to deterioration with impervious sheet covering. Provide ventilation to avoid condensation.
 - 5. Store loose granular materials on solid flat surfaces in a well-drained area. Prevent mixing with foreign matter.
 - 6. Provide equipment and personnel to store products by methods to prevent soiling, disfigurement, or damage.

7. Arrange storage of products to permit access for inspection in a local warehouse. Periodically inspect to assure products are undamaged and are maintained under specified conditions.
 8. Materials, products and equipment may be stored off site in a bonded and insured local warehouse approved by Engineer and Owner. Pay all costs incurred for off-site storage facilities. Products properly stored in off-site storage facilities may be included in progress pay requests with written approval of Owner.
- C. Handling: Handle materials, products, and equipment in a manner prescribed by manufacturer or specified to protect from damage during storage and installation.

1.4 PRODUCT OPTIONS

- A. Products Specified by Reference Standards or by Description Only: Any product meeting those standards or description.
- B. Products Specified by Naming One or More Manufacturers: Products of manufacturers named and meeting specifications, no options or substitutions allowed.
- C. Products Specified by Naming One or More Manufacturers with a Provision for Substitutions: Submit a request for substitution for any manufacturer not named.

1.5 SUBSTITUTIONS

- A. For bidding purposes as provided in Section 00200 - Instructions to Bidders.
- B. Substitutions considered when a product becomes unavailable through no fault of Contractor.
- C. Document each request with complete data substantiating compliance of proposed Substitution with Contract Documents.
- D. A request constitutes a representation the Bidder:
 1. Investigated proposed product and determined it meets or exceeds the quality level of the specified product.
 2. Will provide the same warranty for the Substitution as for the specified product.
 3. Will coordinate installation and make changes to other Work which may be required for the Work to be complete with no additional cost to Owner.
 4. Waives claims for additional costs or time extension which may subsequently become apparent.
 5. Will reimburse Owner for review or redesign services associated with re-approval by authorities.
- E. Substitutions not considered when indicated or implied on shop drawing or product data submittals, without separate written request, or when acceptance will require revision to the Contract Documents.
- F. Substitution Submittal Procedure:
 1. Submit four copies of request for Substitution for consideration. Limit each request to one proposed Substitution.
 2. Submit shop drawings, product data, and certified test results attesting to the proposed product equivalence.
 3. Engineer will notify Contractor, in writing, of decision to accept or reject request.

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION (Not Used)

END OF SECTION

SECTION 01700 - CONTRACT CLOSEOUT

PART 1 - GENERAL

1.1 SUMMARY

- A. Section Includes:
 - 1. Closeout procedures, final cleaning, and adjusting.
 - 2. Project record documents and warranties.
 - 3. Spare parts and maintenance materials.
- B. Related Sections:
 - 1. Other Division 01 Specification Sections apply to Work of this Section.

1.2 CLOSEOUT PROCEDURES

- A. Submit written certification that Contract Documents was reviewed, Work inspected, and Work is complete in accordance with Contract Documents and ready for Engineer inspection.
- B. Provide submittals to Engineer required by governing or other authorities.
- C. Submit final Application for Payment identifying total adjusted Contract Sum, previous payments, and sum remaining due.

1.3 FINAL CLEANING

- A. Execute final cleaning prior to final inspection.
- B. Clean site; sweep paved areas, rake clean landscaped surfaces.
- C. Remove waste and surplus materials, rubbish, and construction facilities from the site.
- D. Repair, patch, and touch-up marred surfaces to match adjacent finishes.

1.4 ADJUSTING

- A. Adjust operating Products and equipment to ensure smooth and unhindered operation.

1.5 PROJECT RECORD DOCUMENTS

- A. Maintain onsite, one set of the following record documents; record actual revisions to the Work:
 - 1. Contract Drawings.
 - 2. Specifications.
 - 3. Addenda.
 - 4. Change Orders and other Modifications to the Contract.
 - 5. Reviewed shop drawings, product data, and samples.
- B. Store Record Documents separate from documents used for construction.
- C. Record information concurrent with construction progress.
- D. Specifications - legibly mark and record at each Product section description of actual Products installed, including:
 - 1. Manufacturer's name and product model and number.
 - 2. Product substitutions or alternates utilized.
 - 3. Changes made by Addenda and Modifications.

- E. Record Documents and Shop Drawings - legibly mark each item to record actual construction including:
 - 1. Measured horizontal and vertical locations of underground utilities and appurtenances referenced to permanent surface improvements.
 - 2. Field changes of dimension and detail.
 - 3. Details not on original Contract Drawings.
 - 4. Changes made by addenda and modification.
- F. Submit documents to Engineer with claim for final Application for Payment.

1.6 WARRANTIES

- A. Provide duplicate notarized copies.
- B. Execute and assemble documents from Subcontractors, suppliers, and manufacturers.
- C. Provide Table of Contents and assemble with metal prong binder in durable plastic presentation cover.
- D. Submit prior to final Application for Payment.
- E. For items of Work delayed beyond date of Substantial Completion, provide updated submittal within ten days after acceptance, listing date of acceptance as start of warranty period.

1.7 SPARE PARTS AND MAINTENANCE MATERIALS

- A. Provide products, spare parts, maintenance, and extra materials in quantities specified in individual specification Sections.
- B. Deliver to project site and place in location as directed; obtain receipt prior to final payment.

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION (Not Used)

END OF SECTION

SECTION 02110 - SITE PREPARATION AND CLEARING

PART 1 - GENERAL

1.1 SUMMARY

A. Section Includes:

1. Site preparation, excavation, grading, trenching, and backfilling required for Project. Excavation, of whatever material encountered, for all structures in Project, shall be made as required by Drawings or as directed by Engineer. Material required to be moved during preparation of the site, excess excavated material, or any material unsuitable for use in backfilling, shall be disposed of by Contractor.
 - a. Excavation will not be classified and no additional compensation will be allowed for rock. Bidders shall make such investigations of the nature of material to be encountered in excavations as they deem necessary and shall assume all responsibility for fully informing themselves of the character of such material.

B. Related Sections:

1. Division 01 Specification Sections apply to Work of this Section.
2. Section 02151 - Trench Safety Systems.

1.2 TRENCH SAFETY

- A. Contractor shall be responsible for complying with Texas House Bills 662 and 665 safety standards and with the applicable OSHA regulations concerning trench excavation, general excavation, and construction safety.
- B. Contractor shall be responsible for implementing a trench safety system wherever trench depth exceeds 5 feet. Contractor shall refer to Section 02151 - Trench Safety Systems, and details shown on the plans for approved trench safety methods for pipelines.

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION

3.1 CLEARING OF RIGHT-OF-WAY

- A. Contractor shall be responsible for clearing brush, trees, and debris within easements required for construction of the work. Contractor shall be responsible for locating an approved disposal area for trees and brush removed and for disposing of such material in accordance with all applicable laws and ordinances.

3.2 FINISH GRADING

- A. The area around manholes, valves etc. shall be graded and shaped in accordance with details shown on plans. Surface finish grading shall provide satisfactory drainage and slope away from structures.

3.3 TRENCHING AND BACKFILLING PIPELINES

- A. Excavation for pipe trenches shall be made to lines and grades shown on Drawings and established in the field. Trenching and backfilling for water pipelines are specified in other sections of these specifications.

3.4 CLEAN UP

- A. After completion of all work in connection with the project, entire work area and any adjacent areas disturbed by construction, shall be cleaned of all construction debris, rocks, excess materials, and all such material removed from site or highway right-of-way and disposed of by Contractor. Any sod disturbed by installation of these facilities shall be replaced. Entire area shall be graded to uniform surfaces and present a neat and clean appearance before final acceptance.

END OF SECTION

SECTION 02151 - TRENCH SAFETY SYSTEMS

PART 1 - GENERAL

1.1 SUMMARY

- A. Section Includes:
 - 1. Trench safety systems for trench excavations greater than 5 feet in depth. All work performed under this section shall also comply with OSHA Part 1926, Subpart P and all state and local codes.
 - 2. Contractor shall be responsible for complying with the requirements of the specifications, drawings and all applicable codes. Contractor shall immediately notify Engineer of any unforeseen field conditions which might affect the integrity of trench safety system.
- B. Scope Of Work:
 - 1. Trench and excavation safety systems either by cut-back method or braced excavation method for all trenches 5 feet and deeper, indicated on Drawings or required by actual field conditions. Trenches not exceeding 5 feet in depth shall be protected as required by OSHA, state, and local standards.
 - 2. Alternative methods of trench safety may be submitted for approval to Engineer; however, alternative methods will not be reviewed or approved prior to bid opening.
- C. Related Sections:
 - 1. Division 01 Specification Sections apply to Work of this Section.
 - 2. Section 02110 - Site Preparation and Clearing.

1.2 SUBMITTALS

- A. Provide detailed drawings for proposed trench safety systems. Clearly identify where each system is proposed for use and type of system to be used. Trench excavations cannot be started until trench safety systems have been submitted and approved by Engineer.
 - 1. Trench Boxes: Submit manufacturer-standard data sheet and certificate of compliance signed by a registered engineer stating the maximum allowable depth for the given design pressure for each type of trench box proposed for use.
 - 2. Alternative Systems: If alternative systems composed of steel, aluminum, wood, or a combination of materials are proposed, submit design calculations signed by a registered engineer showing all member properties, design strengths and any stress increases used with justification for their use.

1.3 QUALITY ASSURANCE

- A. Trench safety systems shall be designed based on actual field conditions. Contractor shall review and determine the field conditions for the project.
- B. Work shall be performed by forces having at least two years' experience with similar types of trench safety systems. All prefabricated items used in trench safety systems shall be manufactured by a company with at least two years' experience in fabricating the items.
- C. Contractor shall be responsible for complying with all trench safety requirements and safety of trenches and excavations.

PART 2 - MATERIALS

2.1 SUITABLE MATERIALS

- A. Provide suitable materials capable of withstanding imposed loads without excessive deflections. Materials shall be clean, free of rust, holes, knots, and other defects.
 - 1. Steel shall be of type and thickness as required by design with a minimum yield stress of $F_y = 36000$ psi.
 - 2. Aluminum: Type 6061-T6, thickness as required by design.
 - 3. Wood in Contact with Earth: Pressure-treated soft woods or untreated hardwoods.
 - 4. Wood not in Contact with Earth: Soft or hardwood as required by design.

PART 3 - EXECUTION

3.1 JOB CONDITIONS

- A. Prior to starting trench excavations, Contractor shall examine all site conditions and note any conditions in existing pavements, structures, and other items adversely affected by trenching operations. Prepare a written list of all such conditions and submit to Engineer. During trenching operations, note any changes which occur to existing pavements or structures and submit a written report to Engineer of all such changes.

3.2 EXISTING UTILITIES

- A. Prior to starting trench excavations, chart and field locate all existing utilities. Notify owners of all utilities of work to be performed. Protect all existing utilities from damage. Provide additional support for utility lines which cannot span trench width. Do not interrupt existing services without written approval by Engineer and utility owner.

3.3 TRENCHING PROCEDURES

- A. Provide shoring systems in accordance with submitted design to adequately resist earth pressures indicated on Drawings.
 - 1. Proceed with work in an orderly fashion. Install trench bracing systems as soon as possible after opening trenches. Do not allow workers in trench prior to installing trench bracing systems.
 - 2. Backfill trenches as soon as possible after completion of work.
 - 3. Stockpile excavated materials at 3 feet away from edge of trench.
 - 4. Maintain barricades and signage as required by state and local codes to protect open excavations.
 - 5. Do not allow surface water to enter excavations. Properly grade areas adjacent to trench excavations to control surface drainage away from excavations. Excavations which must remain open during periods of rainfall shall be covered with suitable material to prevent accumulations of water in excavation.
 - 6. If cut-back method is employed, maintain a clear distance of 3 feet from edge of cut to avoid allowing loose material to enter trench.
 - 7. Do not operate heavy equipment except for trench-digging equipment within 20 feet of edge of excavation.

END OF SECTION

SECTION 02710 – MUNICIPAL WATER METER

PART 1 - GENERAL

1.1 SUMMARY

- A. Section Includes:
 - 1. Installation of water meters and accessories required for the project. Contractor shall furnish all materials, equipment, tools, labor, superintendence, and incidentals required for complete construction of the work specified herein. All materials used in construction shall be new and of the size, type, and class as specified herein for construction.
- B. Related Sections
 - 1. Division 01 Specification Sections apply to Work of this Section.

1.2 SUBMITTALS

- A. Submit manufacturer data on all meters and other materials specified herein to use on project.

1.3 CERTIFICATION

- A. Certifications properly executed by manufacturer shall be furnished to Engineer showing compliance to the specification requirements and standards sighted herein. Test data from tests performed shall be provided as requested by Engineer.

1.4 INSPECTION

- A. Engineer and his representatives shall have access to all phases of work. Manufacturer and Contractor shall provide proper facilities for access and inspection. Material, fabricated parts, and pipes discovered defective, or do not conform to Specification requirements, will be subject to rejection at any time prior to final acceptance.

PART 2 - PRODUCTS

2.1 GENERAL

- A. All meters shall be certified to NSF/ANSI 61.

2.2 WATER METER

- A. Meter shall be ultrasonic with a start flow rate of 0.015 GPM or less, guaranteed 20 years.
- B. Meter must have a 20-year lithium battery and accuracy warrant to be ± 1.5 percent for 20 years.
- C. Meter shall be capable of storing 460 days of data log history for the full 20-year warranty.
- D. Meter shall be hermetically-closed and vacuum-sealed. Meter shall be IP68 (submersible)-type, tested and suitable for installation in meter pits.
- E. Consumption data shall be visually read from the display using optical eye or remotely read either by 915MHz band RF signal built into the meter. No exposed wire allowed.
- F. Meter housing and flow part shall be polyphenylene sulfide (PPS) with fiberglass reinforcement. Reflectors shall be 304L Stainless Steel.

2.3 ULTRASONIC MEASUREMENT SYSTEM

- A. Ultrasonic measurement system shall be capable of:
1. Zone-based data loss analysis.
 2. Meter abnormality detection and event processing.
 3. High flow leak detention and notification.
 4. Continuous-flow detection and notification.
 5. Monthly operating reports, TCEQ-approved.
 6. Personalized conservation emails and tips.
 7. Monthly and hourly usage history via city website widget, 10-year minimum history required.
 8. Use restriction violation detection and notification.
 9. Generation of usage and conservation metrics/scores.
 10. Bulk customer notifications and mobile, geo-targeted customer by phone, email and text.
 11. Deliver past-due and cut-off warning notifications.
 12. Water budget monitoring and notifications.

2.4 VENDOR

- A. Vendor shall provide a turnkey project to include installation of meters and integration to Incode billing and SCADA systems, as required, to provide a complete, working product. No third parties considered.
- B. Vendor shall maintain support technicians in the area.

2.5 FINANCIAL TERMS

- A. Project shall be financed in accordance with:
1. \$329,325.12 in debt service with only new system as security.
 2. 15-year financing term with first payment due on year after signing and annually thereafter.
 3. Onsite reading for a three-billing term with 100 percent read rate.

PART 3 - EXECUTION

3.1 GENERAL

- A. All meters and accessories shall be furnished and installed as shown on Drawings and specified herein. All materials shall be installed in accordance with approved recommendations of the manufacturer, in accordance with these specifications, and accomplished by workmen skilled in this type of work.
1. Inspection of Material: Meters and accessories shall be inspected upon delivery and during progress of the work. Any material found defective will be rejected by Engineer, and Contractor shall remove such defective material from the site of the Work.
 2. Responsibility for Materials: Contractor shall be responsible for all materials furnished by him and shall replace, at his own expense, all such material found defective in manufacture or damaged in handling after delivery.
 3. Handling Meters and Accessories: All meters and accessories shall, unless otherwise directed, be unloaded at point of delivery, hauled to, and distributed at site of Work by Contractor. In loading and unloading, items shall be lifted by hoists, slid, or rolled on

skidways, to avoid shock or damage to the materials. Under no circumstances shall they be dropped.

- B. Connections to Existing Lines: Connections between new and existing work, where required, shall be made using proper specials, transition sleeves, and fittings to suit actual conditions. Additional bends may also be necessary to provide minimum pipe separations as required by TCEQ. These fittings, special sleeves, and bends shall be provided after verification from Engineer. When necessary to interrupt service to existing facilities to make connection to an existing line, Contractor may be required to make connections when designated by Owner at no additional cost to Owner.

3.2 CLEAN UP

- A. After construction work is complete, Contractor shall remove all rubbish, excess materials from excavations, and other debris from site of work. Cost of cleanup shall be included in bid prices for various units of work.

END OF SECTION

APPENDIX A
OSHA 1926 SUBPART P

OSHA 1926 SUBPART P
For Information Only

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If it is necessary to stand at the outboard or inboard edge of the deckload where less than 24 inches of bulwark, rail, coaming, or other protection exists, all employees shall be provided with a suitable means of protection against falling from the deckload.

(d) *First-aid and lifesaving equipment.*

(1) Provisions for rendering first aid and medical assistance shall be in accordance with subpart D of this part.

(2) The employer shall ensure that there is in the vicinity of each barge in use at least one U.S. Coast Guard-approved 30-inch lifering with not less than 90 feet of line attached, and at least one portable or permanent ladder which will reach the top of the apron to the surface of the water. If the above equipment is not available at the pier, the employer shall furnish it during the time that he is working the barge.

(3) Employees walking or working on the unguarded decks of barges shall be protected with U.S. Coast Guard-approved work vests or buoyant vests.

(e) *Commercial diving operations.* Commercial diving operations shall be subject to subpart T of part 1910, §§ 1910.401–1910.441, of this chapter.

[39 FR 22801, June 24, 1974, as amended at 42 FR 37674, July 22, 1977]

§ 1926.606 Definitions applicable to this subpart.

(a) *Apron*—The area along the water-front edge of the pier or wharf.

(b) *Bulwark*—The side of a ship above the upper deck.

(c) *Coaming*—The raised frame, as around a hatchway in the deck, to keep out water.

(d) *Jacob's ladder*—A marine ladder of rope or chain with wooden or metal rungs.

(e) *Rail*, for the purpose of § 1926.605, means a light structure serving as a guard at the outer edge of a ship's deck.

Subpart P—Excavations

AUTHORITY: Sec. 107, Contract Worker Hours and Safety Standards Act (Construction Safety Act) (40 U.S.C. 333); Secs. 4, 6, 8, Occupational Safety and Health Act of 1970 (29 U.S.C. 653, 655, 657); Secretary of Labor's Order No. 12-71 (36 FR 8754), 8-76 (41 FR

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25059), or 9-83 (48 FR 35736), as applicable, and 29 CFR part 1911.

SOURCE: 54 FR 45959, Oct. 31, 1989, unless otherwise noted.

§ 1926.650 Scope, application, and definitions applicable to this subpart.

(a) *Scope and application.* This subpart applies to all open excavations made in the earth's surface. Excavations are defined to include trenches.

(b) *Definitions applicable to this subpart.*

Accepted engineering practices means those requirements which are compatible with standards of practice required by a registered professional engineer.

Aluminum Hydraulic Shoring means a pre-engineered shoring system comprised of aluminum hydraulic cylinders (crossbraces) used in conjunction with vertical rails (uprights) or horizontal rails (walers). Such system is designed, specifically to support the sidewalls of an excavation and prevent cave-ins.

Bell-bottom pier hole means a type of shaft or footing excavation, the bottom of which is made larger than the cross section above to form a belled shape.

Benching (Benching system) means a method of protecting employees from cave-ins by excavating the sides of an excavation to form one or a series of horizontal levels or steps, usually with vertical or near-vertical surfaces between levels.

Cave-in means the separation of a mass of soil or rock material from the side of an excavation, or the loss of soil from under a trench shield or support system, and its sudden movement into the excavation, either by falling or sliding, in sufficient quantity so that it could entrap, bury, or otherwise injure and immobilize a person.

Competent person means one who is capable of identifying existing and predictable hazards in the surroundings, or working conditions which are unsanitary, hazardous, or dangerous to employees, and who has authorization to take prompt corrective measures to eliminate them.

Cross braces mean the horizontal members of a shoring system installed perpendicular to the sides of the excavation, the ends of which bear against either uprights or wales.

Excavation means any man-made cut, cavity, trench, or depression in an earth surface, formed by earth removal.

Faces or *sides* means the vertical or inclined earth surfaces formed as a result of excavation work.

Failure means the breakage, displacement, or permanent deformation of a structural member or connection so as to reduce its structural integrity and its supportive capabilities.

Hazardous atmosphere means an atmosphere which by reason of being explosive, flammable, poisonous, corrosive, oxidizing, irritating, oxygen deficient, toxic, or otherwise harmful, may cause death, illness, or injury.

Kickout means the accidental release or failure of a cross brace.

Protective system means a method of protecting employees from cave-ins, from material that could fall or roll from an excavation face or into an excavation, or from the collapse of adjacent structures. Protective systems include support systems, sloping and benching systems, shield systems, and other systems that provide the necessary protection.

Ramp means an inclined walking or working surface that is used to gain access to one point from another, and is constructed from earth or from structural materials such as steel or wood.

Registered Professional Engineer means a person who is registered as a professional engineer in the state where the work is to be performed. However, a professional engineer, registered in any state is deemed to be a "registered professional engineer" within the meaning of this standard when approving designs for "manufactured protective systems" or "tabulated data" to be used in interstate commerce.

Sheeting means the members of a shoring system that retain the earth in position and in turn are supported by other members of the shoring system.

Shield (Shield system) means a structure that is able to withstand the forces imposed on it by a cave-in and thereby protect employees within the structure. Shields can be permanent structures or can be designed to be portable and moved along as work progresses. Additionally, shields can be either premanufactured or job-built in

accordance with §1926.652 (c)(3) or (c)(4). Shields used in trenches are usually referred to as "trench boxes" or "trench shields."

Shoring (Shoring system) means a structure such as a metal hydraulic, mechanical or timber shoring system that supports the sides of an excavation and which is designed to prevent cave-ins.

Sides. See "Faces."

Sloping (Sloping system) means a method of protecting employees from cave-ins by excavating to form sides of an excavation that are inclined away from the excavation so as to prevent cave-ins. The angle of incline required to prevent a cave-in varies with differences in such factors as the soil type, environmental conditions of exposure, and application of surcharge loads.

Stable rock means natural solid mineral material that can be excavated with vertical sides and will remain intact while exposed. Unstable rock is considered to be stable when the rock material on the side or sides of the excavation is secured against caving-in or movement by rock bolts or by another protective system that has been designed by a registered professional engineer.

Structural ramp means a ramp built of steel or wood, usually used for vehicle access. Ramps made of soil or rock are not considered structural ramps.

Support system means a structure such as underpinning, bracing, or shoring, which provides support to an adjacent structure, underground installation, or the sides of an excavation.

Tabulated data means tables and charts approved by a registered professional engineer and used to design and construct a protective system.

Trench (Trench excavation) means a narrow excavation (in relation to its length) made below the surface of the ground. In general, the depth is greater than the width, but the width of a trench (measured at the bottom) is not greater than 15 feet (4.6 m). If forms or other structures are installed or constructed in an excavation so as to reduce the dimension measured from the forms or structure to the side of the excavation to 15 feet (4.6 m) or less

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(measured at the bottom of the excavation), the excavation is also considered to be a trench.

Trench box. See "Shield."

Trench shield. See "Shield."

Uprights means the vertical members of a trench shoring system placed in contact with the earth and usually positioned so that individual members do not contact each other. Uprights placed so that individual members are closely spaced, in contact with or interconnected to each other, are often called "sheeting."

Wales means horizontal members of a shoring system placed parallel to the excavation face whose sides bear against the vertical members of the shoring system or earth.

§ 1926.651 Specific excavation requirements.

(a) *Surface encumbrances.* All surface encumbrances that are located so as to create a hazard to employees shall be removed or supported, as necessary, to safeguard employees.

(b) *Underground installations.* (1) The estimated location of utility installations, such as sewer, telephone, fuel, electric, water lines, or any other underground installations that reasonably may be expected to be encountered during excavation work, shall be determined prior to opening an excavation.

(2) Utility companies or owners shall be contacted within established or customary local response times, advised of the proposed work, and asked to establish the location of the utility underground installations prior to the start of actual excavation. When utility companies or owners cannot respond to a request to locate underground utility installations within 24 hours (unless a longer period is required by state or local law), or cannot establish the exact location of these installations, the employer may proceed, provided the employer does so with caution, and provided detection equipment or other acceptable means to locate utility installations are used.

(3) When excavation operations approach the estimated location of underground installations, the exact location of the installations shall be determined by safe and acceptable means.

(4) While the excavation is open, underground installations shall be protected, supported or removed as necessary to safeguard employees.

(c) *Access and egress*—(1) *Structural ramps.* (i) Structural ramps that are used solely by employees as a means of access or egress from excavations shall be designed by a competent person. Structural ramps used for access or egress of equipment shall be designed by a competent person qualified in structural design, and shall be constructed in accordance with the design.

(ii) Ramps and runways constructed of two or more structural members shall have the structural members connected together to prevent displacement.

(iii) Structural members used for ramps and runways shall be of uniform thickness.

(iv) Cleats or other appropriate means used to connect runway structural members shall be attached to the bottom of the runway or shall be attached in a manner to prevent tripping.

(v) Structural ramps used in lieu of steps shall be provided with cleats or other surface treatments on the top surface to prevent slipping.

(2) *Means of egress from trench excavations.* A stairway, ladder, ramp or other safe means of egress shall be located in trench excavations that are 4 feet (1.22 m) or more in depth so as to require no more than 25 feet (7.62 m) of lateral travel for employees.

(d) *Exposure to vehicular traffic.* Employees exposed to public vehicular traffic shall be provided with, and shall wear, warning vests or other suitable garments marked with or made of reflectorized or high-visibility material.

(e) *Exposure to falling loads.* No employee shall be permitted underneath loads handled by lifting or digging equipment. Employees shall be required to stand away from any vehicle being loaded or unloaded to avoid being struck by any spillage or falling materials. Operators may remain in the cabs of vehicles being loaded or unloaded when the vehicles are equipped, in accordance with §1926.601(b)(6), to provide adequate protection for the operator during loading and unloading operations.

(f) *Warning system for mobile equipment.* When mobile equipment is operated adjacent to an excavation, or when such equipment is required to approach the edge of an excavation, and the operator does not have a clear and direct view of the edge of the excavation, a warning system shall be utilized such as barricades, hand or mechanical signals, or stop logs. If possible, the grade should be away from the excavation.

(g) *Hazardous atmospheres—(1) Testing and controls.* In addition to the requirements set forth in subparts D and E of this part (29 CFR 1926.50-1926.107) to prevent exposure to harmful levels of atmospheric contaminants and to assure acceptable atmospheric conditions, the following requirements shall apply:

(i) Where oxygen deficiency (atmospheres containing less than 19.5 percent oxygen) or a hazardous atmosphere exists or could reasonably be expected to exist, such as in excavations in landfill areas or excavations in areas where hazardous substances are stored nearby, the atmospheres in the excavation shall be tested before employees enter excavations greater than 4 feet (1.22 m) in depth.

(ii) Adequate precautions shall be taken to prevent employee exposure to atmospheres containing less than 19.5 percent oxygen and other hazardous atmospheres. These precautions include providing proper respiratory protection or ventilation in accordance with subparts D and E of this part respectively.

(iii) Adequate precaution shall be taken such as providing ventilation, to prevent employee exposure to an atmosphere containing a concentration of a flammable gas in excess of 20 percent of the lower flammable limit of the gas.

(iv) When controls are used that are intended to reduce the level of atmospheric contaminants to acceptable levels, testing shall be conducted as often as necessary to ensure that the atmosphere remains safe.

(2) *Emergency rescue equipment.* (i) Emergency rescue equipment, such as breathing apparatus, a safety harness and line, or a basket stretcher, shall be readily available where hazardous at-

mospheric conditions exist or may reasonably be expected to develop during work in an excavation. This equipment shall be attended when in use.

(ii) Employees entering bell-bottom pier holes, or other similar deep and confined footing excavations, shall wear a harness with a life-line securely attached to it. The lifeline shall be separate from any line used to handle materials, and shall be individually attended at all times while the employee wearing the lifeline is in the excavation.

(h) *Protection from hazards associated with water accumulation.* (1) Employees shall not work in excavations in which there is accumulated water, or in excavations in which water is accumulating, unless adequate precautions have been taken to protect employees against the hazards posed by water accumulation. The precautions necessary to protect employees adequately vary with each situation, but could include special support or shield systems to protect from cave-ins, water removal to control the level of accumulating water, or use of a safety harness and lifeline.

(2) If water is controlled or prevented from accumulating by the use of water removal equipment, the water removal equipment and operations shall be monitored by a competent person to ensure proper operation.

(3) If excavation work interrupts the natural drainage of surface water (such as streams), diversion ditches, dikes, or other suitable means shall be used to prevent surface water from entering the excavation and to provide adequate drainage of the area adjacent to the excavation. Excavations subject to runoff from heavy rains will require an inspection by a competent person and compliance with paragraphs (h)(1) and (h)(2) of this section.

(i) *Stability of adjacent structures.* (1) Where the stability of adjoining buildings, walls, or other structures is endangered by excavation operations, support systems such as shoring, bracing, or underpinning shall be provided to ensure the stability of such structures for the protection of employees.

(2) Excavation below the level of the base or footing of any foundation or retaining wall that could be reasonably

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expected to pose a hazard to employees shall not be permitted except when:

(i) A support system, such as underpinning, is provided to ensure the safety of employees and the stability of the structure; or

(ii) The excavation is in stable rock; or

(iii) A registered professional engineer has approved the determination that the structure is sufficiently removed from the excavation so as to be unaffected by the excavation activity; or

(iv) A registered professional engineer has approved the determination that such excavation work will not pose a hazard to employees.

(3) Sidewalks, pavements, and appurtenant structure shall not be undermined unless a support system or another method of protection is provided to protect employees from the possible collapse of such structures.

(j) *Protection of employees from loose rock or soil.* (1) Adequate protection shall be provided to protect employees from loose rock or soil that could pose a hazard by falling or rolling from an excavation face. Such protection shall consist of scaling to remove loose material; installation of protective barricades at intervals as necessary on the face to stop and contain falling material; or other means that provide equivalent protection.

(2) Employees shall be protected from excavated or other materials or equipment that could pose a hazard by falling or rolling into excavations. Protection shall be provided by placing and keeping such materials or equipment at least 2 feet (.61 m) from the edge of excavations, or by the use of retaining devices that are sufficient to prevent materials or equipment from falling or rolling into excavations, or by a combination of both if necessary.

(k) *Inspections.* (1) Daily inspections of excavations, the adjacent areas, and protective systems shall be made by a competent person for evidence of a situation that could result in possible cave-ins, indications of failure of protective systems, hazardous atmospheres, or other hazardous conditions. An inspection shall be conducted by the competent person prior to the start of work and as needed throughout

the shift. Inspections shall also be made after every rainstorm or other hazard increasing occurrence. These inspections are only required when employee exposure can be reasonably anticipated.

(2) Where the competent person finds evidence of a situation that could result in a possible cave-in, indications of failure of protective systems, hazardous atmospheres, or other hazardous conditions, exposed employees shall be removed from the hazardous area until the necessary precautions have been taken to ensure their safety.

(1) Walkways shall be provided where employees or equipment are required or permitted to cross over excavations. Guardrails which comply with § 1926.502(b) shall be provided where walkways are 6 feet (1.8 m) or more above lower levels.

[54 FR 45959, Oct. 31, 1989, as amended by 59 FR 40730, Aug. 9, 1994]

§ 1926.652 Requirements for protective systems.

(a) *Protection of employees in excavations.* (1) Each employee in an excavation shall be protected from cave-ins by an adequate protective system designed in accordance with paragraph (b) or (c) of this section except when:

(i) Excavations are made entirely in stable rock; or

(ii) Excavations are less than 5 feet (1.52m) in depth and examination of the ground by a competent person provides no indication of a potential cave-in.

(2) Protective systems shall have the capacity to resist without failure all loads that are intended or could reasonably be expected to be applied or transmitted to the system.

(b) *Design of sloping and benching systems.* The slopes and configurations of sloping and benching systems shall be selected and constructed by the employer or his designee and shall be in accordance with the requirements of paragraph (b)(1); or, in the alternative, paragraph (b)(2); or, in the alternative, paragraph (b)(3), or, in the alternative, paragraph (b)(4), as follows:

(1) *Option (1)—Allowable configurations and slopes.* (i) Excavations shall be sloped at an angle not steeper than one and one-half horizontal to one vertical

(34 degrees measured from the horizontal), unless the employer uses one of the other options listed below.

(ii) Slopes specified in paragraph (b)(1)(i) of this section, shall be excavated to form configurations that are in accordance with the slopes shown for Type C soil in Appendix B to this subpart.

(2) *Option (2)—Determination of slopes and configurations using Appendices A and B.* Maximum allowable slopes, and allowable configurations for sloping and benching systems, shall be determined in accordance with the conditions and requirements set forth in appendices A and B to this subpart.

(3) *Option (3)—Designs using other tabulated data.* (i) Designs of sloping or benching systems shall be selected from and be in accordance with tabulated data, such as tables and charts.

(ii) The tabulated data shall be in written form and shall include all of the following:

(A) Identification of the parameters that affect the selection of a sloping or benching system drawn from such data;

(B) Identification of the limits of use of the data, to include the magnitude and configuration of slopes determined to be safe;

(C) Explanatory information as may be necessary to aid the user in making a correct selection of a protective system from the data.

(iii) At least one copy of the tabulated data which identifies the registered professional engineer who approved the data, shall be maintained at the jobsite during construction of the protective system. After that time the data may be stored off the jobsite, but a copy of the data shall be made available to the Secretary upon request.

(4) *Option (4)—Design by a registered professional engineer.* (i) Sloping and benching systems not utilizing Option (1) or Option (2) or Option (3) under paragraph (b) of this section shall be approved by a registered professional engineer.

(ii) Designs shall be in written form and shall include at least the following:

(A) The magnitude of the slopes that were determined to be safe for the particular project;

(B) The configurations that were determined to be safe for the particular project; and

(C) The identity of the registered professional engineer approving the design.

(iii) At least one copy of the design shall be maintained at the jobsite while the slope is being constructed. After that time the design need not be at the jobsite, but a copy shall be made available to the Secretary upon request.

(c) *Design of support systems, shield systems, and other protective systems.* Designs of support systems shield systems, and other protective systems shall be selected and constructed by the employer or his designee and shall be in accordance with the requirements of paragraph (c)(1); or, in the alternative, paragraph (c)(2); or, in the alternative, paragraph (c)(3); or, in the alternative, paragraph (c)(4) as follows:

(1) *Option (1)—Designs using appendices A, C and D.* Designs for timber shoring in trenches shall be determined in accordance with the conditions and requirements set forth in appendices A and C to this subpart. Designs for aluminum hydraulic shoring shall be in accordance with paragraph (c)(2) of this section, but if manufacturer's tabulated data cannot be utilized, designs shall be in accordance with appendix D.

(2) *Option (2)—Designs Using Manufacturer's Tabulated Data.* (i) Design of support systems, shield systems, or other protective systems that are drawn from manufacturer's tabulated data shall be in accordance with all specifications, recommendations, and limitations issued or made by the manufacturer.

(ii) Deviation from the specifications, recommendations, and limitations issued or made by the manufacturer shall only be allowed after the manufacturer issues specific written approval.

(iii) Manufacturer's specifications, recommendations, and limitations, and manufacturer's approval to deviate from the specifications, recommendations, and limitations shall be in written form at the jobsite during construction of the protective system. After that time this data may be stored off the jobsite, but a copy shall

be made available to the Secretary upon request.

(3) *Option (3)—Designs using other tabulated data.* (i) Designs of support systems, shield systems, or other protective systems shall be selected from and be in accordance with tabulated data, such as tables and charts.

(ii) The tabulated data shall be in written form and include all of the following:

(A) Identification of the parameters that affect the selection of a protective system drawn from such data;

(B) Identification of the limits of use of the data;

(C) Explanatory information as may be necessary to aid the user in making a correct selection of a protective system from the data.

(iii) At least one copy of the tabulated data, which identifies the registered professional engineer who approved the data, shall be maintained at the jobsite during construction of the protective system. After that time the data may be stored off the jobsite, but a copy of the data shall be made available to the Secretary upon request.

(4) *Option (4)—Design by a registered professional engineer.* (i) Support systems, shield systems, and other protective systems not utilizing Option 1, Option 2 or Option 3, above, shall be approved by a registered professional engineer.

(ii) Designs shall be in written form and shall include the following:

(A) A plan indicating the sizes, types, and configurations of the materials to be used in the protective system; and

(B) The identity of the registered professional engineer approving the design.

(iii) At least one copy of the design shall be maintained at the jobsite during construction of the protective system. After that time, the design may be stored off the jobsite, but a copy of the design shall be made available to the Secretary upon request.

(d) *Materials and equipment.* (1) Materials and equipment used for protective systems shall be free from damage or defects that might impair their proper function.

(2) Manufactured materials and equipment used for protective systems shall be used and maintained in a man-

ner that is consistent with the recommendations of the manufacturer, and in a manner that will prevent employee exposure to hazards.

(3) When material or equipment that is used for protective systems is damaged, a competent person shall examine the material or equipment and evaluate its suitability for continued use. If the competent person cannot assure the material or equipment is able to support the intended loads or is otherwise suitable for safe use, then such material or equipment shall be removed from service, and shall be evaluated and approved by a registered professional engineer before being returned to service.

(e) *Installation and removal of support—(1) General.* (i) Members of support systems shall be securely connected together to prevent sliding, falling, kickouts, or other predictable failure.

(ii) Support systems shall be installed and removed in a manner that protects employees from cave-ins, structural collapses, or from being struck by members of the support system.

(iii) Individual members of support systems shall not be subjected to loads exceeding those which those members were designed to withstand.

(iv) Before temporary removal of individual members begins, additional precautions shall be taken to ensure the safety of employees, such as installing other structural members to carry the loads imposed on the support system.

(v) Removal shall begin at, and progress from, the bottom of the excavation. Members shall be released slowly so as to note any indication of possible failure of the remaining members of the structure or possible cave-in of the sides of the excavation.

(vi) Backfilling shall progress together with the removal of support systems from excavations.

(2) *Additional requirements for support systems for trench excavations.* (i) Excavation of material to a level no greater than 2 feet (.61 m) below the bottom of the members of a support system shall be permitted, but only if the system is designed to resist the forces calculated for the full depth of the trench, and

there are no indications while the trench is open of a possible loss of soil from behind or below the bottom of the support system.

(ii) Installation of a support system shall be closely coordinated with the excavation of trenches.

(f) *Sloping and benching systems.* Employees shall not be permitted to work on the faces of sloped or benched excavations at levels above other employees except when employees at the lower levels are adequately protected from the hazard of falling, rolling, or sliding material or equipment.

(g) *Shield systems*—(1) *General.* (i) Shield systems shall not be subjected to loads exceeding those which the system was designed to withstand.

(ii) Shields shall be installed in a manner to restrict lateral or other hazardous movement of the shield in the event of the application of sudden lateral loads.

(iii) Employees shall be protected from the hazard of cave-ins when entering or exiting the areas protected by shields.

(iv) Employees shall not be allowed in shields when shields are being installed, removed, or moved vertically.

(2) *Additional requirement for shield systems used in trench excavations.* Excavations of earth material to a level not greater than 2 feet (.61 m) below the bottom of a shield shall be permitted, but only if the shield is designed to resist the forces calculated for the full depth of the trench, and there are no indications while the trench is open of a possible loss of soil from behind or below the bottom of the shield.

APPENDIX A TO SUBPART P OF PART 1926—SOIL CLASSIFICATION

(a) *Scope and application*—(1) *Scope.* This appendix describes a method of classifying soil and rock deposits based on site and environmental conditions, and on the structure and composition of the earth deposits. The appendix contains definitions, sets forth requirements, and describes acceptable visual and manual tests for use in classifying soils.

(2) *Application.* This appendix applies when a sloping or benching system is designed in accordance with the requirements set forth in §1926.652(b)(2) as a method of protection for employees from cave-ins. This appendix also applies when timber shoring for excavations is designed as a method of protection from cave-ins in accordance with appendix C

to subpart P of part 1926, and when aluminum hydraulic shoring is designed in accordance with appendix D. This Appendix also applies if other protective systems are designed and selected for use from data prepared in accordance with the requirements set forth in §1926.652(c), and the use of the data is predicated on the use of the soil classification system set forth in this appendix.

(b) *Definitions.* The definitions and examples given below are based on, in whole or in part, the following: American Society for Testing Materials (ASTM) Standards D653-85 and D2488; The Unified Soils Classification System, The U.S. Department of Agriculture (USDA) Textural Classification Scheme; and The National Bureau of Standards Report BSS-121.

Cemented soil means a soil in which the particles are held together by a chemical agent, such as calcium carbonate, such that a hand-size sample cannot be crushed into powder or individual soil particles by finger pressure.

Cohesive soil means clay (fine grained soil), or soil with a high clay content, which has cohesive strength. Cohesive soil does not crumble, can be excavated with vertical sideslopes, and is plastic when moist. Cohesive soil is hard to break up when dry, and exhibits significant cohesion when submerged. Cohesive soils include clayey silt, sandy clay, silty clay, clay and organic clay.

Dry soil means soil that does not exhibit visible signs of moisture content.

Fissured means a soil material that has a tendency to break along definite planes of fracture with little resistance, or a material that exhibits open cracks, such as tension cracks, in an exposed surface.

Granular soil means gravel, sand, or silt, (coarse grained soil) with little or no clay content. Granular soil has no cohesive strength. Some moist granular soils exhibit apparent cohesion. Granular soil cannot be molded when moist and crumbles easily when dry.

Layered system means two or more distinctly different soil or rock types arranged in layers. Micaceous seams or weakened planes in rock or shale are considered layered.

Moist soil means a condition in which a soil looks and feels damp. Moist cohesive soil can easily be shaped into a ball and rolled into small diameter threads before crumbling. Moist granular soil that contains some cohesive material will exhibit signs of cohesion between particles.

Plastic means a property of a soil which allows the soil to be deformed or molded without cracking, or appreciable volume change.

Saturated soil means a soil in which the voids are filled with water. Saturation does not require flow. Saturation, or near saturation, is necessary for the proper use of instruments such as a pocket penetrometer or shear vane.

Soil classification system means, for the purpose of this subpart, a method of categorizing soil and rock deposits in a hierarchy of Stable Rock, Type A, Type B, and Type C, in decreasing order of stability. The categories are determined based on an analysis of the properties and performance characteristics of the deposits and the environmental conditions of exposure.

Stable rock means natural solid mineral matter that can be excavated with vertical sides and remain intact while exposed.

Submerged soil means soil which is underwater or is free seeping.

Type A means cohesive soils with an unconfined compressive strength of 1.5 ton per square foot (tsf) (144 kPa) or greater. Examples of cohesive soils are: clay, silty clay, sandy clay, clay loam and, in some cases, silty clay loam and sandy clay loam. Cemented soils such as caliche and hardpan are also considered Type A. However, no soil is Type A if:

- (i) The soil is fissured; or
- (ii) The soil is subject to vibration from heavy traffic, pile driving, or similar effects; or
- (iii) The soil has been previously disturbed; or
- (iv) The soil is part of a sloped, layered system where the layers dip into the excavation on a slope of four horizontal to one vertical (4H:1V) or greater; or

(v) The material is subject to other factors that would require it to be classified as a less stable material.

Type B means:

- (i) Cohesive soil with an unconfined compressive strength greater than 0.5 tsf (48 kPa) but less than 1.5 tsf (144 kPa); or
- (ii) Granular cohesionless soils including: angular gravel (similar to crushed rock), silt, silt loam, sandy loam and, in some cases, silty clay loam and sandy clay loam.
- (iii) Previously disturbed soils except those which would otherwise be classed as Type C soil.

(iv) Soil that meets the unconfined compressive strength or cementation requirements for Type A, but is fissured or subject to vibration; or

(v) Dry rock that is not stable; or

(vi) Material that is part of a sloped, layered system where the layers dip into the excavation on a slope less steep than four horizontal to one vertical (4H:1V), but only if the material would otherwise be classified as Type B.

Type C means:

- (i) Cohesive soil with an unconfined compressive strength of 0.5 tsf (48 kPa) or less; or
- (ii) Granular soils including gravel, sand, and loamy sand; or
- (iii) Submerged soil or soil from which water is freely seeping; or
- (iv) Submerged rock that is not stable, or

(v) Material in a sloped, layered system where the layers dip into the excavation or a slope of four horizontal to one vertical (4H:1V) or steeper.

Unconfined compressive strength means the load per unit area at which a soil will fail in compression. It can be determined by laboratory testing, or estimated in the field using a pocket penetrometer, by thumb penetration tests, and other methods.

Wet soil means soil that contains significantly more moisture than moist soil, but in such a range of values that cohesive material will slump or begin to flow when vibrated. Granular material that would exhibit cohesive properties when moist will lose those cohesive properties when wet.

(c) *Requirements*—(1) *Classification of soil and rock deposits*. Each soil and rock deposit shall be classified by a competent person as Stable Rock, Type A, Type B, or Type C in accordance with the definitions set forth in paragraph (b) of this appendix.

(2) *Basis of classification*. The classification of the deposits shall be made based on the results of at least one visual and at least one manual analysis. Such analyses shall be conducted by a competent person using tests described in paragraph (d) below, or in other recognized methods of soil classification and testing such as those adopted by the America Society for Testing Materials, or the U.S. Department of Agriculture textural classification system.

(3) *Visual and manual analyses*. The visual and manual analyses, such as those noted as being acceptable in paragraph (d) of this appendix, shall be designed and conducted to provide sufficient quantitative and qualitative information as may be necessary to identify properly the properties, factors, and conditions affecting the classification of the deposits.

(4) *Layered systems*. In a layered system, the system shall be classified in accordance with its weakest layer. However, each layer may be classified individually where a more stable layer lies under a less stable layer.

(5) *Reclassification*. If, after classifying a deposit, the properties, factors, or conditions affecting its classification change in any way, the changes shall be evaluated by a competent person. The deposit shall be reclassified as necessary to reflect the changed circumstances.

(d) *Acceptable visual and manual tests*—(1) *Visual tests*. Visual analysis is conducted to determine qualitative information regarding the excavation site in general, the soil adjacent to the excavation, the soil forming the sides of the open excavation, and the soil taken as samples from excavated material.

(i) Observe samples of soil that are excavated and soil in the sides of the excavation. Estimate the range of particle sizes and the relative amounts of the particle sizes. Soil that is primarily composed of fine-grained

material is cohesive material. Soil composed primarily of coarse-grained sand or gravel is granular material.

(ii) Observe soil as it is excavated. Soil that remains in clumps when excavated is cohesive. Soil that breaks up easily and does not stay in clumps is granular.

(iii) Observe the side of the opened excavation and the surface area adjacent to the excavation. Crack-like openings such as tension cracks could indicate fissured material. If chunks of soil spall off a vertical side, the soil could be fissured. Small spalls are evidence of moving ground and are indications of potentially hazardous situations.

(iv) Observe the area adjacent to the excavation and the excavation itself for evidence of existing utility and other underground structures, and to identify previously disturbed soil.

(v) Observe the opened side of the excavation to identify layered systems. Examine layered systems to identify if the layers slope toward the excavation. Estimate the degree of slope of the layers.

(vi) Observe the area adjacent to the excavation and the sides of the opened excavation for evidence of surface water, water seeping from the sides of the excavation, or the location of the level of the water table.

(vii) Observe the area adjacent to the excavation and the area within the excavation for sources of vibration that may affect the stability of the excavation face.

(2) *Manual tests.* Manual analysis of soil samples is conducted to determine quantitative as well as qualitative properties of soil and to provide more information in order to classify soil properly.

(i) *Plasticity.* Mold a moist or wet sample of soil into a ball and attempt to roll it into threads as thin as 1/8-inch in diameter. Cohesive material can be successfully rolled into threads without crumbling. For example, if at least a two inch (50 mm) length of 1/8-inch thread can be held on one end without tearing, the soil is cohesive.

(ii) *Dry strength.* If the soil is dry and crumbles on its own or with moderate pressure into individual grains or fine powder, it is granular (any combination of gravel, sand, or silt). If the soil is dry and falls into clumps which break up into smaller clumps, but the smaller clumps can only be broken up with difficulty, it may be clay in any combination with gravel, sand or silt. If the dry soil breaks into clumps which do not break up into small clumps and which can only be broken with difficulty, and there is no visual indication the soil is fissured, the soil may be considered unfissured.

(iii) *Thumb penetration.* The thumb penetration test can be used to estimate the unconfined compressive strength of cohesive soils. (This test is based on the thumb penetration test described in American Society for Testing and Materials (ASTM) Standard

designation D2488—"Standard Recommended Practice for Description of Soils (Visual—Manual Procedure).") Type A soils with an unconfined compressive strength of 1.5 tsf can be readily indented by the thumb; however, they can be penetrated by the thumb only with very great effort. Type C soils with an unconfined compressive strength of 0.5 tsf can be easily penetrated several inches by the thumb, and can be molded by light finger pressure. This test should be conducted on an undisturbed soil sample, such as a large clump of spoil, as soon as practicable after excavation to keep to a minimum the effects of exposure to drying influences. If the excavation is later exposed to wetting influences (rain, flooding), the classification of the soil must be changed accordingly.

(iv) *Other strength tests.* Estimates of unconfined compressive strength of soils can also be obtained by use of a pocket penetrometer or by using a hand-operated shearvane.

(v) *Drying test.* The basic purpose of the drying test is to differentiate between cohesive material with fissures, unfissured cohesive material, and granular material. The procedure for the drying test involves drying a sample of soil that is approximately one inch thick (2.54 cm) and six inches (15.24 cm) in diameter until it is thoroughly dry:

(A) If the sample develops cracks as it dries, significant fissures are indicated.

(B) Samples that dry without cracking are to be broken by hand. If considerable force is necessary to break a sample, the soil has significant cohesive material content. The soil can be classified as a unfissured cohesive material and the unconfined compressive strength should be determined.

(C) If a sample breaks easily by hand, it is either a fissured cohesive material or a granular material. To distinguish between the two, pulverize the dried clumps of the sample by hand or by stepping on them. If the clumps do not pulverize easily, the material is cohesive with fissures. If they pulverize easily into very small fragments, the material is granular.

APPENDIX B TO SUBPART P OF PART 1926—SLOPING AND BENCHING

(a) *Scope and application.* This appendix contains specifications for sloping and benching when used as methods of protecting employees working in excavations from cave-ins. The requirements of this appendix apply when the design of sloping and benching protective systems is to be performed in accordance with the requirements set forth in §1926.652(b)(2).

(b) *Definitions.*

Actual slope means the slope to which an excavation face is excavated.

Distress means that the soil is in a condition where a cave-in is imminent or is likely

to occur. Distress is evidenced by such phenomena as the development of fissures in the face of or adjacent to an open excavation; the subsidence of the edge of an excavation; the slumping of material from the face or the bulging or heaving of material from the bottom of an excavation; the spalling of material from the face of an excavation; and raveling, i.e., small amounts of material such as pebbles or little clumps of material suddenly separating from the face of an excavation and trickling or rolling down into the excavation.

Maximum allowable slope means the steepest incline of an excavation face that is acceptable for the most favorable site conditions as protection against cave-ins, and is expressed as the ratio of horizontal distance to vertical rise (H:V).

Short term exposure means a period of time less than or equal to 24 hours that an excavation is open.

(c) *Requirements*—(1) *Soil classification*. Soil and rock deposits shall be classified in accordance with appendix A to subpart P of part 1926.

(2) *Maximum allowable slope*. The maximum allowable slope for a soil or rock deposit shall be determined from Table B-1 of this appendix.

(3) *Actual slope*. (i) The actual slope shall not be steeper than the maximum allowable slope.

(ii) The actual slope shall be less steep than the maximum allowable slope, when there are signs of distress. If that situation occurs, the slope shall be cut back to an actual slope which is at least 1/2 horizontal to one vertical (1/2H:1V) less steep than the maximum allowable slope.

(iii) When surcharge loads from stored material or equipment, operating equipment, or traffic are present, a competent person shall determine the degree to which the actual slope must be reduced below the maximum allowable slope, and shall assure that such reduction is achieved. Surcharge loads from adjacent structures shall be evaluated in accordance with §1926.651(i).

(4) *Configurations*. Configurations of sloping and benching systems shall be in accordance with Figure B-1.

TABLE B-1
MAXIMUM ALLOWABLE SLOPES

SOIL OR ROCK TYPE	MAXIMUM ALLOWABLE SLOPES (H:V) [1] FOR EXCAVATIONS LESS THAN 20 FEET DEEP [3]
STABLE ROCK TYPE A [2] TYPE B TYPE C	VERTICAL (90°) 3/4 : 1 (53°) 1:1 (45°) 1½ : 1 (34°)

NOTES:

- Numbers shown in parentheses next to maximum allowable slopes are angles expressed in degrees from the horizontal. Angles have been rounded off.
- A short-term maximum allowable slope of 1/2H:1V (63°) is allowed in excavations in Type A soil that are 12 feet (3.67 m) or less in depth. Short-term maximum allowable slopes for excavations greater than 12 feet (3.67 m) in depth shall be 3/4H:1V (53°).
- Sloping or benching for excavations greater than 20 feet deep shall be designed by a registered professional engineer.

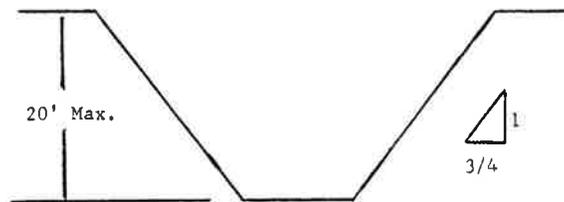
Figure B-1

Slope Configurations

(All slopes stated below are in the horizontal to vertical ratio)

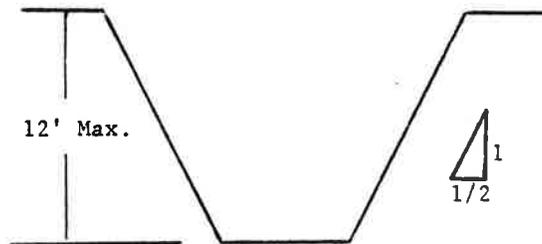
B-1.1 Excavations made in Type A soil.

1. All simple slope excavation 20 feet or less in depth shall have a maximum allowable slope of $\frac{3}{4}$:1.



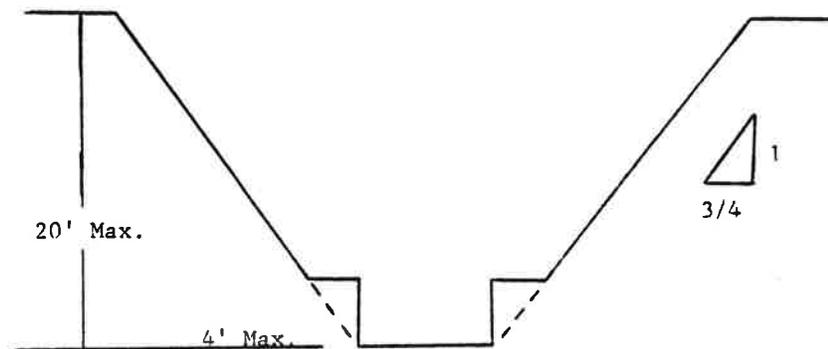
SIMPLE SLOPE—GENERAL

- Exception: Simple slope excavations which are open 24 hours or less (short term) and which are 12 feet or less in depth shall have a maximum allowable slope of $\frac{1}{2}$:1.

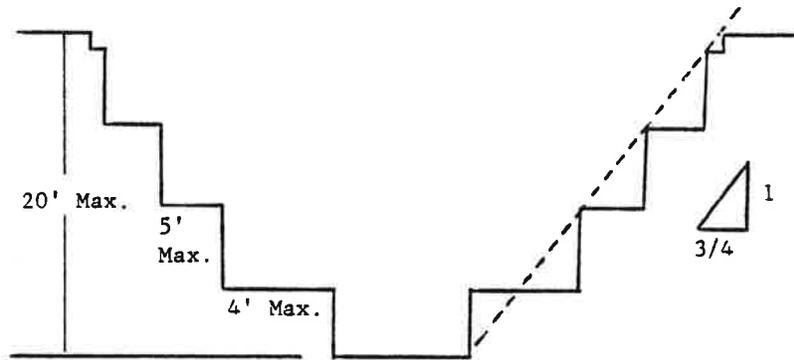


SIMPLE SLOPE—SHORT TERM

2. All benched excavations 20 feet or less in depth shall have a maximum allowable slope of $\frac{3}{4}$ to 1 and maximum bench dimensions as follows:

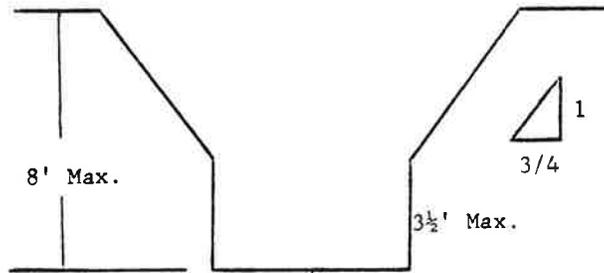


SIMPLE BENCH



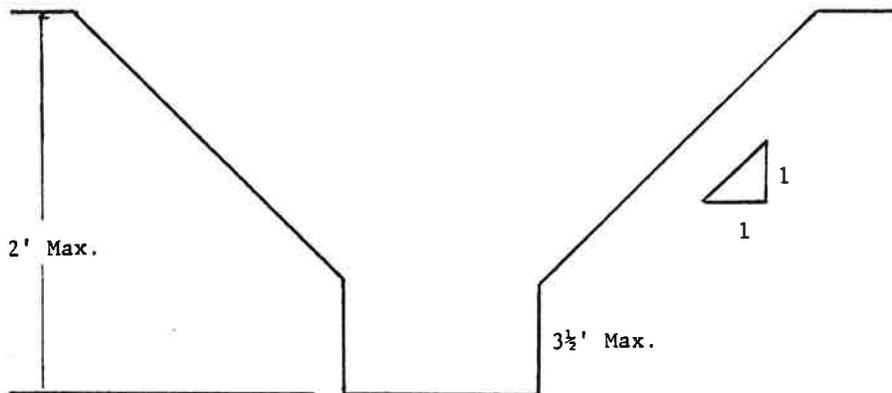
MULTIPLE BENCH

3. All excavations 8 feet or less in depth which have unsupported vertically sided lower portions shall have a maximum vertical side of 3½ feet.



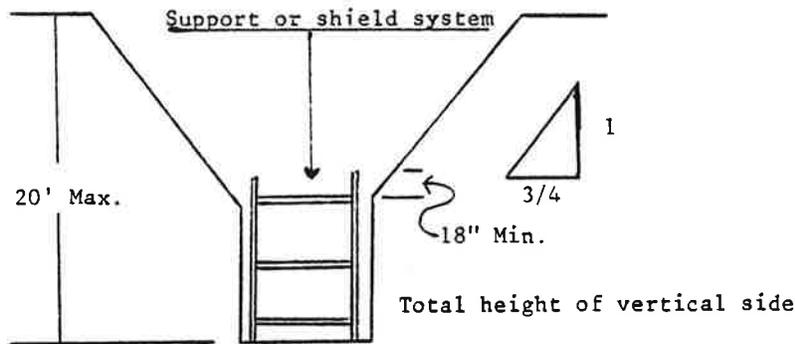
UNSUPPORTED VERTICALLY SIDED LOWER PORTION—MAXIMUM 8 FEET IN DEPTH

All excavations more than 8 feet but not more than 12 feet in depth which unsupported vertically sided lower portions shall have a maximum allowable slope of 1:1 and a maximum vertical side of 3½ feet.



UNSUPPORTED VERTICALLY SIDED LOWER PORTION—MAXIMUM 12 FEET IN DEPTH

All excavations 20 feet or less in depth which have vertically sided lower portions that are supported or shielded shall have a maximum allowable slope of $\frac{3}{4}$:1. The support or shield system must extend at least 18 inches above the top of the vertical side.

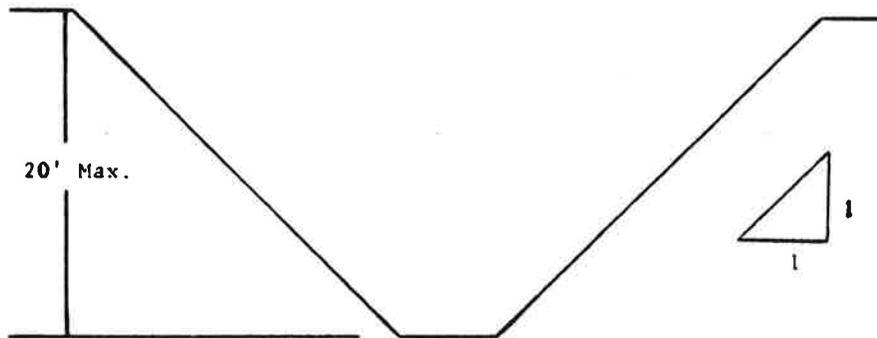


SUPPORTED OR SHIELDED VERTICALLY SIDED LOWER PORTION

4. All other simple slope, compound slope, and vertically sided lower portion excavations shall be in accordance with the other options permitted under §1926.652(b).

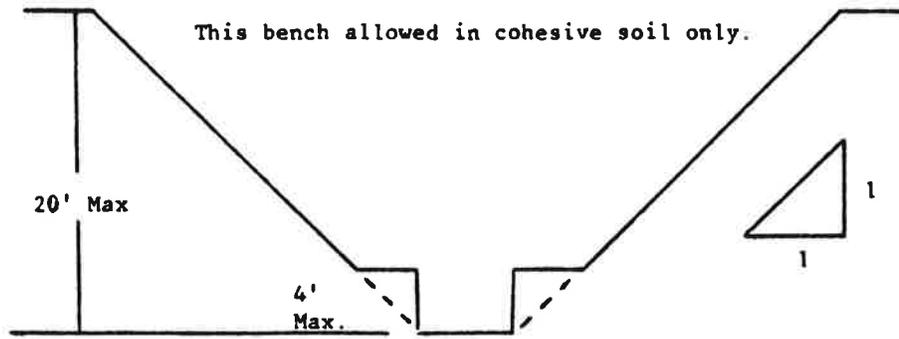
B-1.2 Excavations Made in Type B Soil

1. All simple slope excavations 20 feet or less in depth shall have a maximum allowable slope of 1:1.

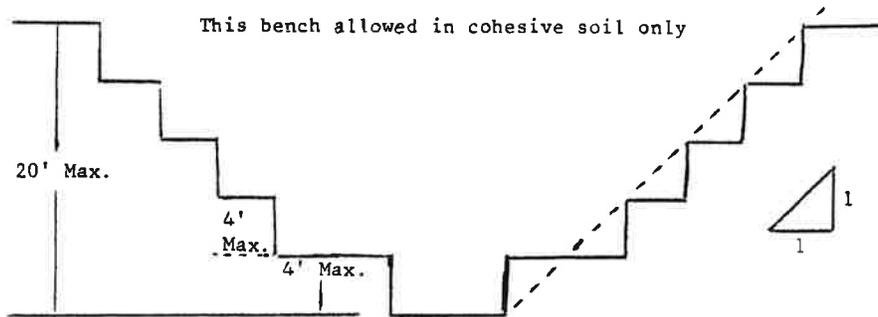


SIMPLE SLOPE

2. All benched excavations 20 feet or less in depth shall have a maximum allowable slope of 1:1 and maximum bench dimensions as follows:

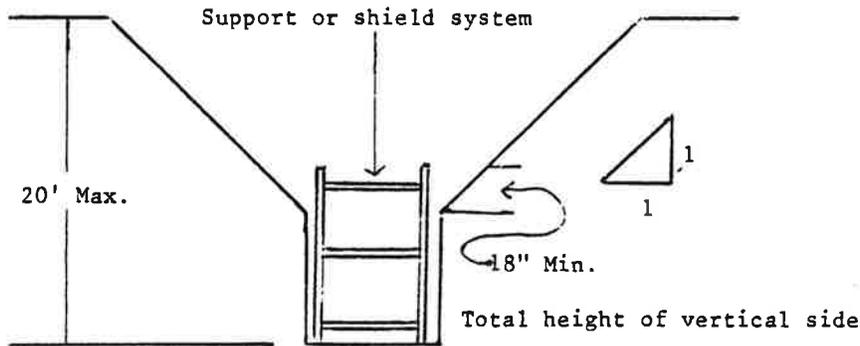


SINGLE BENCH



MULTIPLE BENCH

3. All excavations 20 feet or less in depth which have vertically sided lower portions shall be shielded or supported to a height at least 18 inches above the top of the vertical side. All such excavations shall have a maximum allowable slope of 1:1.

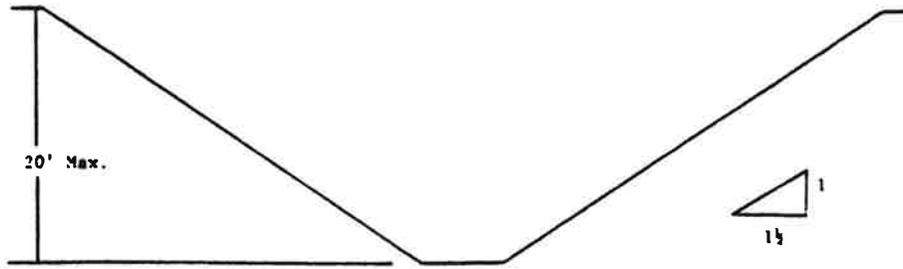


VERTICALLY SIDED LOWER PORTION

4. All other sloped excavations shall be in accordance with the other options permitted in §1926.652(b).

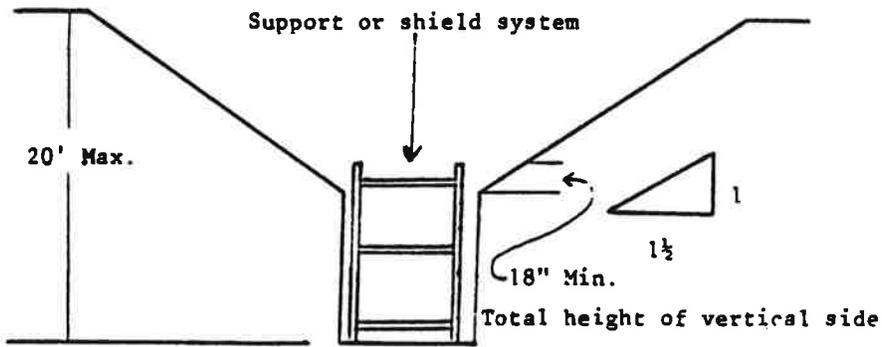
B-1.3 Excavations Made in Type C Soil

1. All simple slope excavations 20 feet or less in depth shall have a maximum allowable slope of 1½:1.



SIMPLE SLOPE

2. All excavations 20 feet or less in depth which have vertically sided lower portions shall be shielded or supported to a height at least 18 inches above the top of the vertical side. All such excavations shall have a maximum allowable slope of 1½:1.

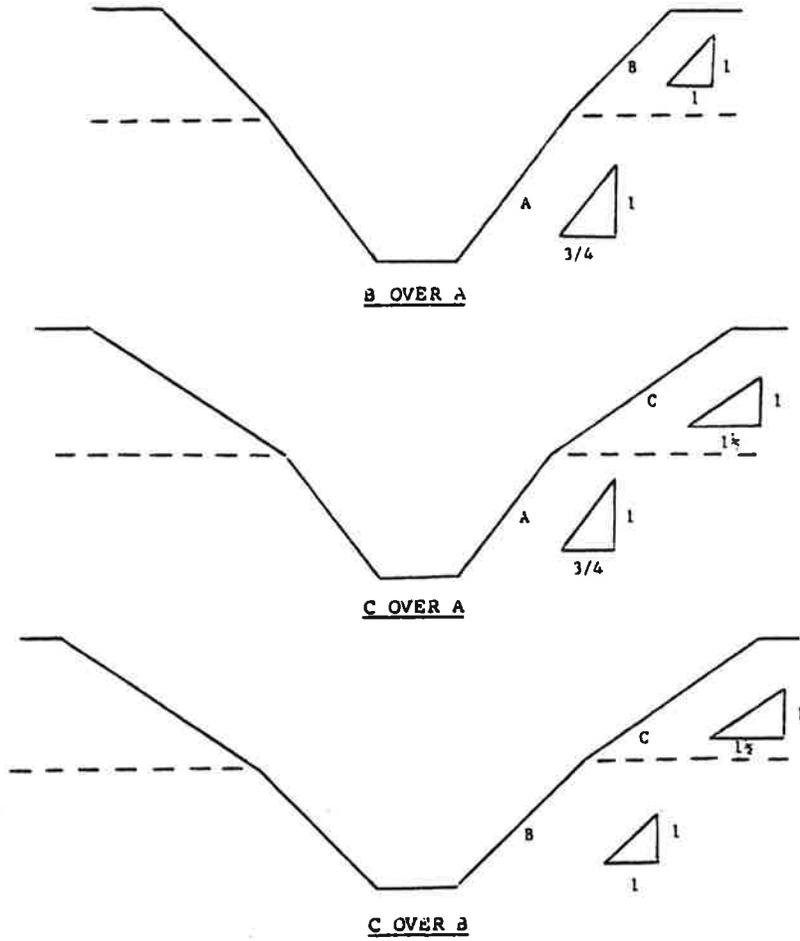


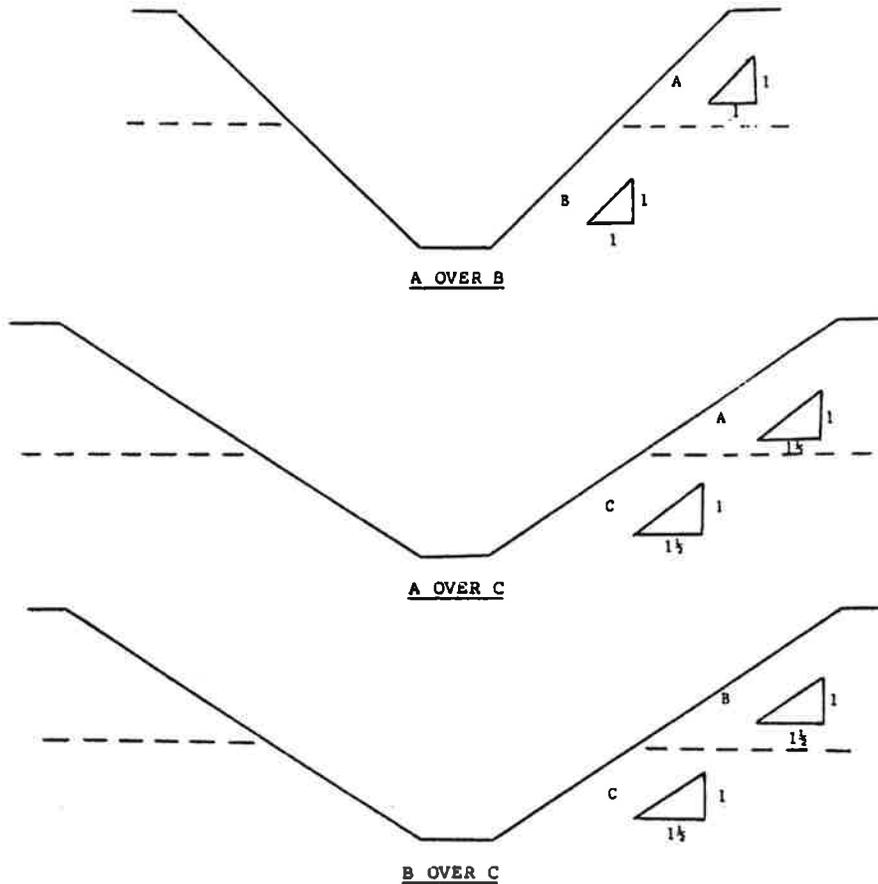
VERTICAL SIDED LOWER PORTION

3. All other sloped excavations shall be in accordance with the other options permitted in § 1926.652(b).

B-1.4 Excavations Made in Layered Soils

1. All excavations 20 feet or less in depth made in layered soils shall have a maximum allowable slope for each layer as set forth below.





2. All other sloped excavations shall be in accordance with the other options permitted in §1926.652(b).

APPENDIX C TO SUBPART P OF PART 1926—TIMBER SHORING FOR TRENCHES

(a) *Scope.* This appendix contains information that can be used timber shoring is provided as a method of protection from cave-ins in trenches that do not exceed 20 feet (6.1 m) in depth. This appendix must be used when design of timber shoring protective systems is to be performed in accordance with §1926.652(c)(1). Other timber shoring configurations; other systems of support such as hydraulic and pneumatic systems; and other protective systems such as sloping, benching, shielding, and freezing systems must be designed in accordance with the requirements set forth in §1926.652(b) and §1926.652(c).

(b) *Soil Classification.* In order to use the data presented in this appendix, the soil type or types in which the excavation is made must first be determined using the soil classification method set forth in appendix A of subpart P of this part.

(c) *Presentation of Information.* Information is presented in several forms as follows:

(1) Information is presented in tabular form in Tables C-1.1, C-1.2, and C-1.3, and Tables C-2.1, C-2.2 and C-2.3 following paragraph (g) of the appendix. Each table presents the minimum sizes of timber members to use in a shoring system, and each table contains data only for the particular soil type in which the excavation or portion of

the excavation is made. The data are arranged to allow the user the flexibility to select from among several acceptable configurations of members based on varying the horizontal spacing of the crossbraces. Stable rock is exempt from shoring requirements and therefore, no data are presented for this condition.

(2) Information concerning the basis of the tabular data and the limitations of the data is presented in paragraph (d) of this appendix, and on the tables themselves.

(3) Information explaining the use of the tabular data is presented in paragraph (e) of this appendix.

(4) Information illustrating the use of the tabular data is presented in paragraph (f) of this appendix.

(5) Miscellaneous notations regarding Tables C-1.1 through C-1.3 and Tables C-2.1 through C-2.3 are presented in paragraph (g) of this Appendix.

(d) *Basis and limitations of the data*—(1) *Dimensions of timber members.* (i) The sizes of the timber members listed in Tables C-1.1 through C-1.3 are taken from the National Bureau of Standards (NBS) report, "Recommended Technical Provisions for Construction Practice in Shoring and Sloping of Trenches and Excavations." In addition, where NBS did not recommend specific sizes of members, member sizes are based on an analysis of the sizes required for use by existing codes and on empirical practice.

(ii) The required dimensions of the members listed in Tables C-1.1 through C-1.3 refer to actual dimensions and not nominal dimensions of the timber. Employers wanting to use nominal size shoring are directed to Tables C-2.1 through C-2.3, or have this choice under §1926.652(c)(3), and are referred to The Corps of Engineers, The Bureau of Reclamation or data from other acceptable sources.

(2) *Limitation of application.* (i) It is not intended that the timber shoring specification apply to every situation that may be experienced in the field. These data were developed to apply to the situations that are most commonly experienced in current trenching practice. Shoring systems for use in situations that are not covered by the data in this appendix must be designed as specified in §1926.652(c).

(ii) When any of the following conditions are present, the members specified in the tables are not considered adequate. Either an alternate timber shoring system must be designed or another type of protective system designed in accordance with §1926.652.

(A) When loads imposed by structures or by stored material adjacent to the trench weigh in excess of the load imposed by a two-foot soil surcharge. The term "adjacent" as used here means the area within a horizontal distance from the edge of the trench equal to the depth of the trench.

(B) When vertical loads imposed on cross braces exceed a 240-pound gravity load distributed on a one-foot section of the center of the crossbrace.

(C) When surcharge loads are present from equipment weighing in excess of 20,000 pounds.

(D) When only the lower portion of a trench is shored and the remaining portion of the trench is sloped or benched unless: The sloped portion is sloped at an angle less steep than three horizontal to one vertical; or the members are selected from the tables for use at a depth which is determined from the top of the overall trench, and not from the toe of the sloped portion.

(e) *Use of Tables.* The members of the shoring system that are to be selected using this information are the cross braces, the uprights, and the wales, where wales are required. Minimum sizes of members are specified for use in different types of soil. There are six tables of information, two for each soil type. The soil type must first be determined in accordance with the soil classification system described in appendix A to subpart P of part 1926. Using the appropriate table, the selection of the size and spacing of the members is then made. The selection is based on the depth and width of the trench where the members are to be installed and, in most instances, the selection is also based on the horizontal spacing of the crossbraces. Instances where a choice of horizontal spacing of crossbracing is available, the horizontal spacing of the crossbraces must be chosen by the user before the size of any member can be determined. When the soil type, the width and depth of the trench, and the horizontal spacing of the crossbraces are known, the size and vertical spacing of the crossbraces, the size and vertical spacing of the wales, and the size and horizontal spacing of the uprights can be read from the appropriate table.

(f) *Examples to Illustrate the Use of Tables C-1.1 through C-1.3.*

(1) *Example 1.*

A trench dug in Type A soil is 13 feet deep and five feet wide.

From *Table C-1.1*, for acceptable arrangements of timber can be used.

Arrangement #B1

Space 4x4 crossbraces at six feet horizontally and four feet vertically.

Wales are not required.

Space 3x8 uprights at six feet horizontally. This arrangement is commonly called "skip shoring."

Arrangement #B2

Space 4x6 crossbraces at eight feet horizontally and four feet vertically.

Space 8x8 wales at four feet vertically.

Space 2x6 uprights at four feet horizontally.

Arrangement #B3

Space 6x6 crossbraces at 10 feet horizontally and four feet vertically.

Space 8x10 wales at four feet vertically.

Space 2x6 uprights at five feet horizontally.

Arrangement #B4

Space 6x6 crossbraces at 12 feet horizontally and four feet vertically.

Space 10x10 wales at four feet vertically.

Spaces 3x8 uprights at six feet horizontally.

(2) Example 2.

A trench dug in Type B soil in 13 feet deep and five feet wide. From Table C-1.2 three acceptable arrangements of members are listed.

Arrangement #B1

Space 6x6 crossbraces at six feet horizontally and five feet vertically.

Space 8x8 wales at five feet vertically.

Space 2x6 uprights at two feet horizontally.

Arrangement #B2

Space 6x8 crossbraces at eight feet horizontally and five feet vertically.

Space 10x10 wales at five feet vertically.

Space 2x6 uprights at two feet horizontally.

Arrangement #B3

Space 8x8 crossbraces at 10 feet horizontally and five feet vertically.

Space 10x12 wales at five feet vertically.

Space 2x6 uprights at two feet vertically.

(3) Example 3.

A trench dug in Type C soil is 13 feet deep and five feet wide.

From Table C-1.3 two acceptable arrangements of members can be used.

Arrangement #B1

Space 8x8 crossbraces at six feet horizontally and five feet vertically.

Space 10x12 wales at five feet vertically.

Position 2x6 uprights as closely together as possible.

If water must be retained use special tongue and groove uprights to form tight sheeting.

Arrangement #B2

Space 8x10 crossbraces at eight feet horizontally and five feet vertically.

Space 12x12 wales at five feet vertically.

Position 2x6 uprights in a close sheeting configuration unless water pressure must be resisted. Tight sheeting must be used where water must be retained.

(4) Example 4.

A trench dug in Type C soil is 20 feet deep and 11 feet wide. The size and spacing of members for the section of trench that is over 15 feet in depth is determined using Table C-1.3. Only one arrangement of members is provided.

Space 8x10 crossbraces at six feet horizontally and five feet vertically.

Space 12x12 wales at five feet vertically.

Use 3x6 tight sheeting.

Use of Tables C-2.1 through C-2.3 would follow the same procedures.

(g) Notes for all Tables.

1. Member sizes at spacings other than indicated are to be determined as specified in §1926.652(c), "Design of Protective Systems."

2. When conditions are saturated or submerged use Tight Sheeting. Tight Sheeting refers to the use of specially-edged timber planks (e.g., tongue and groove) at least three inches thick, steel sheet piling, or similar construction that when driven or placed in position provide a tight wall to resist the lateral pressure of water and to prevent the loss of backfill material. Close Sheeting refers to the placement of planks side-by-side allowing as little space as possible between them.

3. All spacing indicated is measured center to center.

4. Wales to be installed with greater dimension horizontal.

5. If the vertical distance from the center of the lowest crossbrace to the bottom of the trench exceeds two and one-half feet, uprights shall be firmly embedded or a mudsill shall be used. Where uprights are embedded, the vertical distance from the center of the lowest crossbrace to the bottom of the trench shall not exceed 36 inches. When mudsills are used, the vertical distance shall not exceed 42 inches. Mudsills are wales that are installed at the toe of the trench side.

6. Trench jacks may be used in lieu of or in combination with timber crossbraces.

7. Placement of crossbraces. When the vertical spacing of crossbraces is four feet, place the top crossbrace no more than two feet below the top of the trench. When the vertical spacing of crossbraces is five feet, place the top crossbrace no more than 2.5 feet below the top of the trench.

TABLE C-1.1
 TIMBER TRENCH SHORING -- MINIMUM TIMBER REQUIREMENTS *
 SOIL TYPE A $P_a = 25 \times H + 72 \text{ psf}$ (2 ft Surcharge)

DEPTH OF TRENCH (FEET)	SIZE (ACTUAL) AND SPACING OF MEMBERS **											
	CROSS BRACES				HALES				UPRIGHTS			
	HORIZ. SPACING (FEET)	WIDTH OF TRENCH (FEET)			VERT. SPACING (FEET)	SIZE (IN)	VERT. SPACING (FEET)	CLOSE	4	5	6	8
5	UP TO 6	4X4	4X4	4X6	6X6	6X6	4	Not Req'd				
	UP TO 8	4X4	4X4	4X6	6X6	6X6	4	Not Req'd			2X6	
10	UP TO 10	4X6	4X6	4X6	6X6	6X6	4					
	UP TO 12	4X6	4X6	6X6	6X6	6X6	4			2X6		2X8
10	UP TO 6	4X4	4X4	4X6	6X6	6X6	4	Not Req'd				
	UP TO 8	4X6	4X6	6X6	6X6	6X6	4			2X6		
15	UP TO 10	6X6	6X5	6X6	6X8	6X8	4	8X10				
	UP TO 12	6X6	6X6	6X6	6X8	6X8	4	10X10			3X8	
15	UP TO 6	6X6	6X6	6X6	6X8	6X8	4					
	UP TO 8	6X6	6X6	6X6	6X8	6X8	4			3X6		
20	UP TO 10	8X8	8X8	8X8	8X8	8X10	4	8X10				
	UP TO 12	8X8	8X8	8X8	8X8	8X10	4	10X10				

SEE NOTE 1
 * Mixed oak or equivalent with a bending strength not less than 850 psi.
 ** Manufactured members of equivalent strength may be substituted for wood.

TABLE C-1.2

TIMBER TRENCH SHORING -- MINIMUM TIMBER REQUIREMENTS *
 SOIL TYPE B P_a = 45 X H + 72 psf (2 ft. Surcharge)

DEPTH OF TRENCH (FEET)	SIZE (ACTUAL) AND SPACING OF MEMBERS**												
	CROSS BRACES						MALES			UPRIGHTS			
	HORIZ. SPACING (FEET)		WIDTH OF TRENCH (FEET)		VERT. SPACING (FEET)		VERT. SPACING (IN)		VERT. SPACING (FEET)		MAXIMUM ALLOWABLE HORIZONTAL SPACING (FEET)		
UP TO	TO	UP TO	UP TO	UP TO	UP TO	UP TO	UP TO	UP TO	UP TO	CLOSE	2	3	
5	UP TO 6	TO 8	4X6	4X6	6X6	6X6	6X6	6X6	5	6X8	5		2X6
TO 10	UP TO 6	TO 8	6X6	6X6	6X8	6X8	6X8	6X8	5	8X10	5		2X6
See Note 1	UP TO 6	TO 8	6X6	6X6	6X8	6X8	6X8	6X8	5	10X10	5		2X6
10	UP TO 6	TO 8	6X6	6X6	6X8	6X8	6X8	6X8	5	8X8	5		2X6
TO 15	UP TO 6	TO 8	6X8	6X8	8X8	8X8	8X8	8X8	5	10X10	5		2X6
See Note 1	UP TO 6	TO 8	8X8	8X8	8X8	8X8	8X10	8X10	5	10X12	5		2X6
15	UP TO 6	TO 8	6X8	6X8	8X8	8X8	8X8	8X8	5	8X10	5	3X6	
TO 20	UP TO 6	TO 8	8X8	8X8	8X8	8X8	8X10	8X10	5	10X12	5	3X6	
See Note 1	UP TO 6	TO 8	8X10	8X10	8X10	8X10	10X10	10X10	5	12X12	5	3X6	
OVER 20	SEE NOTE 1												

* Mixed oak or equivalent with a bending strength not less than 850 psi.
 ** Manufactured members of equivalent strength may be substituted for wood.

TABLE C-1.3
 TIMBER TRENCH SHORING -- MINIMUM TIMBER REQUIREMENTS *
 SOIL TYPE C P_a = 80 X H + 72 psf (2 ft. Surcharge)

DEPTH OF TRENCH (FEET)	SIZE (ACTUAL) AND SPACING OF MEMBERS**											UPRIGHTS		
	HORIZ. SPACING (FEET)			CROSS BRACES				VERT. SPACING (FEET)				VERT. SPACING (FEET)	MAXIMUM ALLOWABLE HORIZONTAL SPACING (FEET) (See Note 2)	
	UP TO 4	UP TO 6	UP TO 8	UP TO 9	UP TO 12	UP TO 15	UP TO 15	VERT. SPACING (FEET)	SIZE (IN)	CLOSE				
5	6X8	6X8	6X8	8X8	8X8	8X8	5	8X10	5	2X6				
TO	8X8	8X8	8X8	8X8	8X10	8X10	5	10X12	5	2X6				
10	8X10	8X10	8X10	8X10	10X10	10X10	5	12X12	5	2X6				
	See Note 1													
10	8X8	8X8	8X8	8X8	8X10	8X10	5	10X12	5	2X6				
TO	8X10	8X10	8X10	8X10	10X10	10X10	5	12X12	5	2X6				
15	See Note 1													
	See Note 1													
15	UP TO 6	8X10	8X10	8X10	10X10	10X10	5	12X12	5	3X6				
TO	See Note 1													
20	See Note 1													
OVER 20	See Note 1													

* Mixed Oak or equivalent with a bending strength not less than 850 psi.
 ** Manufactured members of equivalent strength may be substituted for wood.

TABLE C-2.1

TIMBER TRENCH SHORING -- MINIMUM TIMBER REQUIREMENTS *
 SOIL TYPE A P_a = 25 X H ± 72 psf (2 ft. Surcharge)

DEPTH OF TRENCH (FEET)	SIZE (S4S) AND SPACING OF MEMBERS **														
	GROSS BRACES						MALES			UPRIGHTS					
	HORIZ. SPACING (FEET)		WIDTH OF TRENCH (FEET)				VERT. SPACING (FEET)		SIZE (IN)	VERT. SPACING (FEET)	MAXIMUM ALLOWABLE HORIZONTAL SPACING (FEET)				
	UP	TO	UP	TO	UP	TO	UP	TO	UP	TO	CLOSE	4	5	6	8
5 TO 10	UP 6	TO 4X4	4X4	4X4	4X4	4X6	4	Not Req'd	Not Req'd					4X6	
	UP 8	TO 4X4	4X4	4X4	4X6	4X6	4	Not Req'd	Not Req'd						4X8
10 TO 15	UP 10	TO 4X6	4X6	4X6	6X6	6X6	4	8X8	4				4X6		
	UP 12	TO 4X6	4X6	4X6	6X6	6X6	4	8X8	4					4X6	
15 TO 20	UP 6	TO 4X4	4X4	4X4	6X6	6X6	4	Not Req'd	Not Req'd					4X10	
	UP 8	TO 4X6	4X6	4X6	6X6	6X6	4	6X8	4		4X6				
20 OVER	UP 10	TO 6X6	6X6	6X6	6X6	6X6	4	8X8	4				4X8		
	UP 12	TO 6X6	6X6	6X6	6X6	6X6	4	8X10	4			4X6		4X10	
	UP 6	TO 6X6	6X6	6X6	6X6	6X6	4	6X8	4		3X6				
	UP 8	TO 6X6	6X6	6X6	6X6	6X6	4	8X8	4		3X6	4X12			
	UP 10	TO 6X6	6X6	6X6	6X6	6X8	4	8X10	4		3X6				
	UP 12	TO 6X6	6X6	6X6	6X8	6X8	4	8X12	4		3X6	4X12			

SEE NOTE 1

* Douglas fir or equivalent with a bending strength not less than 1500 psi.
 ** Manufactured members of equivalent strength may be substituted for wood.

TABLE C-2.2
 TIMBER TRENCH SHORING -- MINIMUM TIMBER REQUIREMENTS *
 SOIL TYPE B P^a = 45 X H + 72 psf (2 ft. Surcharge)

DEPTH OF TRENCH (FEET)	SIZE (S4S) AND SPACING OF MEMBERS **												
	CROSS BRACES				MALES				UPRIGHTS				
	HORIZ. SPACING (FEET)	WIDTH OF TRENCH (FEET)			VERT. SPACING (FEET)	SIZE (IN)	VERT. SPACING (FEET)	CLOSE	MAXIMUM ALLOWABLE HORIZONTAL SPACING (FEET)				
	UP TO 4	UP TO 6	UP TO 9	UP TO 12	UP TO 15				2	3	4	6	
5	UP TO 6	4X6	4X6	4X6	6X6	5	6X8	5				3X12 4X8	4X12
TO 8	UP TO 4X6	4X6	6X6	6X6	6X6	5	8X8	5		3X8	4X8		
UP TO 10	UP TO 4X6	4X6	6X6	6X6	6X8	5	8X10	5			4X8		
See Note 1													
10	UP TO 6	6X6	6X6	6X6	6X8	5	8X8	5	3X6	4X10			
TO 8	UP TO 6X8	6X8	6X8	8X8	8X8	5	10X10	5	3X6	4X10			
UP TO 15	UP TO 6X8	6X8	8X8	8X8	8X8	5	10X12	5	3X6	4X10			
See Note 1													
15	UP TO 6	6X8	6X8	6X8	8X8	5	8X10	5	4X6				
TO 8	UP TO 6X8	6X8	6X8	8X8	8X8	5	10X12	5	4X6				
UP TO 20	UP TO 8X8	8X8	8X8	8X8	8X8	5	12X12	5	4X6				
See Note 1													
OVER 20	SEE NOTE 1												

* Douglas fir or equivalent with a bending strength not less than 1500 psi.
 ** Manufactured members of equivalent strength may be substituted for wood.

TABLE C-2.3
 TIMBER TRENCH SHORING -- MINIMUM TIMBER REQUIREMENTS *
 SOIL TYPE C P_a = 80 X H † 72 psf (2 ft. Surcharge)

DEPTH OF TRENCH (FEET)	SIZE (SIZES) AND SPACING OF MEMBERS **											
	GROSS BRACES					WALES			UPRIGHTS			
	HORIZ. SPACING (FEET)	WIDTH OF TRENCH (FEET)				VERT. SPACING (FEET)	SIZE (IN)	VERT. SPACING (FEET)	MAXIMUM ALLOWABLE HORIZONTAL SPACING			
		UP TO 4	UP TO 6	UP TO 9	UP TO 12				UP TO 15	CLOSE		
5	UP TO 6	6X6	6X6	6X6	6X6	8X8	5	8X8	5	3X6		
TO 8	UP TO 6	6X6	6X6	6X6	8X8	8X8	5	10X10	5	3X6		
10	UP TO 10	6X6	6X6	8X8	8X8	8X8	5	10X12	5	3X6		
	See Note 1											
10	UP TO 6	6X8	6X8	6X8	8X8	8X8	5	10X10	5	4X6		
TO 15	UP TO 8	8X8	8X8	8X8	8X8	8X8	5	12X12	5	4X6		
	See Note 1											
	See Note 1											
15	UP TO 6	8X8	8X8	8X8	8X10	8X10	5	10X12	5	4X6		
TO 20	See Note 1											
	See Note 1											
	See Note 1											
OVER 20	SEE NOTE 1											

* Douglas fir or equivalent with a bending strength not less than 1500 psi.
 ** Manufactured members of equivalent strength may be substituted for wood.

APPENDIX D TO SUBPART P OF PART 1926—ALUMINUM HYDRAULIC SHORING FOR TRENCHES

(a) *Scope.* This appendix contains information that can be used when aluminum hydraulic shoring is provided as a method of protection against cave-ins in trenches that

do not exceed 20 feet (6.1m) in depth. This appendix must be used when design of the aluminum hydraulic protective system cannot be performed in accordance with §1926.652(c)(2).

(b) *Soil Classification.* In order to use data presented in this appendix, the soil type or types in which the excavation is made must

first be determined using the soil classification method set forth in appendix A of subpart P of part 1926.

(c) *Presentation of Information.* Information is presented in several forms as follows:

(1) Information is presented in tabular form in Tables D-1.1, D-1.2, D-1.3 and E-1.4. Each table presents the maximum vertical and horizontal spacings that may be used with various aluminum member sizes and various hydraulic cylinder sizes. Each table contains data only for the particular soil type in which the excavation or portion of the excavation is made. Tables D-1.1 and D-1.2 are for vertical shores in Types A and B soil. Tables D-1.3 and D-1.4 are for horizontal waler systems in Types B and C soil.

(2) Information concerning the basis of the tabular data and the limitations of the data is presented in paragraph (d) of this appendix.

(3) Information explaining the use of the tabular data is presented in paragraph (e) of this appendix.

(4) Information illustrating the use of the tabular data is presented in paragraph (f) of this appendix.

(5) Miscellaneous notations (footnotes) regarding Table D-1.1 through D-1.4 are presented in paragraph (g) of this appendix.

(6) Figures, illustrating typical installations of hydraulic shoring, are included just prior to the Tables. The illustrations page is entitled "Aluminum Hydraulic Shoring; Typical Installations."

(d) *Basis and limitations of the data.* (1) Vertical shore rails and horizontal wales are those that meet the Section Modulus requirements in the D-1 Tables. Aluminum material is 6061-T6 or material of equivalent strength and properties.

(2) Hydraulic cylinders specifications. (i) 2-inch cylinders shall be a minimum 2-inch inside diameter with a minimum safe working capacity of no less than 18,000 pounds axial compressive load at maximum extension. Maximum extension is to include full range of cylinder extensions as recommended by product manufacturer.

(ii) 3-inch cylinders shall be a minimum 3-inch inside diameter with a safe working capacity of not less than 30,000 pounds axial compressive load at extensions as recommended by product manufacturer.

(3) Limitation of application.

(i) It is not intended that the aluminum hydraulic specification apply to every situation that may be experienced in the field. These data were developed to apply to the situations that are most commonly experienced in current trenching practice. Shoring systems for use in situations that are not covered by the data in this appendix must be otherwise designed as specified in §1926.652(c).

(ii) When any of the following conditions are present, the members specified in the Ta-

bles are not considered adequate. In this case, an alternative aluminum hydraulic shoring system or other type of protective system must be designed in accordance with §1926.652.

(A) When vertical loads imposed on cross braces exceed a 100 Pound gravity load distributed on a one foot section of the center of the hydraulic cylinder.

(B) When surcharge loads are present from equipment weighing in excess of 20,000 pounds.

(C) When only the lower portion or a trench is shored and the remaining portion of the trench is sloped or benched unless: The sloped portion is sloped at an angle less steep than three horizontal to one vertical; or the members are selected from the tables for use at a depth which is determined from the top of the overall trench, and not from the toe of the sloped portion.

(e) *Use of Tables D-1.1, D-1.2, D-1.3 and D-1.4.* The members of the shoring system that are to be selected using this information are the hydraulic cylinders, and either the vertical shores or the horizontal wales. When a waler system is used the vertical timber sheeting to be used is also selected from these tables. The Tables D-1.1 and D-1.2 for vertical shores are used in Type A and B soils that do not require sheeting. Type B soils that may require sheeting, and Type C soils that always require sheeting are found in the horizontal wale Tables D-1.3 and D-1.4. The soil type must first be determined in accordance with the soil classification system described in appendix A to subpart P of part 1926. Using the appropriate table, the selection of the size and spacing of the members is made. The selection is based on the depth and width of the trench where the members are to be installed. In these tables the vertical spacing is held constant at four feet on center. The tables show the maximum horizontal spacing of cylinders allowed for each size of wale in the waler system tables, and in the vertical shore tables, the hydraulic cylinder horizontal spacing is the same as the vertical shore spacing.

(f) *Example to Illustrate the Use of the Tables:*

(1) Example 1:

A trench dug in Type A soil is 6 feet deep and 3 feet wide. From Table D-1.1: Find vertical shores and 2 inch diameter cylinders spaced 8 feet on center (o.c.) horizontally and 4 feet on center (o.c.) vertically. (See Figures 1 & 3 for typical installations.)

(2) Example 2:

A trench is dug in Type B soil that does not require sheeting, 13 feet deep and 5 feet wide. From Table D-1.2: Find vertical shores and 2 inch diameter cylinders spaced 6.5 feet o.c. horizontally and 4 feet o.c. vertically. (See Figures 1 & 3 for typical installations.)

(3) A trench is dug in Type B soil that does not require sheeting, but does experience some minor raveling of the trench face. The

trench is 16 feet deep and 9 feet wide. From Table D-1.2: Find vertical shores and 2 inch diameter cylinder (with special oversleeves as designated by footnote #B2) spaced 5.5 feet o.c. horizontally and 4 feet o.c. vertically, plywood (per footnote (g)(7) to the D-1 Table) should be used behind the shores. (See Figures 2 & 3 for typical installations.)

(4) Example 4: A trench is dug in previously disturbed Type B soil, with characteristics of a Type C soil, and will require sheeting. The trench is 18 feet deep and 12 feet wide. 8 foot horizontal spacing between cylinders is desired for working space. From Table D-1.3: Find horizontal wale with a section modulus of 14.0 spaced at 4 feet o.c. vertically and 3 inch diameter cylinder spaced at 9 feet maximum o.c. horizontally. 3x12 timber sheeting is required at close spacing vertically. (See Figure 4 for typical installation.)

(5) Example 5: A trench is dug in Type C soil, 9 feet deep and 4 feet wide. Horizontal cylinder spacing in excess of 6 feet is desired for working space. From Table D-1.4: Find horizontal wale with a section modulus of 7.0 and 2 inch diameter cylinders spaced at 6.5 feet o.c. horizontally. Or, find horizontal wale with a 14.0 section modulus and 3 inch diameter cylinder spaced at 10 feet o.c. horizontally. Both wales are spaced 4 feet o.c. vertically. 3x12 timber sheeting is required at close spacing vertically. (See Figure 4 for typical installation.)

(g) *Footnotes, and general notes, for Tables D-1.1, D-1.2, D-1.3, and D-1.4.*

(1) For applications other than those listed in the tables, refer to §1926.652(c)(2) for use of manufacturer's tabulated data. For trench depths in excess of 20 feet, refer to §1926.652(c)(2) and §1926.652(c)(3).

(2) 2 inch diameter cylinders, at this width, shall have structural steel tube (3.5x3.5x0.1875) oversleeves, or structural oversleeves of manufacturer's specification, extending the full, collapsed length.

(3) Hydraulic cylinders capacities. (i) 2 inch cylinders shall be a minimum 2-inch inside diameter with a safe working capacity of not less than 18,000 pounds axial compressive load at maximum extension. Maximum extension is to include full range of cylinder extensions as recommended by product manufacturer.

(ii) 3-inch cylinders shall be a minimum 3-inch inside diameter with a safe work capacity of not less than 30,000 pounds axial compressive load at maximum extension. Maximum extension is to include full range of cylinder extensions as recommended by product manufacturer.

(4) All spacing indicated is measured center to center.

(5) Vertical shoring rails shall have a minimum section modulus of 0.40 inch.

(6) When vertical shores are used, there must be a minimum of three shores spaced equally, horizontally, in a group.

(7) Plywood shall be 1.125 in. thick softwood or 0.75 inch. thick, 14 ply, arctic white birch (Finland form). Please note that plywood is not intended as a structural member, but only for prevention of local raveling (sloughing of the trench face) between shores.

(8) See appendix C for timber specifications.

(9) Wales are calculated for simple span conditions.

(10) See appendix D, item (d), for basis and limitations of the data.

ALUMINUM HYDRAULIC SHORING TYPICAL INSTALLATIONS

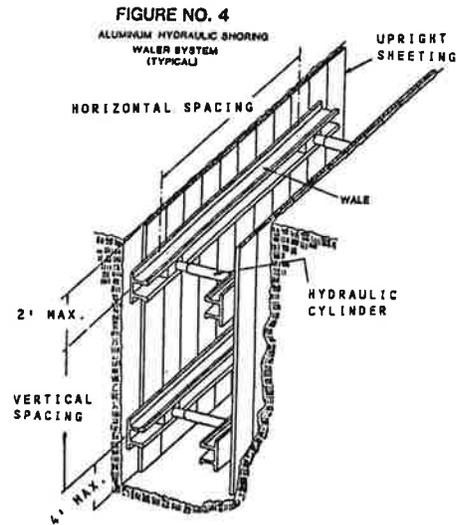
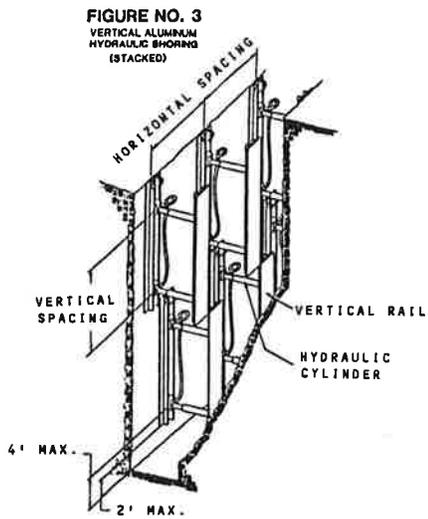
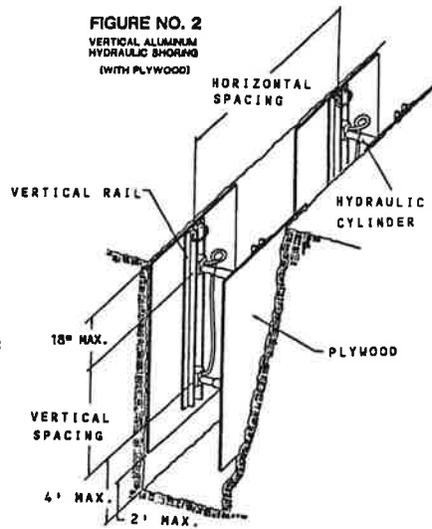
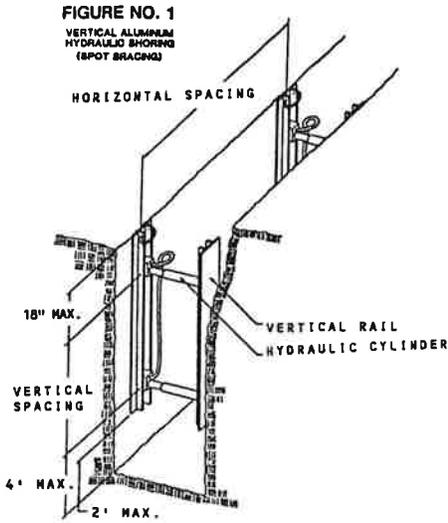


TABLE D - 1.1
ALUMINUM HYDRAULIC SHORING
VERTICAL SHORES
FOR SOIL TYPE A

DEPTH OF TRENCH (FEET)	HYDRAULIC CYLINDERS			WIDTH OF TRENCH (FEET)	
	MAXIMUM HORIZONTAL SPACING (FEET)	MAXIMUM VERTICAL SPACING (FEET)	UP TO 8	OVER 8 UP TO 12	OVER 12 UP TO 15
OVER 5 UP TO 10	8	4	2 INCH DIAMETER	2 INCH DIAMETER NOTE (2)	3 INCH DIAMETER
OVER 10 UP TO 15	8				
OVER 15 UP TO 20	7				
OVER 20	NOTE (1)				

Footnotes to tables, and general notes on hydraulic shoring, are found in Appendix D, Item (g)

Note (1): See Appendix D, Item (g) (1)

Note (2): See Appendix D, Item (g) (2)

TABLE D - 1.2
ALUMINUM HYDRAULIC SHORING
VERTICAL SHORES
FOR SOIL TYPE B

DEPTH OF TRENCH (FEET)	HYDRAULIC CYLINDERS			WIDTH OF TRENCH (FEET)
	MAXIMUM HORIZONTAL SPACING (FEET)	MAXIMUM VERTICAL SPACING (FEET)		
OVER 5 UP TO 10	8	4	UP TO 8	OVER 12 UP TO 15
OVER 10 UP TO 15	6.5		2 INCH DIAMETER	OVER 8 UP TO 12
OVER 15 UP TO 20	5.5		2 INCH DIAMETER NOTE (2)	3 INCH DIAMETER
OVER 20	NOTE (1)			

Footnotes to tables, and general notes on hydraulic shoring, are found in Appendix D, Item (g)

Note (1): See Appendix D, Item (g) (1)

Note (2): See Appendix D, Item (g) (2)

TABLE D - 1.3
ALUMINUM HYDRAULIC SHORING
WALER SYSTEMS
FOR SOIL TYPE B

DEPTH OF TRENCH (FEET)	WALES		HYDRAULIC CYLINDERS						TIMBER UPRIGHTS	
	VERTICAL SPACING (FEET)	SECTION MODULUS (IN ²)	WIDTH OF TRENCH (FEET)						MAX. HORIZ. SPACING (ON CENTER)	SOLID SHEET
			UP TO 8		OVER 8 UP TO 12		OVER 12 UP TO 15			
			HORIZ. SPACING	CYLINDER DIAMETER	HORIZ. SPACING	CYLINDER DIAMETER	HORIZ. SPACING	CYLINDER DIAMETER		
OVER 5 UP TO 10	4	3.5	8.0	2 IN	8.0	2 IN	8.0	3 IN	—	3x12
			9.0	2 IN	9.0	2 IN	9.0	3 IN		
			12.0	3 IN	12.0	3 IN	12.0	3 IN		
OVER 10 UP TO 15	4	3.5	6.0	2 IN	6.0	2 IN	6.0	3 IN	—	3x12
			8.0	3 IN	8.0	3 IN	8.0	3 IN		
			10.0	3 IN	10.0	3 IN	10.0	3 IN		
OVER 15 UP TO 20	4	3.5	5.5	2 IN	5.5	2 IN	5.5	3 IN	—	3x12
			6.0	3 IN	6.0	3 IN	6.0	3 IN		
			9.0	3 IN	9.0	3 IN	9.0	3 IN		
OVER 20			NOTE (1)							

Footnotes to tables, and general notes on hydraulic shoring, are found in Appendix D, Item (g)

Notes (1): See Appendix D, item (g) (1)

Notes (2): See Appendix D, item (g) (2)

* Consult product manufacturer and/or qualified engineer for Section Modulus of available wales.

TABLE D - 1.4
ALUMINUM HYDRAULIC SHORING
WALER SYSTEMS
FOR SOIL TYPE C

DEPTH OF TRENCH (FEET)	WALES		HYDRAULIC CYLINDERS						TIMBER UPRIGHTS	
	VERTICAL SPACING (FEET)	SECTION MODULUS (IN ³)	WIDTH OF TRENCH (FEET)						MAX. HORIZ. SPACING (ON CENTER)	
			UP TO 8		OVER 8 UP TO 12		OVER 12 UP TO 15		2 FT.	3 FT.
			HORIZ. SPACING	CYLINDER DIAMETER	HORIZ. SPACING	CYLINDER DIAMETER	HORIZ. SPACING	CYLINDER DIAMETER	SOLID SHEET	
OVER 5 UP TO 10	4	3.5	6.0	2 IN	6.0	2 IN	6.0	3 IN		
			7.0	2 IN	6.5	NOTE(2)	6.5	3 IN	3x12	
			14.0	10.0	3 IN	10.0	3 IN	10.0	3 IN	
OVER 10 UP TO 15	4	3.5	4.0	2 IN	4.0	NOTE(2)	4.0	3 IN		
			7.0	3 IN	5.5	3 IN	5.5	3 IN	3x12	
			14.0	8.0	3 IN	8.0	3 IN	8.0	3 IN	
OVER 15 UP TO 20	4	3.5	3.5	2 IN	3.5	NOTE(2)	3.5	3 IN		
			7.0	3 IN	5.0	3 IN	5.0	3 IN	3x12	
			14.0	6.0	3 IN	6.0	3 IN	6.0	3 IN	
OVER 20			NOTE (1)							

Footnotes to tables, and general notes on hydraulic shoring, are found in Appendix D, Item (g)
 Notes (1): See Appendix D, item (g) (1)
 Notes (2): See Appendix D, Item (g) (2)
 * Consult product manufacturer and/or qualified engineer for Section Modulus of available wales.

APPENDIX E TO SUBPART P OF PART 1926—ALTERNATIVES TO TIMBER SHORING

Figure 1. Aluminum Hydraulic Shoring

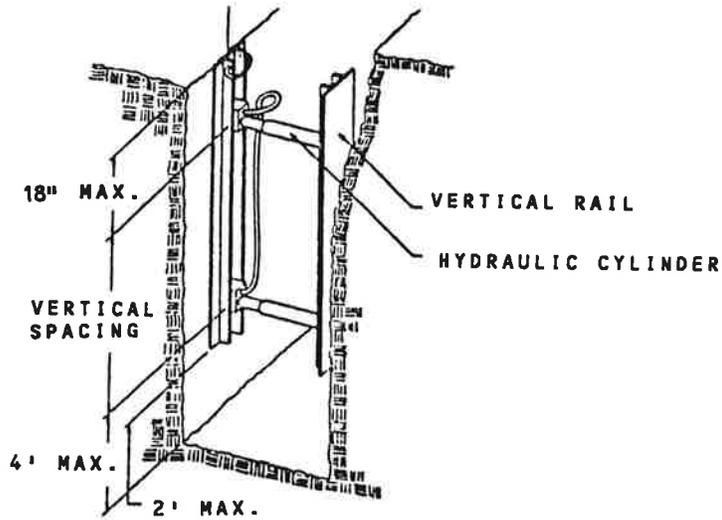


Figure 2. Pneumatic/hydraulic Shoring

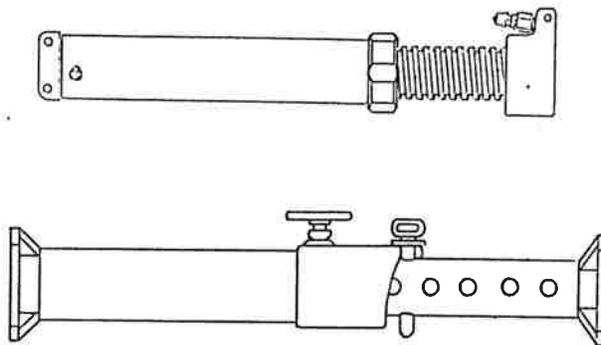


Figure 3. Trench Jacks (Screw Jacks)

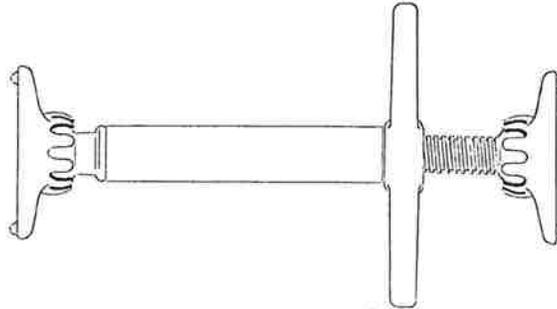
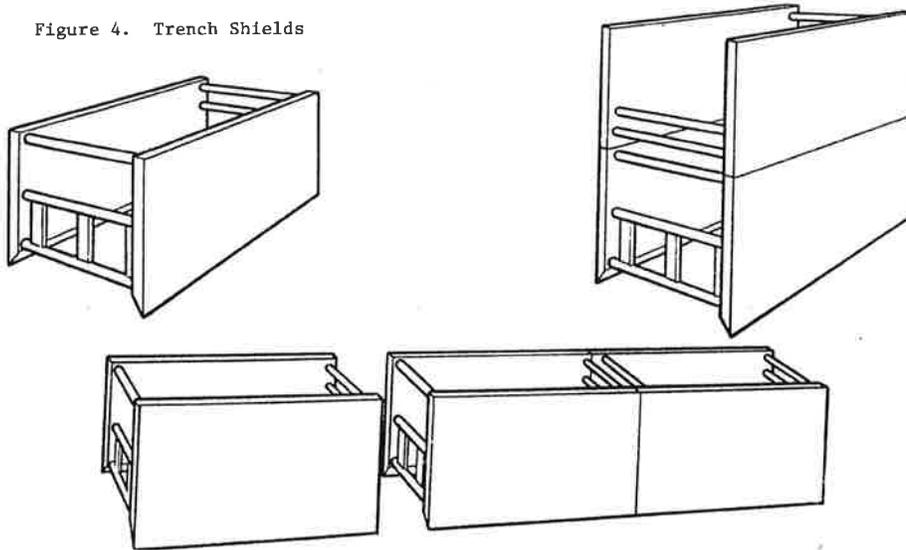


Figure 4. Trench Shields



APPENDIX F TO SUBPART P OF PART 1926—SELECTION OF PROTECTIVE SYSTEMS

The following figures are a graphic summary of the requirements contained in sub-

part P for excavations 20 feet or less in depth. Protective systems for use in excavations more than 20 feet in depth must be designed by a registered professional engineer in accordance with §1926.652 (b) and (c).

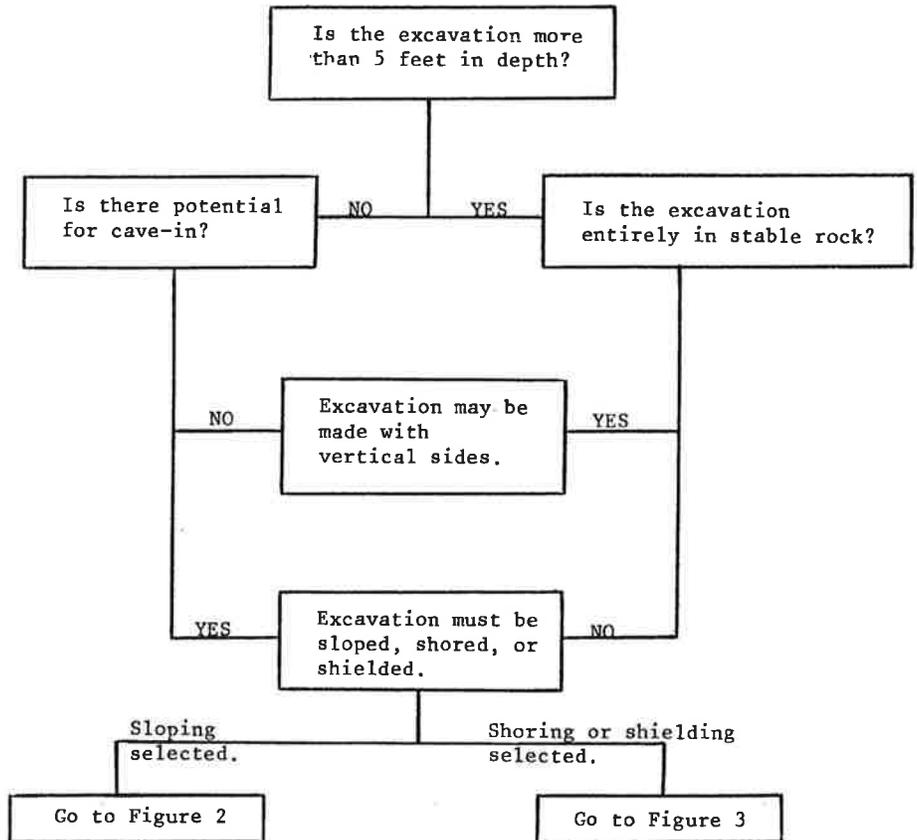


FIGURE 1 - PRELIMINARY DECISIONS

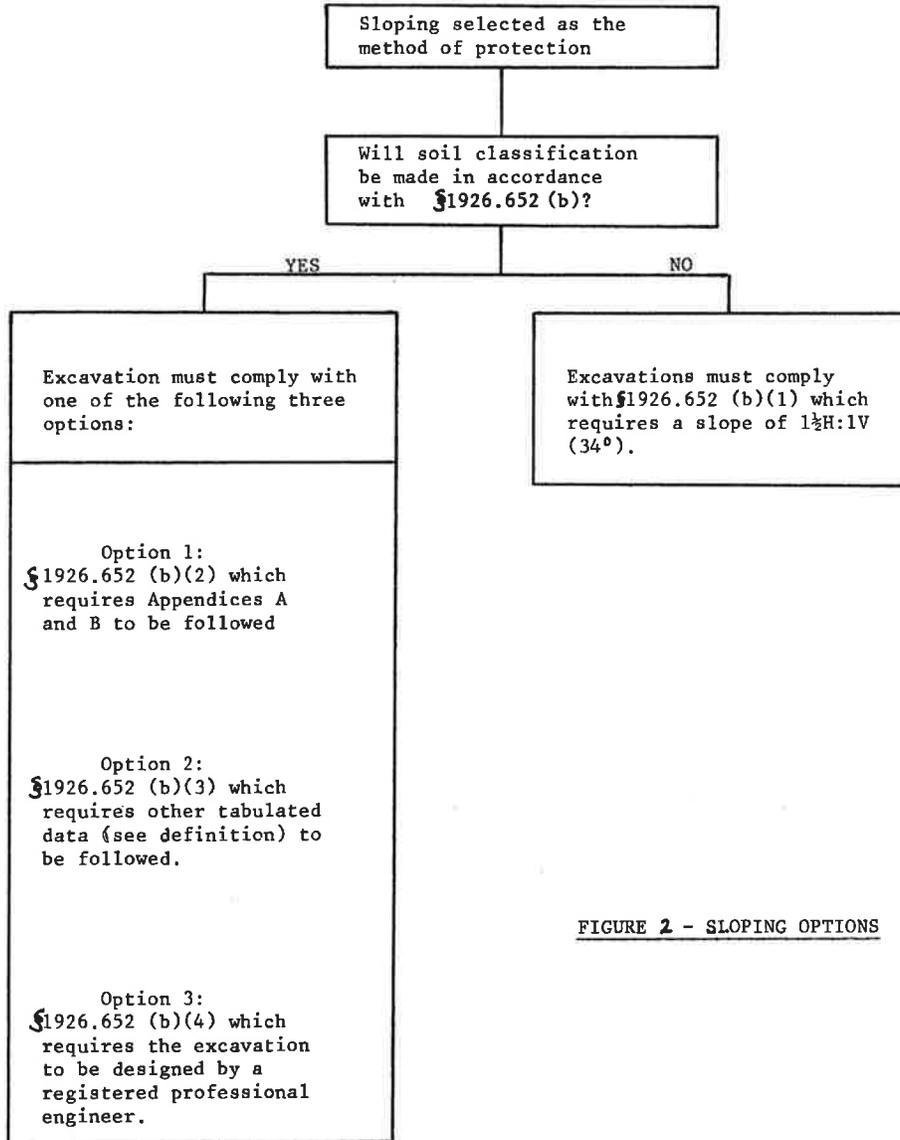


FIGURE 2 - SLOPING OPTIONS

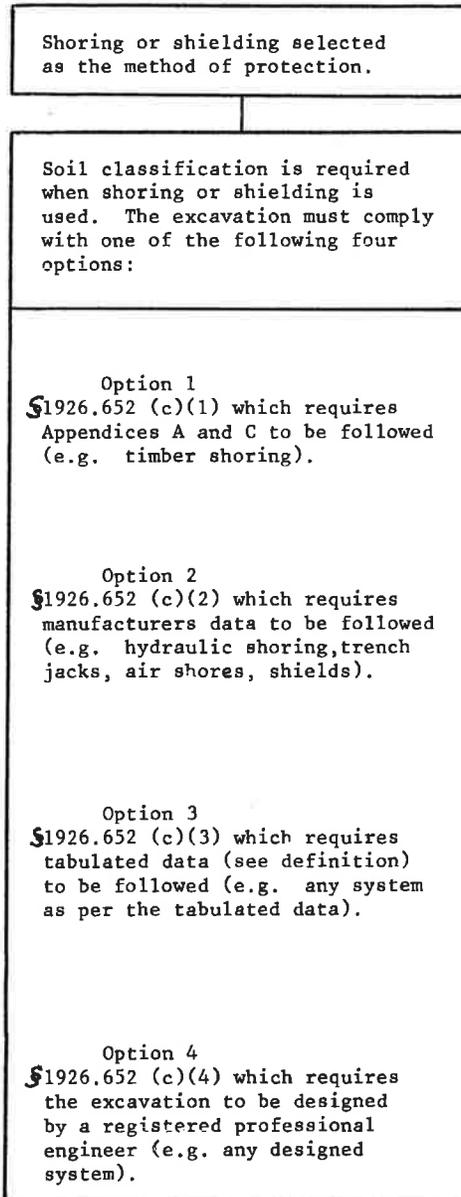


FIGURE 3 - SHORING AND SHIELDING OPTIONS

City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: FEBRUARY 21, 2017

AGENDA ITEM: 11

SUBJECT: SALE OF DECOMMISSIONED VEHICLE TO LISD FOR SCHOOL RESOURCE OFFICER(S) USE
PROCEEDING: Approval
SUBMITTED BY: City staff
EXHIBITS:

SUMMARY STATEMENT

City Council to consider sale of a decommissioned Police vehicle (Unit #102) for \$1 to Lamesa Independent School District for use by School Resource Officer(s). *(Chief of Police and City Manager)*

COUNCIL ACTION

DISCUSSION _____

Motion by Council Member _____ to approve sale of decommissioned Police vehicle (Unit #102) for \$1 to Lamesa Independent School District for use by School Resource Officer(s). Motion seconded by Council Member _____ and upon being put to a vote the motion _____.

VOTING: "AYE" _____ "NAY" _____ "ABSTAIN" _____

CITY MANAGER'S MEMORANDUM

Recommend approval.

City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: FEBRUARY 21, 2017

AGENDA ITEM: 12

SUBJECT: AMENDMENT TO CITY LAND LEASE & USE OF WASTEWATER EFFLUENT
PROCEEDING: Approval
SUBMITTED BY: City Staff
EXHIBITS:

SUMMARY STATEMENT

City Council to consider an amendment to the City's land lease with Mike Tyler and use of wastewater effluent (TxDOT SH349 Project). *(Mayor, Russell Casselberry, City Attorney & City Manager)*

COUNCIL ACTION

DISCUSSION _____

Motion by Council Member _____ to amend the City's land lease with Mike Tyler and use of wastewater effluent to reflect _____. Motion seconded by Council Member _____ and upon being put to a vote the motion _____.

VOTING: "AYE" _____ "NAY" _____ "ABSTAIN" _____

CITY MANAGER'S MEMORANDUM

Recommend approval.

February 19, 2013

Mr. Fred Vera
City Manager
The City of Lamesa, Texas
601 South 1st Street
Lamesa, Texas 79331

Re: Water Rights Bid

Dear Mr. Vera:

In connection with the City's request for bids for the exchange of water rights for the surface estate of farmland currently owned by the City, we are submitting the following bid.

We are the owners of all water rights in and under the following tracts of land:

Tract One: The North One-half (N/2) of Section 65, Block 35, Township 6 North, Georgetown Railway Company Survey, in Dawson County, Texas;

SAVE AND EXCEPT: A 44.42 acre tract of land described by metes and bounds in Warranty Deed dated March 24, 1977, from W. H. Cornett and wife, Ineta Cornett, to Sam E. Stevens, recorded in Volume 312, Page 342, of the Deed Records of Dawson County, Texas, and corrected by deed recorded in Volume 313, Page 204, of the Deed Records of Dawson County, Texas;

FURTHER SAVE AND EXCEPT: A 8.0 acre tract of land described by metes and bounds in Warranty Deed dated October 1, 1997, from Ineta V. Cornett, Individually and as Independent Executor of the Estate of W. H. Cornett, deceased, to Terry D. Therwhanger and Teresa Therwhanger, recorded in Volume 481, Page 425, of the Deed Records of Dawson County, Texas;

FURTHER SAVE AND EXCEPT: A 5.0 acre tract of land described by metes and bounds in Warranty Deed dated October 25, 2000, from Ineta S. Cornett to Victor L. Cornett, recorded in Volume 501, Page 140, of the Deed Records of Dawson County, Texas; and

FURTHER SAVE AND EXCEPT: A 20.00 acre tract of land out of the Northeast One-fourth (NE/4) of Section 65, Block 35, Township-6-North, Georgetown R. R. Co. Survey, in Dawson County, Texas, being more particularly described as follows:

BEGINNING at a ½" iron rod with cap marked "NEWTON SURVEYING" set in the East line of said Section 65 for the Northeast corner of this tract, from which a 1" pipe found for the Northeast corner of said Section 65 bears N.12°49'35"W. 830.00

feet (bearings compared to the Texas Coordinate System of 1983, North Central Zone, distances are true at an averaged surface elevation):

THENCE S.12°49'35"E. along the East line of said Section 65, a distance of 745.23 feet to the Northeast corner of a 5.00 acre tract of land and the Southeast corner of this tract;

THENCE S.77°10'25"W. at 25.00 feet pass a found ½" iron rod with cap marked "NEWTON SURVEYING" in all 510.00 feet to a ½" iron rod found for the Northwest corner of said 5.00 acre tract and for a corner of this tract;

THENCE N.12°49'35"W. 226.60 feet to a ½" iron rod with cap marked "NEWTON SURVEYING" set for a corner of this tract;

THENCE S.72°02'00"W. 655.82 feet to a ½" iron rod with cap marked "NEWTON SURVEYING" set for a corner of this tract;

THENCE S.73°54'30"W. 218.60 feet to a ½" iron rod with cap marked "NEWTON SURVEYING" set for the Southwest corner of this tract;

THENCE N.14°37'10"W. 590.30 feet to a ½" iron rod with cap marked "NEWTON SURVEYING" set for the Northwest corner of this tract;

THENCE N.77°10'25"E. at 1375.00 feet pass a set ½" iron rod with cap marked "NEWTON SURVEYING" in all 1400.00 feet to the PLACE OF BEGINNING;

FURTHER SAVE AND EXCEPT: Grantors hereby reserve unto themselves, their heirs, executors, administrators, successors and assigns, all oil, gas and other minerals in, on, under or that may be produced from the above described tract of land;

Tract Two: The Surface Estate only of all of the South One-half (S/2) of Section 65, Block 35, T-6-N, Georgetown Ry. Co. Survey, in Dawson County, Texas; and

Tract Three: The North 160.0 acres of Section 66, Block 35, Township 6 North, Georgetown Railway Company Survey, in Dawson County, Texas, SAVE AND EXCEPT that tract of land as described in Certified Copy of Judgment in District Court Suit #90 Northern District of Texas, Lubbock Division styled *Mrs. Ruby Davis versus Dawson County, et al, recorded in Volume 170, Page 455, of the Deed Records of Dawson County, Texas;*

which total approximately 718.58 acres of water rights.

We would exchange our water rights in the above described tracts for the surface estate only of the following property owned by the City of Lamesa, together with all of the irrigation equipment situated thereon, to-wit:

Tract One: Those two tracts of land out of the West One-half (W/2) of Section 7, Block 35, Township 5 North, T. & P. Ry. Co. Survey, in Dawson County, Texas, described in the following Warranty Deeds:

- (a) Warranty Deed dated November 26, 1996, recorded in Volume 476, Page 499, of the Deed Records of Dawson County, Texas, and conveying 72.0 acres of land, more or less; and
- (b) Warranty Deed dated June 15, 1998, recorded in Volume 486, Page 131, of the Deed Records of Dawson County, Texas, and conveying 78.0 acres of land, more or less;

SAVE AND EXCEPT all of that portion of the above described land which lies within the Northwest One-fourth (NW/4) of said Section 7, Block 35, Township 5 North, T. & P. Ry. Co. Survey, in Dawson County, Texas, containing 16.04 acres, more or less;

FURTHER SAVE AND EXCEPT a Seven (7) acre tract in the form of a square out of the extreme Southeast corner of the Southwest One-fourth (SW/4) of Section 7, Block 35, Township 5 North, T. & P. Ry. Co. Survey, in Dawson County, Texas; and

Tract Two: All of the Southwest One-fourth (SW/4) of Section 18, Block 35, Township 5 North, T. & P. Ry. Co. Survey, in Dawson County, Texas;

SAVE AND EXCEPT the surface estate of any portion of the Southwest One-fourth (SW/4) of Section 18, Block 35, Township 5 North, T. & P. Ry. Co. Survey, in Dawson County, Texas, lying between the North line of a 7 acre tract in Section 19, Block 35, Township 5 North and the highway along the South portion of said Section 18, as recited in Warranty Deed to Lyntegar Electric Cooperative, Inc., recorded in Volume 283, Page 119, of the Deed Records of Dawson County, Texas, said highway right-of-way described in Volume 143, Page 259, of the Deed Records of Dawson County, Texas; and

FURTHER SAVE AND EXCEPT that 3.59 acre tract described in deed recorded in Volume 378, Page 501, of the Deed Records of Dawson County, Texas;

Tract Three: The North 200 acres of the West One-half (W/2) of Section 19, Block 35, Township 5 North, T. & P. Ry. Co. Survey, in Dawson County, Texas;

SAVE AND EXCEPT that 7.0 acre tract described in deed recorded in Volume 283, Page 119, of the Deed Records of Dawson County, Texas;

FURTHER SAVE AND EXCEPT that 12.0 acre tract described in deed recorded in Volume 361, Page 351, of the Deed Records of Dawson County, Texas.

This offer to exchange is subject to the following:

- (a) We will reserve a reasonable amount of water for domestic and livestock use in and under the tracts of land we presently own to be used only in connection with these tracts of land;
- (b) The City will convey to us all water rights presently owned by the City in the above described tracts of land now owned by the City;

- (c) We will accept the City's tracts subject to the existing agricultural surface leases now covering the City's tracts, will assume the City's obligations under such agricultural leases and we will receive the 2013 cash lease payments payable in connection with these agricultural leases;
- (d) Upon expiration of the current agricultural surface lease covering the Southeast One-fourth (SE/4) of Section 18, Block 35, Township 5 North, T. & P. Ry. Co. Survey, in Dawson County, Texas, the City will lease to us this Southeast quarter for a five (5) year term for which we will pay a cash rental payment of \$12,500.00 per year;
- (e) The City will allow us to take all of the City's effluent from the City's wastewater treatment plant for a ~~five (5) year term commencing upon the expiration of the current agricultural surface leases;~~
- (f) The City will have all rights of ingress and egress over, across and under the above described property now owned by us for testing, drilling, operating, maintaining, repairing and replacing water wells and pipelines completed by the City without payment of damages to us provided such rights are exercised by the City with due regard for our rights as surface owners and our farming operation;
- (g) The City and we will each retain all oil, gas and other minerals each of us now own in, on and under the tracts described above.

ok
ok
until 12-31-2017
JTW

There may be other terms or conditions to which we may mutually agree in connection with this exchange, and we are certainly willing to discuss these matters with you.

Thank you for consideration of our bid.

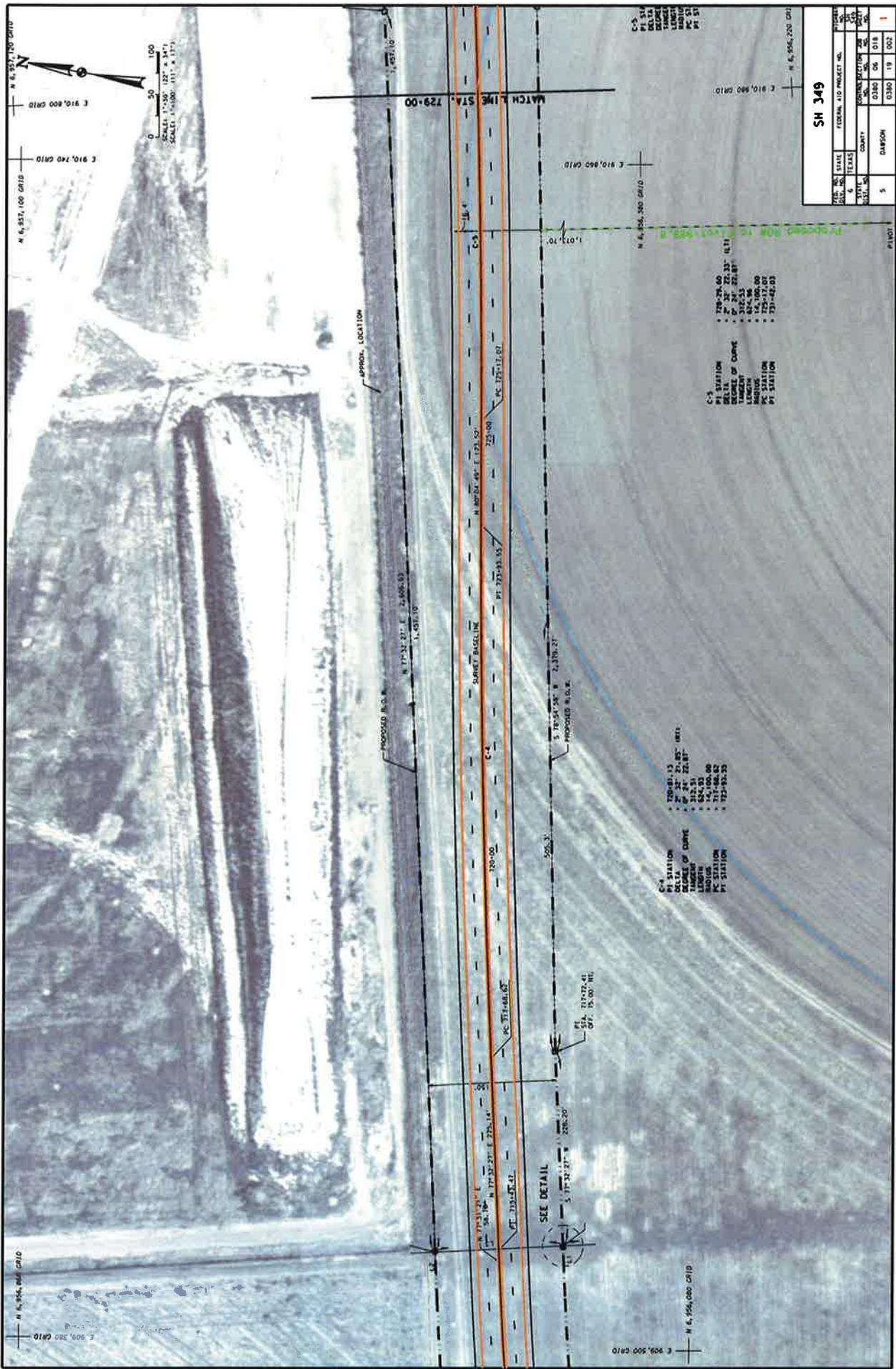
Yours truly,



Michael C. Tyler



Deena L. Tyler



FEDERAL AID PROJECT NO.		PROJECT NO.
STATE		STATE
COUNTY		COUNTY
SHEET NO.		SHEET NO.
DATE		DATE
DRAWN BY		DRAWN BY
CHECKED BY		CHECKED BY
SCALE		SCALE
PROJECT NAME		PROJECT NAME
SHEET NO.		SHEET NO.
DATE		DATE
DRAWN BY		DRAWN BY
CHECKED BY		CHECKED BY
SCALE		SCALE
PROJECT NAME		PROJECT NAME
SHEET NO.		SHEET NO.
DATE		DATE
DRAWN BY		DRAWN BY
CHECKED BY		CHECKED BY
SCALE		SCALE
PROJECT NAME		PROJECT NAME

SH 349

PROJECT NO. 0380 19 002

DATE 03/06/06

DRAWN BY [Name]

CHECKED BY [Name]

SCALE 1" = 100'

PROJECT NAME [Name]

SHEET NO. 5

DATE 03/06/06

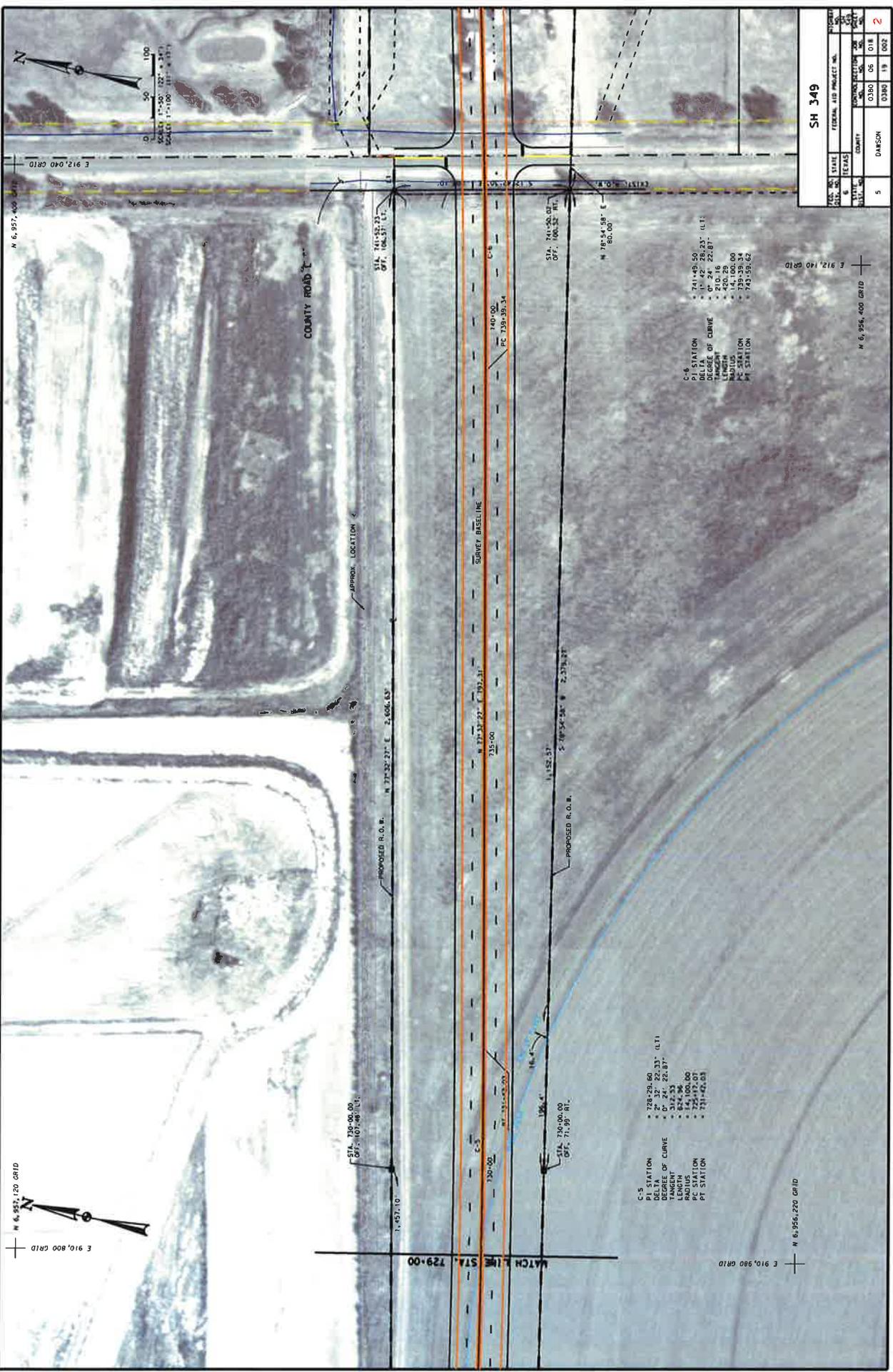
DRAWN BY [Name]

CHECKED BY [Name]

SCALE 1" = 100'

PROJECT NAME [Name]

8/11/01



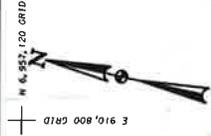
PROJECT		SHEET	
FED. AID PROJECT NO.	0330 06 018	SHEET NO.	2
STATE	TEXAS	DATE	03/19/02
COUNTY	DANSON	SCALE	1" = 100'
SUBDIVISION			

C-1

PI STATION 741+49.50
 DELTA 2° 42' 28.23" (L.I.)
 RANGE OF CURVE 910.16 22.87'
 LENGTH 420.29
 PC STATION 739.30.00
 PT STATION 743+59.62

C-2

PI STATION 720+29.60
 DELTA 2° 32' 22.33" (L.I.)
 RANGE OF CURVE 517.53 25.87'
 LENGTH 824.96
 PC STATION 717.00.00
 PT STATION 721+42.03



BY FILE

LAMESA IRRIGATION

1609 N HWY 87
LAMESA, TX 79331

Voice: 806 872 5479
Fax: 806 872 2615

PROPOSAL

Proposal Number: PIVOT
Proposal Date: Jun 1, 2016
Complete By: Jul 1, 2016
Page: 1

To:
CITY OF LAMESA 601 S. IST LAMESA, TX 79331

Ship To:
CHANGE LOCATION FOR S.E. PIVOT ON SOUTHERN BYPASS

Customer ID	PO Number	Sales Rep Name
1CLAME		
Customer Contact	Shipping Method	Payment Terms
1000	Best Way	Net 10th of Next Month

Quantity	Item	Description	Unit Price	Amount
1.00		OPTION #1 TAKE OFF LAST 2 TOWERS & RENOZZLE SYSTEM; IT WOULD DROP ACREAGE FROM APPRX 91 TO 46.13 (NOTE: WE COULD PURCHASE YOUR EXTRA PARTS TO HELP OFFSET THE COST)	1,000.00	1,000.00
1.00		OPTION #2 REPOSITION SYSTEM TO THE SOUTHWEST; COVERS APPRX 82 ACRES		
1.00		NEW CONCRETE PAD	4,000.00	4,000.00
1.00		MOVE SYSTEM & RESIZE SPANS & RENOZZLE 8" PIP 80# PIPE & WIRE APPRX. (NOTE: DEPENDS ON WHAT IS PRESENTLY UNDERGROUND)	2,800.00	2,800.00

Lindsay Manufacturing Co.

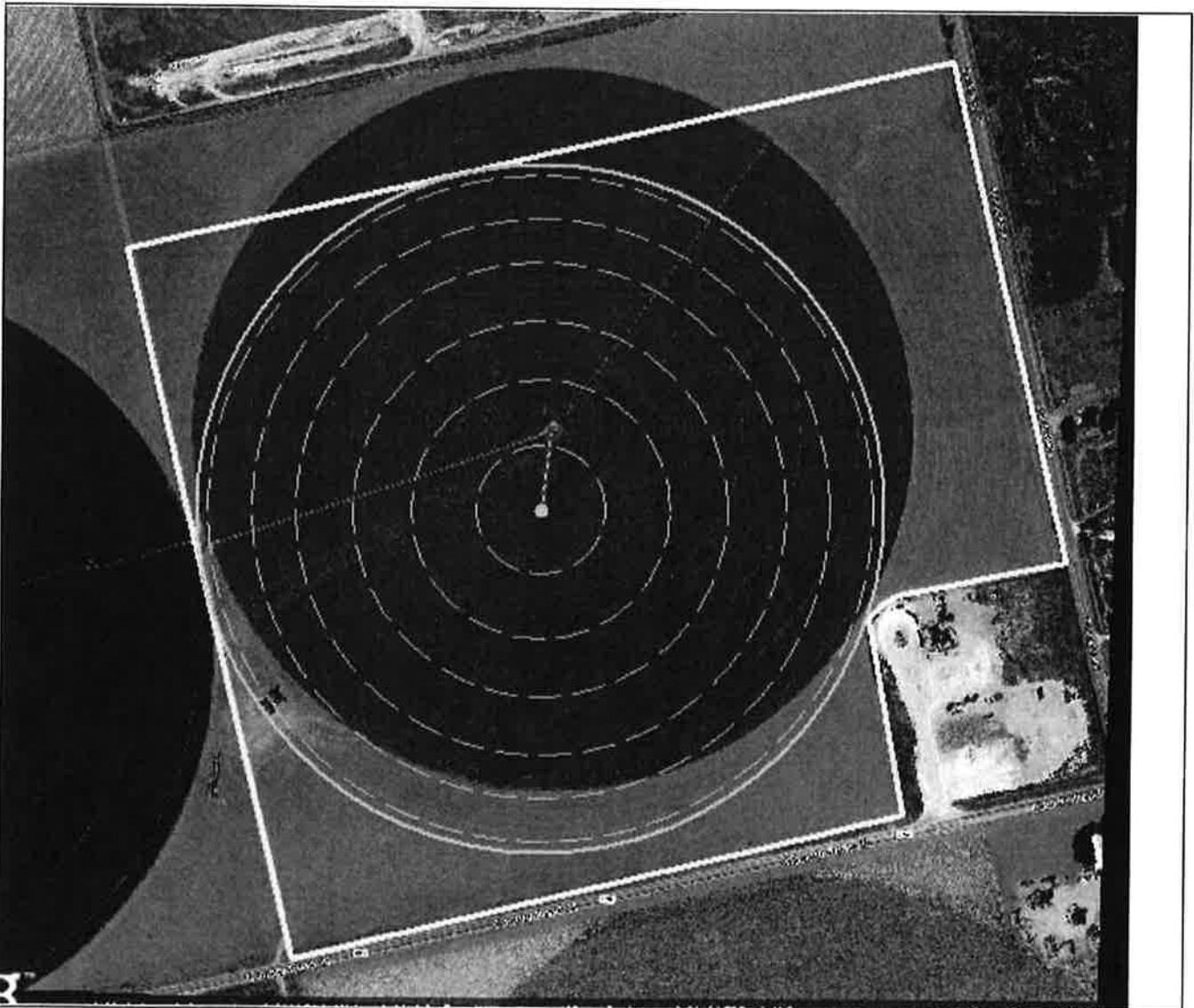


2707 North 108th Street
 Omaha, NE 68164
 800 - 829 - 5300 office

Farm: Field1	
Grower: city of lamesa	6/2/2016

Systems:	Length	Spans	Total area including endgun
○ Pivot 1	1065.25 ft	6 spans + 33 ft o.h.	81.84 acres

Pipe and Wire:	Length / Size	Description
● Pipe 1	243.69 ft / ??	



October 7, 2015

County: Dawson
Federal Project No.: N/A
Highway: SH 349

ROW CSJ: 0380-19-002
Parcel: 9
From: SH 137
To: US 87

BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED NO. 7015 1730 0002 4299 4909

City of Lamesa
Attn: Shawna Burkhart, City Manager
601 S. 1st Street
Lamesa, TX 79331

Dear Ms. Burkhart,

In acquiring property for the highway system of Texas, the Texas Department of Transportation (the "Department") follows a definite procedure for appraising the land needed and for handling personal negotiations with each owner. As has been or will be explained by the State's negotiator, Michael Hale, a portion of your property located West side of Avenue L north of FM 2052, Lamesa, TX 79331, as described in the enclosed property description, is to be acquired for the construction or improvement of the above-referenced highway project.

We believe at this stage of the purchase process it is mutually beneficial to confirm that, based on an appraisal, the State is authorized to offer you \$54,056.00 for your property, which includes \$29,497.00 for the property to be purchased and \$24,559.00 for damages to your remaining property. This amount is the total amount of just compensation for all interests in the portion of your property to be acquired, as determined in accordance with State law, less oil, gas and sulphur, subject to clear title being conveyed to the State. In accordance with State law, it is the policy of the Department to negotiate with the fee owner(s) of the real property with the understanding that you will, in turn, negotiate with any lessee or other party who may own any interest in the land or improvements, with the exception of public utility easements, which will be handled separately by the Department.

This offer to purchase includes the contributory values of the improvement(s) listed below, which are considered to be part of the real property. Since the improvement(s) must be removed, it is the policy of the Department to permit owners who convey voluntarily to the Department to thereafter retain the improvement(s), if they wish to do so. The retention values shown below are the estimated amounts the improvement(s) would bring if sold on public bids. If you wish to retain title to any of the following improvement(s) and remove it (them) from the right of way, the amount of the above offer must be reduced by the appropriate retention amount(s). This option to retain the improvement(s) does NOT apply should it become necessary for the Department to acquire the real property by eminent domain.

<u>Improvement</u>	<u>Amount to be Subtracted if Retained</u>
N/A	\$0.00

If you wish to accept the offer based upon this appraisal, please contact Michael Hale as soon as possible, at (817) 445-1016, so that the process of issuing your payment may be started. If you are not willing to accept this offer,

3301 Airport Freeway Suite 320 | Bedford, Texas 76021 | 817.445.1016 | fax 817.445.1017 | www.cobbhendley.com



you may submit a written request for administrative settlement/counteroffer, setting forth a counteroffer amount and the basis for such amount, provided such settlement request is received in writing within 30 days from the date of this letter. Please note that your opportunity to submit an administrative settlement shall be forfeited if such a settlement request is not received by the Department within the 30 day time deadline.

In the event the condition of the property changes for any reason, the State shall have the right to withdraw or modify this offer.

After the date of payment of the purchase price, or the date of deposit in court of funds to satisfy the award of compensation as determined through eminent domain proceedings to acquire real property, you will be reimbursed for any fair and reasonable incidental expenses necessarily incurred in transferring title to the property for use by the Texas Department of Transportation. Expenses eligible for reimbursement may include (1) recording fees, transfer taxes and similar expenses incidental to conveying the real property to the Department and (2) penalty costs for prepayment of any preexisting recorded mortgage entered into in good faith encumbering the real property. Voluntary unnecessary expenses or expenses incurred in clearing questionable title will not be eligible for reimbursement. Eligible incidental expenses will be reimbursed upon submission of a claim supported by receipted bills or other evidence of actual expenses incurred. You may file a written request for review if you believe that the Department failed to properly determine the eligibility for, or the amount of, incidental expenses to be reimbursed. There is no standard form on which to request a review of a claim; however, the claim must be filed with this office within six months after you are notified of the Department's determination on any claim for reimbursement.

You may be entitled to additional payments and services under the State's Relocation Assistance Program. It is emphasized, however, that any benefits to which you may be entitled under this program will be handled entirely separate from and in addition to this transaction. You will receive a brochure entitled "*Relocation Assistance*" which will inform you of eligibility requirements, payments and services which are available.

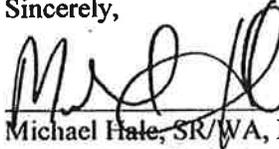
You have the right to discuss with others any offer or agreement regarding the Department's acquisition of the subject property, or you may (but are not required to) keep the offer or agreement confidential from others, subject to the provisions of Chapter 552, Government Code (the Public Records Act) as it may apply to the Department.

Attached is a copy of the Texas Department of Transportation brochure entitled "*Right of Way Purchase*" which we trust will give you a better understanding of the procedures followed by the Department in purchasing property. We respectfully request the opportunity to meet with you or to otherwise discuss and answer any questions you may have regarding the details of the type of facility to be built, or concerning the Department's offer or proposed purchase transaction. Also, please do not hesitate to contact Michael Hale at the telephone number provided above regarding any question you may have.

Please see the enclosed copy of the Texas Landowner Bill of Rights.

Finally, we enclose copies of all appraisal reports relating to your property being acquired which were prepared in the ten (10) years preceding the date of this offer and produced or acquired by the Department, including the appraisal on which this offer is based.

Sincerely,



Michael Hale, SR/WA, R/W-RAC, R/W-NAC
Right-of-Way Project Manager
Cobb, Fendley & Associates, Inc. on behalf of the Texas
Department of Transportation

ENCLOSURES:

Appraisal Report(s)

Landowner Bill of Rights

Brochure ("Right of Way Purchase")

Notice of Confidentiality Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your Social Security Number or your Driver's License Number.



DEED

TxDOT ROW CSJ: 0380-19-002

TxDOT Parcel No.: 9

Grantor(s), whether one or more:
CITY OF LAMESA

Grantor's Mailing Address (including county):
601 S. 1st Street
Lamesa, Dawson County, Texas 79331

Grantee:

The State of Texas, acting by and through the Texas Transportation Commission

Grantee's Authority:

The Texas Transportation Commission is authorized under the Texas Transportation Code to purchase land and such other property rights (including requesting that counties and municipalities acquire highway right of way) deemed necessary or convenient to a state highway or turnpike project to be constructed, reconstructed, maintained, widened, straightened, or extended, or to accomplish any purpose related to the location, construction, improvement, maintenance, beautification, preservation, or operation of a state highway or turnpike project.

The Texas Transportation Commission is also authorized under the Texas Transportation Code, Chapter 203 to acquire or request to be acquired such other property rights deemed necessary or convenient for the purposes of operating a state highway or turnpike project, with control of access as necessary to facilitate the flow of traffic and promote the public safety and welfare on both non-controlled facilities and designated controlled access highways and turnpike projects.

Grantee's Mailing Address (including county):
Texas Department of Transportation
125 E. 11th Street
Austin, Travis County, Texas 78701



Consideration:

The sum of FIFTY-FOUR THOUSAND FIFTY-SIX and 00/100 Dollars (\$54,056.00) to Grantor in hand paid by Grantee, receipt of which is hereby acknowledged, and for which no lien is retained, either expressed or implied.

Property:

All of that certain tract or parcel of land in Dawson County, Texas, being more particularly described in the attached Exhibit A (the "**Property**").

Reservations from and Exceptions to Conveyance and Warranty:

This conveyance is made by Grantor and accepted by Grantee subject to the following:

1. Visible and apparent easements not appearing of record.
2. Any discrepancies, conflicts, or shortages in area or boundary lines or any encroachments or any overlapping of improvements which a current survey would show.
3. Easements, restrictions, reservations, covenants, conditions, oil and gas leases, mineral severances, and encumbrances for taxes and assessments (other than liens and conveyances) presently of record in the Official Public Records of Dawson County, Texas, that affect the property, but only to the extent that said items are still valid and in force and effect at this time.

Grantor reserves all of the oil, gas, sulfur in and under the Property but waives all rights of ingress and egress to the surface thereof for the purpose of exploring, developing, mining or drilling for same; however, nothing in this reservation shall affect the title and rights of the Grantee, its successors and assigns, to take and use all other minerals and materials thereon, therein and thereunder.

Grantor is retaining title to the following improvements ("**Retained Improvements**") located on the Property, to wit: None

Grantor covenants and agrees to remove the Retained Improvements from the Property by N/A day of N/A, 20XX, subject to such extensions of time as may be granted by Grantee in writing. In the event Grantor fails, for any reason, to remove the Retained Improvements within the time prescribed, then, without further consideration, title to all or part of such Retained Improvements not so removed shall pass to and vest in Grantee, its successors and assigns, forever.

Access on and off Grantor's remaining property to and from the State highway facility shall be permitted except to the extent that such access is expressly prohibited by the provisions set out in Exhibit "A". Grantor acknowledges that such access on and off the State highway facility is subject to regulation as may be determined by the Texas Department of Transportation to be necessary in the interest of public safety or by applicable local municipal or county zoning, platting or permitting requirements.

GRANTOR, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in anywise belonging, to have and to hold it to Grantee and Grantee's successors and assigns forever. Grantor binds Grantor and Grantor's heirs, successors and assigns to Warrant and Forever Defend all and singular the Property to Grantee and Grantee's successors and assigns against every person whomsoever lawfully claiming or to the claim the same or any part thereof, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

EXECUTED on the date(s) of acknowledgement indicated below.

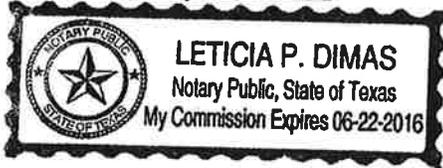
GRANTOR: CITY OF LAMESA

By: Shawna D Burkhart
Shawna Burkhart, City Manager

Acknowledgment

State of Texas
County of Dawson

This instrument was acknowledged before me on January 4th, 2016 by Shawna Burkhart, City Manager on behalf of The City of Lamesa.



Leticia P. Dimas
Notary Public's Signature

City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: FEBRUARY 21, 2017

AGENDA ITEM: 13

SUBJECT: SALE OF EXTRA PIVOT JOINT TO BE USED AS CREDIT TOWARD WORK TO SHORTEN EXISTING PIVOT (TxDOT SH349 PROJECT)

PROCEEDING: Approval

SUBMITTED BY: City Staff

EXHIBITS:

SUMMARY STATEMENT

City Council to consider sale of extra pivot joint to Mesa Irrigation Services as credit toward payment for shortening existing pivot for TxDOT SH349 Project. *(Mayor & City Manager)*

COUNCIL ACTION

DISCUSSION _____

Motion by Council Member _____ to approve sale of extra pivot joint to Mesa Irrigation Services as credit toward payment for shortening existing pivot for TxDOT SH349 Project. Motion seconded by Council Member _____ and upon being put to a vote the motion _____.

VOTING: "AYE" _____ "NAY" _____ "ABSTAIN" _____

CITY MANAGER'S MEMORANDUM

Recommend approval.

LAMESA IRRIGATION1609 N HWY 87
LAMESA, TX 79331**QUOTATION**

Quote Number: CLAMESA

Quote Date: Feb 16, 2017

Page: 1

Voice: 806 872 5479

Fax: 806 872 2615

Quoted To:CITY OF LAMESA
601 S. 1ST
LAMESA, TX 79331

Customer ID	Good Thru	Payment Terms	Sales Rep
1CLAME	3/18/17	Net 10th of Next Month	

Quantity	Item	Description	Unit Price	Amount
1.00		44" PIPE		
3.00		22" PIPE		
4.00		LEGS		
1.00		PIVOT END		
1.00		TOWER END		
2.00		STABILIZERS		
1.00		MISC BENT ANGLE IRONS		
1.00		TOTAL	750.00	750.00
			Subtotal	750.00
			Sales Tax	
			TOTAL	750.00

City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: FEBRUARY 21, 2017

AGENDA ITEM: 14

SUBJECT: APPROVAL FOR DESTRUCTION OF EIGHT LINERS
PROCEEDING: Approval
SUBMITTED BY: City Staff
EXHIBITS:

SUMMARY STATEMENT

City Council to consider authorizing the destruction of eight liners seized in raids by the Lamesa Police Department. *(Police Chief & City Manager)*

COUNCIL ACTION

DISCUSSION _____

Motion by Council Member _____ to authorize the destruction of eight liners seized in raids by the Lamesa Police Department. Motion seconded by Council Member _____ and upon being put to a vote the motion _____.

VOTING: "AYE" _____ "NAY" _____ "ABSTAIN" _____

CITY MANAGER'S MEMORANDUM

Recommend approval.



25

24

23

603122

752086

Control panel with 12 indicator lights and a red emergency stop button.











City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: FEBRUARY 21, 2017

AGENDA ITEM: 15

SUBJECT: AMEND CODE OF ORDINANCES BY ADDING SECTION 1.08.006 PARK FEES FOR USE OF THE WEAVER SPORTS COMPLEX
PROCEEDING: Ordinance, First Reading
SUBMITTED BY: City Staff
EXHIBITS:

SUMMARY STATEMENT

City Council to consider amending Code of Ordinances, Chapter 1, Section 1.08.006 Park Fees for use of the Weaver Sports Complex.

COUNCIL ACTION

DISCUSSION _____

Motion by Council Member _____ to amend Code of Ordinances, Chapter 1, Section 1.08.006 Park Fees for use of the Weaver Sports Complex. Motion seconded by Council Member _____ and upon being put to a vote the motion _____.

VOTING: "AYE" _____ "NAY" _____ "ABSTAIN" _____

CITY MANAGER'S MEMORANDUM

Recommend approval.

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF LAMESA, TEXAS,
AMENDING CHAPTER 1, ARTICLE 1.08, OF THE CODE OF
ORDINANCES OF THE CITY OF LAMESA, TEXAS,
ENTITLED "PARKS AND RECREATION" REGARDING
IMPOSITION OF FEES FOR USE OF THE WEAVER SPORTS
COMPLEX.**

On the 21st day of February, 2017, there came on and was held at the City Hall of the City of Lamesa, Texas, an open meeting of the City Council of the City of Lamesa, Texas, held pursuant to the provisions of the Texas Open Meetings Act (Texas Government Code, Chapter 551), there being a quorum present and acting throughout the meeting, the following ordinance was formally submitted by motion and duly seconded for the consideration and action of the meeting, to-wit:

WHEREAS, Chapter 1, Article 1.08 of the Code of Ordinances of the City of Lamesa, Texas, should be amended to provide for the imposition of fees for use of the Weaver Sports Complex.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAMESA, TEXAS:

SECTION 1. That Chapter 1, Article 1.08 of the Code of Ordinances of the City of Lamesa, Texas, be, and is hereby, amended by adding Section 1.08.006 "Fees For The Weaver Sports Complex":

§ 1.08.006 Fees For The Weaver Sports Complex

- 1) \$350.00 per league per season (Cal Ripken Baseball League and Lamesa Girls Fast Pitch Association)
- 2) \$350.00 per season for Lamesa traveling teams [includes usage of 2 days a week (Wednesday evening and Friday evening) for 2.5 hours per day, lighting not included]
- 3) Out-of-town teams:
 - (a) \$500.00 Refundable deposit
 - (b) \$100.00 per field per day

SECTION 2. The effective date of this Ordinance shall be March 21, 2017.

SECTION 3. The City Secretary is hereby authorized and directed to publish the descriptive caption of this ordinance in the manner and for the length of time prescribed by Article IV, Section 24 of the City Charter and state law.

Upon being put to a vote, the foregoing ordinance was Passed, on First Reading, on the 21st day of February, 2017; and

Upon being put to a vote, the foregoing ordinance was Passed, on Second Reading, on the ____ day of March, 2017.

ATTEST:

APPROVED:

Norma Garcia, City Secretary

Josh Stevens, Mayor

City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: FEBRUARY 21, 2017

AGENDA ITEM: 16

SUBJECT: **BUDGET AMENDMENT I**
PROCEEDING: Ordinance, First Reading
SUBMITTED BY: City Staff
EXHIBITS:

SUMMARY STATEMENT

City Council to consider amending Ordinance O-18-16 on first reading with respect to October 1, 2016 fiscal year budget. *(City Manager & Finance Director)*

COUNCIL ACTION

DISCUSSION _____

Motion by Council Member _____ to amend Ordinance O-18-16 on first reading with respect to October 1, 2016 fiscal year budget. Motion seconded by Council Member _____ and upon being put to a vote the motion _____.

VOTING: "AYE" _____ "NAY" _____ "ABSTAIN" _____

CITY MANAGER'S MEMORANDUM

Recommend approval.

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF LAMESA, TEXAS, AMENDING
ORDINANCE NO. 0-18-16 TO APPROPRIATE FUNDS IN THE CITY
OF LAMESA BUDGET FOR FISCAL YEAR 2016-2017.**

On the 21st day of February, 2017, there came on and was held at the City Hall of the City of Lamesa, Texas, an open meeting of the City Council of the City of Lamesa, Texas, held pursuant to the provisions of the Texas Open Meetings Act (Government Code, Chapter 551). There being a quorum present and acting throughout the meeting, the following ordinance was formally submitted by motion and duly seconded for the consideration and action of the meeting, to-wit:

WHEREAS, the City Council desires to amend Ordinance No. 0-18-16 to make certain revisions to the 2016-2017 Budget of the City of Lamesa to authorize and appropriate funds as listed below; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAMESA, TEXAS:

SECTION 1. That the City of Lamesa 2016-2017 Budget contained in Ordinance No. 0-16-18 be, and same is hereby, amended to change the amount appropriated by the following:

	<u>Revenues</u>	<u>Expenditures</u>
Utility Fund (2)	\$ -6,250.00	\$ _____
Total of All Funds	\$ -6,250.00	\$ _____

SECTION 2. Effective date: That this Ordinance shall become effective as of this March 31, 2017.

SECTION 3. The City Secretary is hereby authorized and directed to cause publication of this Ordinance as provided by law.

Upon being put to a vote, the foregoing ordinance was Passed, on First Reading on February 21, 2017 by a majority vote; and on March 21, 2017, there will be held at the regular meeting place, the City Hall, an open meeting of the City Council of the City of Lamesa, Texas held pursuant to the provisions of the Texas Open Meetings Act (Government. Code, Chapter 551); there being a quorum present and acting throughout the meeting, the foregoing ordinance was formally submitted by motion and duly seconded for the consideration and action of the meeting, and upon being put to a vote, the foregoing ordinance was Passed on First Reading by a majority vote and ordered to be spread upon the minutes of the City Council of the City of Lamesa, Texas and recorded in the ordinance book thereafter.

ATTEST:

APPROVED:

Norma Garcia
City Secretary

Josh Stevens
Mayor

CITY OF LAMESA
BUDGET AMENDMENT 2017-01 FOR FY 2016/2017

UTILITY FUND

This budget amendment reflects a decrease in revenue for the Mike Tyler farm land lease as a result of the TxDOT SH349 Project per the amendment to the lease agreement reflected in the February 21, 2017 City Council agenda and minutes.

Decrease Revenues (2-41209 – Farm & Oil Leases)	\$ - 6,250.00
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City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: FEBRUARY 21, 2017

AGENDA ITEM: 17

SUBJECT: CITY STAFF REPORTS

SUBMITTED BY: City Staff

EXHIBITS:

SUMMARY STATEMENT

City Council to hear city departmental reports:

- a. **PARKS, STREETS, SANITATION/LANDFILL REPORT:** Director to report on the city's recent events.
- b. **UTILITIES DIRECTOR REPORT:** Utilities Director to report on the city's recent events.

COUNCIL ACTION

No City Council action required.

City Council Agenda
City of Lamesa, Texas

DATE OF MEETING: FEBRUARY 21, 2017

AGENDA ITEM: 18

SUBJECT: INVESTMENT REPORT
SUBMITTED BY: City Staff
EXHIBITS: Report

SUMMARY STATEMENT

Finance Director to report on the city's investments for the first quarter of FY 2016-2017.

COUNCIL ACTION

No City Council action required.

INVESTMENT REPORT FOR December 2016

CD#	Interest	\$	Avg. Balance
2002-03	Interest	\$ 48,767.06	1,742,714.00
2003-04	Interest	\$ 40,069.45	1,742,714.00
2004-05	Interest	\$ 40,880.26	1,759,816.00
2005-06	Interest	\$ 56,019.11	2,146,537.00
2006-07	Interest	\$ 42,445.58	2,146,537.00
2007	Interest	\$ 103,386.65	2,849,704.00
2007-08	Interest	\$ 94,120.62	2,745,781.28
2008-09	Interest	\$ 71,287.08	2,833,333.82
2009-10	Interest	\$ 41,237.72	1,964,017.00
2010-11	Interest	\$ 34,671.22	1,791,287.03
2011-12	Interest	\$ 37,534.15	2,843,995.73
2012-13	Interest	\$ 38,711.58	4,202,337.97
2013-14	Interest	\$ 38,801.99	2,820,425.22
2014-15	Interest	\$ 30,132.24	2,824,571.47
2015-16	Interest	\$ 29,136.52	2,659,875.84
2016-17	Interest	\$ 6,455.44	2,491,392.07

CHANCE FISCAL YEAR

An additional \$100,000 CD originally pledged against Water System Revenue Bonds is also held in the portfolio

The following investments are held by the various funds of the City of Lamesa:

Type Investment	ID#	Maturity	Beginning Book and Market Value	Ending Book and Market Value	Interest Rate	Annual Yield
Certificate of Deposit	23376	09/16/17	\$ 100,000.00	\$ 100,000.00	1.10%	1.11%
Certificate of Deposit	29433	11/28/17	\$ 100,000.00	\$ 100,000.00	1.10%	1.11%
Certificate of Deposit	28416	11/16/17	\$ 100,000.00	\$ 100,000.00	1.10%	1.11%
Certificate of Deposit	23792	12/15/16	\$ 100,000.00	\$ 100,000.00	1.10%	1.11%
Certificate of Deposit	28526	01/15/17	\$ 100,000.00	\$ 100,000.00	1.10%	1.11%
Certificate of Deposit	28550	02/15/17	\$ 300,000.00	\$ 300,000.00	0.85%	0.85%
Certificate of Deposit	28668	03/22/17	\$ 100,000.00	\$ 100,000.00	0.85%	0.85%
Certificate of Deposit	29216	04/19/17	\$ 100,000.00	\$ 100,000.00	1.10%	1.11%
Certificate of Deposit	28853	07/23/17	\$ 144,633.45	\$ 144,633.45	1.10%	1.11%
Certificate of Deposit	29432	05/28/17	\$ 250,000.00	\$ 250,000.00	0.85%	0.85%
Time Deposit	7057482		\$ 1,092,455.64	\$ 1,107,515.68		
Total Investments			\$ 2,487,099.09	\$ 2,502,149.13		

Certificate of Deposit 23376 is owned by the Water Fund, all other Certificates and Time Deposits are pooled.
 Each fund's contribution to the investment pool is shown on the second page of this report.

Pledges

Receiver #	Due Date	Safeguarding at	Market Value	Pledged Value	Issue Date	Cancelled
13843	11/28/18	PlainsCapital Bar	\$ 2,989,110.00	\$ 2,989,110.00	03/05/15	
14689	04/28/20	PlainsCapital Bar	\$ 1,949,620.00	\$ 1,949,620.00	07/19/16	
13822	08/01/19	PlainsCapital Bar	\$ 1,987,880.00	\$ 993,940.00	07/27/15	
14020	03/27/18	PlainsCapital Bar	\$ 1,997,740.00	\$ 1,997,740.00	03/26/14	
Total			\$ 8,924,350.00	\$ 7,930,410.00		

Shawna D. Burkhardt
 Investment Officer
 Date

Shawna D Burkhardt
 1/12/17

Norma Garcia
 Treasurer
 Date

Norma Garcia
 1-12-17

Wayne Chapman
 Director of Finance
 Date

Wayne Chapman
 1/12/17

FUND	CASH/CDS	GENERAL	CAPITAL PROJ	WATER FUND	WATER DEPOSITS	WATER TOWER PROJECT	WATER CAP. EQ. RESERVE	CAPITAL PROJ WW TRMT Pnt.	DEBT SERVICE TANK/VAC TRK	SWMF CAP. EQ. RESERVE	SWMF POST. CLOS. RES.	MOTEL TAX	RISK MGMT	FORFEITED PROPERTY
OCT. 1	2,482,793.69	860,202.91	117,160.82	472.06	29,085.99	386,128.11	144,341.64	90,434.29	17,900.87	45,013.93	613,088.97	52,789.50	126,158.76	15.72
Deposit	0.00													
Withdrawal														
Water C.D.	90.41						90.41							
Mon. Int.	2,053.90	711.61	96.92	0.39	24.06	319.43	119.41	74.81	14.81	37.24	507.18	43.67	104.37	0.01
OCT. 1	2,484,938.00	860,914.52	117,257.74	472.45	29,110.05	386,447.54	144,551.46	90,509.10	17,915.68	45,051.17	613,596.15	52,833.17	126,263.13	15.73
NOV. 1	2,484,938.00	860,914.52	117,257.74	472.45	29,110.05	386,447.54	144,551.46	90,509.10	17,915.68	45,051.17	613,596.15	52,833.17	126,263.13	15.73
Deposit	0.00													
Withdrawal	0.00													
Water C.D.	93.43						93.43							
Mon. Int.	2,057.66	712.88	97.10	0.39	24.10	320.00	119.70	74.95	14.84	37.30	508.09	43.75	104.55	0.01
NOV. 1	2,487,089.09	861,627.40	117,354.84	472.84	29,134.16	386,767.53	144,764.58	90,584.05	17,930.51	45,088.47	614,104.24	52,876.92	126,367.68	15.75
DEC. 1	2,487,089.09	861,627.40	117,354.84	472.84	29,134.16	386,767.53	144,764.58	90,584.05	17,930.51	45,088.47	614,104.24	52,876.92	126,367.68	15.75
Deposit	12,900.00						12,900.00							
Withdrawal	0.00													
Water C.D.	90.41						90.41							
Mon. Int.	2,069.63	717.00	97.66	0.39	24.24	321.85	120.47	75.38	14.92	37.52	511.03	44.00	105.16	0.01
DEC. 1	2,502,149.13	862,344.40	117,452.49	473.24	29,158.40	387,089.38	157,875.46	90,659.43	17,945.43	45,125.99	614,615.27	52,920.92	126,472.83	15.76



The Lamesa National Bank

P.O. Drawer 301 Lamesa, Texas 79331
806 872-5457 Member FDIC

028 00001 01
ACCOUNT:

PAGE: 1
7057482 12/31/2016

H

LAMESA CONSOLIDATED SP FUNDS

101

* HOLD STATEMENT *

THANK YOU FOR CHOOSING THE
LAMESA NATIONAL BANK
TO SERVE YOUR BANKING NEEDS!

ST & POL SAVINGS ACCOUNT 7057482

DESCRIPTION	DEBITS	CREDITS	DATE	BALANCE
BALANCE LAST STATEMENT			11/30/16	1092,455.64 ✓
MISCELLANEOUS CREDIT		12,900.00	12/02/16	1105,355.64
INTEREST FROM ST & POL > 100M C.O.D. 23792		90.41	12/15/16	1105,446.05
INTEREST FROM ST & POL > 100M C.O.D. 28526		90.41	12/15/16	1105,536.46
INTEREST FROM ST & POL > 100M C.O.D. 28550		209.59	12/15/16	1105,746.05
INTEREST FROM ST & POL > 100M C.O.D. 28416		90.41	12/16/16	1105,836.46
INTEREST FROM ST & POL > 100M C.O.D. 923376		90.41	12/16/16	1105,926.87
INTEREST FROM ST & POL > 100M C.O.D. 29216		90.42	12/19/16	1106,017.29
INTEREST FROM ST & POL > 100M C.O.D. 28668		69.86	12/22/16	1106,087.15
INTEREST FROM ST & POL > 100M C.O.D. 28853		130.76	12/23/16	1106,217.91
INTEREST FROM ST & POL > 100M C.O.D. 29433		90.41	12/28/16	1106,308.32
INTEREST FROM ST & POL > 100M C.O.D. 29432		174.66	12/28/16	1106,482.98
INTEREST		1,032.70	12/31/16	1107,515.68
BALANCE THIS STATEMENT			12/31/16	1107,515.68 ✓
TOTAL CREDITS (12)		15,060.04		
TOTAL DEBITS (0)		.00		

* * * CONTINUED * * *



028 00001 01
ACCOUNT:

PAGE: 2
7057482 12/31/2016

LAMESA CONSOLIDATED SP FUNDS

=====
ST & POL SAVINGS ACCOUNT 7057482
=====

- - - - - I N T E R E S T - - - - -

AVERAGE LEDGER BALANCE:	1,105,379.55	INTEREST EARNED:	1,032.70
INTEREST PAID THIS PERIOD:	1,032.70	DAYS IN PERIOD:	31
INTEREST PAID 2016:	14,802.91	ANNUAL PERCENTAGE YIELD EARNED:	1.11%

City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: FEBRUARY 21, 2017

AGENDA ITEM: 19

SUBJECT: FINANCIAL REPORT
SUBMITTED BY: City Staff
EXHIBITS: Report

SUMMARY STATEMENT

Finance Director to report on the city's finances.

COUNCIL ACTION

No City Council action required.



City of Lamesa
Financial Statement Summary
As of: January 31st, 2017

	Current	
	Month-to-Date	Year-to-Date
General Fund (1)		
Revenues	\$ 283,794.88	\$ 2,139,162.05
Expenditures	\$ 251,927.37	\$ 1,201,733.78
Revenues Over/(Under) Expenditures	<u>\$ 31,867.51</u>	<u>\$ 937,428.27</u>
Water & Wastewater Fund (2)		
Revenues	\$ 379,269.55	\$ 1,451,976.24
Expenditures	\$ 317,848.60	\$ 1,363,187.53
Revenues Over/(Under) Expenditures	<u>\$ 61,420.95</u>	<u>\$ 88,788.71</u>
Solid Waste Fund (3)		
Revenues	\$ 157,462.71	\$ 652,135.79
Expenditures	\$ 114,803.26	\$ 596,307.27
Revenues Over/(Under) Expenditures	<u>\$ 42,659.45</u>	<u>\$ 55,828.52</u>
Golf Course Fund (18)		
Revenues	\$ 52,663.00	\$ 90,259.25
Expenditures	\$ 17,311.73	\$ 76,999.57
Revenues Over/(Under) Expenditures	<u>\$ 35,351.27</u>	<u>\$ 13,259.68</u>
All Funds		
Revenues	\$ 873,190.14	\$ 4,333,533.33
Expenditures	\$ 701,890.96	\$ 3,238,228.15
Revenues Over/(Under) Expenditures	<u>\$ 171,299.18</u>	<u>\$ 1,095,305.18</u>

C I T Y O F L A M E S A
 FINANCIAL STATEMENT
 AS OF: JANUARY 31ST, 2017

01 -GENERAL FUND
 FINANCIAL SUMMARY

ACCT#	ACCOUNT NAME	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	BUDGET BALANCE
REVENUE SUMMARY						
01-TAXES		3,134,951.00	204,640.25	1,807,328.53	57.65	1,327,622.47
02-FRANCHISES AND STREET		508,500.00	15,052.13	151,927.94	29.88	356,572.06
03-PERMITS, LICENSES AND		27,000.00	4,699.90	29,626.05	109.73	2,626.05
04-FINES		68,000.00	4,072.38	14,693.41	21.61	53,306.59
05-RECREATIONAL AND RENTA		25,000.00	1,825.90	7,475.03	29.90	17,524.97
06-OTHER GOVERNMENTAL AGE		203,865.00	43,826.75	87,389.15	42.87	116,475.85
07-TRANSFERS		0.00	0.00	0.00	0.00	0.00
08-CHARGES FOR CURRENT SE		17,200.00	154.15	1,735.65	10.09	15,464.35
09-MISCELLANEOUS REVENUES		216,630.00	9,523.42	38,986.29	18.00	177,643.71
19-SOURCE (CHG TO 49XXX)		0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES		4,201,146.00	283,794.88	2,139,162.05	50.92	2,061,983.95

EXPENDITURE SUMMARY

GENERAL ADMIN SERVICES	212,643.00	11,419.53	65,240.37	30.68	147,402.63
FINANCIAL SERVICES	80,567.00	765.15	30,326.57	37.64	50,240.43
PERSONNEL/RISK MGT SERV	60,089.00	3,307.47	22,859.68	38.04	37,229.32
COMMUNITY DEVELOPMENT SER	1,000.00	80.58	297.70	29.77	702.30
HOUSING ASSISTANCE SERV	9,607.00	4,380.87	2,744.46	28.57	12,351.46
CITY COUNCIL	51,286.00	3,326.08	14,847.34	28.95	36,438.66
CITY HALL	87,375.00	11,892.18	24,454.70	27.99	62,920.30
INTERGOVERNMENTAL	82,315.00	2,084.53	20,698.92	25.15	61,616.08
MUNICIPAL COURT	117,276.00	7,383.01	32,983.58	28.12	84,292.42
VEHICLE REPAIR SERVICES	35,089.00	984.44	5,422.53	15.45	29,666.47
VEHICLE PREVENTIVE MNT	1,780.00	121.74	151.35	8.50	1,931.35
FIRE SERVICES	578,422.00	44,546.70	219,695.54	37.98	358,726.46
VOLUNTEER FIRE SERVICES	138,006.00	16,151.16	44,593.12	32.31	93,412.88
PD - GEN'L ADMIN SERV	197,233.00	14,768.69	67,896.96	34.42	129,336.04
COMMUNICATIONS SERVICES	212,320.00	12,254.22	61,946.05	29.18	150,373.95
GEN'L LAW ENFORCEMENT SER	931,098.00	52,255.26	255,565.64	27.45	675,532.36
CRIMINAL INVESTIGATIONS	161,596.00	11,664.70	54,530.81	33.75	107,065.19
JUVENILE SERVICES	0.00	0.00	0.00	0.00	0.00
ANIMAL CONTROL SERVICE	37,597.00	1,084.16	163.21	0.43	37,433.79
EMERGENCY MANAGEMENT SERV	21,400.00	67.11	263.67	1.23	21,136.33
NARCOTICS INTERDICTION	0.00	0.00	0.00	0.00	0.00
STREET MAINTENANCE SERV	253,085.00	8,747.34	78,942.05	31.19	174,142.95
STREET CONST/SEAL COAT	119,050.00	100.00	255.18	0.21	119,305.18
STREET CLEANING SERVICES	96,244.00	2,457.60	9,910.37	10.30	86,333.63
TRAFFIC SERVICES	167,651.00	11,944.93	50,336.91	30.02	117,314.09
INSPECTION SERVICES	138,238.00	10,565.02	36,913.91	26.70	101,324.09
PARK MAINTENANCE SERVICES	259,673.00	16,648.52	76,226.54	29.35	183,446.46
PARK IRRIGATION SERVICES	12,043.00	1,078.95	105.17	0.87	11,937.83
COMMUNITY BUILDING SERV	43,659.00	3,604.70	9,581.99	21.95	34,077.01
RECREATIONAL FACILITIES	187,794.00	1,935.63	17,565.35	9.35	170,228.65

C I T Y O F L A M E S A
 FINANCIAL STATEMENT
 AS OF: JANUARY 31ST, 2017

01 -GENERAL FUND
 FINANCIAL SUMMARY

ACCT#	ACCOUNT NAME	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	BUDGET BALANCE
	SWIMMING POOL SERVICES	77,953.00	876.80	3,516.09	4.51	74,436.91
	TOTAL EXPENDITURES	4,372,089.00	251,927.37	1,201,733.78	27.49	3,170,355.22
	REVENUES OVER/(UNDER) EXPENDITURES	(170,943.00)	31,867.51	937,428.27	548.39-	(1,108,371.27)
	OTHER SOURCES (USES)	0.00	0.00	0.00	0.00	0.00
	REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER (USES)	(170,943.00)	31,867.51	937,428.27	548.39-	(1,108,371.27)

CITY OF LAMESA
 FINANCIAL STATEMENT
 AS OF: JANUARY 31ST, 2017

02 -WATER & WASTEWATER ENTER.
 FINANCIAL SUMMARY

ACCT#	ACCOUNT NAME	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	BUDGET BALANCE
REVENUE SUMMARY						
	11-OPERATING REVENUES	4,524,516.00	359,235.43	1,426,020.46	31.52	3,098,495.54
	12-NON-OPERATING REVENUES	201,291.00	20,034.12	25,955.78	12.89	175,335.22
	TOTAL REVENUES	4,725,807.00	379,269.55	1,451,976.24	30.72	3,273,830.76
EXPENDITURE SUMMARY						
	WATER PRODUCTION SERVICES	1,615,614.00	174,689.46	417,885.81	25.87	1,197,728.19
	WATER DIST/WASTEWATER SER	1,792,337.00	79,310.55	470,677.98	26.26	1,321,659.02
	WASTEWATER TREATMENT SERV	825,492.00	35,802.60	328,996.53	39.85	496,495.47
	ENGINEERING SERVICES	78,100.00	5,335.07	23,291.99	29.82	54,808.01
	TECHNICAL SERVICES	72,942.00	5,020.27	25,244.43	34.61	47,697.57
	UTILITY BILLING/COLLECT	280,107.00	17,432.22	96,526.15	34.46	183,580.85
	INSPECTION SERVICES	0.00	258.43	564.64	0.00	(564.64)
	TOTAL EXPENDITURES	4,664,592.00	317,848.60	1,363,187.53	29.22	3,301,404.47
	REVENUES OVER/(UNDER) EXPENDITURES	61,215.00	61,420.95	88,788.71	145.04	(27,573.71)
	OTHER SOURCES (USES)	0.00	0.00	0.00	0.00	0.00
	REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER (USES)	61,215.00	61,420.95	88,788.71	145.04	(27,573.71)

CITY OF LAMESA
 FINANCIAL STATEMENT
 AS OF: JANUARY 31ST, 2017

03 -SOLID WASTE ENTERPRISE
 FINANCIAL SUMMARY

ACCT#	ACCOUNT NAME	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	BUDGET BALANCE
REVENUE SUMMARY						
05-	RECREATIONAL AND RENTA	0.00	0.00	0.00	0.00	0.00
21-	OPERATING REVENUES	1,796,720.00	152,017.71	624,084.55	34.73	1,172,635.45
22-	NON-OPERATING REVENUES	73,800.00	5,445.00	28,051.24	38.01	45,748.76
	TOTAL REVENUES	1,870,520.00	157,462.71	652,135.79	34.86	1,218,384.21
EXPENDITURE SUMMARY						
	SOLID WASTE COLLECTION SV	923,219.00	62,621.85	324,825.91	35.18	598,393.09
	SANITARY LANDFILL SERVICE	957,353.00	41,640.38	214,713.20	22.43	742,639.80
	SPECIALIZED COLLECTION SV	137,396.00	7,167.78	33,307.14	24.24	104,088.86
	ENVIRONMENTAL HEALTH SERV	88,789.00	3,373.25	23,461.02	26.42	65,327.98
	TOTAL EXPENDITURES	2,106,757.00	114,803.26	596,307.27	28.30	1,510,449.73
	REVENUES OVER/(UNDER) EXPENDITURES	(236,237.00)	42,659.45	55,828.52	23.63-	(292,065.52)
	OTHER SOURCES (USES)	0.00	0.00	0.00	0.00	0.00
	REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER (USES)	(236,237.00)	42,659.45	55,828.52	23.63-	(292,065.52)

CITY OF LAMESA
 FINANCIAL STATEMENT
 AS OF: JANUARY 31ST, 2017

18 -MUNICIPAL GOLF COURSE
 FINANCIAL SUMMARY

ACCT#	ACCOUNT NAME	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	BUDGET BALANCE
REVENUE SUMMARY						
	09-MISCELLANEOUS REVENUES	0.00	0.00	0.00	0.00	0.00
	31-FEES AND DUES	204,650.00	52,663.00	90,259.25	44.10	114,390.75
	TOTAL REVENUES	204,650.00	52,663.00	90,259.25	44.10	114,390.75
EXPENDITURE SUMMARY						
	MUNICIPAL GOLF COURSE	204,651.00	17,311.73	76,999.57	37.62	127,651.43
	TOTAL EXPENDITURES	204,651.00	17,311.73	76,999.57	37.62	127,651.43
	REVENUES OVER/(UNDER) EXPENDITURES	(1.00)	35,351.27	13,259.68	968.00-	(13,260.68)
	REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER (USES)	(1.00)	35,351.27	13,259.68	968.00-	(13,260.68)



City of Lamesa
Balance Sheet Summary
As of : January 31st, 2017

General Fund (1)

Assets	\$	3,759,166.25
Liabilities	\$	646,840.02

Water & Wastewater Fund (2)

Assets	\$	17,322,764.93
Liabilities	\$	13,521,534.65

Solid Waste Fund (3)

Assets	\$	4,053,619.51
Liabilities	\$	1,667,212.08

Golf Course Fund (18)

Assets	\$	181,861.48
Liabilities	\$	139,549.32

BALANCE SHEET
AS OF: JANUARY 31ST, 2017

01 -GENERAL FUND

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE
<u>ASSETS</u>		
=====		
01-1001	CASH IN BANK	2,277,932.56
01-1002	PETTY CASH	0.00
01-1003	RETURNED CHECKS	5,660.43
01-1004	TAXES RECEIVABLE-DELIQUENT	119,260.13
01-1005	TAXES RECEIVABLE CURRENT	74,644.74
01-1006	PROV. FOR UNCOLLECT TAXES	(39,006.27)
01-1007	MISC ACCT. RECEIVABLE	4,440.70
01-1008	PROV. UNCOLLEC. ACCT/REC	(184.11)
01-1009	PAVING LEIN RECEIVABLE	153,782.00
01-1010	UNCOLLECTABLE PAVING LEIN	(69,202.00)
01-1011	A/R LUBBOCK TASK FORCE	0.00
01-1012	A/R TNRCC	0.00
01-1013	OFFICE SUPPLIES INVENTORY	18,702.38
01-1014	DUE FROM DAWSON COUNTY	0.40
01-1015	CASH IN BANK - PAYROLL	0.00
01-1016	DUE FROM DEBT SERVICE	0.00
01-1017	FUEL TAX C.D.	0.00
01-1018	DUE TO/FROM 1997 TAN	0.00
01-1019	DUE TO/FROM SOLID WASTE FUND	0.00
01-1020	DUE FROM INVESTMENT FUND	862,344.40
01-1021	CAPITAL EQUIPMENT RESERVE	0.00
01-1022	BUILDING & COMPUTER RESERVE	0.00
01-1023	DUE FROM FIRE DEPT. GRANTS	0.00
01-1024	DUE FROM JUSTICE GRANT	0.00
01-1025	DUE TO/ FROM STATE AGENCY	0.00
01-1026	DUE FROM OTHER GOVERNMENTS	32,500.00
01-1027	DUE TO/FROM CAPITAL PROJECT	0.00
01-1028	SALES TAX RECEIVABLE	5,711.97
01-1029	DUE TO/FROM DEBT SERVICE	0.00
01-1030	DUE FROM MOTEL TAX FUND	0.00
01-1031	DUE TO/FROM SPECIAL REV. FUND	0.00
01-1032	DUE FROM INVESTMENT-CIVIC CTR.	0.00
01-1033	ACCOUNTS RECEIVABLE	0.00
01-1034	SALES TAX REC./TX COMPTROLLER	266,864.00
01-1040	TAN I&S RESERVE	0.00
01-1044	CIP - F PARK LIGHT PROJECT	0.25
01-1045	CITY OF LAMESA - CFS FESTIVAL	8,083.56
01-1046	CRIME LINE	2,661.80
01-1050	DUE TO/FROM RISK MGMT & SAFE	0.00
01-1055	DUE FROM INVESTMENT FUND	0.00
01-1060	DUE FROM ECONOMIC DEVELO	34,969.31
01-1070	DUE FROM FORFEITED TRUST	0.00
01-1071	DUE FROM WWF-LAND PURCHASE	0.00
01-1072	DUE TO/FROM GOLF COURSE	0.00
01-1080	D.A.R.E.	0.00
01-1085	DUE FROM HOUSING AUTHORITY	0.00
01-1090	XFER FOR RETIREMENT/C.O.'	0.00
01-1095	DUE FROM LEAP	0.00
		3,759,166.25
TOTAL ASSETS		3,759,166.25
		=====

BALANCE SHEET
AS OF: JANUARY 31ST, 2017

01 -GENERAL FUND

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE
LIABILITIES		
01-2013	PAVING LIEN REFUND PAYABLE	0.00
01-2014	SALES TAX PAYABLE	0.00
01-2015	VOUCHERS PAYABLE	190,231.52
01-2016	COMMUNITY BLDG.DEPOSITS	17,110.50
01-2017	REFUND OF CASH DEPOSITS	591.00
01-2018	WAGES PAYABLE	0.00
01-2019	GROUP INSURANCE PAYABLE	0.00
01-2020	WITHHOLDING TAX PAYABLE	4,036.34
01-2021	SOCIAL SECURITY PAYABLE	5,936.22
01-2022	T.M.R.S. PAYABLE	7,524.91
01-2023	AUTO ALLOWANCE PAYABLE	0.00
01-2024	BONDS	0.00
01-2025	DEDUCTIONS PAYABLE	5,384.77
01-2026	WORKERS COMPENSATION	0.00
01-2027	AIRPORT	0.00
01-2028	OPTIONAL LIFE PAYABLE	0.00
01-2029	DUE TO SWMF	0.00
01-2030	GOVERNOR'S TAX PAYABLE	0.00
01-2031	TRANS.FOR RET.BONDS	0.00
01-2032	DUE TO STATE AGENCY	0.00
01-2033	C.D.B.G.	0.00
01-2034	DUE TO LAMESA HOUSING	0.00
01-2035	TRANS. FROM DEVELOP. FUND	0.00
01-2036	TEEN COURT ADMIN FEE	200.00
01-2037	DUE TO RISK MGT & SAFETY	0.00
01-2038	DUE TO/FROM WATER FUND	0.00
01-2039	WARRANTS PAYABLE	0.00
01-2040	UNITED FUND	51.00
01-2041	SALES TX DUE TO LEDC -TX COMPT	44,477.00
01-2042	DUE TO LEAP -SALES TAX	44,477.00
01-2043	TMR5 EMPLOYEE BACK PAY	886.49
01-2044	FLEX SPENDING ACCT. (FSA)	0.00
01-2045	PROV. FOR COMP.ABSENCES	0.13
01-2048	1992 C O DEBT-PRINCIPAL	0.00
01-2049	1992 C.O. DEBT	0.00
01-2050	ICMA-RC PAYABLE	0.00
01-2051	COURT BONDS PAYABLE	0.00
01-2052	COURT BUILDING SECURITY FUND	13,457.83
01-2053	COURT TECHNOLOGY FEE	6,192.60
01-2055	TAN I&S PRINCIPAL	0.00
01-2056	TAN I&S INTEREST	0.00
01-2070	GROUP INS. PRE-TAX	0.00
01-2075	EMPLOYEE REIMB. SICK LEAVE	0.00
01-2080	DEFERRED REVENUE-PAVING	0.00
01-2081	DEFERRED REVENUE-TAXES	154,898.62
01-2082	DEFERRED REVENUE-MISC. POLICE	0.14
01-2083	DEFERRED REVENUE REVITAL GRANT	0.00
01-2084	DEFERRED REVENUE- CIVIC CENTER	0.00
01-2085	AFLAC PRE-TAX	3,125.97

01 -GENERAL FUND

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE
01-2086	DEFERRED REV.-POLICE DONATIONS	2,311.89
01-2087	DEFERRED REV.-COURTHOUSE PROJ.	0.00
01-2088	DEFERRED REVENUE-SWAT DONATION	696.00
01-2089	DEFERRED REVENUE/FIRE PROTECTI	0.00
01-2090	AFLAC POST TAX	622.94
01-2091	DEFERRED REV.-L.I.S.D. BUYMONE	3,786.50
01-2092	AIR MED CARE	0.00
01-2094	NEW YORK LIFE INS. PAYABLE	(595.10)
01-2095	VISION INS. PAYABLE	766.68
01-2096	EMPLOYEE LEGAL SERV. PAYABLE	181.30
01-2097	WORK BOOTS PAYABLE	(1,545.66)
01-2098	DEFERRED REV. - SPORTS COMPLEX	84,580.00
01-2099	JAE FITNESS PAYABLE	(745.03)
01-2150	ACCRUED PAYABLES	0.00
01-2160	ACCRUED PAYROLL LIABILITY	58,199.00
01-2999	PROFIT & LOSS	0.00
	TOTAL LIABILITIES	646,840.02
EQUITY		

01-3001	FUND BALANCE	2,174,897.96
01-3002	RESERVE-CAPITAL EQUIPMENT	0.00
01-3003	RESERVE-BUILDING & COMPUTER	0.00
01-3010	C.O. INTEREST	0.00
01-3011	C.O. PRINCIPAL	0.00
01-3012	TAN INTEREST	0.00
01-3013	TAN PRINCIPAL	0.00
01-3014	OTHER PRINCIPAL	0.00
01-3015	OTHER INTEREST	0.00
	TOTAL BEGINNING EQUITY	2,174,897.96
	TOTAL REVENUE	2,139,162.05
	TOTAL EXPENSES	1,201,733.78
	TOTAL REVENUE OVER/(UNDER) EXPENSES	937,428.27
	TOTAL EQUITY & REV. OVER/(UNDER) EXP.	3,112,326.23
	TOTAL LIABILITIES, EQUITY & REV.OVER/(UNDER) EXP.	<u>3,759,166.25</u>

02 -WATER & WASTEWATER ENTER.

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE
ASSETS		
02-1001	CASH IN BANK	67,816.08
02-1002	CASH IN DRAWER	0.00
02-1003	DUE FROM INVESTMENTS/WATER DEP	29,158.39
02-1004	CAPITAL EQUIPMENT RESERVE	183,675.46
02-1005	W.S.G. CHGS. RECEIVABLE	174,354.33
02-10051	REFUNDS PAYABLE	(363.44)
02-10052	UTILITY A/R SUSPENSE	0.00
02-10053	UNAPPLIED US REVENUE	(14,583.09)
02-10054	US GL RECON REPORT	0.00
02-1006	PROV.FOR UNCOLLECT. ACCTS	(12,350.21)
02-1007	INVENTORY SUPPLIES	130,541.93
02-1008	WW. TRMT PLNT .RES.INVESTMENTS	90,659.43
02-1009	UTILITY SYSTEM IMPROV RESERVE	0.00
02-1010	UNAMORTIZED TAN ISSUE COSTS	0.00
02-1011	AMORT.OF DISC. & PREMIUMS	0.00
02-1012	WATER SYSTEM LAND	33,460.47
02-1013	WATER RIGHTS PURCHASED	6,680,247.00
02-1014	WALKS, DRIVES & FENCES	13,972.20
02-1015	BUILDINGS	222,962.45
02-1016	WELLS & WELL HOUSES	760,944.63
02-1017	BOOSTER STAT. AND STORAGE	2,291,808.72
02-1018	WATER LINES,VALVES & FITT	3,159,210.19
02-1019	WATER TAPS AND METERS	2,254,225.62
02-1020	AUTOMOTIVE & MISC.EQUIP.	2,018,493.59
02-1021	FIRE HYDRANTS	67,134.14
02-1022	WATER SYST. DEPRECIATION	(9,462,727.00)
02-1023	SEWER SYSTEM-LAND & LAGOO	95,540.50
02-1024	SEWAGE LIFT STATIONS	672,855.55
02-1025	DISPOSAL PLANT	359,628.45
02-1026	SEWER LINES	1,114,377.03
02-1027	SEWER SYS. DEPRECIATION	(1,246,569.00)
02-1028	DUE TO/FROM SOLID WASTE	0.00
02-1029	ELECTRICAL INVENTORY	0.00
02-1030	WW LIFTSTATION/LUBBOCK HWY.	473.22
02-1031	ACCOUNTS REC. - TRRA	0.00
02-1032	06 TAN ISSUANCE COSTS	54,238.24
02-1033	06 TAN AMORTIZATION	53,673.00
02-1035	DUE FROM TCDP GRANT	0.00
02-1036	DUE FROM INV. FUND-TX NOTE 06	17,945.45
02-1037	DUE TO INVESTMENT - WTR. TOWER	387,089.39
02-1039	WATER TREATMENT PLANT	6,826,216.77
02-1040	WW TRMT PLANT RES.	0.00
02-1050	CASH IN BANK-TRMT PLANT	701.75
02-1060	CIP - NEW WATER WELL PROJECT	(0.23)
02-1065	CIP - LUBBOCK HWY LIFTSTATION	0.16
02-1070	CIP - ELEVATED STORAGE TANK	0.24
02-1075	CIP - WATER MAIN IMP, HWY 87	(0.48)
02-1080	NET PENSION ASSET (LIABILITY)	223,003.00
02-1081	DEFERRED OUTFLOW-PENSION CONTR	17,900.00

02 -WATER & WASTEWATER ENTER.

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE
02-1082	DEFERRED OUTFLOW-PENSION INV E	34,160.00
02-1083	L.E.D.C. PRISON TOWER REC.	22,891.00
		17,322,764.93
TOTAL ASSETS		17,322,764.93

LIABILITIES

02-2010	DUE TO LAMESA EDC	0.00
02-2013		0.00
02-2025	REVENUE RECOVERY LIABILITY	236.77
02-2026	REVENUE RECOVERY FEES	1,569.45
02-2027	UNDEPOSITED METER DEPOSIT	0.00
02-2028	WATER DEPOSITS	250,503.98
02-2029	T.M.R.S. PAYABLE	0.00
02-2030	F.I.C.A. PAYABLE	753.00
02-2031	VOUCHERS PAYABLE	0.00
02-2032	BONDS PAYABLE-PRISON	0.00
02-2033	CONTRIBUTED BY DEVELOPERS	255,845.00
02-2034	CONTRIBUTED BY U.S. GOV'T	236,875.39
02-2035	RES.RETIRE.OF BONDS & INT	0.00
02-2036	EARNED SURPLUS INVESTED	0.00
02-2037	EARNED SURPLUS UNAPPROPR.	0.00
02-2038	INT. ON B.F. INVESTMENT	0.00
02-2039	TRANS. FOR RET. OF BONDS	0.00
02-2040	OPERATING TRANSFER	0.00
02-2041	BOND INTEREST EXPENSE	0.00
02-2042	HANDLING FEES	0.00
02-2043	CAPITAL PROJECT FUNDS	440,420.21
02-2045	PROV.COMPENSATED ABSENCES	41,251.02
02-2046	DUE TO/FROM GENERAL FUND	0.00
02-2047	DUE TO SOLID WASTE	0.00
02-2048	DUE TO RISK MGT & SAFETY	0.00
02-2049	1992 C.O. DEBT NON CURRENT	0.00
02-2050	NOTE PAYABLE- 2006 TAX NOTES	0.00
02-2051	NOTE PAYABLE-CAT FINANCE	0.00
02-2052	LEASE PAYABLE-AAIG(NON-CURRENT	397,598.78
02-2053	NOTES PAYABLE-WSB (NONCURREN).	0.40
02-2054	BONDS PAYABLE - USDA	4,488,000.00
02-2055	CONTRIBUTED CAPITAL-TCDP	864,400.00
02-2056	CONTRIBUTED CAPITAL-TDCJ	133,567.10
02-2057	DUE TO G/F - LAND PURCHASE	0.00
02-2058	DUE TO SWMF - LAND PURCHASE	75,000.00
02-2059	DUE TO CAP. PROJ.-LAND PURCHAS	0.00
02-2060	AFLAC PRE-TAX	0.00
02-2061	DUE TO/FROM GOLF COURSE FUND	0.00
02-2070	GROUP INS. PRE-TAX	0.00
02-2085	AFLAC PRE-TAX	0.00
02-2090	AFLAC POST TAX	0.00
02-2095	VISION INS. PAYABLE	0.42
02-2160	ACCRUED PAYROLL LIABILITY	19,383.00

BALANCE SHEET
AS OF: JANUARY 31ST, 2017

02 -WATER & WASTEWATER ENTER.

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE
02-2900	CURRENT PORTION 91 C.O.'S	0.00
02-2901	CURRENT PORTION - USDA	73,000.00
02-2902	CURRENT PORTION-2006 TAN	0.00
02-2903	CURRENT PORTION-CAT FINANCE	0.00
02-2904	LEASE PAYABLE-AAIG (CURRENT)	171,470.00
02-2905	NOTES PAYABLE-WSB (CURRENT)	0.33
02-2906	NOTES PAYABLE-SOUTH PLAINS COM	0.00
02-2909	TAX NOTE 2013 - ST	99,000.00
02-2910	TAX NOTE 2013 L-T	413,000.00
02-2911	CURRENT PORTION COMP ABSE	11,634.80
02-2912	TAX NOTE 2013-A L-T	603,000.00
02-2913	TAX NOTE 2013A - S-T	144,000.00
02-2914	TAX NOTE 2014 L-T	253,775.00
02-2915	TAX NOTE 2014 S-T	79,380.00
02-2920	DEFERRED REV-LIFTSTATION PROJ.	0.00
02-2925	CONJ. USE SERIES 2011-NONCURRE	1,492,586.00
02-2926	CONJ USE SERIES 2011-CURRENT	71,703.00
02-2927	REFUNDING 2010 - NON CURRENT	70,239.00
02-2928	REFUNDING SERIES 2010-CURRENT	14,118.00
02-2929	RECLAMATION 2010 - NON CURRENT	249,491.00
02-2930	RECLAMATION 2010 - CURRENT	81,917.00
02-2931	GROUNDWATER 2009-NON CURRENT	343,701.00
02-2932	GROUNDWATER 2009 - CURRENT	19,240.00
02-2933	GROUNDWATER 2008 - NONCURRENT	0.00
02-2934	GROUNDWATER 2009 - CURRENT	19,883.00
02-2935	GROUNDWATER 2005-NONCURRENT	0.00
02-2936	GROUNDWATER 2005 - CURRENT	0.00
02-2937	GROUNDWATER 2012-NONCURRENT	921,851.00
02-2938	GROUNDWATER 2012-CURRENT	25,113.00
02-2939	2014 BOND (2005) ST	76,139.00
02-2940	2014 BOND (2005) LT	284,934.00
02-2941	2014 PREMIUM (2005)	36,319.00
02-2942	2014 BOND (2006) ST	27,010.00
02-2943	2014 BOND (2006) LT	624,402.00
02-2944	2014 PREMIUM (2006)	100,496.00
02-2950	DEFERRED OUTFLOW-PENSTON	9,195.00
02-2999	PROFIT & LOSS	0.00
	TOTAL LIABILITIES	13,521,534.65
EQUITY		
=====		
02-3001	FUND BALANCE	3,712,441.57
02-3002	RESERVE-UTILITY SYSTEM IMPROV	0.00
02-3010	C.O. INTEREST	0.00
02-3012	TAN INTEREST	0.00
	TOTAL BEGINNING EQUITY	3,712,441.57

02 -WATER & WASTEWATER ENTER.

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE
TOTAL REVENUE		1,451,976.24
TOTAL EXPENSES		1,363,187.53
TOTAL REVENUE OVER/(UNDER) EXPENSES		88,788.71
TOTAL EQUITY & REV. OVER/(UNDER) EXP.		3,801,230.28
TOTAL LIABILITIES, EQUITY & REV.OVER/(UNDER) EXP.		17,322,764.93

03 -SOLID WASTE ENTERPRISE

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE
ASSETS		
=====		
03-1001	CASH IN BANK	676,062.82
03-1002	CASH IN BANK - DEBT SERVICE	0.00
03-1003	CASH IN BANK - CAPITAL RESERVE	0.00
03-1004	DUE FROM GENERAL FUND	0.00
03-1005	DUE FROM WASTEWATER	0.00
03-1006	DUE FROM WWF- LAND PURCHASE	75,000.00
03-1007	DUE FROM INVESTMENTS-DEBT SERV	0.00
03-1008	DUE FROM INV.-CAPITAL RESERVE	117,452.49
03-1010	UNAMORTIZED TAN ISSUE COSTS	0.00
03-1011	GARBAGE CHG. RECEIVABLE	77,886.65
03-1012	UNCOLLECTIBLE GARB.CHGS.	(9,862.99)
03-1013	GRANT PROCEEDS RECEIVABLE	0.00
03-1014	LAND	143,957.00
03-1015	BUILDINGS	2,349,264.61
03-1019	AUTOMOTIVE & MISC.EQUIP.	4,554,156.77
03-1020	DUE FROM INVESTMENT FUND	0.00
03-1021	CAPITAL EQUIPMENT RESERVE	45,125.99
03-1022	POST CLOSURE RESERVE	614,615.27
03-1023	ENVIRONMENTAL OPER CENTER RES	0.00
03-1024	RESERVE FOR TAN I&S	0.00
03-1027	05 TAN ISSUANCE COSTS	0.00
03-1028	ACCUM. AMORT-ISSUANCE COSTS	(0.27)
03-1030	CIP - NEW LANDFILL CELL #4	(0.45)
03-1050	ACCUMULATED DEPRECIATION	(4,727,457.38)
03-1080	NET PENSION ASSET (LIABILITY)	111,410.00
03-1081	DEFERRED OUTFLOW-PENSION CONTR	8,943.00
03-1082	DEFERRED OUTFLOW-PENSION INV	17,066.00
		4,053,619.51
TOTAL ASSETS		4,053,619.51
		=====

LIABILITIES

=====		
03-2010	DUE TO/FROM GENERAL FUND	0.00
03-2013		0.00
03-2020	DUE TO/FROM WASTE WATER	0.00
03-2021	POSTCLOSURE RESERVE	0.00
03-2022	DUE TO RISK MGT & SAFETY	0.00
03-2030	CONTRIBUTED CAPITAL - SCALE	41,191.00
03-2040	TAN INTEREST EXPENSE	0.00
03-2041	BOND INTEREST EXPENSE	0.00
03-2042	LOSS ON EQUIPMENT	0.00
03-2044	CUR.PROV FOR COMP.ABSENCE	5,864.47
03-2045	PROV-COMPENSATED ABSENCE	20,789.84
03-2049	1992 C.O. DEBT NON-CURRENT	0.00
03-2050	N/P - CATEPILLAR (DOZER)	(0.25)
03-2051	EST.LIAB.LANDFILL CLOSURE	493,535.18
03-2052	OUTSOURCE LEASE-MAD VAC S-T	0.00
03-2053	CATEPILLAR LEASE - S-T	0.15

03 -SOLID WASTE ENTERPRISE

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE	
03-2054	2005 TAX NOTE -CURRENT PORTION	0.00	
03-2055	N/P CATERPILLAR (BULLDOZER)	(0.31)	
03-2056	TAN I&S INTEREST	0.00	
03-2060	AFLAC PRE-TAX	0.00	
03-2065	N/P KSB - GARBAGE TRUCK	0.00	
03-2070	GROUP INS. PRE-TAX	0.00	
03-2085	AFLAC PRE-TAX	0.00	
03-2090	AFLAC POST TAX	0.00	
03-2095	VISION INS. PAYABLE	0.00	
03-2096	N/P-CATERPILLAR 930H - LT	46,693.00	
03-2097	N/P - CATERPILLAR 930H - ST	22,266.00	
03-2098	N/P CATERPILLAR (BACKHOE) ST	0.00	
03-2160	ACCRUED PAYROLL LIABILITY	11,339.00	
03-2165	N/P MACK TRUCK W/ SIDELOAD -LT	41,166.00	
03-2166	N/P MACK TRUCK W/ SIDELOAD -ST	39,586.00	
03-2901	CURRENT PORTION 92 C.O.'S	25,867.00	
03-2902	CURRENT PORTION-1997 TAN	26,900.00	
03-2903	OUTSOURCE LEASE- MAD VAC L-T	0.00	
03-2904	CATERPILLAR LEASE - L-T	0.00	
03-2905	2005 TAX NOTE (LT)	0.00	
03-2906	ST-CATERPILLAR LOADER 2015	14,525.00	
03-2907	LT - CATERPILLAR LOADER 2015	130,585.00	
03-2908	ST-CATERPILLAR BULL DOZER 2015	42,779.00	
03-2909	LT-CATERPILLAR BULL DOZER 2015	155,133.00	
03-2910	TAX NOTE 2012 - LT	413,900.00	
03-2911	TAX NOTE 2012 - ST	130,500.00	
03-2950	DEFERRED INFLOW-PENSION	4,593.00	
	TOTAL LIABILITIES		1,667,212.08
EQUITY			
03-3001	FUND BALANCE	2,223,350.73	
03-3002	INVESTMENT IN PROPERTY	0.00	
03-3003	UNRESERVED FUND BALANCE	0.00	
03-3004	POSTCLOSURE RESERVE	107,228.18	
03-3005	RESERVE ENVIROMENTAL OPER CNTR	0.00	
03-3010	C.O. INTEREST	0.00	
03-3012	TAN INTEREST	0.00	
	TOTAL BEGINNING EQUITY	2,330,578.91	
	TOTAL REVENUE	652,135.79	
	TOTAL EXPENSES	596,307.27	
	TOTAL REVENUE OVER/(UNDER) EXPENSES	55,828.52	
	TOTAL EQUITY & REV. OVER/(UNDER) EXP.		2,386,407.43
	TOTAL LIABILITIES, EQUITY & REV.OVER/(UNDER) EXP.		4,053,619.51

18 -MUNICIPAL GOLF COURSE

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE	
ASSETS			

18-1001	CASH	(40,707.62)	
18-1005	GOLF FEES RECEIVABLE	39,323.70	
18-1020	LAND IMPROVEMENTS	79,362.32	
18-1021	EQUIPMENT	169,603.08	
18-1022	DEPRECIATION	(120,174.00)	
18-1023	BUILDINGS & IMPROVEMENTS	12,143.00	
18-1028	SALES TAX RECEIVABLE	0.00	
18-1030	DUE TO/FROM WATER FUND	0.00	
18-1080	NET PENSION ASSET (LIABILITY)	34,304.00	
18-1081	DEFERRED OUTFLOW-PENSION CONTR	2,753.00	
18-1082	DEFERRED OUTFLOW-PENSION INV.	5,254.00	
			181,861.48
TOTAL ASSETS			181,861.48

LIABILITIES			

18-2010	DUE TO/FROM GENERAL FUND	0.00	
18-2013	NOTES PAYABLE-OUTSORCE/CURR.	0.00	
18-2014	SALES TAX PAYABLE	0.00	
18-2015	NOTE PAYABLE-WELL FARGO-CURREN	0.00	
18-2016	DUE TO RISK MGMT.	96,624.00	
18-2017	NOTES PAYABLE	0.00	
18-2018	NOTES PAYABLE - OUTSOURCE	0.00	
18-2044	COMP. ABSENCES - CURRENT	2,762.21	
18-2045	COMP. ABSENCES - LONG TERM	9,791.11	
18-2160	ACCRUED PAYROLL LIABILITY	3,268.00	
18-2902	RANGE BALL SERVER -ST PORTION	9,575.00	
18-2903	PNC GOLF CAR LEASE - LT	6,447.00	
18-2904	PNC GOLF CAR LEASE - ST	9,668.00	
18-2906	RANGE BALL SERVER- LT PORTION	0.00	
18-2950	DEFERRED INFLOW-PENSION	1,414.00	
TOTAL LIABILITIES			139,549.32
EQUITY			

18-3001	FUND BALANCE	29,052.48	
TOTAL BEGINNING EQUITY			29,052.48
TOTAL REVENUE			90,259.25
TOTAL EXPENSES			76,999.57
TOTAL REVENUE OVER/(UNDER) EXPENSES			13,259.68
TOTAL EQUITY & REV. OVER/(UNDER) EXP.			42,312.16
TOTAL LIABILITIES, EQUITY & REV.OVER/(UNDER) EXP.			181,861.48

City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: FEBRUARY 21, 2017

AGENDA ITEM: 20

SUBJECT: CITY MANAGER REPORT
SUBMITTED BY: City Manager

SUMMARY STATEMENT

City Manager to report on current activities and answer questions from the City Council.

- a. CRMWA Debt Restructuring
- b. CRMWA Annual Audit

COUNCIL ACTION

No City Council action required.

Wayne Chapman

From: Michelle McKinney <MMcKinney@crmwa.com>
Sent: Tuesday, January 17, 2017 11:08 AM
To: Storrs, Laura; Scott M. Radach; ejobe@valornet.com; wchapman@ci.lamesa.tx.us; Daniel Downs; Linda Cuellar; 'cod2010@pics.net'; 'Robin Bailey' (RBAILEY@cityofpampa.org); 'sbeversdorf@plainviewtx.org'; mlamberson@cityofslaton.com; 'jwebster@poka.com'; Aubrey Spear; Michael Lowe
Cc: Kent Satterwhite; Chad Pernell; Michelle McKinney
Subject: Need your input please regarding CRMWA process changes

Hello,

We are considering some changes to our normal business practices and before we recommend them to the Board of Directors on February 1, 2017 for approval, we wanted to review with each of you first to make sure there are no negative impacts to your City's budgeting and billing processes. These changes would take affect for the FY1718 budgeting process and for billing beginning Oct 2017.

Change #1:

Currently, CRMWA assesses Pumping, Energy and Chemical (PEC) surcharges on the monthly PEC bill of collection and is part of the PEC budgeting process. These surcharges are to fund the following reserves:

- Pumping and Chemical Reserve which is for the repair or replacement of Pumps, Pump Motors, Check Valves or actuators or ventilating units and was funded by the 2% surcharge of PEC costs. We are recommending to eliminate this PEC surcharge and combine this reserve with the General Reserve to be used to fund extraordinary and unforeseen costs of operation and maintenance, repair, betterment of project works, etc. until the member cities can repay the general reserve as in accordance with the deferment policy.
- Well and Well Pump Reserve which is to repair or rehab wells, well pump motors, motor controls, etc. and is funded by the 10% surcharge on cost of pumping energy for pumping water from wells. We are recommending to eliminate the PEC surcharge and instead include funding for this reserve as a line item in the O&M budget. The allocation for any funding to this reserve will be based on the last 5 years of well water deliveries.
- New Well Replacement Reserve which is for the purpose of adding future wells and is funded by the 15% surcharge on cost of pumping energy for pumping water from wells. We are recommending to eliminate the PEC surcharge and instead include funding for this reserve as a line item in the O&M budget. The allocation for any funding to this reserve will be based on the history of well water deliveries.

My question to each City regarding the recommendations noted above:

- * by taking the funding of the reserves out of the PEC budget process and including it in the O&M budget process will it negatively impact your budgeting and/or rate case processes?
- * it will also affect the monthly PEC billings in that only the energy cost will be billed each month (as noted below) and no surcharge assessed each month as is currently done. Do you see any issue with this?

Change #2:

Currently, CRMWA bills each city monthly for pumping and chemical costs at rates estimated during the budget process applied to the amount of water delivered each month. At the end of each fiscal year, an adjustment is made to reconcile these assessments to the actual pumping and chemical costs. Many times this results in a large credit to each City at the end of each fiscal year. We are recommending that we change this process by billing actual cost incurred by CRMWA on a monthly basis rather than using the estimated rates determine during the budget cycle. By doing this, the year-end adjustment should be relatively small since we are essentially "trueing" up monthly rather than at year

end. The main impact is that our bill of collections will be sent to member cities about a week later than normal since we don't receive our invoice from Xcel until the 5th of the month. That said, we still read our meters on the last Monday of the month so we could still provide you with the customer tap readings at that time – just separate from the bill of collection itself.

My question to you – will receiving the bill of collection from us a week (or a little more if on weekend/holiday) impact your ability to still pay CRMWA by the 25th of the month or bill your customers in a timely manner?

I thought I would send this to you first and then follow up later today/tomorrow as to your thoughts. You may reply back to this email, call me at 865-3325 or I will give you a call by tomorrow to discuss further. Since this is just a high level summary – I understand you may have questions so please feel free to call me.

Thanks in advance for your input – we don't want to change something that will negatively affect your operations.

Thanks
Michelle

**ESTIMATED IMPACT TO FY1617 MEMBER CITIES BUDGETS
FOR RECOMMENDED BYPASS OPTION
as of 1/31/17**

Member City	Original FY1617 Budget	Revised Budget Assuming 50/50 split between cost codes 1 and 5	Variance from Original Budget (increase)/decrease
AMARILLO	\$ 2,387,558.11	\$ 3,313,523.85	(925,965.74)
BORGER	\$ 358,981.29	\$ 359,872.27	(890.98)
BROWNFIELD	\$ 319,209.88	\$ 326,032.46	(6,822.58)
LAMESA	\$ 280,705.77	\$ 292,028.52	(11,322.75)
LEVELLAND	\$ 380,544.89	\$ 393,069.05	(12,524.16)
LUBBOCK	\$ 3,267,528.02	\$ 3,771,340.95	(503,812.93)
O'DONNELL	\$ 41,303.85	\$ 40,123.96	1,179.89
PAMPA	\$ 561,468.77	\$ 522,858.77	38,610.00
PLAINVIEW	\$ 251,119.07	\$ 314,039.76	(62,920.69)
SLATON	\$ 171,052.16	\$ 183,735.39	(12,683.23)
TAHOKA	\$ 51,152.22	\$ 56,496.04	(5,343.82)
TOTALS	\$ 8,070,624.03	\$ 9,573,121.03	\$ (1,502,497.00)

Original FY1617 Repair Budget	\$	(1,497,503)
Estimated By-Pass Costs	\$	2,700,000
Estimated cost for 10 repairs	\$	300,000
Pure Tech Survey Central System	\$	-
Estimated Increase in FY1617 Budget	\$	1,502,497

CRMWA

Canadian River Municipal Water Authority



Carbon Fiber Repair

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2014



Clamp Repair



Bypass

Sanford, Texas



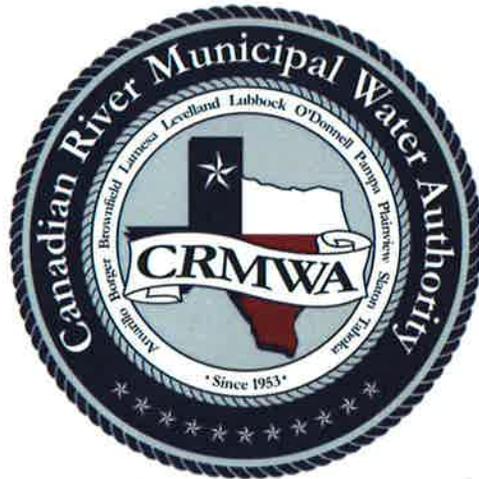
CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Sanford, Texas

Comprehensive Annual Financial Report

Fiscal Year Ended
September 30, 2016







Canadian River Municipal Water Authority
P.O. Box 9, 9875 Water Authority Rd
Sanford, Texas 79078
Phone (806) 865-3325
Fax (806) 865-3314
www.crmwa.com

EXECUTIVE COMMITTEE

Steve Tucker, President
Richard Ells, Vice-President
Kent Satterwhite, General Mgr.
and Secretary-Treasurer

**MEMBER CITIES
DIRECTORS**

AMARILLO

William Hallerberg
Lenny Sadler

BORGER

Glendon Jett
Bill Carder

PAMPA

Jerry Carlson
Mac Smith

PLAINVIEW

Tyke Dipprey
Brian Pohlmeier

LUBBOCK

James Collins
Jay House

SLATON

Steve Tucker

TAHOKA

Jay Dee House

O'DONNELL

Bruce Vaughn

LAMESA

Dale Newberry

BROWNFIELD

Rickey Dunn

LEVELLAND

Richard Ells
Scott Wade

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Comprehensive Annual Financial Report

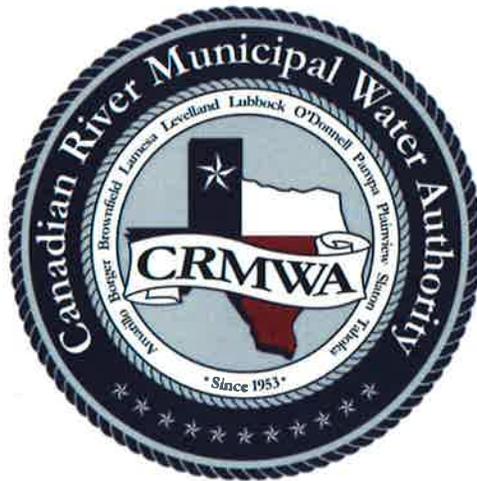
October 1, 2015 - September 30, 2016

Prepared by:
Financial Services Division

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Introductory Section





Canadian River Municipal Water Authority

P.O. Box 9, 9875 Water Authority Rd
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Jay Dee House

O'DONNELL

Bruce Vaughn

LAMESA

Dale Newberry

BROWNFIELD

Rickey Dunn

LEVELLAND

Richard Ellis
Scott Wade

January 5, 2017

Members of the Board
Canadian River Municipal Water Authority

Canadian River Municipal Water Authority's (the Authority) bylaws require an audit of the financial records to be completed within ninety (90) days after the end of each fiscal year. This Comprehensive Annual Financial Report (CAFR) of the Authority for the fiscal year ended September 30, 2016 is submitted to fulfill that requirement. This report is also published to provide our customers, the Authority Board, the member cities, and the investment community detailed information about the financial condition and operating results of the Authority as measured by the financial activity of the Authority.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide a reasonable, rather than an absolute, assurance that the financial statements are free of any material misstatements. We believe that the Authority's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Doshier, Pickens & Francis, LLC, Certified Public Accountants, has issued an unmodified opinion on the Authority's financial statements for the year ended September 30, 2016. The independent auditor's report is located at the front of the financial section of this report.

The management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

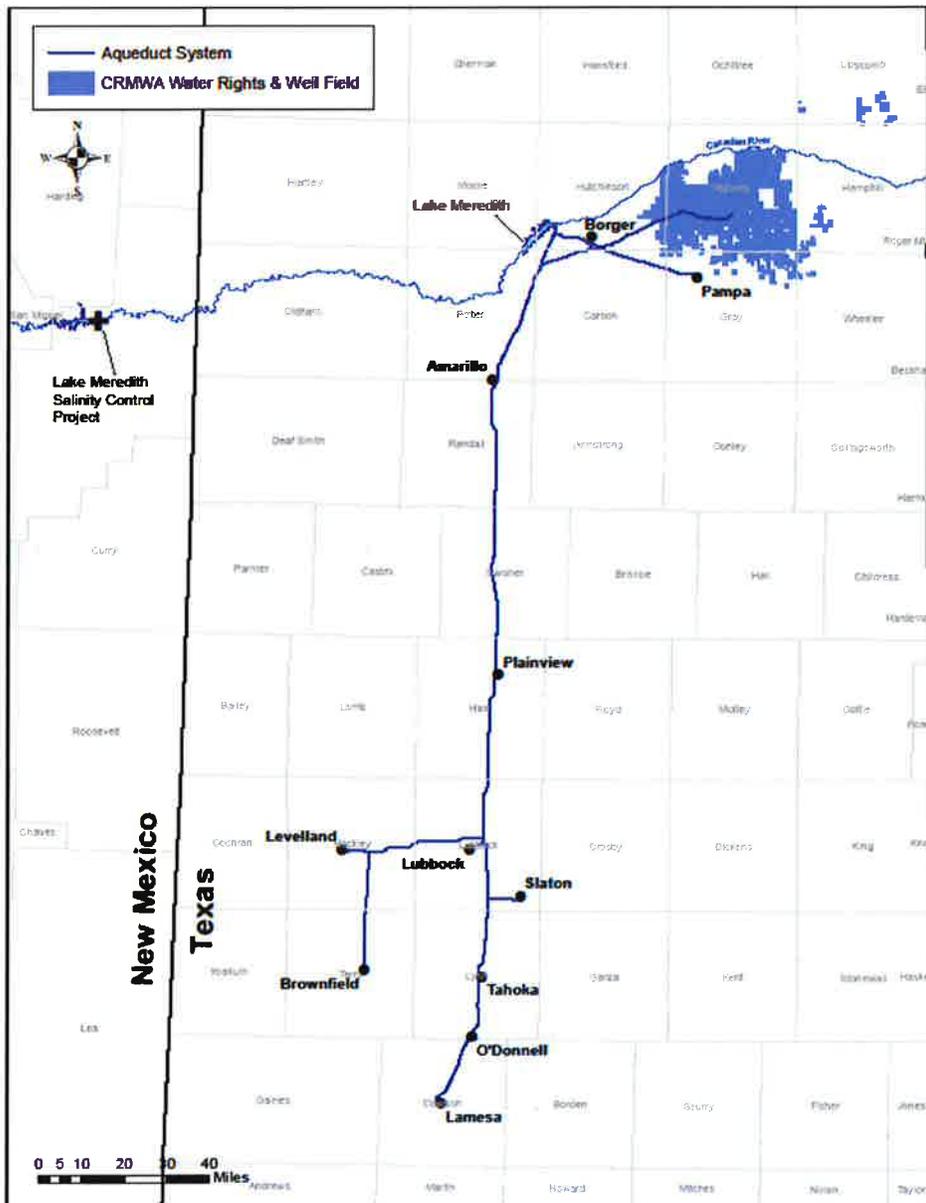
Profile of the organization

The Authority is a political subdivision of the State of Texas, a conservation and reclamation district organized and functioning pursuant to Article 16, Section 59, of the Texas Constitution, under Chapter 243, Acts of the 53rd Legislature Regular Session, 1953, as amended, formerly codified as article 8280-154 of Vernon’s Annotated Texas Civil Statutes (the “Enabling Act”).

The Authority is financially accountable for CRMWA Corporation, a not-for-profit corporation created in the State of Texas, authorized to operate in New Mexico to facilitate the construction and operation of the Salinity Control Project. CRMWA Corporation is presented as a blended component unit within this CAFR.

The Authority was created on May 27, 1953 for the purpose of providing a source of water supply for municipal, domestic and industrial use and for the transportation of such water to its 11 member cities located in the Texas Panhandle and South Plains.

Member cities include: Amarillo, Borger, Brownfield, Lamesa, Levelland, Lubbock, O’Donnell, Pampa, Plainview, Slaton and Tahoka.



The Authority operates under a Board of Directors elected by a majority vote of the governing body of each member city. The Board of Directors shall consist of two directors from each member city having a population of 10,000 or more and one director from each member city having a population of less than 10,000, according to the preceding Federal Census. Board members serve two-year terms and must be a qualified voter and a property owning taxpayer in the city from which they are elected and must not be a member of the governing body or an employee of such city. The Board hires the General Manager and may accord such person full power and authority in the management and operation of the Authority, subject only to the orders of the Board.

The budget for the operating fund is adopted annually by the Board of Directors on a basis consistent with GAAP except for depreciation expense, which the Authority has elected to not include in the formal budget. Formal budgetary integration is not employed for debt service or construction because those are set by separate action and do not normally change on an annual basis. However, debt service requirements are included in the budgetary data provided to each city at the time of consideration of the proposed operating Budget each year. Unbudgeted operating expenditures in excess of \$10,000 must be approved by the Board of Directors. The General Manager's legal level of budgetary control is at the Authority's level; therefore, the Board of Directors does not need to approve nominal reallocations within the Authority's budget as a whole.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
Reconciliation of the total operating expenses to the net GOM assessment due from the member cities
Year Ended September 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Operating Expenses:				
Personnel costs	\$ 3,765,246	\$ 4,280,905	\$ 4,244,692	\$ 36,213
Professional fees	406,202	2,053,741	1,371,603	682,138
Purchased and contracted services	242,290	197,290	1,522,484	(1,325,194)
Consumable supplies and materials	666,077	1,321,393	1,225,080	96,313
Recurring operating cost	573,385	957,665	818,568	139,097
Depreciation and amortization	-	-	2,271,450	(2,271,450) ¹
Pumping energy and line chemicals (PEC)	10,074,165	10,074,165	5,140,047	4,934,118 ²
Total Operating Expenses	<u>\$ 15,727,365</u>	<u>\$ 18,885,159</u>	<u>\$ 16,593,924</u>	<u>\$ 2,291,235</u>
Reconciling Items:				
Costs funded by the Minor Equipment Replacement Reserve	\$ -	\$ -	\$ (547,214)	\$ 547,214 ³
Costs funded by the Well and Well Pump Reserve	-	-	(620,233)	620,233 ³
Costs funded by the Dam and Reservoir Reserve	(60,000)	(60,000)	(48,061)	(11,939) ³
Costs funded by the 2009 Bond Issue	-	-	(236,420)	236,420 ⁵
Sale Proceeds and Other Insurance Proceeds	-	-	(9,400)	9,400 ⁸
Depreciation and amortization	-	-	(2,271,450)	2,271,450 ¹
Pumping energy and line chemicals assessments (PEC)	(11,334,204)	(11,334,204)	(5,734,395)	(5,599,809) ⁶
Funding of the Well and Well Pump Reserve from PEC fees	569,677	569,677	273,774	295,903 ⁶
Funding of the New Well Construction Reserve from PEC fees	690,362	690,362	320,574	369,788 ⁶
Capitalized GOM costs	298,850	6,798,850	6,978,508	(179,658) ⁴
Budget Amendment not Included in GOM Assessments	-	(9,657,794)	-	(9,657,794) ⁹
Additional GOM funds received	-	-	(7,859,917)	7,859,917 ¹⁰
Funding of the Minor Equipment Replacement Reserve - CRMWA Corp	225,000	225,000	225,000	- ⁷
Total Reconciling Items	<u>(9,610,315)</u>	<u>(12,768,109)</u>	<u>(9,529,234)</u>	<u>(3,238,875)</u>
Net General Operating and Maintenance assessments due to CRMWA	<u>\$ 6,117,050</u>	<u>\$ 6,117,050</u>	<u>\$ 7,064,690</u>	<u>\$ (947,640) ¹⁰</u>

A: Per the Statement of Revenues, Expenses and Changes in Net Position

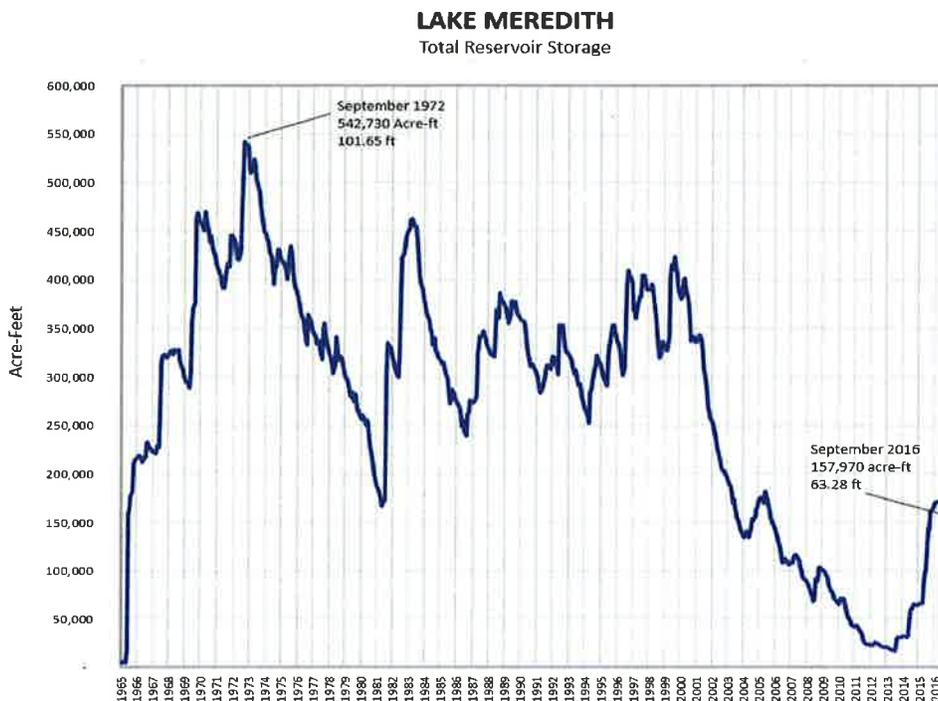
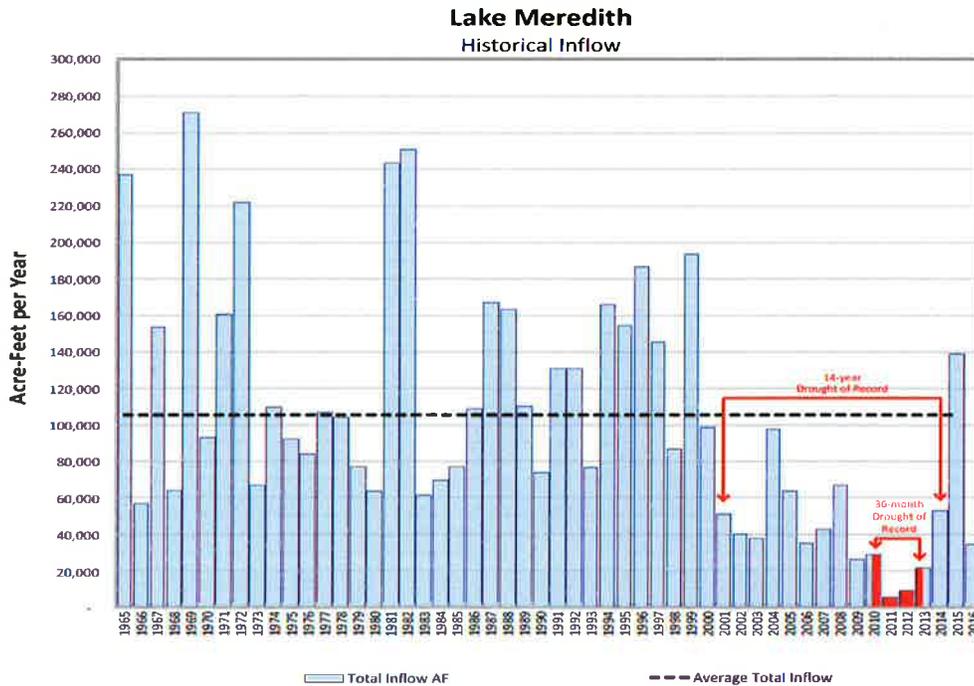
Notes:

- 1) The Authority has elected not to budget for depreciation and amortization since member cities are charged for capital costs at the time of purchase rather than over the useful life of the asset. GASB 34 accounting standards require computation of depreciation and amortization over the life of the asset. Therefore, in order to be in compliance with GAAP, the financial statements reflect depreciation and amortization expense for the current fiscal year resulting in a reconciling item in the amount of \$2,271,450.
- 2) Budgeted PEC charges were based on an estimated usage of 75,000 acre-feet from a blend of lake and groundwater plus anticipated energy costs. For the current fiscal year, actual usage was only 59,672 acre-feet (44,724 from groundwater and 14,948 from the lake) due to multiple shutdowns for pipeline repair work. Energy costs were also not as high as expected resulting in a net variance of \$4,934,118 under budget.
- 3) The Authority maintains several type of reserves intended for various uses. Member cities are not charged for expenses that qualify to be funded by a reserve, however, in order to be in compliance with GAAP, the financial statements include these costs in the current fiscal year which results in a reconciling item.
- 4) The Authority capitalizes all assets with a cost of at least \$7,500 and a useful life of at least three years and therefore these costs are not reflected in operating expenses. As noted above, member cities are charged for capital costs at the time of purchase resulting in a reconciling item in the amount of \$179,658.
- 5) The Authority purchased spare motors funded using bond proceeds and therefore were not charged to the member cities. GAAP standards require that these expenses be included in the operating expenses, thereby, resulting in a reconciling item of \$236,420.
- 6) The Authority's member cities are assessed for GOM and PEC separately, therefore, a reconciling item for the PEC costs is necessary in order to reconcile to the net GOM refund.
- 7) The Authority has elected to include contributions to specific reserves in the GOM budget which are charged to the cities in the year the reserve is funded rather than when the reserve is utilized. However, GAAP standards do not consider these contributions as expenses until actually incurred, therefore, the contributions are not included in the operating expenses. This results in the reconciling item of \$225,000.
- 8) The Authority sold a vehicle which helped to offset GOM expense resulting in a reconciling item in the amount of \$9,400.
- 9) The Authority increased the FY1516 GOM budget by \$9,657,794 as a result of pipeline repair and bypass costs. It was decided to not increase the member city assessments at that time.
- 10) Member cities have remitted an additional \$7,859,917 in addition to their initial FY1516 GOM assessment of \$6,117,049. Payment arrangements have been made with each member city for any additional amounts owed as of September 30, 2016.

Water Statistics

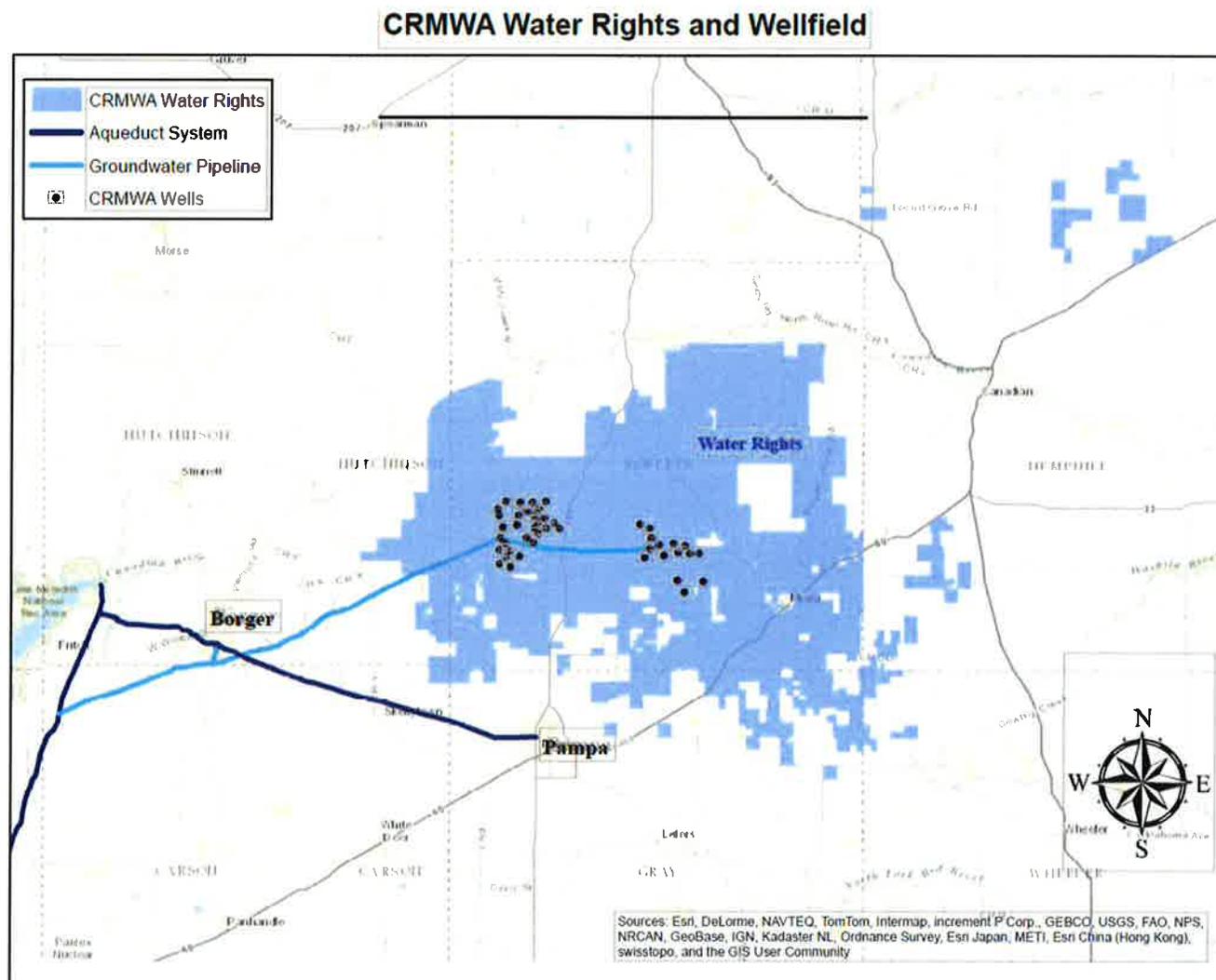
Lake Meredith

As of September 30, 2016, the water in Lake Meredith stood at a nominal depth of 63.28 feet (Elev. 2876.28 feet above MSL), having increased 2.71 feet since September 30, 2015. The Lake now contains 157,970 acre-feet of water. Total inflow for the fiscal year was 60,563 acre-feet. Evaporation during this fiscal year has been estimated at 31,453 acre-feet. During the year, deliveries to member cities and their customers amounted to 59,672 acre-feet, with 14,948 acre-feet coming from Lake Meredith and 44,724 acre-feet from the John C. Williams Wellfield. Deliveries of groundwater supplemented the surface water in previous years; however, these deliveries have been significantly reduced due to the well-below normal lake levels.



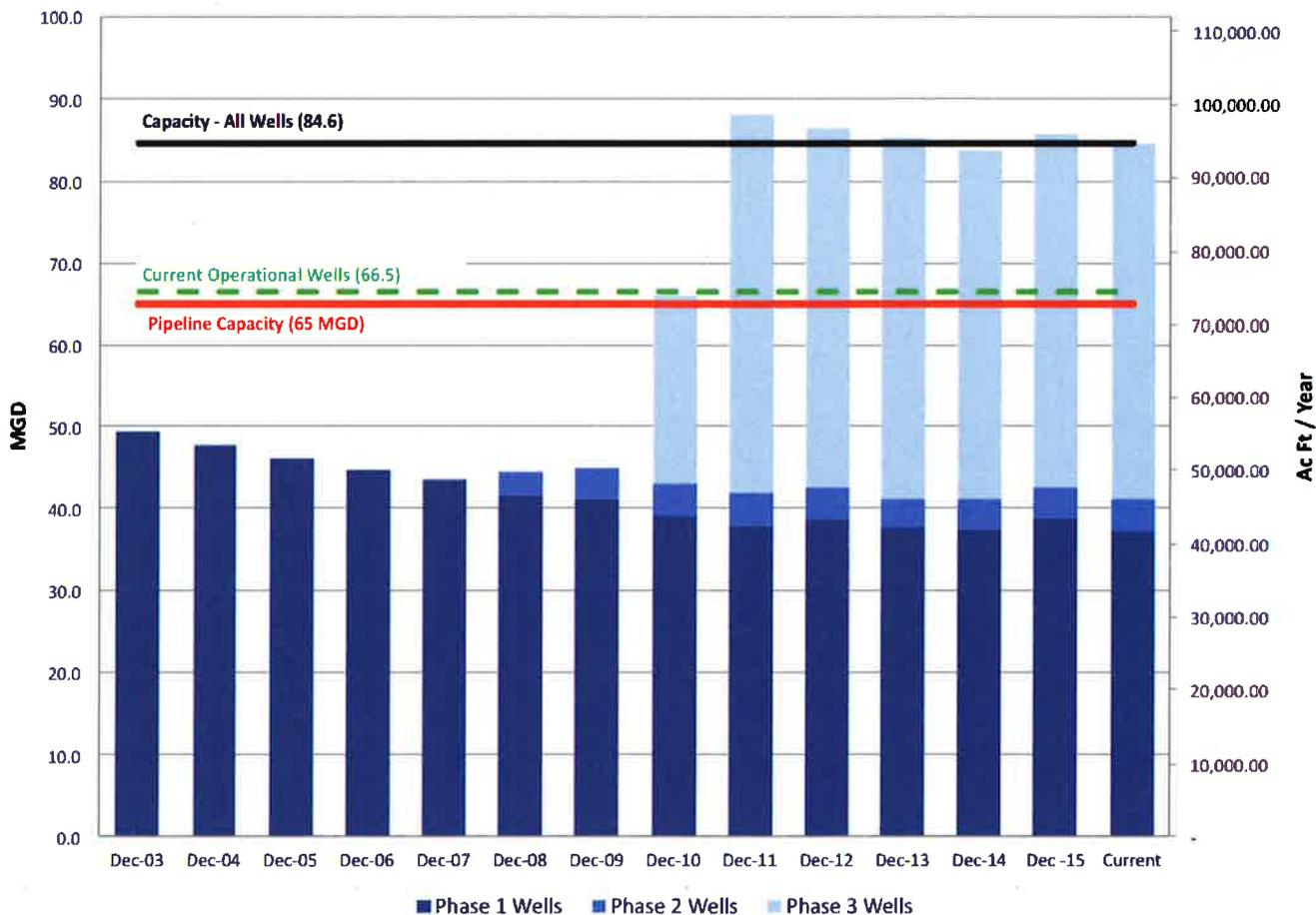
Groundwater

Due to continued lack of inflow, the reliability of water from Lake Meredith has been severely impacted resulting in increased reliance on groundwater. The Authority currently relies on the John C. Williams Wellfield as the source for the groundwater supply. The Authority's total holdings of water rights is over 444,000 acres in Roberts and adjacent counties. As shown on the map below, only a fraction of these rights are developed. The current capacity of the transmission system from the Roberts County well field is 65 MGD and the Authority can deliver up to 69,000 acre-feet per year. The existing well field capacity is 84 MGD. The Authority is proceeding to expand the groundwater production and delivery capacity in order to meet member cities demand. Those water rights in conjunction with the existing Canadian River Project Supply, will provide the district's 11 members with an abundant water supply that is expected to be available for over 100 years.



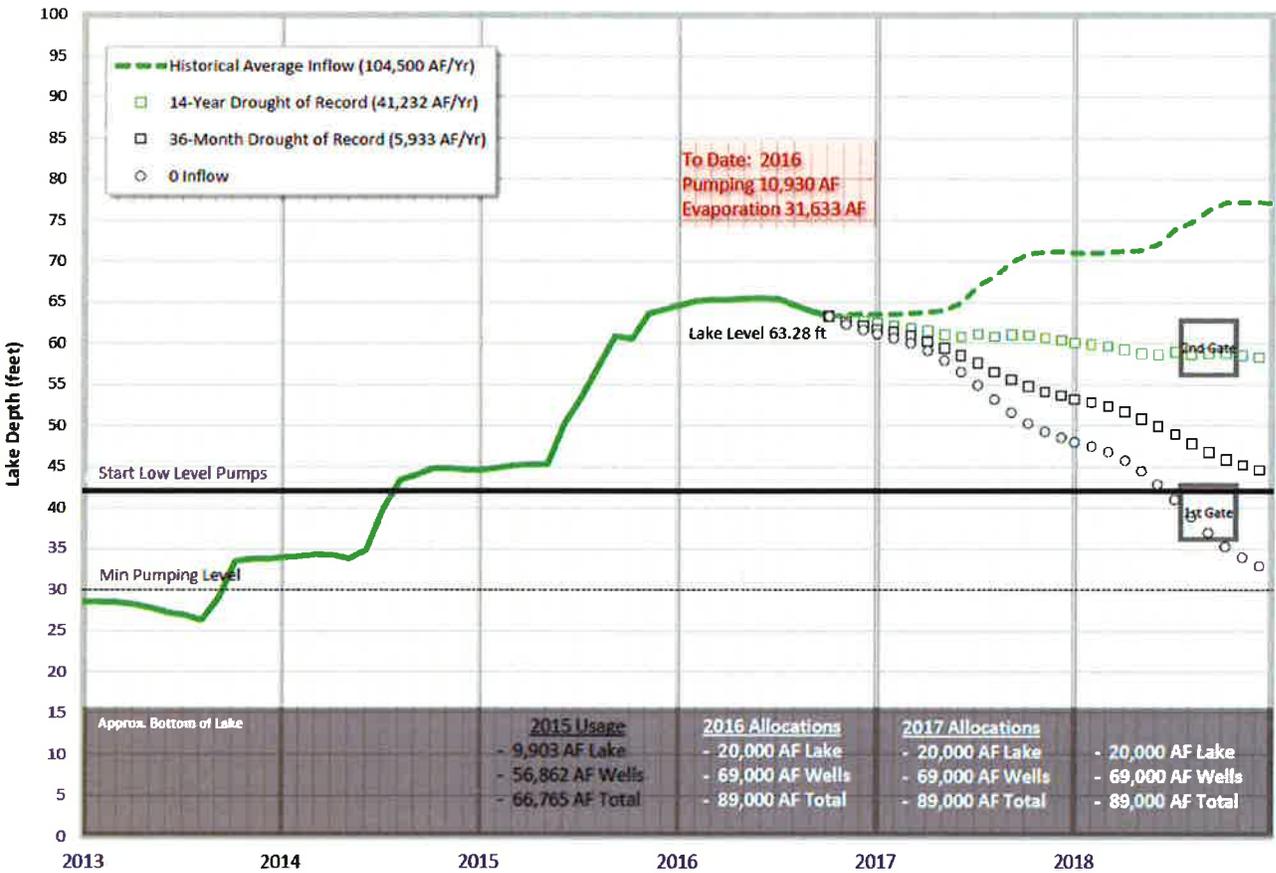
The chart below shows the total capacity of the well field(s) each year. In 2003, the total capacity was near 50 million gallons per day (MGD) (or 55,000 acre-feet per year). Capacity continued to drop slightly each subsequent year due to use until 2008 when 2 new wells (Phase 2) were brought online. In 2010 and 2011, Phase 3 was completed, adding 15 more wells for a total of 44 wells. This brought the capacity to near 90 MGD (100,000 acre-feet per year), while the capacity of the pipeline is limited to 65 MGD.

Well Field Capacity



LAKE MEREDITH - Drought Planning

Projections based on Drought of Record Inflows



The above graph reflects potential future drought conditions and is used to forecast the allocation between surface water (Lake) and groundwater (Wells), which in turn determines how City allocations may be impacted (Total). Currently, only 20,000 acre-feet of surface water is to be allocated during the fiscal year ending September 30, 2017 leaving 69,000 acre-feet of groundwater to be allocated to member cities. This allocation could change if higher than expected inflows are experienced during the year.

Long-term financial planning and major project initiatives

Pipeline Rehabilitation

The aqueduct was completed in 1966 and is comprised of over 300 miles of pipe ranging from 18-inches in diameter to 96-inches. The pipe varies in design and materials depending on its location within the system, though most of the system consists of pre-stressed non-cylinder pipe, reinforced concrete pipe, and bar-wrapped pipe. The most common cause of failure is corrosion of the steel in the pipe. Some designs, such as the pre-stressed pipe, rely more heavily on the strength of the steel and are subject to failure should corrosion occur.

The main aqueduct from Lake Meredith to Amarillo is 72-inch and 78-inch pre-stressed non-cylinder pipe and as of December 2015 there had only been one pipe leak and one complete failure due to corrosion in the last 50 years. Both of these issues occurred within the last 5 years. In late December of 2015 a failure occurred in the pre-stressed pipe between Lake Meredith and Amarillo. It was determined that corrosion had weakened the steel in the pipe that lead to its failure. Just a few days after this joint of pipe was replaced, another pipe failure occurred about 30-feet away. Because of the two failures, their proximity to each other and the huge impact these failures have on our member cities, the Authority decided to perform an internal pipe inspection for that area.

The Authority contracted with a vendor to conduct an electromagnetic inspection. The internal inspection uses an electromagnetic tool to detect wire breaks within the pipe which can then be used to determine where failures are most likely to occur. This inspection revealed several "bad" joints of pipe in the area causing concern regarding the condition of the remainder of the pre-stressed pipe. As a result, the Board elected to perform an electromagnetic survey of the remaining 45-miles of pipe between Pumping Plant 3 to the end of the pre-stressed pipe east of Canyon. An inspection was also performed on the pipe under the City of Fritch to determine if there were any anomalies that posed a threat to the homes or property above ground, as well as, a two-mile section of the Central System, made of reinforced concrete pipe, to determine if this technology would work for this type of pipe.

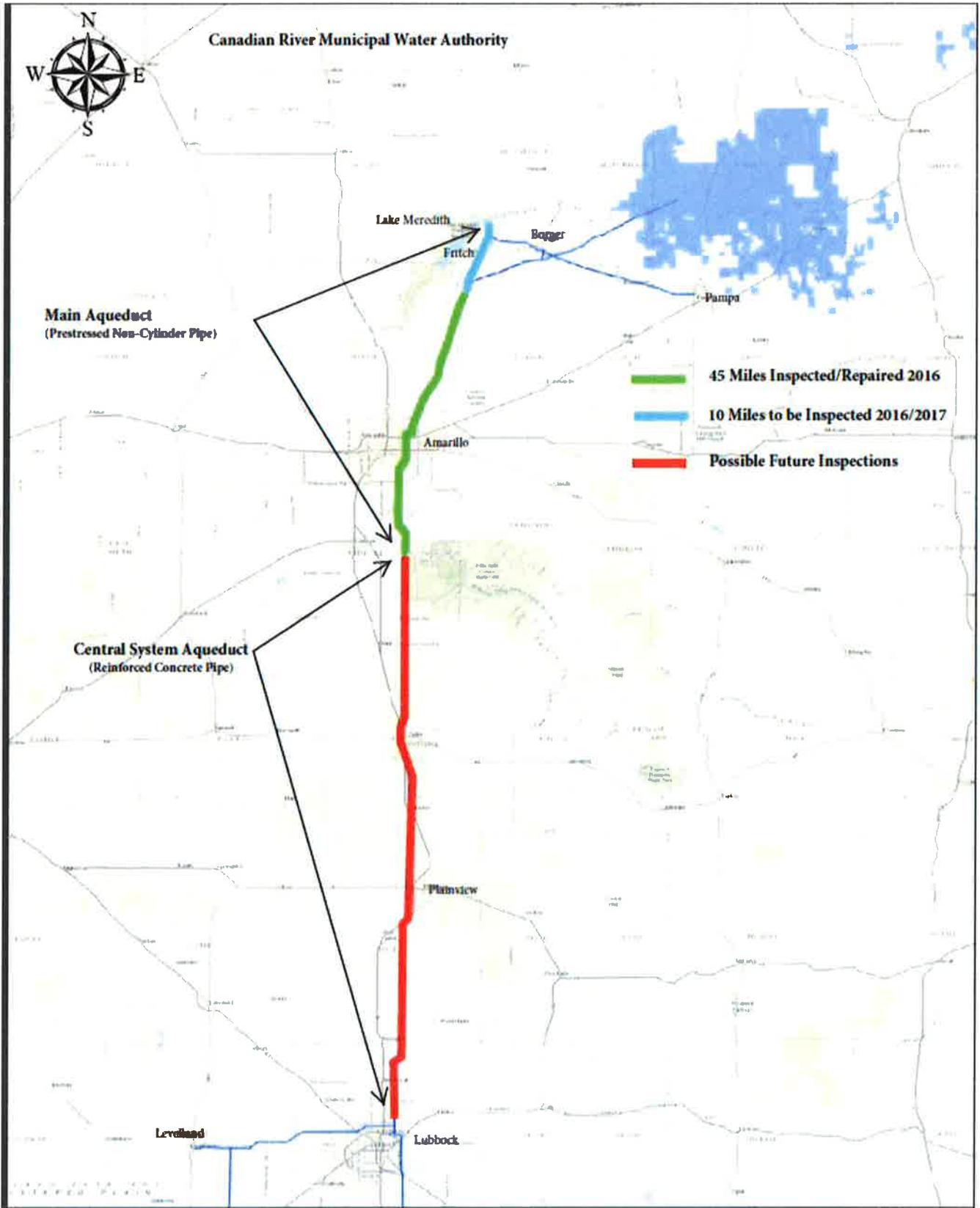
The inspection performed on the pipe under the City of Fritch identified one joint of pipe with significant damage so it was repaired by lining the pipe with carbon fiber. This method was chosen because of the location and the difficulties of excavation in a neighborhood area.

The inspection of the pre-stressed pipe from Pumping Plant 3 to the end of that section (Station 2976+00) revealed that about 3.8% (423 pipe joints) of the pipe had some level of distress or wire breakage. According to the vendor, who inspects pipe worldwide, this amount of damage is consistent with other similar pipe. Each damaged pipe was categorized as having either small, medium or large anomalies.

74 of the 423 pipe joints were considered to have large anomalies increasing the risk of unplanned disruptions in delivering water to our member cities. 50 of the large anomalies were concentrated in three distinct areas. It was determined that the Authority would have a contractor construct pipelines to bypass these areas rather than repair the anomalies individually. The bypass line was designed to use steel pipe coated with polyurethane. Because these areas had corrosive soil conditions, cathodic protection equipment was designed and implemented as part of the contract.

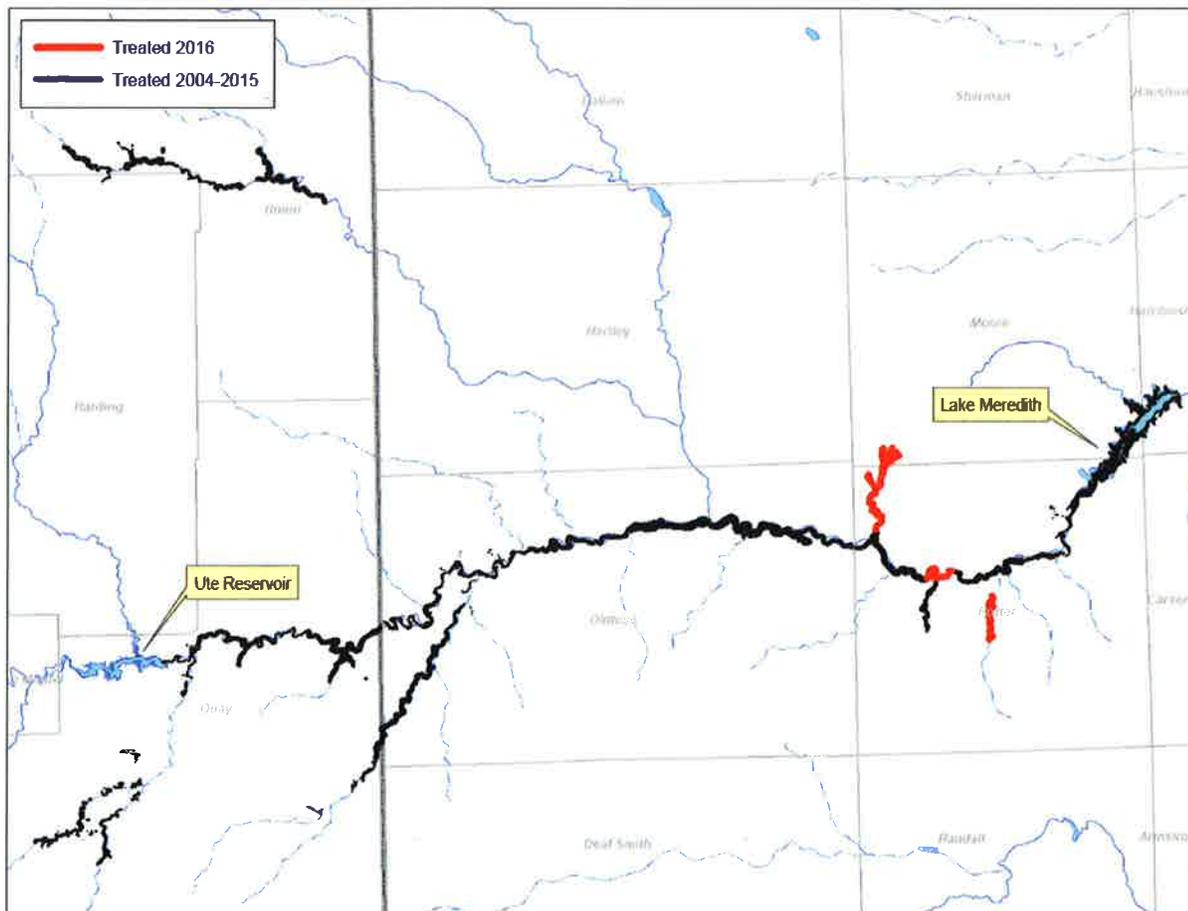
This left 24 joints with large anomalies to be repaired by the Authority. These 24 large anomalies were repaired using large steel clamps that fit over the pipe. The strength in these clamps take the place of the broken wires in the pipe and serve as a long term solution. The Authority also repaired 6 joints of "mediums" due to their close proximity to the work being performed on the "larges".

The Authority plans to inspect the pre-stressed pipe between Pumping Plant 1 and Pumping Plant 3 in the fall of 2016. In addition to this inspection, repairs to any new "large" anomalies will be performed and "medium" anomalies will be on-going as part of normal operations and maintenance of the pipeline. It should be noted that all of the "mediums" are well below the threshold in which the pipe would fail and do not pose an immediate threat. The "small" anomalies will be monitored over time to see if and how the damage progresses.



Salt Cedar Control Project

The objectives of the Salt Cedar Control Project are to: 1) increase the flow in the Canadian River and its' tributaries within the Lake Meredith watershed, 2) increase water quality in the Canadian River and 3) create a better habitat for the Arkansas River Shiner, which is Federally listed as a threatened species. In 2016, the Authority completed its twelfth year in its Salt Cedar Control project, spraying 385 acres of salt cedar with a total of 31,069 acres treated to date. (See the map below that shows the areas treated for salt cedar along the Canadian River since 2004.) The Authority will continue the salt cedar maintenance as necessary.



Lake Meredith Salinity Control Project

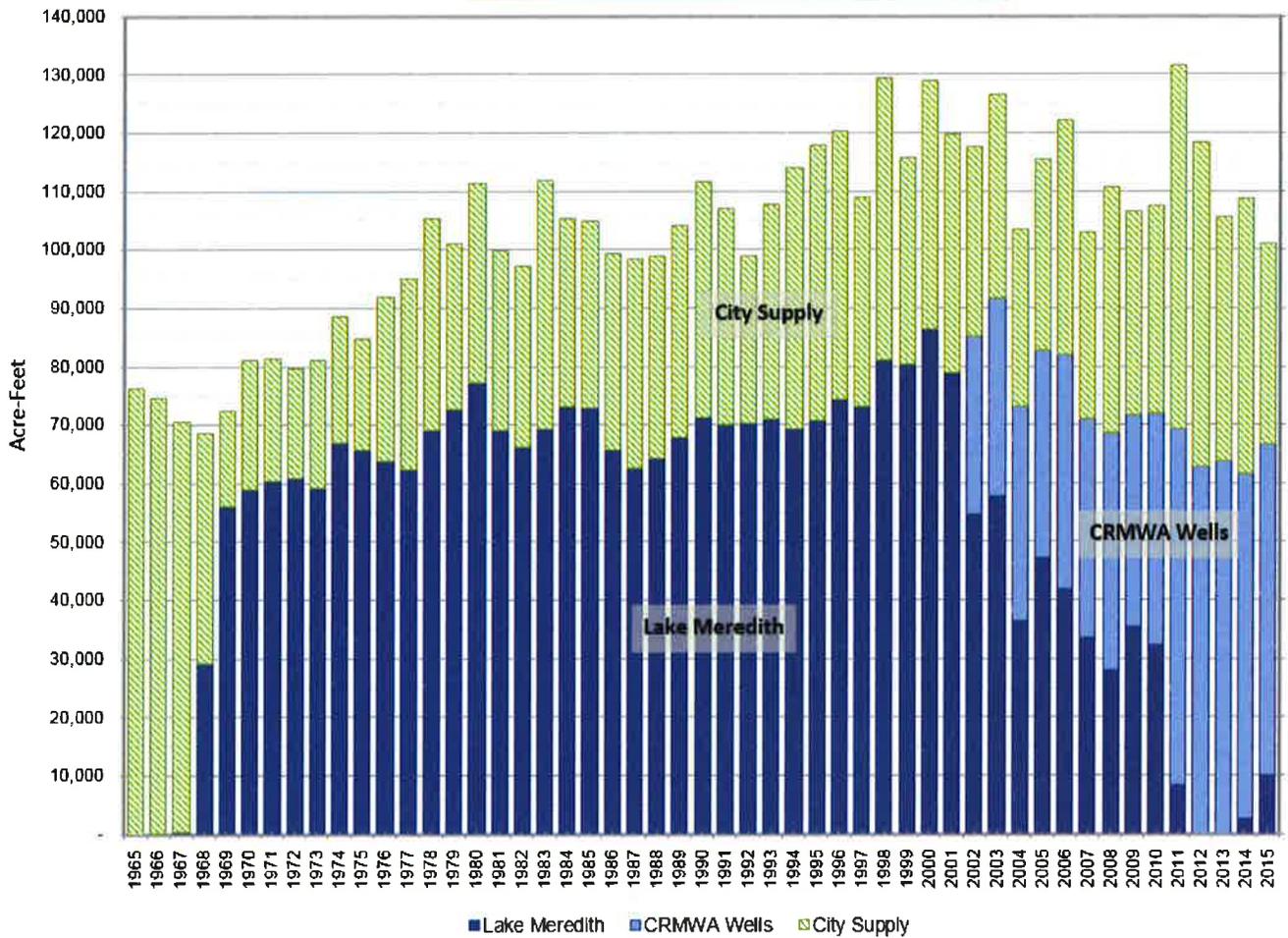
The Salinity Control Project is designed to improve the quality of water in Lake Meredith by intercepting brine water that is leaking into the Canadian River near Logan, New Mexico. An area in New Mexico just downstream from Ute Dam near Logan was identified as being a major contributor of saline water to the Canadian River System. Studies by the Bureau of Reclamation and consultants indicate that about 70 percent of the chlorides reaching Lake Meredith originate in this localized area, filtering into the river channel from a shallow brine aquifer that is under artesian pressure. Water in the brine aquifer is roughly as salty as seawater. Because salt is "stored" in the river channel sand between Lake Meredith and Logan, the extent of benefit will depend upon climatic conditions and stream flow.

Even though the Authority is not currently using much surface water from Lake Meredith, the continuation of the project is important. Without it, brine would build up in the river alluvium at an uncontrolled rate. The project reduces the amount of brine entering the river and ultimately Lake Meredith.

Future Water Supply Initiatives

The Texas Water Development Board adopted the 2017 State Water Plan (the Plan) on May 19, 2016. The Plan is based on projections indicating that the population will continue with its rapid growth. Based on these population projections, a total population growth in the member cities of about 53 percent is projected during the 50-year period from 2020 to 2070, with Amarillo, Lubbock and Pampa showing the greatest increase in population during this time period. The estimated population of the member cities is expected to increase gradually to an aggregate of nearly 867,000 by the year 2070. Current member cities' water needs are at 33 billion gallons per year ("BGY") with the Authority currently able to supply only 22.5 BGY (69,000 acre-feet) and the remaining amount being provided by groundwater wells or other resources owned by the member cities. Because droughts have reduced the ability of Lake Meredith to provide a constant supply of water, the Authority has expanded its existing wellfield capacity to the maximum capability of existing transportation infrastructure and has purchased additional groundwater resources in the Panhandle. Further increases in delivery capability will require construction of additional aqueduct capacity. (See the discussion of CRMWA II on page 13 for further details.)

CRMWA Member Cities - Historical Usage

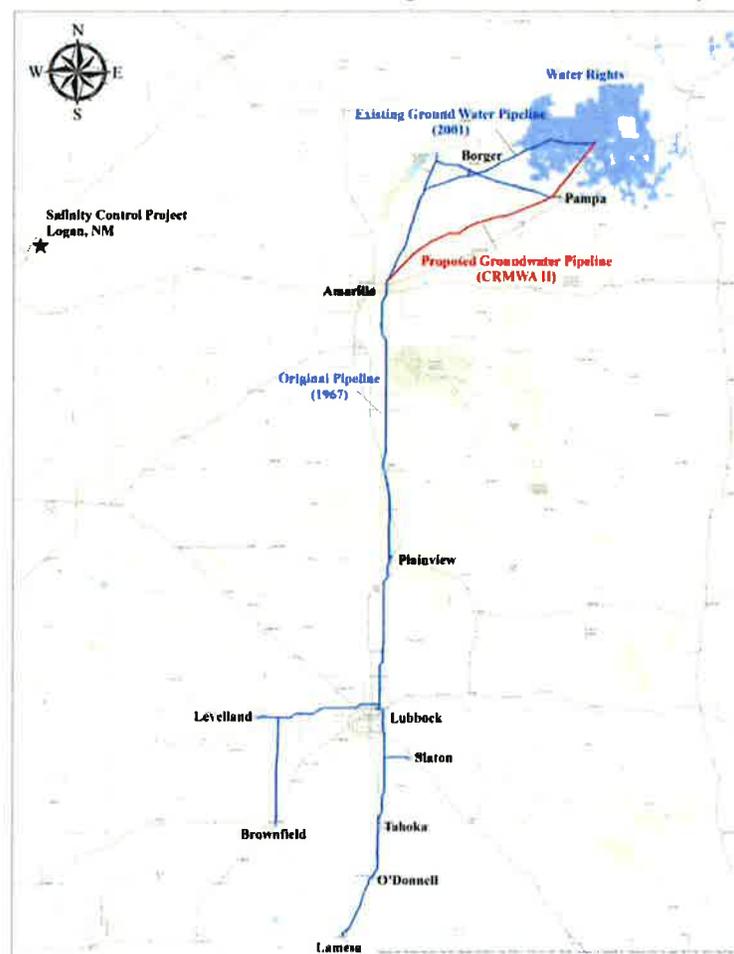


CRMWA II

With the decline in Lake Meredith, the Authority is needing to more fully utilize its groundwater resources. The groundwater infrastructure connects with the original surface water system for delivery to the cities. The current groundwater infrastructure is capable of supplying only enough water to utilize about half of the original surface water system's delivery capacity. This means half of the original system is unable to be utilized. Instead, the cities are relying more heavily on their own local resources. The needs vs. supply gap will widen even more over time without either replenishment of the surface water supply (Lake Meredith) or additional groundwater infrastructure.

CRMWA II is the proposed project to bridge the gap in needs vs. supply. It would consist of additional aqueduct infrastructure to bring more groundwater to a point in Amarillo where it could be introduced into the original surface water delivery system. An in-house study was performed and found that some of our member cities have a greater need for additional supply while others have more resources and are in less need of additional water. However, forcing the cities to rely this heavily on their own resources will cause those resources to be exhausted more quickly and local replacement options are limited. The actual date the expansion will occur will be decided collectively by the member cities based on what is most advantageous and affordable for all.

The study has been completed proposing the route for this new pipeline which totals about 70 miles in length. The study focused on the following: most economical route for construction, access and maintenance, possible environmental obstacles, possible archeological obstacles, etc. The purchase of easement or right of way is ongoing and is expected to be completed during the next fiscal year.



Awards and Acknowledgements

The Government Finance Officers Associations of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Canadian River Municipal Water Authority for its comprehensive annual financial report for the fiscal year ended September 30, 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We are pleased to present this report to the Board for formal adoption.

Respectfully submitted,



Kent Satterwhite
General Manager



Chad Pernel
Deputy General Manager



Government Finance Officers Association

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for Excellence
in Financial
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Presented to

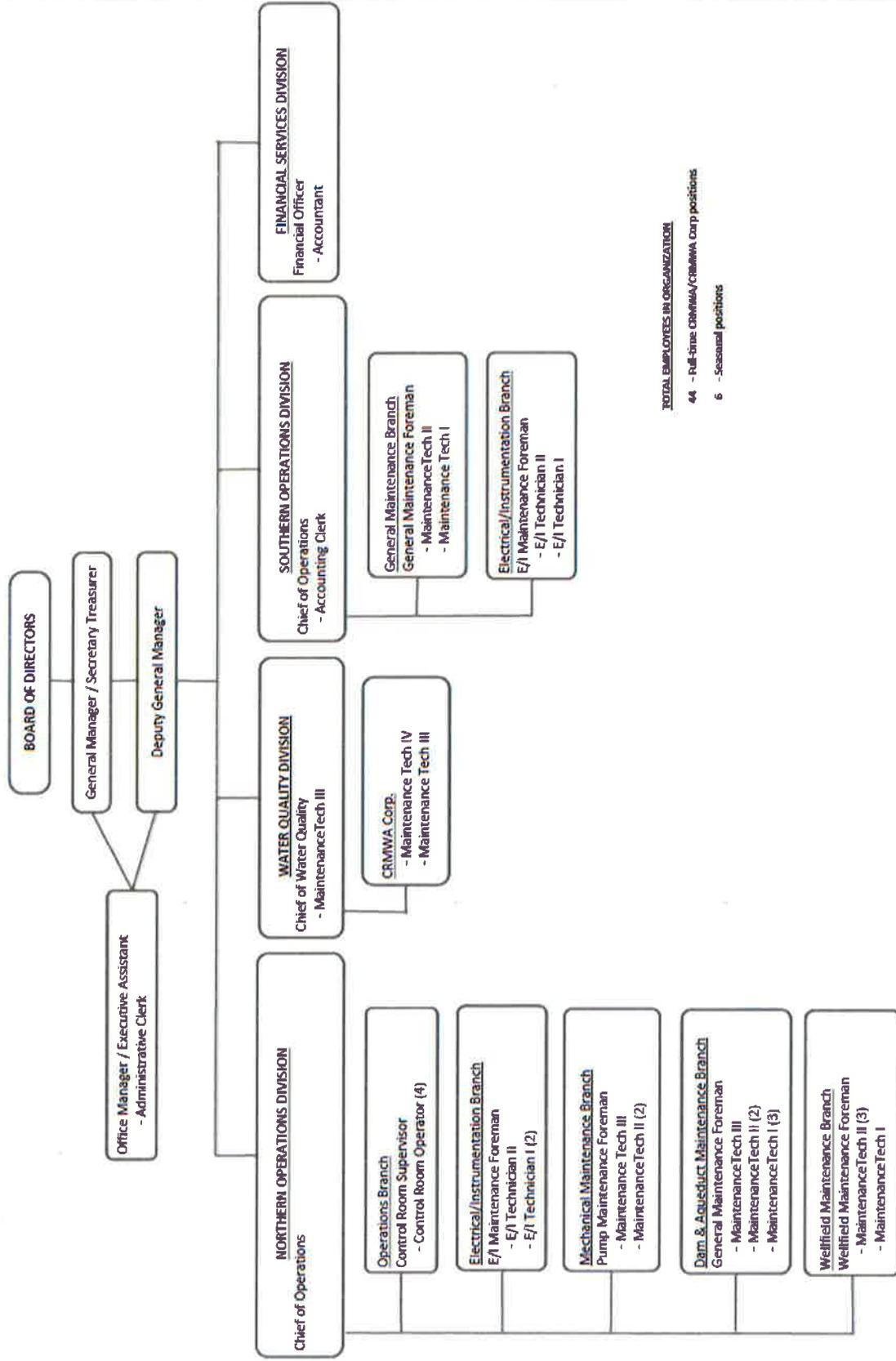
**Canadian River
Municipal Water Authority
Texas**

**For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended**

September 30, 2015

Executive Director/CEO

CRMWA - Organization Chart



TOTAL EMPLOYEES IN ORGANIZATION
 44 - Full-time CRMWA/CRMWA Corp positions
 6 - Seasonal positions



Financial Section





To the Board of Directors
Canadian River Municipal Water Authority
Sanford, Texas

Independent Auditors' Report

We have audited the accompanying financial statements of the Canadian River Municipal Water Authority (the Authority) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes assessing the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Canadian River Municipal Water Authority as of September 30, 2016, and the changes in financial position and changes in cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 22 through 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Canadian River Municipal Water Authority's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison information on page 56 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2016 on our consideration of the Canadian River Municipal Water Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Canadian River Municipal Water Authority's internal control over financial reporting and compliance.

Doshier, Pickens & Francis, LLC

Doshier, Pickens & Francis, LLC
December 1, 2016

Management's Discussion and Analysis



CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Management's Discussion and Analysis

Year Ended September 30, 2016

The Canadian River Municipal Water Authority's (the Authority) discussion and analysis provides an overview of the Authority's financial activities for the fiscal year ended September 30, 2016. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, the discussion and analysis should be read in conjunction with the Authority's letter of transmittal which can be found on pages 1 through 14. *[Notation; some of the information in the sections below is actually from events that occurred in prior years, but is considered appropriate here to provide adequate background for the reader to understand the status of work.]*

FINANCIAL HIGHLIGHTS

- Conjunctive Use Groundwater Supply Project

The Authority began work to provide an alternate water supply from groundwater in 1995 by acquiring 42,765 acres of water rights in Hutchinson and Roberts Counties in the Texas Panhandle. A field of 27 wells with appurtenances and approximately a 36-mile aqueduct pipeline were installed and placed in operation in 2001 to allow delivery of the groundwater and blending with surface water. Contract Revenue Bonds issued in 1995 and 1999 supported these developments.

In April 2005, the Authority issued Contract Revenue Bonds, Series 2005 to pay for acquisition and construction costs in connection with the expansion of the Conjunctive Use Groundwater Supply Project. Two wells were added to the original wellfield as Phase II, and one small well previously drilled but not equipped with a pump was also placed in operation.

In April 2006, the Authority issued Contract Revenue Bonds, Series 2006 to pay acquisition costs of additional water rights for the project expansion of the Conjunctive Use Groundwater Supply Project Phases II and III.

Due to the availability of a larger area of water rights than originally anticipated, the Board authorized additional purchases of water rights, with the cost to be reimbursed from future bond sales. Economic conditions also resulted in very favorable construction bids; therefore, the number of wells to be added was increased. In addition, the size of the new transmission pipeline was enlarged to allow more water to be delivered from the expanded wellfield area and to provide for future developments. As of September 30, 2009, the Authority had acquired a total of 260,000 acres of water rights.

In October 2009, the Authority issued Contract Revenue Bonds, Series 2009 to complete funding for the project expansion of the Conjunctive Use Groundwater Supply Project Phase III. Funds from the Authority's General Reserve in the amount of \$1,617,806 were utilized to establish the Bond Reserve Fund for this issue to minimize debt service requirements. The design of the wellfield expansion included fifteen new wells, collection pipelines to serve all of the new wells, a 54-inch transmission pipeline and other necessary facilities. Together with the original wellfield and the two wells added as part of Phase II, the expanded wellfield would fully utilize the 54-inch pipeline from Roberts County to the Canadian River Aqueduct with allowance for rotation of wells in service. The expanded wellfield allows for production of up to about 70,000 acre-feet annually. All wells were brought on line by the spring of 2011. Route planning and purchasing right of way has started for the next phase of this project which is referred to as CRMWA II. (Additional information related to CRMWA II can be found on page 10.)

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Management's Discussion and Analysis

Year Ended September 30, 2016

The Authority issued two new bond issues in 2010 to refinance the 1999 bond issues realizing a significant cost savings due to the low interest rates.

In December 2011, the Authority issued Subordinate Lien Contract Revenue Bonds, Series 2011 to pay for acquisition of additional water rights to support expansion of the Conjunctive Use Groundwater Supply Project. As of September 30, 2016, the Authority's total holdings of water rights were just over 475,000 acres.

The Authority issued a new bond issue in 2012 to refinance the 2005 bond issue realizing a significant cost savings due to the low interest rates.

The Authority issued a new bond issue in 2014 to refinance the 2005 refunding bond issue and the 2006 bond issue realizing a significant cost savings due to the low interest rates.

All of the Authority's bonds have been rated by Moody's as 'Aa3'.

Due During Fiscal Years Ending	Total Annual Requirements For All Long-Term Debt		
	Principal	Interest	Total
2017	\$ 11,695,000	\$ 7,669,150	\$ 19,364,150
2018	13,225,000	7,197,600	20,422,600
2019	11,520,000	6,598,638	18,118,638
2020	12,605,000	6,029,925	18,634,925
2021	12,965,000	5,416,975	18,381,975
2022	13,610,000	4,761,275	18,371,275
2023	14,275,000	4,078,625	18,353,625
2024	14,985,000	3,358,950	18,343,950
2025	15,745,000	2,602,216	18,347,216
2026	9,600,000	1,977,819	11,577,819
2027	10,065,000	1,494,106	11,559,106
2028	6,975,000	1,087,541	8,062,541
2029	8,440,000	753,013	9,193,013
2030	6,025,000	426,975	6,451,975
2031	6,325,000	138,175	6,463,175
Totals	<u>\$ 168,055,000</u>	<u>\$ 53,590,983</u>	<u>\$ 221,645,983</u>

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Management's Discussion and Analysis

Year Ended September 30, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS

The discussion and analysis provided here are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements consist of the following components: 1) the basic financial statements, 2) the notes to the financial statements, 3) supplementary information and 4) statistical information. This report provides both long-term and short-term information about the Authority's financial status (including CRMWA Corporation). The notes to the financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the Authority's financial statements. The notes to the financial statements can be found on pages 33-54 of this report.

The Authority's financial statements are prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units on an accrual basis as required for enterprise funds. Under this basis, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred.

The Authority experienced unexpected pipeline infrastructure needs resulting in an amendment to the budget for the year ending September 30, 2016. The CAFR presents both the original and final budget for the year. Additional information can be found in the Letter of Transmittal on pages 3-4.

The Statement of Net Position presents financial information on all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is displayed in three components: net investment in capital assets (net of related debt), restricted, and unrestricted. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The results for the current fiscal year were positive in that overall net position increased by \$4.5 million to reach an ending balance of \$340,714,990. The main source of this increase is the addition of infrastructure capital assets in the last year.

The Statement of Revenues, Expenses, and Changes in Net Position report total operating revenues, operating expenses, and non-operating revenues and expenses during the fiscal year ending September 30, 2016.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Management's Discussion and Analysis Year Ended September 30, 2016

CANADIAN RIVER MUNICIPAL WATER AUTHORITY SUMMARIZED FINANCIAL INFORMATION

September 30, 2016

(With Comparative Amounts for September 30, 2015)

	2016	2015
Current Assets	\$ 27,834,723	\$ 27,413,072
Net Capital Assets	330,957,176	326,838,884
Other Noncurrent Assets	169,793,693	182,160,344
Total Assets	528,585,592	536,412,300
Deferred Outflows of Resources	-	496,124
Current Liabilities	15,229,292	14,671,035
Noncurrent Liabilities	172,641,310	186,062,853
Total Liabilities	187,870,602	200,733,888
Net Position:		
Net Investment in Capital Assets	154,074,007	137,903,819
Restricted	171,903,499	183,221,813
Unrestricted	14,737,484	15,048,904
Total Net Position	\$ 340,714,990	\$ 336,174,536

The increase in current assets is due to the increase in the amounts due from member cities to cover the higher bond principal payments coming due in the next year.

The increase in net capital assets of \$4.1 million was the net of the current year additions in the amount of \$7.6 million less current year depreciation of \$3.5 million. Current year additions to capital assets included the construction of three pipeline bypasses, building improvements, operating equipment, SCADA system improvements and work in progress costs related to the CRMWA II infrastructure project including capitalized interest. (Additional information on the Authority's capital assets can be found in Note 5 on page 37 of this report.)

The decrease in other noncurrent assets and noncurrent liabilities relate to: 1) the reclassification of the current portion of the principal payments to be received from the member cities, 2) the reclassification of the current principal to be paid to the bond agencies during the next year, and 3) infrastructure costs funded from bond proceeds. (Additional information on the Authority's long-term debt can be found in Note 6 on pages 38-46 of this report.)

The decrease in deferred outflows of resources is due to current year amortization.

The Authority's assets exceeded liabilities by \$340.7 million at September 30, 2016, a \$4.5 million increase from September 30, 2015. The excess is comprised of the net position 1) restricted for debt service (i.e., amounts due from the member cities) and 2) the net investment in capital assets which the Authority utilizes to deliver water to the member cities. The unrestricted net position is to help ensure funds are available for future repair and replacement of equipment, pumps, pumping stations and wellfield related items such as wells, pumps, motors and controls.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Management's Discussion and Analysis Year Ended September 30, 2016

CANADIAN RIVER MUNICIPAL WATER AUTHORITY SUMMARIZED CHANGES IN NET POSITION Year Ended September 30, 2016 (With Comparative Amounts for Year Ended September 30, 2015)

	2016	2015
Operating Revenues	\$ 20,659,003	\$ 13,465,083
Operating Expenses	(14,322,474)	(13,465,044)
Revenues in excess of expenses before depreciation/amortization	6,336,529	39
Operating Expenses - Depreciation	(3,495,414)	(3,449,032)
Operating Expenses - Amortization	1,223,964	(2,070)
Operating Income (Loss)	4,065,079	(3,451,063)
Nonoperating Revenues:		
Assessments to member cities for bond interest	8,091,061	8,025,253
Other revenues	180,203	132,871
Nonoperating Expenses:		
Bond interest expense	(7,795,889)	(7,671,019)
Credits to member cities for bond refunding activity	-	(3,111,475)
Other expenses	-	(508,756)
Operating Income (Loss) Net of Nonoperating Revenues (Expenses)	4,540,454	(6,584,189)
Increase (Decrease) in Net Position	4,540,454	(6,584,189)
Restated Net Position - Beginning of Year	336,174,536	342,758,725
Net Position - End of Year	\$ 340,714,990	\$ 336,174,536

The Authority's member cities are assessed each month for general operation and maintenance (GOM) costs on the basis of estimated costs to each member city as budgeted for that fiscal year. Charges for pumping energy and line chemical (PEC) costs are assessed monthly for actual water delivered at the projected rates for anticipated energy costs. The Authority maintains a cost system by which it allocates its actual costs to each member city. After the end of each fiscal year it issues additional assessments or credits to each member city for the difference between actual costs allocated to each city and the estimated costs previously assessed.

Actual GOM costs exceeded the GOM assessments billed to the cities by \$947,640 due to the unanticipated pipeline infrastructure costs. (Additional information regarding the amount due to the Authority and on the pipeline rehabilitation project can be found in the transmittal letter on pages 3-4 and pages 9-10 of this report.) The additional amount owed to the Authority will be collected according to the individual city payment arrangements made in accordance with the Authority's policies.

Estimated PEC costs billed to the cities exceeded actual PEC costs by \$539,638 due to decreased pumping energy usage from the multiple shutdowns that occurred during the year related to the pipeline rehabilitation effort. With usage and energy rates being lower than anticipated, the excess collections will be credited to future assessments for each member city.

The increase in net position is the net of the capitalization of assets offset by current year depreciation and reserve utilization.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Management's Discussion and Analysis

Year Ended September 30, 2016

The following schedule provides a reconciliation of the member cities' assessments and other sources to operating expenses, excluding depreciation and amortization, and other uses of funds.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
Operating Sources and Uses
Year Ended September 30, 2016
(With Comparative Amounts for September 30, 2015)

	2016	2015
Sources of Funds:		
Member City Assessments:		
GOM assessments to member cities	\$ 14,924,608	\$ 5,762,240
PEC assessments to member cities	5,734,395	7,702,843
Total Member City Assessments	20,659,003	13,465,083
 Other Sources:		
Minor Equipment Replacement Reserve	547,214	103,339
Well and Well Pump Reserve	620,233	899,217
Dam and Reservoir Reserve	48,061	67,811
2009 Bond Proceeds	236,420	1,380
General Reserve	-	14,496
Sales Proceeds and Other Insurance Proceeds	9,400	43,260
Total Other Sources	1,461,328	1,138,707
Total Sources of Funds	\$ 22,120,331	\$ 14,603,790
 Uses of Funds:		
Personnel costs	\$ 4,244,692	\$ 3,575,271
Professional fees	1,371,603	241,136
Purchased and contracted services	1,522,484	1,291,355
Consumable supplies and materials	1,225,080	554,067
Recurring operating costs	818,569	513,447
Pumping energy and line chemicals	5,140,047	7,289,768
Capitalized costs	6,978,508	500,671
Contribution to the Minor Equipment Replacement Reserve - Corp	225,000	225,000
Contribution to the Well and Well Pump Reserve - PEC fees	273,774	413,075
Contribution to the New Well Construction Reserve	320,574	-
Total Uses of Funds	\$ 22,120,331	\$ 14,603,790

Basic Financial Statements



CANADIAN RIVER MUNICIPAL WATER AUTHORITY
STATEMENT OF NET POSITION
September 30, 2016

Assets:

Current Assets:

Cash and cash equivalents	\$ 15,589,006
Due from member cities and other receivables	<u>12,245,717</u>

Total Current Assets	<u>27,834,723</u>
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Noncurrent Assets:

Restricted cash and cash equivalents	20,225,002
Due from member cities and other receivables	149,568,691
Land and land rights	4,225,960
Capital assets, net of accumulated depreciation of \$72,772,521	<u>326,731,216</u>

Total Noncurrent Assets	<u>500,750,869</u>
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Total Assets	<u>528,585,592</u>
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Liabilities:

Current Liabilities:

Bonds payable - current	11,695,000
Accounts payable and other accruals	1,633,388
Interest payable	969,266
Unearned revenue	718,155
Compensated absences	<u>213,483</u>

Total Current Liabilities	<u>15,229,292</u>
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Noncurrent Liabilities:

Bonds payable	<u>172,641,310</u>
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Total Noncurrent Liabilities	<u>172,641,310</u>
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Total Liabilities	<u>187,870,602</u>
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Net Position:

Net investment in capital assets	154,074,007
Restricted for debt service	171,903,499
Unrestricted	<u>14,737,484</u>

Total Net Position	<u>\$ 340,714,990</u>
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The accompanying notes are an integral part of these financial statements.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For Year Ended September 30, 2016

Operating Revenues:	
Assessments to member cities	
General operation and maintenance costs	\$ 14,924,608
Pumping and chemical costs	<u>5,734,395</u>
Total Operating Revenues	<u>20,659,003</u>
Operating Expenses:	
Personnel costs	4,244,692
Professional fees	1,371,603
Purchased and contracted services	1,522,484
Consumable supplies and materials	1,225,080
Recurring operating costs	818,568
Depreciation and amortization	2,271,450
Pumping energy and line chemicals	<u>5,140,047</u>
Total Operating Expenses	<u>16,593,924</u>
Operating Income	<u>4,065,079</u>
Nonoperating Revenues (Expenses):	
Assessments to member cities	
Debt service interest assessment	8,091,061
Other income	4,805
Investment income	165,998
Gain on disposal of asset	9,400
Interest expense	<u>(7,795,889)</u>
Total Nonoperating Income	<u>475,375</u>
Increase in Net Position	<u>4,540,454</u>
Net Position at Beginning of Year	<u>336,174,536</u>
Net Position at End of Year	<u>\$ 340,714,990</u>

The accompanying notes are an integral part of these financial statements.

**CANADIAN RIVER MUNICIPAL WATER AUTHORITY
STATEMENT OF CASH FLOWS
For Year Ended September 30, 2016**

Cash Flows From Operating Activities:	
Cash received from member cities for assessments	\$ 19,783,087
Cash payments to employees for services	(4,143,592)
Cash payments to suppliers for goods and services	<u>(9,951,328)</u>
Net Cash Provided by Operating Activities	<u>5,688,167</u>
Cash Flows From Capital and Related Financing Activities:	
Cash paid for acquisition or construction of capital assets	(7,641,846)
Proceeds from sale of assets	9,400
Interest received on cash deposits for debt service	59,682
Cash received from member cities for debt service	19,684,487
Principal paid on debt	(11,400,000)
Interest paid on debt	<u>(7,852,883)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(7,141,160)</u>
Cash Flows From Investing Activities:	
Interest received on cash deposits	<u>128,001</u>
Net Cash Provided by Investing Activities	<u>128,001</u>
Net Decrease in Cash and Cash Equivalents	(1,324,992)
Cash and Cash Equivalents at Beginning of Year	<u>37,139,000</u>
Cash and Cash Equivalents at End of Year	<u>\$ 35,814,008</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
STATEMENT OF CASH FLOWS
For Year Ended September 30, 2016

Continuation

Reconciliation of Operating Loss to Net Cash Provided by

Operating Activities:

Operating income	\$ 4,065,079
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Other nonoperating income, expense and costs	4,805
Depreciation and amortization	2,271,450
Increase in operating portion of due from member cities and other receivables	(997,813)
Increase in accounts payable, other accruals and compensated absences	222,749
Increase in assessments received in advance	<u>121,897</u>
Net Cash Provided by Operating Activities	<u>\$ 5,688,167</u>

The accompanying notes are an integral part of these financial statements.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Canadian River Municipal Water Authority (the Authority) have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (“GASB”) is responsible for establishing accounting standards for state and local governments through its pronouncements (Statements and Interpretations).

The most significant accounting and reporting policies of the Authority are described in the following notes to the financial statements.

1. Financial Reporting Entity

The Canadian River Municipal Water Authority was created on May 27, 1953, by the Texas legislature Acts 1953, 53rd Leg., Ch. 243, as amended, (previously Art. 8280-154). Its purpose is to supply water for municipal and industrial uses to member cities. Member cities include: Amarillo, Borger, Brownfield, Lamesa, Levelland, Lubbock, O’Donnell, Pampa, Plainview, Slaton and Tahoka. Each member city is represented by one or two persons on the Authority’s Board of Directors. The Authority’s sources of water are surface water from Lake Meredith and groundwater from Roberts County, Texas.

The definition of the reporting entity is based primarily on the notion of financial accountability. The Authority is financially accountable for CRMWA Corporation (the Corporation), a not-for-profit corporation created in the State of Texas, authorized to operate in New Mexico to facilitate the construction and operation of the Salinity Control Project. The Corporation is presented in these financial statements as a blended component unit. The Corporation’s governing body is the same as the Authority’s. The blended component unit, although a legally separate entity, is in substance part of the Authority’s operations and is reported with the Authority. Separate financial statements are not published for the Corporation which follows the same accounting policies as the Authority. Transactions with other governmental entities consist of assessments to member cities for costs of operations, pumping energy and construction projects.

2. Basis of Accounting

The Authority qualifies as a special purpose government engaged only in business-type activities, and accordingly only the financial statements required for an enterprise fund are presented as basic financial statements. A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The Authority measures the full cost of providing water to the member cities for the purpose of fully recovering that cost through charges to the member cities. Charges to member cities are computed on a cost-reimbursement basis. The Authority’s basic financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the liability is incurred. Internal activity has been eliminated in the accompanying financial statements.

3. Inventory

The Authority has elected to not record inventory since member cities are charged for supply and material costs at the time of purchase rather than at the time of use. The impact to the financial statements taken as a whole is not material.

Continued

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

4. Capital Assets

Capital assets, which include land, water systems, water rights, buildings and equipment, are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The Authority capitalizes all assets with a historical cost of at least \$7,500 and a useful life of at least three years. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Land and land rights are not depreciated.

Depreciation is computed utilizing the straight-line method over the following estimated useful lives:

Water systems	10 to 200 years
Buildings	75 years
Other equipment	3 to 10 years
Automobiles/trucks	5 to 10 years

5. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense) until then. The Authority only has one item that qualifies for reporting in this category. The deferred charge on refunding, which has been fully amortized, would be reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then. The Authority did not have any items that qualified for reporting in this category for the year ended September 30, 2016.

6. Compensated Absences

Employees are entitled to annual leave with pay ranging from two to five weeks per year. Annual leave that is unused at the end of the year may be carried over, but the cumulative total carryover shall not exceed the employee's annual rate of leave accrual as of the current December 31. Upon separation in good standing, the employee shall be paid the amount of unused annual leave accrued to his credit as of the date of termination.

Sick leave accrues at approximately one day per month, up to a maximum of 720 hours. During November of each year, each current employee with one year or more of continuous service shall be paid for the amount of his unused sick leave, up to a maximum of forty (40) hours pay, reduced by sick leave taken during the preceding 12 months.

All accumulated vacation is recorded as an expense and a liability at the time the benefit is earned. Due to the nature of sick leave, management has elected not to record a liability for its sick leave policy. The expense and related liability would not be material to the financial statements taken as a whole.

Continued

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

7. Capitalized Interest

The Authority capitalizes interest on constructed assets during the period of construction. The amount of interest cost capitalized on qualified assets acquired or constructed with proceeds of tax-exempt borrowings that are externally restricted to finance acquisition of specified assets is all interest cost of the borrowing less any interest earned on related interest-bearing investments acquired with such unexpended proceeds from the date of the borrowings until the assets are substantially complete and are ready for their intended use.

8. Revenue Policies

The principal portion of the Authority's revenues is provided by assessments from member cities for all costs incurred in delivering water to them. Water is delivered to member cities on demand up to predetermined allocations and revenue is recognized at the time of delivery.

9. Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash, and have an original maturity date of three months or less. Interest on certificates of deposits is recorded as earned, but is subject to forfeiture for early withdrawal of deposits.

10. Classification of Revenues

Operating revenues consist of assessments to member cities for all general operating costs and for pumping and energy costs. Nonoperating revenues consist primarily of assessments to member cities for servicing debt and of investment income.

11. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations imposed on the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

12. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

1. During April, the budget is adopted by the Board of Directors.
2. Budgeted amounts are as originally adopted but may be revised as necessary.
3. All appropriations lapse at the end of the Authority's fiscal year and may be re-budgeted the next year.
4. The budgets for the operating funds of the Authority and the Corporation are adopted on a basis consistent with generally accepted accounting principles (GAAP) on the accrual basis of accounting, except for depreciation expense which is not included in the annual budget.
5. Formal budgetary integration on an annual basis is employed as a management control device during the year for the operating revenues and expenses. Formal budgetary integration is not employed for the debt service because effective budgetary control is alternatively achieved through the bond redemption schedules for the various bonds. Formal budgetary integration is not employed for construction because effective budgetary control is alternatively achieved through appropriations received for the specified purpose and through budgetary integration on a project length basis at the time the agreements with engineers/contractors are signed.
6. The Authority adhered to the prescribed budgets as a whole, as discussed above, for the year ended September 30, 2016. The negative variance in purchased and contract services (\$1,325,194) was funded from bond funds, the Well and Well Pump Reserve and the Minor Equipment Replacement Reserve funds.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents are classified in the accompanying Statement of Net Position as follows:

Current assets:

Cash and cash equivalents	\$ 15,589,006
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Non-current assets:

Restricted cash and cash equivalents	20,225,002
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	\$ 35,814,008
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Cash and cash equivalents held by the Authority consist of the following:

Deposits	\$ 2,900,406
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Money Market Funds	32,913,602
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	\$ 35,814,008
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Texas law and Board policy require that Authority deposits be placed in financial institutions located in Texas. Such deposits must be collateralized with securities or surety bonds to the extent not insured by the Federal Deposit Insurance Corporation (FDIC). Securities that may be accepted as collateral are those authorized by the Public Funds Collateral Act. Accordingly, these are limited to obligations of the United States and its agencies and instrumentalities, obligations issued by public agencies with at least a rating of "A" by a nationally recognized rating agency, and any other security in which a public entity may invest under the Public Funds Investment Act.

At September 30, 2016, Authority deposits in excess of the amount insured by the FDIC were collateralized by securities pledged in the amount of \$37.610 million and were held separate and apart from the pledging bank.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 4 – DUE FROM MEMBER CITIES AND OTHER RECEIVABLES

The following is a summary of the amounts due from the member cities and other receivables:

Current due from member cities and other receivables:	
Due from member cities for bond issues (see Note 6)	\$ 11,351,578
Net year-end adjustments receivable from member cities	<u>894,139</u>
	<u>\$ 12,245,717</u>
Noncurrent due from member cities and other receivables:	
Due from member cities for bond issues (see Note 6)	<u>\$ 149,568,691</u>

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2016 is as follows:

	Balance at September 30, 2015	Increases	Decreases	Balance at September 30, 2016
Capital assets not being depreciated:				
Land	\$ 4,193,221	\$ 32,739	\$ -	\$ 4,225,960
Total capital assets not being depreciated	<u>4,193,221</u>	<u>32,739</u>	<u>-</u>	<u>4,225,960</u>
Capital assets being depreciated:				
Buildings	1,117,988	12,389	-	1,130,377
Operating Equipment	2,328,514	338,417	(65,092)	2,601,839
Communications Facilities	2,275,976	16,582	-	2,292,558
Dam and Reservoir	21,733,541	-	-	21,733,541
Pipelines	107,901,612	6,387,041	-	114,288,653
Pumping Plants	27,829,614	5,513	-	27,835,127
Regulating Reservoirs	2,006,836	236,522	-	2,243,358
Water Treatment Facilities	385,695	-	-	385,695
Water Rights	185,829,092	-	-	185,829,092
Groundwater Production Facilities	33,141,215	-	-	33,141,215
Salinity Control Facilities	6,464,209	-	-	6,464,209
Work in Progress	973,570	584,503	-	1,558,073
Total capital assets being depreciated	<u>391,987,862</u>	<u>7,580,967</u>	<u>(65,092)</u>	<u>399,503,737</u>
Less accumulated depreciation for:				
Buildings	(278,100)	(18,347)	-	(296,447)
Operating Equipment	(1,494,939)	(176,877)	65,092	(1,606,724)
Communications Facilities	(1,221,694)	(29,743)	-	(1,251,437)
Dam and Reservoir	(11,538,804)	(219,531)	-	(11,758,335)
Pipelines	(28,216,968)	(1,004,929)	-	(29,221,897)
Pumping Plants	(6,029,591)	(321,578)	-	(6,351,169)
Regulating Reservoirs	(961,405)	(21,424)	-	(982,829)
Water Treatment Facilities	(238,667)	(5,142)	-	(243,809)
Water Rights	(7,695,242)	(938,032)	-	(8,633,274)
Groundwater Production Facilities	(4,442,769)	-	-	(4,442,769)
Salinity Control Facilities	(7,224,020)	(759,811)	-	(7,983,831)
Total accumulated depreciation	<u>(69,342,199)</u>	<u>(3,495,414)</u>	<u>65,092</u>	<u>(72,772,521)</u>
Total capital assets being depreciated, net	<u>322,645,663</u>	<u>4,085,553</u>	<u>-</u>	<u>326,731,216</u>
Total capital assets, net	<u>\$ 326,838,884</u>	<u>\$ 4,118,292</u>	<u>\$ -</u>	<u>\$ 330,957,176</u>

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 6 – LONG-TERM DEBT AND OTHER LIABILITIES

In the year ended September 30, 2000, the Authority issued Contract Revenue Bonds, Series 1999 for financing construction of the Conjunctive Use Groundwater Supply Project and for the advance refunding of the Contract Revenue Bonds, Series 1996. The cities of Lubbock and O'Donnell have paid their portion of the Project costs from their own resources and are not participants in the debt financing for this project.

In the year ended September 30, 2005, the Authority issued Contract Revenue Refunding Bonds, Series 2005 in the amount of \$28,260,000 for the advance refunding of a portion of the Contract Revenue Bonds, Series 1999. In the year ended September 30, 2010, the Authority issued Contract Revenue Refunding Bonds, Series 2010 in the amount of \$5,235,000 for the refunding of the remaining portion of the Contract Revenue Bonds, Series 1999 with principal maturing annually through February 15, 2020. Interest ranges from 3% - 3.5% and a Bond Reserve Fund of \$523,500 was established. The Authority then issued Subordinate Lien Contract Revenue Refunding Bonds, Series 2014 in the amount of \$11,750,000 for refunding of the Series 2005 Refunding issue with principal maturing annually through February 15, 2020. Interest ranges from 2% - 5%.

In the year ended September 30, 2005, the Authority issued Contract Revenue Bonds, Series 2005 in the amount of \$48,125,000 for water rights purchases with principal maturing annually through February 15, 2025. The Authority issued Subordinate Lien Contract Revenue Refunding Bonds, Series 2012 in the amount of \$39,505,000 for the advance refunding portion of the Contract Revenue Bonds, Series 2005 with principal maturing annually through February 15, 2025. Interest ranges from 2% - 5%. The City of Lubbock has a different structure of repayment than the other member cities.

In the year ended September 30, 2006, the Authority issued Contract Revenue Bonds, Series 2006 in the amount of \$49,075,000 for acquisition and construction costs with principal maturing annually through February 15, 2027. Interest ranges from 4.25% - 5%. Slaton and Tahoka had initially opted out of the bond issue and seven of the other cities (not including Lamesa or O'Donnell) agreed to pick up their shares. Slaton and Tahoka then decided to buy in, as allowed by the contract. Even though the buy-in option was exercised, the initial participating member cities are still obligated to make the bond payments in full. The Authority provides these seven member cities credit for the payments made by Slaton and Tahoka on an annual basis to compensate for the buy-in. The Authority issued Subordinate Lien Contract Revenue Refunding Bonds, Series 2014 in the amount \$30,415,000 for the advance refunding of the Contract Revenue Bonds, Series 2006 with principal maturing annually through February 15, 2027. Interest ranges from 2% - 5%. Slaton and Tahoka are participants in the Series 2014 issue.

In the year ended September 30, 2010, the Authority issued Contract Revenue Bonds, Series 2009 in the amount of \$21,105,000 for financing the continuation and expansion of the Conjunctive Use Groundwater Supply Project with principal maturing annually through February 15, 2029. Interest ranges from 3% - 5%. The Authority established a Bond Reserve Fund with a contribution of \$1,617,806 from the general reserve fund which will not be repaid by the member cities. All of the member cities share proportionately the obligations of the annual debt service. Unspent bond proceeds as of September 30, 2016 totaled \$6.7 million.

Also, in the year ended September 30, 2010, the Authority issued Contract Revenue Refunding Bonds, Series 2010 in the amount of \$10,520,000 for refunding of the Series 1999 Bureau of Reclamation Prepayment Project with principal maturing annually through October 1, 2018. Interest ranges from 2% - 3.5%. The City of Lubbock has paid its portion of the Project cost from its resources and is not participating in the debt financing for this project. The remaining ten member cities share proportionately the obligations of the annual debt service. A Bond Reserve Fund in the amount of \$1,052,000 was established.

Continued

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 6 – LONG-TERM DEBT AND OTHER LIABILITIES – Continuation

In the year ended September 30, 2013, the Authority issued Subordinate Lien Contract Revenue Bonds, Series 2011 in the amount of \$81,630,000 for financing the purchases of various water rights with principal maturing annually through February 15, 2031. Interest ranges from 3% - 5%. The member cities share proportionately the obligations of the annual debt service with a modification made for the City of Levelland for consideration of a cash contribution.

All bonds are payable from and secured by an irrevocable first lien on and pledge of the participating member cities' project payments in accordance with their individual Conjunctive Use Groundwater Supply Agreements and/or the Bureau of Reclamation Prepayment Project Agreements. Moody's has rated each of these bonds an 'Aa3'.

The following is a summary of the Authority's long-term debt and other liabilities:

	Contract Revenue Conjunctive Use Groundwater Series 2011	Contract Revenue Refunding Conjunctive Use Groundwater Series 2010	Contract Revenue Refunding Bureau of Reclamation Project Series 2010	Contract Revenue Conjunctive Use Groundwater Series 2009
Interest Rate	3.0 - 5.0%	3.0 - 3.5%	2.0 - 3.5%	3.0 - 5.0%
Principal Due Annually	Feb	Feb	Oct	Feb
Interest Due Semi-Annually	Feb / Aug	Feb / Aug	Oct / April	Feb / Aug
Balances at September 30, 2015	\$ 73,075,000	\$ 2,640,000	\$ 4,430,000	\$ 17,230,000
Principal Payments	(3,150,000)	(400,000)	(1,095,000)	(860,000)
Balances at September 30, 2016	69,925,000	2,240,000	3,335,000	16,370,000
Bond Premium Net of Amortization	5,448,288	51,190	93,584	201,988
Total Bonds Payable at September 30, 2016	<u>\$ 75,373,288</u>	<u>\$ 2,291,190</u>	<u>\$ 3,428,584</u>	<u>\$ 16,571,988</u>
Amounts Due Within One Year	<u>\$ 3,305,000</u>	<u>\$ 405,000</u>	<u>\$ 1,125,000</u>	<u>\$ 895,000</u>

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

Contract Revenue Conjunctive Use Groundwater Series 2006	Contract Revenue Refunding Conjunctive Use Groundwater Series 2012	Contract Revenue Refunding Conjunctive Use Groundwater Series 2014-2005 Ref	Contract Revenue Refunding Conjunctive Use Groundwater Series 2014 - 2006	Totals
4.25 - 5.0% Feb Feb / Aug	2.0 - 5.0% Feb Feb / Aug	2.0 - 5.0% Feb Feb / Aug	2.0 - 5.0% Feb Feb / Aug	
\$ 2,190,000 (2,190,000)	\$ 38,445,000 (1,570,000)	\$ 11,550,000 (2,135,000)	\$ 29,895,000 -	\$ 179,455,000 (11,400,000)
-	36,875,000	9,415,000	29,895,000	168,055,000
-	5,357,646	844,437	4,284,177	16,281,310
<u>\$ -</u>	<u>\$ 42,232,646</u>	<u>\$ 10,259,437</u>	<u>\$ 34,179,177</u>	<u>\$ 184,336,310</u>
<u>\$ -</u>	<u>\$ 1,640,000</u>	<u>\$ 2,200,000</u>	<u>\$ 2,125,000</u>	<u>\$ 11,695,000</u>

Continued

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 6 – LONG-TERM DEBT AND OTHER LIABILITIES – Continuation

The annual requirements to amortize the Authority's long-term debt, including interest as of September 30, 2016 is presented below:

Due During Fiscal Years Ending	Contract Revenue Bonds Conjunctive Use Groundwater Supply Project Series 2011 (\$81,630,000)			Contract Revenue Refunding Bonds Conjunctive Use Groundwater Supply Project Series 2010 (\$5,235,000)		
	Principal	Interest (3-5%)	Total	Principal	Interest (3-3.5%)	Total
	2017	\$ 3,305,000	\$ 3,214,425	\$ 6,519,425	\$ 405,000	\$ 70,300
2018	3,470,000	3,062,400	6,532,400	420,000	56,875	476,875
2019	3,610,000	2,902,750	6,512,750	435,000	41,913	476,913
2020	3,790,000	2,736,700	6,526,700	980,000	17,150	997,150
2021	3,945,000	2,562,275	6,507,275	-	-	-
2022 - 2026	22,845,000	9,601,275	32,446,275	-	-	-
2027 - 2031	28,960,000	3,391,000	32,351,000	-	-	-
Totals	<u>\$ 69,925,000</u>	<u>\$ 27,470,825</u>	<u>\$ 97,395,825</u>	<u>\$ 2,240,000</u>	<u>\$ 186,238</u>	<u>\$ 2,426,238</u>

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

Contract Revenue Refunding Bonds Bureau of Reclamation Project Series 2010 (\$10,520,000)			Contract Revenue Bonds Conjunctive Use Groundwater Supply Project Series 2009 (\$21,105,000)		
Principal	Interest (2-3.5%)	Total	Principal	Interest (3-5%)	Total
\$ 1,125,000	\$ 111,100	\$ 1,236,100	\$ 895,000	\$ 689,850	\$ 1,584,850
2,210,000	77,350	2,287,350	930,000	653,350	1,583,350
-	-	-	970,000	615,350	1,585,350
-	-	-	1,015,000	570,575	1,585,575
-	-	-	1,065,000	518,575	1,583,575
-	-	-	6,045,000	1,869,485	7,914,485
-	-	-	5,450,000	423,310	5,873,310
<u>\$ 3,335,000</u>	<u>\$ 188,450</u>	<u>\$ 3,523,450</u>	<u>\$ 16,370,000</u>	<u>\$ 5,340,495</u>	<u>\$ 21,710,495</u>

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 6 – LONG-TERM DEBT AND OTHER LIABILITIES – Continuation

The annual requirements to amortize the Authority's long-term debt, including interest as of September 30, 2016 is presented below:

Due During Fiscal Years Ending	Contract Revenue Refunding Bonds Conjunctive Use Groundwater Supply Project Series 2012 (\$39,505,000)			Contract Revenue Refunding Bonds Conjunctive Use Groundwater Supply Project Series 2014 - 2005 (\$11,750,000)		
	Principal	Interest (3-5%)	Total	Principal	Interest (2-5%)	Total
2017	\$ 1,640,000	\$ 1,769,350	\$ 3,409,350	\$ 2,200,000	\$ 393,750	\$ 2,593,750
2018	1,700,000	1,710,750	3,410,750	2,285,000	303,625	2,588,625
2019	1,780,000	1,632,250	3,412,250	2,405,000	186,375	2,591,375
2020	1,860,000	1,541,250	3,401,250	2,525,000	63,125	2,588,125
2021	5,400,000	1,359,750	6,759,750	-	-	-
2022 - 2026	24,495,000	2,526,625	27,021,625	-	-	-
2027 - 2031	-	-	-	-	-	-
Totals	\$ 36,875,000	\$ 10,539,975	\$ 47,414,975	\$ 9,415,000	\$ 946,875	\$ 10,361,875

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

Contract Revenue Refunding Bonds Conjunctive Use Groundwater Supply Project Series 2014 - 2006 (\$30,415,000)			Total Annual Requirements For All Long-Term Debt		
Principal	Interest (2-5%)	Total	Principal	Interest	Total
\$ 2,125,000	\$ 1,420,375	\$ 3,545,375	\$ 11,695,000	\$ 7,669,150	\$ 19,364,150
2,210,000	1,333,250	3,543,250	13,225,000	7,197,600	20,422,600
2,320,000	1,220,000	3,540,000	11,520,000	6,598,638	18,118,638
2,435,000	1,101,125	3,536,125	12,605,000	6,029,925	18,634,925
2,555,000	976,375	3,531,375	12,965,000	5,416,975	18,381,975
14,830,000	2,781,500	17,611,500	68,215,000	16,778,885	84,993,885
3,420,000	85,500	3,505,500	37,830,000	3,899,810	41,729,810
<u>\$ 29,895,000</u>	<u>\$ 8,918,125</u>	<u>\$ 38,813,125</u>	<u>\$ 168,055,000</u>	<u>\$ 53,590,983</u>	<u>\$ 221,645,983</u>

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CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 6 – LONG-TERM DEBT AND OTHER LIABILITIES - Continuation

The principal balances of the member cities' obligations as of September 30, 2016 were as follows:

	Contract Revenue Conjunctive Use Groundwater Series 2011	Contract Revenue Refunding Conjunctive Groundwater Series 2010	Contract Revenue Refunding Bureau of Reclamation Project Series 2010	Contract Revenue Conjunctive Use Groundwater Series 2009	Contract Revenue Conjunctive Use Groundwater Series 2006	Contract Revenue Refunding Conjunctive Use Groundwater Series 2012	Contract Revenue Refunding Conjunctive Use Groundwater Series 2014 - 2005	Contract Revenue Refunding Conjunctive Use Groundwater Series 2014 - 2006	Total
Receivables from Cities at September 30, 2015	\$ 70,836,762	\$ 2,378,741	\$ 4,360,991	\$ 16,618,543	\$ 817,147	\$ 37,479,516	\$ 10,151,390	\$ 29,895,000	\$ 172,538,090
Principal Payments	<u>(3,266,980)</u>	<u>(404,458)</u>	<u>(1,104,677)</u>	<u>(886,717)</u>	<u>(817,147)</u>	<u>(1,615,706)</u>	<u>(2,184,004)</u>	<u>(1,338,132)</u>	<u>(11,617,821)</u>
Receivables from Cities at September 30, 2016	<u>\$ 67,569,782</u>	<u>\$ 1,974,283</u>	<u>\$ 3,256,314</u>	<u>\$ 15,731,826</u>	<u>\$ -</u>	<u>\$ 35,863,810</u>	<u>\$ 7,967,386</u>	<u>\$ 28,556,868</u>	<u>\$ 160,920,269</u>
City of Amarillo	\$ 27,708,943	\$ 1,287,547	\$ 1,506,436	\$ 6,376,989	\$ -	\$ 17,145,383	\$ 5,192,805	\$ 11,568,184	\$ 70,786,287
City of Borger	3,785,084	186,731	267,045	871,124	-	2,342,132	753,105	1,580,263	9,785,484
City of Brownfield	1,499,330	69,667	228,541	345,058	-	927,737	280,973	625,954	3,977,260
City of Lamesa	1,486,515	69,056	242,478	342,076	-	919,715	278,509	620,543	3,958,892
City of Levelland	1,136,469	88,448	283,804	437,995	-	1,177,616	356,722	794,545	4,275,599
City of Lubbock	25,381,403	-	-	5,845,282	-	9,290,000	-	10,619,124	51,135,809
City of O'Donnell	189,524	-	26,708	43,642	-	117,335	-	79,170	456,379
City of Pampa	2,465,746	89,302	367,550	567,840	-	1,523,016	362,266	1,031,595	6,407,315
City of Plainview	2,528,050	119,009	168,351	582,194	-	1,561,521	482,777	1,057,671	6,499,573
City of Slaton	1,075,093	49,939	127,025	247,412	-	665,199	201,411	448,819	2,814,898
City of Tahoka	313,625	14,584	38,376	72,214	-	194,156	58,818	131,000	822,773
Receivables from Member Cities	<u>\$ 67,569,782</u>	<u>\$ 1,974,283</u>	<u>\$ 3,256,314</u>	<u>\$ 15,731,826</u>	<u>\$ -</u>	<u>\$ 35,863,810</u>	<u>\$ 7,967,386</u>	<u>\$ 28,556,868</u>	<u>\$ 160,920,269</u>
Current Portion	\$ 3,263,116	\$ 383,507	\$ 1,046,315	\$ 876,827	\$ -	\$ 1,620,477	\$ 2,085,302	\$ 2,076,034	\$ 11,351,578
Noncurrent Portion	<u>64,306,666</u>	<u>1,590,776</u>	<u>2,209,999</u>	<u>14,854,999</u>	<u>-</u>	<u>34,243,333</u>	<u>5,882,084</u>	<u>26,480,834</u>	<u>149,568,691</u>
	<u>\$ 67,569,782</u>	<u>\$ 1,974,283</u>	<u>\$ 3,256,314</u>	<u>\$ 15,731,826</u>	<u>\$ -</u>	<u>\$ 35,863,810</u>	<u>\$ 7,967,386</u>	<u>\$ 28,556,868</u>	<u>\$ 160,920,269</u>

Continued

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 6 – LONG-TERM DEBT AND OTHER LIABILITIES – Continuation

Unearned Revenue:

As of September 30, 2016, member cities participating in the debt financing had remitted interest payments since the most recent bond interest payment on August 15, 2016 totaling \$718,155 toward the February 15, 2017 and April 1, 2017 debt service requirements. The interest remitted has been recorded as unearned revenue.

	<u>Interest Payments Remitted</u>
Contract Revenue Conjunctive Use Groundwater Series 2011	\$ 288,896
Contract Revenue Refunding Conjunctive Use Groundwater Series 2010	8,885
Contract Revenue Refunding Bureau of Reclamation Project Series 2010	7,771
Contract Revenue Conjunctive Use Groundwater Series 2009	62,312
Contract Revenue Refunding Conjunctive Use Groundwater Series 2012	172,783
Contract Revenue Refunding Conjunctive Use Groundwater Series 2014 - 2005	49,648
Contract Revenue Refunding Conjunctive Use Groundwater Series 2014 - 2006	<u>127,860</u>
Total Unearned Revenue	<u>\$ 718,155</u>

NOTE 7 – ASSESSMENTS TO MEMBER CITIES

Member cities of the Authority are assessed each month for general operation and maintenance costs, except pumping energy and line chemicals, on the basis of estimated costs to each member city as budgeted for that fiscal year. The Authority maintains a cost system by which it allocates its actual costs to each member city. After the end of each fiscal year it issues additional assessments or credits to each member city for the difference between actual costs allocated to each city and the estimated costs previously assessed. These year-end adjustments are reflected in these financial statements.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 8 – PUMPING ENERGY AND CHEMICAL COSTS

Costs of pumping energy and line chemicals are assessed to the member cities each month on a direct cost basis. Therefore, these costs are segregated from other expenses of the Authority.

In accordance with the Authority manual adopted by the Board of Directors at its meeting on October 12, 1977, pumping energy and chemical charges are increased by 2% from actual costs. This additional charge along with interest earned on investments is placed into a reserve to be used for repairs and replacements to pumping equipment.

Beginning October 2001, pumping energy charges for the conjunctive use groundwater project in Roberts County are increased by 10% from actual costs. This additional charge is placed into a reserve to be used for repairs and replacements to well field equipment.

By action of the Board of Directors effective for the year ending September 30, 2016, the 2% charge is to be placed in the same reserve as the 10% charge and should be used for repairs and replacements to well field equipment. The Board of Directors will continue to re-evaluate this decision on an annual basis.

Beginning October 2015, pumping energy charges for the conjunctive use groundwater project in Roberts County are increased by 15% from actual costs. This additional charge is placed into a reserve to be used providing for construction of new wells.

NOTE 9 – RESERVES

- Minor Equipment Replacement Reserve (Includes the Injection Well Reserve)

The Minor Equipment Replacement Reserve covers the cost of replacing equipment and facilities not provided for in the Pumping and Chemical Reserve. In each annual General Operation and Maintenance (GOM) budget, the covered equipment is listed and its life span based on normal usage is estimated along with the expected replacement cost. The resulting contributions to this reserve are included in the annual GOM budget with the intent of reducing unusual “spikes” in annual charges to member cities. However, it was determined that no contribution was needed for the year ended September 30, 2016. \$547,214 of the reserve was utilized in the year ended September 30, 2016, resulting in a reserve balance of \$1,114,836.

For financial statement purposes, the Injection Well Reserve is combined with the Minor Equipment Replacement Reserve. The Injection Well Reserve shall be maintained for the purpose of major repair or rehabilitation of the injection well or wells at the Lake Meredith Salinity Control Project, for the purpose of maintaining or restoring the capacity of the well or wells to receive injectate, or to comply with regulatory requirements. The Board of Directors of the Authority shall determine the maximum amount of this reserve. The fiscal year 2016 GOM budgeted contribution was \$225,000 and none of the reserve was utilized this year. The Injection Well Reserve had a balance of \$3,160,329 at September 30, 2016 resulting in a combined total for the Minor Equipment Replacement Reserve of \$4,275,165 at September 30, 2016.

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CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 9 – RESERVES – Continuation

- Pumping and Chemical Reserve

This reserve shall be maintained to replace or repair pump units, pump unit motors/ motor controls, check valves/ value actuating systems and ventilating units for pump unit motors of pumping plant facilities. These are items that deteriorate or wear to an extent as to require periodic replacement or major repair. Minor component parts and supplies shall be provided for as part of the annual budget and not funded through the use of this fund. None of the reserve was utilized for year ended September 30, 2016, however \$100,000 was transferred to the Well and Well Pump Reserve Fund as per the Board of Directors. The maximum amount of the reserve shall be the average annual direct cost of pumping energy for the two immediately preceding complete budget years. Such reserve had a balance of \$3,436,555 at September 30, 2016 which is under the currently calculated maximum of \$3,475,831.

- Well and Well Pump Reserve

This reserve shall be maintained for the purpose of providing for the major repair or rehabilitation of wells, well pumps, well pump motors, motor controls, or related equipment, and for the purpose of paying any applicable minimum charges which may become due on contracts or tariffs for motive power for pumping from wells. Utilization of the reserve totaled \$620,233 for year ended September 30, 2016. In addition to the transfer of \$100,000 from the Pumping and Chemical Reserve, assessments to member cities in the amount of \$273,774 were placed in this Reserve. The maximum amount of the reserve shall be the amount required to pay the minimum charges on any contract or tariff for motive power for pumping, plus the average annual direct cost of motive power for well pumping for the two immediately preceding complete budget years. Such reserve had a balance of \$2,099,002 at September 30, 2016 which is under the currently calculated maximum of \$2,739,076.

- Dam and Reservoir Reserve

The Authority established the Dam and Reservoir Reserve in the amount of \$1,506,917 in accordance with the provisions of the Contracts between the cities and the Authority whereby interest earnings would accumulate to meet the annual expense for the dam and reservoir previously paid by the Bureau of Reclamation. As a result of cumulative expenses exceeding cumulative interest earnings, the reserve balance has fallen below the value specified in the Contracts. The Contracts state that the Board of Directors will establish procedures to replenish the fund when and if necessary. It was determined by the Board of Directors at the January 12, 2012 meeting that the fund will continue to be used until it is exhausted. Such reserve had a balance of \$910,865 at September 30, 2016. Utilization of the reserve totaled \$48,061 for year ended September 30, 2016.

- New Well Construction Reserve

The Authority established this reserve with an initial contribution of \$575,000 for the purpose of providing for construction of new wells. This reserve will be funded by the member cities by adding a 15% surcharge on the Wellfield pumping costs effective October 1, 2015. This surcharge totaled \$320,574 for the year ended September 30, 2016. Any additional funding to this reserve will be based on the member cities' percentage of total groundwater usage over a 5-year period ending with the most recent calendar year end. Such reserve had a balance of \$901,113 at September 30, 2016.

Continued

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 9 – RESERVES – Continuation

- General Reserve

This Reserve shall be maintained 1) to meet the extraordinary and unforeseen costs of operation and maintenance, repair and betterment of project works, 2) for replacement or major repair of items of equipment and facilities not provided for by the Pumping and Chemical Reserve or the Well and Well Pump Reserve, 3) for capital or major improvement of project works. The amount accumulated in this reserve shall not be reduced to less than \$300,000 for the purposes listed in items 2 or 3 without the approval of the Contracting Officer of the Bureau of Reclamation. The maximum amount of the Reserve shall be \$300,000 plus the average of the amounts budgeted for General Operation and Maintenance Costs during the two immediately preceding complete budget years. Such Reserve had a balance of \$3,114,784 at September 30, 2016 which is under the currently calculated maximum of \$6,160,874.

NOTE 10 – CHANGES IN UNRESTRICTED NET POSITION

Changes in the Authority's unrestricted Net Position are shown below:

	Minor Equipment Replacement Reserve	Pumping and Chemical Reserve	Well and Well Pump Reserve	Dam and Reservoir Reserve	New Well Construction Reserve	General Reserve	Total Unrestricted Reserves
Balances at beginning of year	\$ 4,577,085	\$ 3,513,326	\$ 2,332,220	\$ 952,912	\$ 576,910	\$ 3,096,451	\$ 15,048,904
Capital replacement funding from:							
CRMWA Corp	225,000	-	-	-	-	-	225,000
2% PE&C expense	-	(100,000)	160,058	-	-	-	60,058
10% PE&C well field	-	-	213,716	-	-	-	213,716
15% PE&C new wells	-	-	-	-	320,574	-	320,574
Miscellaneous income	-	-	-	-	-	4,805	4,805
Utilization of reserve	(547,214)	-	(620,233)	(48,061)	-	-	(1,215,508)
Interest income	20,294	23,229	13,241	6,014	3,629	13,528	79,935
Balances at end of year	<u>\$ 4,275,165</u>	<u>\$ 3,436,555</u>	<u>\$ 2,099,002</u>	<u>\$ 910,865</u>	<u>\$ 901,113</u>	<u>\$ 3,114,784</u>	<u>\$ 14,737,484</u>

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 11 – NET POSITION

Net position at September 30, 2016 consisted of the following:

Net investment in capital assets	
Capital assets, net	\$ 330,957,176
Cash and cash equivalents restricted for construction projects	7,453,141
Less outstanding debt issued for purchase or construction of capital assets	<u>(184,336,310)</u>
Total net investment in capital assets	154,074,007
Restricted net position	171,903,499
Unrestricted net position	<u>14,737,484</u>
Total Net Position	<u>\$ 340,714,990</u>

NOTE 12 – RETIREMENT PLAN

The Authority has established a money purchase defined contribution 401(a) plan and a 457 plan for its employees, both of which are administered by ICMA. The plan is governed by the Board of Directors which may amend benefits and other plan provisions, and are responsible for the management of the plan assets. Contribution requirements of plan members and the Authority may also be amended by the Board of Directors. Currently, the Authority and CRMWA Corporation contribute 14% of eligible employee earnings to the 401(a) plan. Eligible employees must contribute 7% of their earnings. Employees may also contribute to the 457 plan. Employee contributions to both plans were equivalent to 9.63% of covered payroll or \$301,558 for the year ended September 30, 2016. The total cost to the Authority and Corporation for year ended September 30, 2016 was \$438,509, including administrator fees of \$57. Combined entities' payroll for year ended September 30, 2016 was \$3,224,942 and the Authority's contributions to the 401(a) plan were based on a covered payroll of \$3,131,800. As of September 30, 2016, there were 50 plan members with account balances in the 401(a) plan representing both current (44) and former employees/retirees (6). The 457 plan had 27 members with account balances representing 26 current employees and 1 former employee/retiree.

During the fiscal year ended September 30, 1992, the Board of Directors approved an amendment to the plan to allow early retirement. The amendment established a factor based on the total of the employee's age and length of service to equal 82.5 years, after age 55.

NOTE 13 – RISK MANAGEMENT

The Authority's major areas of risk management are directors' liability, general liability, property damage, boiler and machinery equipment damage, pollution, workers' compensation, automobile liability and employee health insurance. The Authority has purchased commercial insurance to cover risks of loss in these areas. There have been no significant reductions in insurance coverage and settlements have not exceeded insurance coverage for the current year or the previous three years.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 14 – BLENDED COMPONENT UNIT

CONDENSED COMBINING STATEMENT OF NET POSITION
September 30, 2016

	Canadian River Municipal Water Authority	CRMWA Corporation	Totals
Current Assets	\$ 24,631,441	\$ 3,185,217	\$ 27,816,658
Accounts Receivable from the Corporation	18,065	-	18,065
Net Capital Assets	330,758,433	198,743	330,957,176
Other Noncurrent Assets	169,793,693	-	169,793,693
Total Assets	525,201,632	3,383,960	528,585,592
Current Liabilities	14,990,921	6,823	14,997,744
Accounts Payable to the Corporation	-	18,065	18,065
Compensated Absences	199,179	14,304	213,483
Noncurrent Liabilities	172,641,310	-	172,641,310
Total Liabilities	187,831,410	39,192	187,870,602
Net Position:			
Net Investment in Capital Assets	153,875,264	198,743	154,074,007
Restricted for debt service	171,903,499	-	171,903,499
Unrestricted	11,591,459	3,146,025	14,737,484
Total Net Position	\$ 337,370,222	\$ 3,344,768	\$ 340,714,990

Continued

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 14 – BLENDED COMPONENT UNIT – Continuation

CONDENSED COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the year ended September 30, 2016

	Canadian River Municipal Water Authority	CRMWA Corporation	Totals
Operating Revenues	\$ 20,659,003	\$ -	\$ 20,659,003
Operating Expenses	(14,044,625)	(277,849)	(14,322,474)
Revenues in excess of (under) expenses before depreciation/amortization	6,614,378	(277,849)	6,336,529
Operating Expenses - Depreciation	(3,483,661)	(11,753)	(3,495,414)
Operating Expenses - Amortization	1,223,964	-	1,223,964
Operating Income (Loss)	4,354,681	(289,602)	4,065,079
Nonoperating Revenues:			
Assessments to member cities for bond interest	8,091,061	-	8,091,061
Other revenues	168,122	12,081	180,203
Nonoperating Expenses:			
Bond interest expense	(7,795,889)	-	(7,795,889)
Operating Income (Loss) Net of Nonoperating Revenues (Expenses)	4,817,975	(277,521)	4,540,454
Transfers	(538,048)	538,048	-
Increase in Net Position	4,279,927	260,527	4,540,454
Net Position - Beginning of Year	333,090,295	3,084,241	336,174,536
Net Position - End of Year	\$ 337,370,222	\$ 3,344,768	\$ 340,714,990

Continued

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 14 – BLENDED COMPONENT UNIT – Continuation

CONDENSED COMBINING STATEMENT OF CASH FLOWS
For Year Ended September 30, 2016

	Canadian River Municipal Water Authority	CRMWA Corporation	Totals
Cash Flows From Operating Activities:			
Cash received from member cities for assessments	\$ 19,783,087	\$ -	\$ 19,783,087
Cash payments to employees for services	(3,988,513)	(155,079)	(4,143,592)
Cash payments to suppliers for goods and services	(9,809,837)	(141,491)	(9,951,328)
Net Cash Provided (Used) by Operating Activities	<u>5,984,737</u>	<u>(296,570)</u>	<u>5,688,167</u>
Cash Flows From Capital and Related Financing Activities:			
Transfers	(567,871)	567,871	-
Cash paid for acquisition or construction of capital assets	(7,605,153)	(36,693)	(7,641,846)
Proceeds from sale of assets	9,400	-	9,400
Interest received on cash deposits for debt service	59,682	-	59,682
Cash received from member cities for debt service	19,684,487	-	19,684,487
Principal paid on debt	(11,400,000)	-	(11,400,000)
Interest paid on debt	(7,852,883)	-	(7,852,883)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(7,672,338)</u>	<u>531,178</u>	<u>(7,141,160)</u>
Cash Flows From Investing Activities:			
Interest received on cash deposits	<u>115,920</u>	<u>12,081</u>	<u>128,001</u>
Net Cash Provided by Investing Activities	<u>115,920</u>	<u>12,081</u>	<u>128,001</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,571,681)	246,689	(1,324,992)
Cash and Cash Equivalents at Beginning of Year	<u>34,200,472</u>	<u>2,938,528</u>	<u>37,139,000</u>
Cash and Cash Equivalents at End of Year	<u>\$ 32,628,791</u>	<u>\$ 3,185,217</u>	<u>\$ 35,814,008</u>

Continued

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 14 – BLENDED COMPONENT UNIT – Continuation

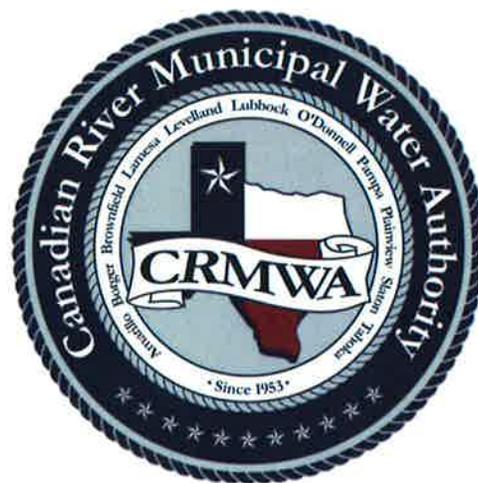
CONDENSED COMBINING STATEMENT OF CASH FLOWS
For Year Ended September 30, 2016

	Canadian River Municipal Water Authority	CRMWA Corporation	Totals
Continuation			
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ 4,354,681	\$ (289,602)	\$ 4,065,079
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:			
Other nonoperating income, expense and costs	4,805	-	4,805
Depreciation and amortization	2,259,697	11,753	2,271,450
(Increase) decrease in operating portion of due from member cities and other receivables	(1,017,707)	19,894	(997,813)
Increase (decrease) in accounts payable, other accruals and compensated absences	261,364	(38,615)	222,749
Increase in assessments received in advance	121,897	-	121,897
Net Cash Provided by (Used for) Operating Activities	\$ 5,984,737	\$ (296,570)	\$ 5,688,167

NOTE 15 – SUBSEQUENT EVENTS

The Authority has been involved in a lawsuit that claims damages resulting from the installation of a pipeline to serve wells in the recently developed wellfield (Phase III of Conjunctive Use Groundwater Project). The lawsuit is in its infancy and the Authority intends to vigorously defend the lawsuit. A liability for the damages had been recorded for the year ended September 30, 2016. Any other loss over and above what has already been recorded for damages is indeterminable at this time and no increase in liability has been recorded.

Supplementary Information



**CANADIAN RIVER MUNICIPAL WATER AUTHORITY
SUPPLEMENTARY INFORMATION
For Year Ended September 30, 2016**

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Budget to Actual
For Year Ended September 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance to Final Budget
Operating Revenues:				
Assessments to member cities				
General O&M costs	\$ 6,117,050	\$ 15,774,844	\$ 14,924,608	\$ (850,236)
Pumping and chemical costs	11,334,204	11,334,204	5,734,395	(5,599,809)
Total Operating Revenues	<u>17,451,254</u>	<u>27,109,048</u>	<u>20,659,003</u>	<u>(6,450,045)</u>
Operating Expenses:				
Personnel costs	3,765,246	4,280,905	4,244,692	36,213
Professional fees	406,202	2,053,741	1,371,603	682,138
Purchased and contracted services	242,290	197,290	1,522,484	(1,325,194)
Consumable supplies and materials	666,077	1,321,393	1,225,080	96,313
Recurring operating cost	573,385	957,665	818,568	139,097
Depreciation and amortization	-	-	2,271,450	(2,271,450)
Pumping energy and line chemicals	10,074,165	10,074,165	5,140,047	4,934,118
Total Operating Expenses	<u>15,727,365</u>	<u>18,885,159</u>	<u>16,593,924</u>	<u>2,291,235</u>
Operating Income	<u>1,723,889</u>	<u>8,223,889</u>	<u>4,065,079</u>	<u>(4,158,810)</u>
Nonoperating Revenues (Expenses):				
Assessments to member cities				
Debt service interest assessment	-	-	8,091,061	8,091,061
Other income	-	-	4,805	4,805
Investment income	-	-	165,998	165,998
Gain on disposal of asset	-	-	9,400	9,400
Interest expense	-	-	(7,795,889)	(7,795,889)
Total Nonoperating Revenues	<u>-</u>	<u>-</u>	<u>475,375</u>	<u>475,375</u>
Increase in Net Position	<u>\$ 1,723,889</u>	<u>\$ 8,223,889</u>	<u>\$ 4,540,454</u>	<u>\$ (3,683,435)</u>
Other Operating Sources (Uses):				
Dam and Reservoir Reserve Utilization	\$ 60,000	\$ 60,000	\$ 48,061	\$ (11,939)
Well and Well Pump Reserve Utilization	-	-	620,233	620,233
Minor Equipment Replacement Reserve Utilization	-	-	547,214	547,214
Sales Proceeds	-	-	9,400	9,400
Bond 09 Utilization	-	-	236,420	236,420
Net Capital Expenditures	(298,850)	(6,798,850)	(6,978,508)	(179,658)
Well and Well Pump Reserve	(569,677)	(569,677)	(273,774)	295,903
New Well Construction Reserve - PEC portion	(690,362)	(690,362)	(320,574)	369,788
Minor Equipment Replacement Reserve - CRMWA Corp	(225,000)	(225,000)	(225,000)	-
Total Other Operating Uses	<u>(1,723,889)</u>	<u>(8,223,889)</u>	<u>(6,336,528)</u>	<u>1,887,361</u>
Increase (Decrease) in Net Position after Other Operating Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,796,074)</u>	<u>\$ (1,796,074)</u>
Reconciliation to Approved General Operation and Maintenance Budget				
Operating Expenses	\$ 18,885,159			
Pumping energy and line chemicals	(10,074,165)			
Capital Expenditures	6,798,850			
Reserve Utilization	367,199			
Minor Equipment Replacement Reserve - Corp	225,000			
Total General Operation and Maintenance Budget	<u>\$ 16,202,043</u>			

**Statistical Section
(Unaudited)**



CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2016

STATISTICAL SECTION NARRATIVE SUMMARY

The information in this section is not covered by the Independent Auditors' Report, but is presented as supplemental data for the benefit of the readers of the comprehensive annual financial report (CAFR). The objectives of the statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess the Authority's overall financial health and current business needs.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.</i>	59 - 60
Revenue Capacity <i>These schedules contain information to help the reader assess the Authority's most significant local revenue source, the assessments to member cities.</i>	61
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the Authority's current level of outstanding debt and the Authority's ability to issue additional debt in the future.</i>	62
Demographic and Economic Information <i>These schedules present information to help the reader understand the environment within which the Authority's financial activities take place.</i>	63- 74
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.</i>	75 - 77

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2016

Canadian River Municipal Water Authority
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

Net Position	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net investment in capital assets	\$ 154,074,007	\$ 137,903,819	\$ 129,107,249	\$ 122,072,146	\$ 116,953,027	\$ 110,447,444	\$ 106,073,046	\$ 101,183,507	\$ 96,478,813	\$ 92,526,045
Restricted for debt service	171,903,499	183,221,813	198,205,403	208,905,421	219,921,655	147,855,177	154,813,526	136,391,673	142,634,620	147,906,777
Unrestricted	14,737,484	15,048,904	15,446,073	14,446,811	13,495,044	13,010,852	12,632,794	13,408,132	13,293,368	12,827,411
Total Net Position	\$ 340,714,990	\$ 336,174,536	\$ 342,758,725	\$ 345,424,378	\$ 350,369,726	\$ 271,313,473	\$ 273,519,366	\$ 250,983,312	\$ 252,406,801	\$ 253,260,233

Note: Certain accounts in the prior year columns have been reclassified for comparative purposes to conform to the presentation in the current year column.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2016

Canadian River Municipal Water Authority
 Statements of Revenues, Expenses, and Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Operating Revenues:										
Assessments to member cities										
General O&M Costs	\$ 14,924,608	\$ 5,762,240	\$ 5,937,108	\$ 5,859,319	\$ 5,653,120	\$ 5,302,842	\$ 5,197,688	\$ 5,634,272	\$ 5,218,898	\$ 5,048,829
Pumping and chemical costs	5,734,395	7,702,843	8,293,522	7,262,188	7,022,023	7,333,795	6,060,625	6,112,569	7,960,396	6,981,113
Total Operating Revenues	20,659,003	13,465,083	14,230,630	13,121,507	12,675,143	12,636,637	11,258,313	11,746,841	13,179,294	12,029,942
Operating Expenses:										
Personnel costs	4,244,692	3,575,271	3,499,405	3,487,022	3,327,308	3,163,488	3,058,537	3,179,056	3,002,521	2,798,713
Professional fees	1,371,603	241,136	322,364	231,419	211,998	200,237	311,457	467,238	247,088	354,568
Purchased and contracted services	1,522,484	1,291,355	804,799	647,609	519,833	687,825	741,342	466,185	825,600	358,995
Consumable supplies and materials	1,225,080	554,067	614,263	705,858	661,177	564,070	481,028	620,724	617,518	402,674
Recurring operating costs	818,568	513,447	453,645	475,080	549,133	538,217	375,056	405,736	411,289	360,480
Depreciation and amortization	2,271,450	3,451,102	3,655,860	3,499,339	2,766,589	3,687,991	3,093,571	2,688,099	2,779,038	3,436,751
Pumping energy and line chemicals	5,140,047	7,289,768	7,722,518	6,605,430	6,642,259	6,969,641	5,799,817	5,848,335	7,611,486	6,669,879
Total Operating Expenses	16,593,924	16,916,146	17,072,854	15,651,757	14,678,297	15,811,469	13,860,808	13,675,373	15,494,540	14,382,060
Operating Loss	4,065,079	(3,451,063)	(2,842,224)	(2,530,250)	(2,003,154)	(3,174,832)	(2,602,495)	(1,928,532)	(2,315,246)	(2,352,118)
Non operating Revenues (Expenses):										
Assessments to member cities:										
Debt service interest assessment	8,091,061	8,025,253	9,397,296	8,931,887	9,647,282	6,942,351	7,109,374	6,831,120	7,070,669	7,724,201
Other income	4,805	8,540	35,613	5,056	3,233	15,273	11,168	3,588	24,467	196,343
Gain on disposal of asset	9,400	24,342	-	11,070	14,265	-	-	-	-	49,895
Investment income	165,998	99,989	116,971	112,043	72,255	63,859	102,493	373,466	1,296,791	3,076,673
Other expense	-	-	-	-	-	-	-	-	(6,650)	(617,214)
Interest expense	(7,795,889)	(7,671,019)	(9,373,309)	(8,994,930)	(8,794,024)	(6,068,065)	(5,156,958)	(6,263,855)	(6,833,678)	(6,850,379)
Credits to member cities for bond refunding activity	-	(3,111,475)	-	(2,070,000)	(844,576)	(14,281)	(300)	-	(89,785)	-
Other bond costs	-	(508,756)	-	(410,224)	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	475,375	(3,133,126)	176,571	(2,415,098)	98,485	939,137	2,065,777	505,043	1,461,814	3,470,774
Capital Contributions (Credits) and Transfers:										
Contributions from member cities for bond activity	-	-	-	-	82,630,000	-	22,186,829	-	-	-
Contributions from member cities for low level pump	-	-	-	-	-	29,802	885,943	-	-	-
Total Capital Contributions (Credits) and Transfers	-	-	-	-	82,630,000	29,802	885,943	-	-	-
Increase (Decrease) in Net Position	4,540,454	(6,584,189)	(2,665,653)	(4,945,348)	80,725,331	(2,205,893)	22,536,054	(1,423,489)	(853,432)	1,118,656
Net Position at Beginning of Year	336,174,536	342,758,725	345,424,378	350,369,726	271,313,473	273,519,366	250,983,312	252,406,801	253,260,233	252,141,577
Prior period adjustment	-	-	-	-	(1,669,078)	-	-	-	-	-
Net Position at End of Year	\$ 340,714,990	\$ 336,174,536	\$ 342,758,725	\$ 345,424,378	\$ 350,369,726	\$ 271,313,473	\$ 273,519,366	\$ 250,983,312	\$ 252,406,801	\$ 253,260,233

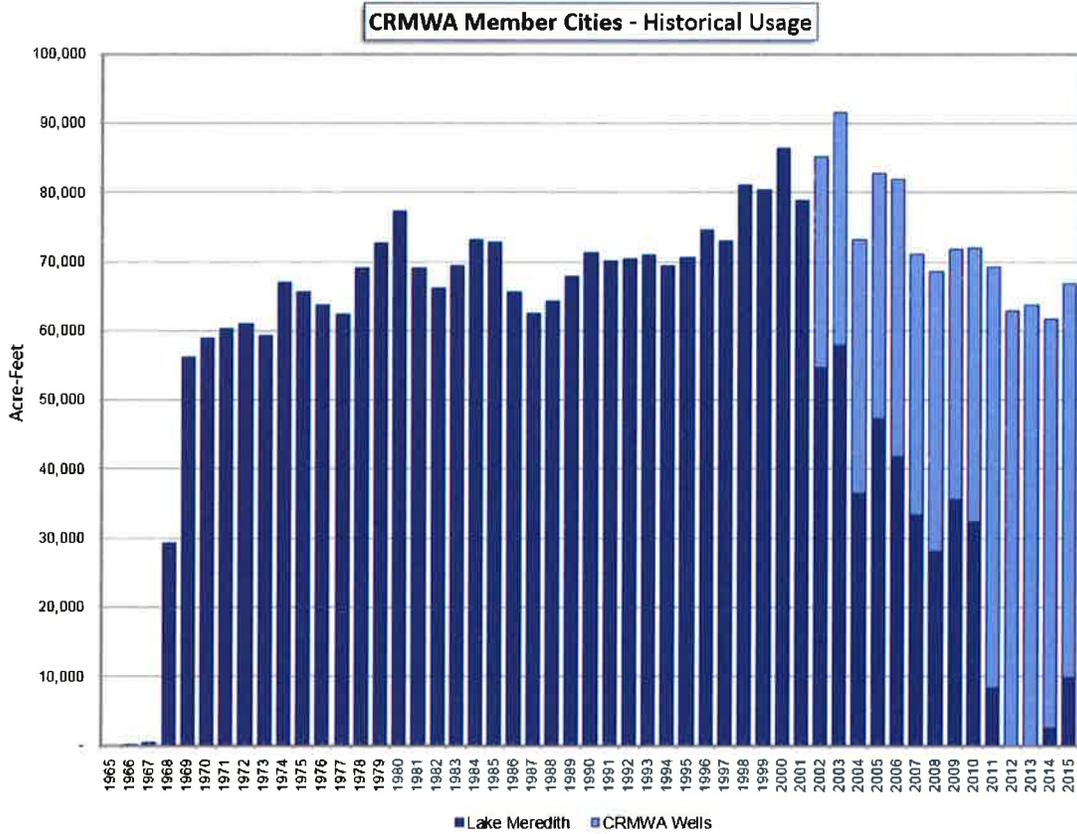
Note: Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2016

HISTORICAL WATER DELIVERIES TO MEMBER CITIES (Calendar Year)



Historical Usage (Acre-feet)							
Year	Lake	Year	Lake	Year	Lake	Wells	Total
1965	-	1982	66,128	1999	80,474		
1966	89	1983	69,345	2000	86,488		
1967	411	1984	73,223	2001	78,842		
1968	29,292	1985	72,810	2002	54,689	30,559	85,248
1969	56,229	1986	65,679	2003	57,899	33,728	91,627
1970	58,922	1987	62,516	2004	36,518	36,611	73,129
1971	60,325	1988	64,332	2005	47,215	35,501	82,715
1972	60,954	1989	67,841	2006	41,837	40,125	81,962
1973	59,269	1990	71,259	2007	33,430	37,676	71,106
1974	66,959	1991	70,028	2008	28,050	40,442	68,492
1975	65,702	1992	70,365	2009	35,540	36,242	71,782
1976	63,820	1993	70,982	2010	32,405	39,604	72,009
1977	62,344	1994	69,426	2011	8,287	61,039	69,326
1978	69,053	1995	70,686	2012		62,909	62,909
1979	72,745	1996	74,480	2013		63,786	63,786
1980	77,241	1997	73,058	2014	2,466	59,181	61,647
1981	69,143	1998	81,000	2015	9,934	56,862	66,796

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2016

Canadian River Municipal Water Authority Ratios of Outstanding Debt by Issue Last Ten Fiscal Years

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contract Revenue Bonds										
Lake Meredith Salinity Control Project Series 1999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275,000	\$ 540,000	\$ 795,000
Bureau of Reclamation Project Series 1999	-	-	-	-	-	-	-	10,295,000	11,095,000	11,865,000
Conjunctive Use Groundwater Series 2005	-	-	850,000	1,665,000	46,130,271	47,046,944	47,933,618	48,795,291	49,631,964	50,443,637
Conjunctive Use Groundwater Series 2005 - 2012 Refunding	42,232,646	44,429,679	45,056,711	45,683,744	-	-	-	-	-	-
Conjunctive Use Groundwater Series 1999 - 2005 Partial Refunding	-	-	15,500,000	18,245,000	20,875,000	23,385,000	25,790,000	33,215,000	35,800,000	38,265,000
Conjunctive Use Groundwater Series 2005 Partial Refunding- 2014 Refunding	10,259,437	12,639,793	-	-	-	-	-	-	-	-
Conjunctive Use Groundwater Series 2006	-	2,190,000	38,065,493	40,138,895	42,117,297	44,005,699	45,809,101	47,542,503	49,210,905	50,814,308
Conjunctive Use Groundwater Series 2006 - 2014 Refunding	34,179,177	34,585,474	-	-	-	-	-	-	-	-
Conjunctive Use Groundwater Series 2009	16,571,988	17,449,015	18,291,043	19,103,070	19,895,098	20,662,125	21,409,153	-	-	-
Bureau of Reclamation Project Series 1999 - 2010 Refunding	3,428,584	4,567,739	5,671,894	6,741,049	7,775,204	8,774,359	9,748,515	-	-	-
Conjunctive Use Groundwater Series 1999 - 2010 Refunding	2,291,190	2,705,759	3,275,328	3,824,897	4,354,464	4,869,032	5,373,599	-	-	-
Conjunctive Use Groundwater Series 2011	75,373,288	78,895,394	82,267,500	85,494,605	88,566,711	-	-	-	-	-
Total Outstanding Debt	\$ 184,336,310	\$ 197,462,853	\$ 208,977,969	\$ 220,896,260	\$ 229,714,045	\$ 148,743,159	\$ 156,063,986	\$ 140,122,794	\$ 146,277,869	\$ 152,182,945
Per Capita (1)	\$ 339	\$ 364	\$ 389	\$ 386	\$ 414	\$ 274	\$ 291	\$ 267	\$ 282	\$ 296

Note: Details regarding the Authority's outstanding debt can be found in the notes to the financial statements.

(1) Population data can be found in the Member City Population section on page 61

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section
Year Ended September 30, 2016

Canadian River Municipal Water Authority Member City Population Last Ten Fiscal Years

Year	Amarillo	Borger	Brownfield	Lamesa	Levelland	Lubbock	O'Donnell	Pampa	Plainview	Slaton	Tahoka	Total
2016	199,651	13,451	9,725	9,422	14,060	243,736	800	21,336	22,194	6,275	2,570	543,220
2015	199,744	12,978	9,757	9,115	14,114	241,322	800	23,043	22,194	6,250	2,553	541,870
2014	198,402	13,024	9,734	9,115	14,080	238,706	800	23,043	22,194	6,200	2,585	537,883
2013	196,336	12,916	9,711	9,115	13,746	236,362	777	22,119	22,121	6,200	2,566	531,969
2012	194,375	13,077	9,693	9,207	13,677	233,651	795	22,326	22,121	6,120	2,608	528,045
2011	195,666	13,240	9,675	9,357	13,610	231,937	813	22,535	22,194	6,122	2,650	527,799
2010	190,695	13,251	9,657	9,422	13,542	229,573	831	22,744	22,194	6,121	2,673	520,703
2009	191,514	14,300	8,940	9,475	13,474	218,327	849	22,248	21,884	6,118	2,703	509,832
2008	190,042	13,462	9,064	9,528	13,407	214,847	867	21,000	21,324	6,117	2,726	502,384
2007	187,609	12,901	9,117	9,581	13,339	212,365	885	21,919	21,656	6,116	2,749	498,237
% Population Change	6.42%	4.26%	6.67%	-1.66%	5.41%	14.77%	-9.60%	-2.66%	2.48%	2.60%	-6.51%	9.03%

Sources: Member City CAFRs, 2000 and 2010 United States Census

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
 Statistical Section
 Year Ended September 30, 2016

Canadian River Municipal Water Authority
Assessments to Member Cities
Current Year and Nine Years Ago

Member City	2016				2007			
	Assessments ¹	Rank	Percentage of total Assessments		Assessments ¹	Rank	Percentage of total Assessments	
Lubbock	\$ 9,114,413	1	44.13%	\$	4,834,908	1	40.12%	
Amarillo	6,979,491	2	33.78%		4,481,760	2	37.18%	
Levelland	894,153	3	4.33%		410,767	5	3.41%	
Plainview	834,639	4	4.04%		268,217	8	2.22%	
Brownfield	701,307	5	3.39%		384,784	6	3.19%	
Lamesa	571,508	6	2.77%		355,015	7	2.95%	
Pampa	506,536	7	2.45%		533,245	3	4.42%	
Borger	474,727	8	2.30%		516,195	4	4.28%	
Slaton	387,295	9	1.87%		184,762	9	1.53%	
Tahoka	130,746	10	0.63%		55,747	10	0.46%	
O'Donnell	64,190	11	0.31%		29,355	11	0.24%	
	<u>\$ 20,659,005</u>		<u>100.00%</u>	\$	<u>12,054,756</u>		<u>100.00%</u>	

Notes:

- Assessments to member cities includes General Operation and Maintenance costs (GOM) and Pumping, Chemical and Energy costs (PEC) less groundwater conservation district fees

Source: Canadian River Municipal Water Authority Records

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2016

Canadian River Municipal Water Authority
Principal Water Customers of the Member Cities
Current Year and Nine Years Ago

Name of Customer	City	2015			2006		
		Gallons	Rank	Percentage of City's Average Annual Water Consumption	Gallons	Rank	Percentage of City's Average Annual Water Consumption
Tyson Fresh Meat / IBP	Amarillo	140,255,583	1	12.25%	145,080,000	1	10.00%
Agrium U.S. Inc.	Borger	108,988,000	2	41.61%	49,123,000	3	40.94%
WRB Refining / Phillips 66	Borger	46,842,750	3	17.89%	27,175,000	8	22.65%
TDCJ (Clemons & Neal Units)	Amarillo	33,388,971	4	2.92%	29,695,417	6	2.05%
Sid Richardson	Borger	24,804,750	5	9.47%	35,305,000	4	29.43%
Texas Tech University	Lubbock	24,786,167	6	2.57%	21,425,000	10	1.83%
City of Canyon	Amarillo	24,344,167	7	2.13%	28,341,666	7	1.95%
Orion Engineered Carbon	Borger	21,911,167	8	8.37%	*	*	*
Lubbock Parks Department	Lubbock	17,088,417	9	1.77%	19,287,000		1.65%
Owens-Corning Fiberglass	Amarillo	16,642,334	10	1.45%	14,760,833		1.02%
Lubbock ISD	Lubbock	10,280,500		1.07%	22,429,000	9	1.92%
Xcel Energy	Amarillo	9,139,750		0.80%	71,309,582	2	4.91%
Amarillo ISD	Amarillo	*		*	30,877,083	5	2.13%
		<u>478,472,556</u>			<u>494,808,581</u>		

The Authority supplied 68%, 36% and 68% of Amarillo's, Borger's and Lubbock's total water consumption in 2015
The Authority supplied 61%, 57% and 76% of Amarillo's, Borger's and Lubbock's total water consumption in 2006

* not available

Sources: 2006 and 2015 Continuing Disclosure Reports

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2016

Canadian River Municipal Water Authority Full-time Equivalent Employees by Division Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of September 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Management	4	3.5	4	5	5	5	5	5	5	5
Northern Operations Division	26	24.5	25	24	24	23	23	23	23	23
Water Quality Division	2	2	2	2	2	2	2	2	2	1
Southern Division	8	8	8	8	8	8	8	8	8	8
Financial Services Division	2	2	2	3	3	3	3	3	3	3
Water Quality Division Logan, New Mexico	2	2	2	2	2	2	2	2	2	2
Total	44	42	43	44	44	43	43	43	43	42

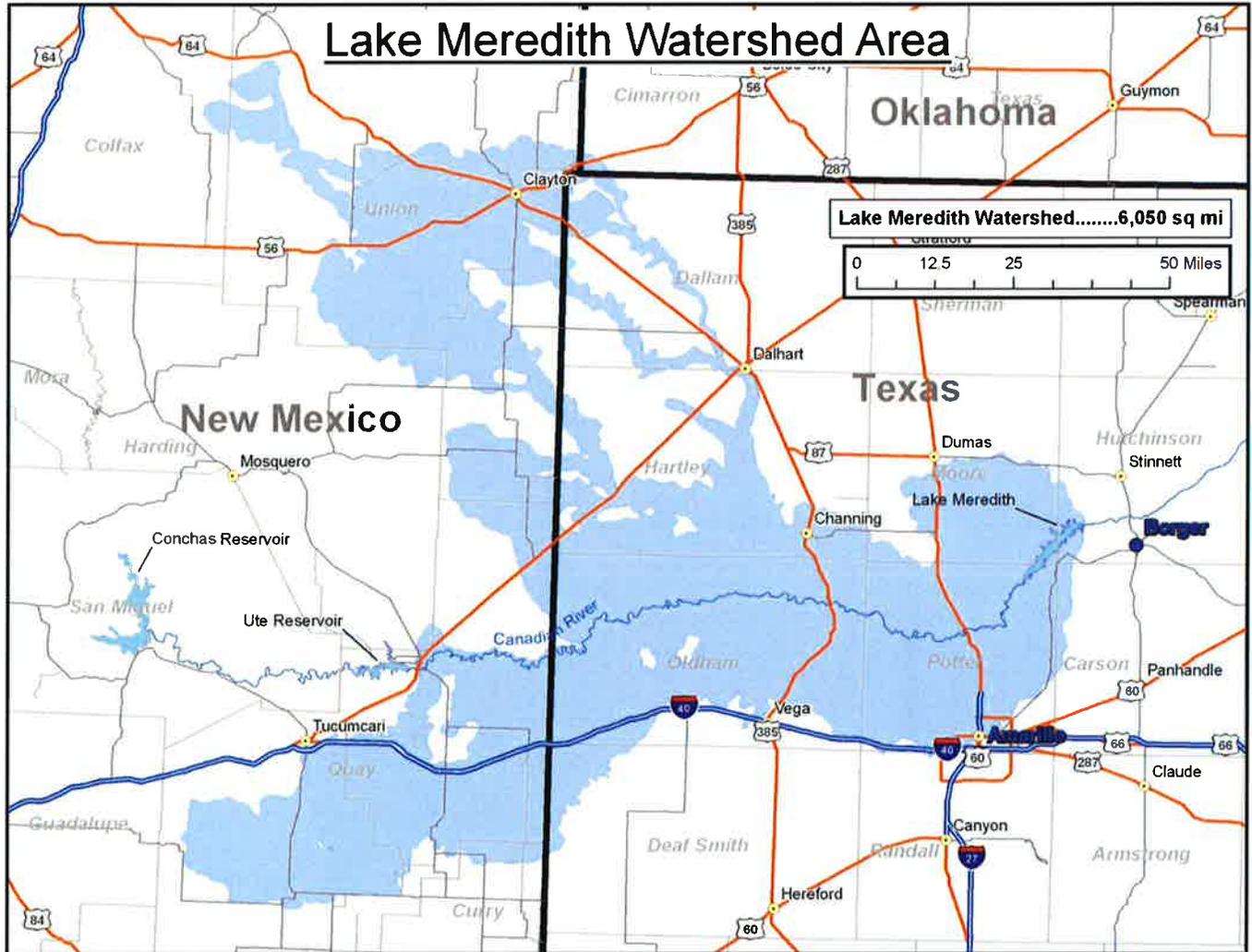
Source: Quarter 3 Form 941 - Employers Quarterly Federal Tax Return

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2016

LAKE MEREDITH WATERSHED AREA

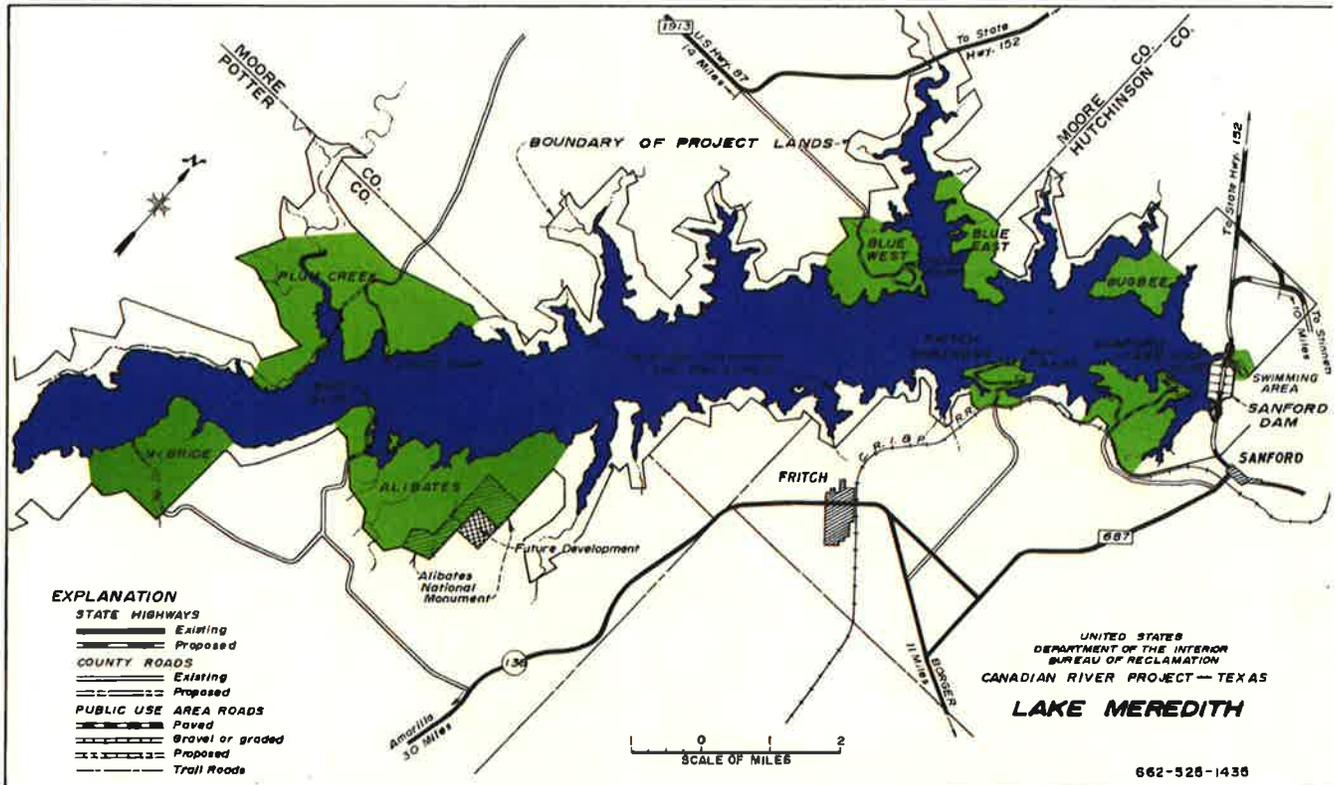


CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2016

LAKE MEREDITH



Location

Canadian River Mile 508.5

Project Purposes

Flood control, water supply, irrigation, recreation, fish and wildlife

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2016

LAKE MEREDITH ELEVATIONS AND STORAGES

<u>Feature</u>	<u>Elevation</u>	<u>Reservoir Area</u> <u>(acres)</u>	<u>Original Reservoir Capacity</u> <u>(acre-feet)</u>	<u>Based on 1995 Survey</u> <u>Reservoir Capacity</u> <u>(acre feet)</u>
Top of Dam	3011.0			
Maximum pool	3004.9	30,470	2,434,200	
Top of flood control pool	2965.0 (2)	21,640	1,407,600	
Bottom of flood control pool	2941.3	17,320	945,500	
Top of conservation pool (ultimate)	2941.3	17,320	945,500	
Top of conservation pool (initial)	2936.5	16,500	864,400	817,970
Top of inactive pool	2860.0	4,500	79,200	73,443
Top of dead pool	2850.0	2,770	43,000	38,414
Surcharge storage	2965.0 - 3004.9		1,026,600	
Flood control storage	2941.3 - 2965.0		462,100 (3)	
Conservation storage (initial)	2860.0 - 2941.3		866,300 (4)	
Storage between top of initial and ultimate conservation pools	2936.5 - 2941.3		81,100	
Dead and inactive storage	2813.0 - 2860.0		79,200	

(1) Spillway crest

(2) Contains 36,300 acre-feet for sediment storage

(3) Contains 366,300 acre-feet for sediment storage

(4) The initial top of the conservation pool at elevation 2936.5 provides 500,000 acre-feet of conservation capacity permitted under the terms of the Canadian River Compact with allowance for the portion of the 50-year sediment inflow expected to deposit below the top of the conservation pool. The top of the conservation pool will be raised, as necessary, to elevation 2941.3 to preserve the conservation capacity. Any water temporarily stored between elevations 2936.5 and 2941.3 will be released by the Bureau of Reclamation, or its designated agent, through the river outlet works. Such evacuations will be at rate of 2,800 cfs, or less.

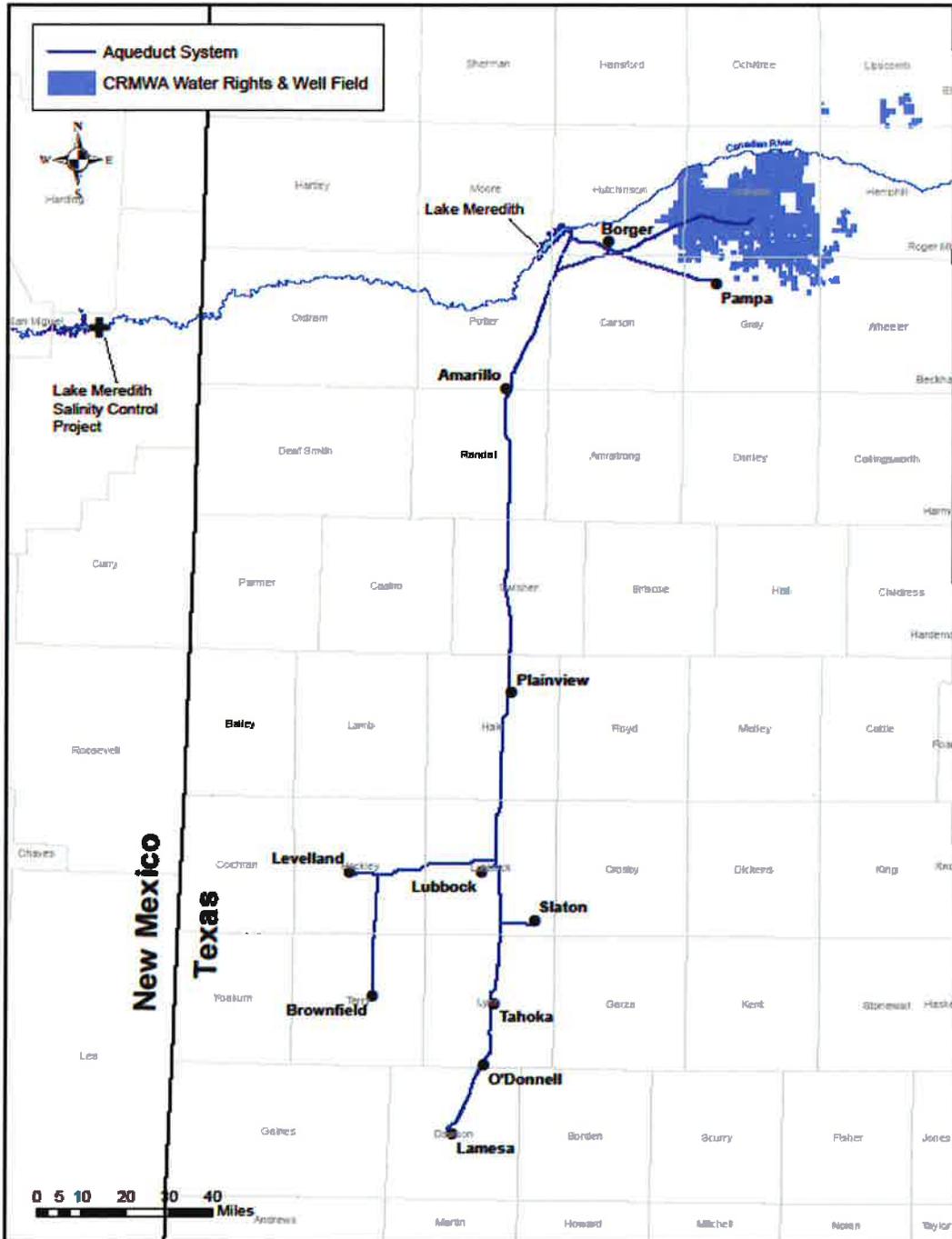
(5) 1995 Volumetric Survey only went up to elevation 2936.50. Elevations above this are assumed to have changed by at least this same value.

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2016

AQUEDUCT SYSTEM



CANADIAN RIVER MUNICIPAL WATER AUTHORITY

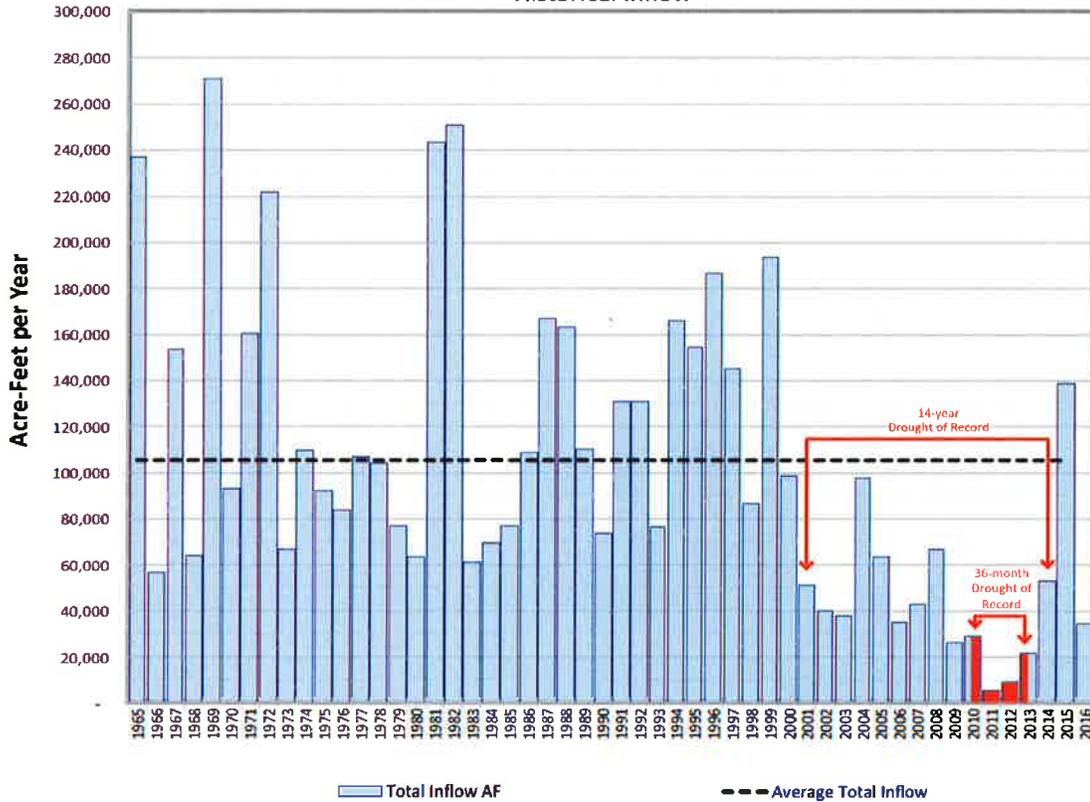
Statistical Section

Year Ended September 30, 2016

HISTORICAL INFLOW (Calendar Year)

Lake Meredith

Historical Inflow



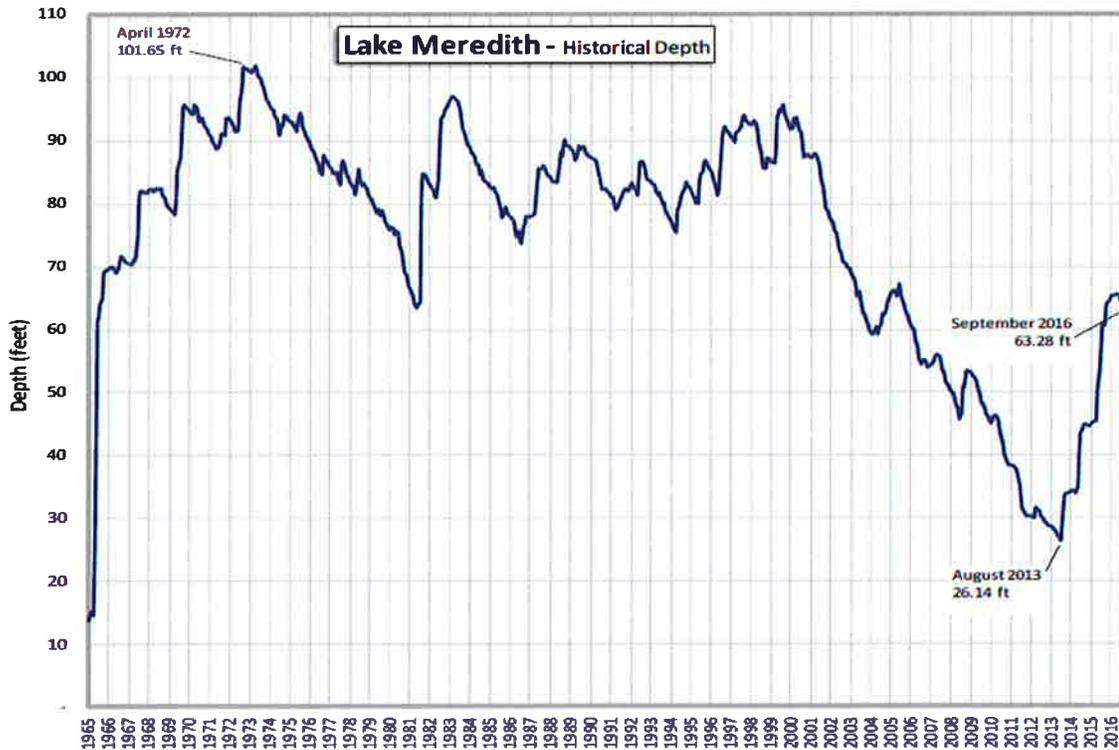
Historical Inflow					
Year	(Acre-Feet)	Year	(Acre-Feet)	Year	(Acre-Feet)
1965	236,666	1983	61,316	2000	98,695
1966	56,171	1984	69,396	2001	51,073
1967	153,525	1985	76,871	2002	40,078
1968	64,270	1986	108,734	2003	37,965
1969	270,416	1987	166,609	2004	97,616
1970	93,092	1988	163,481	2005	62,937
1971	160,553	1989	110,295	2006	34,843
1972	221,987	1990	73,884	2007	42,535
1973	66,422	1991	130,696	2008	66,781
1974	109,340	1992	130,988	2009	25,931
1975	92,222	1993	76,324	2010	28,745
1976	84,150	1994	165,734	2011	5,446
1977	106,319	1995	154,054	2012	8,827
1978	104,088	1996	186,715	2013	21,546
1980	63,060	1997	145,566	2014	52,933
1981	242,804	1998	86,915	2015	138,449
1982	250,560	1999	193,741	as of	
				9/30/2016	34,523

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

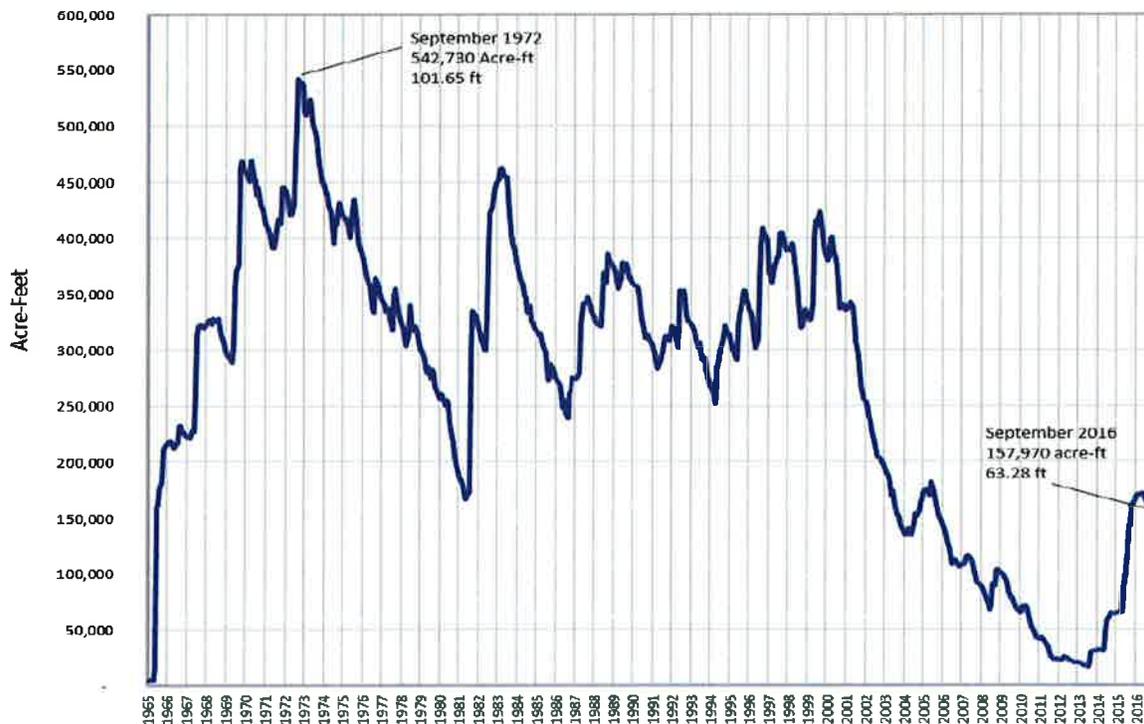
Statistical Section

Year Ended September 30, 2016

HISTORICAL DEPTH / STORAGE (Calendar Year)



LAKE MEREDITH
Total Reservoir Storage



CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2016

Historical Depth / Storage Levels						
As of September 30	Depth (ft)	Storage (Acre-Feet)		As of September 30	Depth (ft)	Storage (Acre-Feet)
1965	64.87	181,898		1991	82.22	311,266
1966	71.60	231,676		1992	85.69	343,502
1967	81.95	322,750		1993	80.06	292,091
1968	81.37	317,224		1994	82.30	311,989
1969	95.16	462,991		1995	86.69	353,119
1970	93.02	438,305		1996	92.20	409,345
1971	91.10	416,842		1997	93.87	403,934
1972	101.65	542,730		1998	85.47	319,999
1973	98.13	477,964		1999	94.80	414,094
1974	92.37	411,876		2000	87.28	336,736
1975	92.38	411,985		2001	81.04	281,584
1976	87.78	364,003		2002	70.51	203,810
1977	86.84	354,724		2003	62.33	152,310
1978	83.23	320,421		2004	62.21	151,600
1979	78.53	278,800		2005	63.91	161,760
1980	70.61	216,208		2006	55.09	111,890
1981	84.73	334,407		2007	52.71	99,750
1982	93.88	427,646		2008	50.50	89,083
1983	91.79	404,961		2009	47.22	74,381
1984	83.76	325,355		2010	40.00	48,955
1985	78.07	275,030		2011	30.91	24,526
1986	76.39	261,078		2012	29.50	21,873
1987	86.05	346,947		2013	33.50	29,842
1988	90.04	386,610		2014	44.81	64,471
1989	89.07	376,692		2015	60.57	142,050
1990	82.34	312,351		2016	63.28	157,970

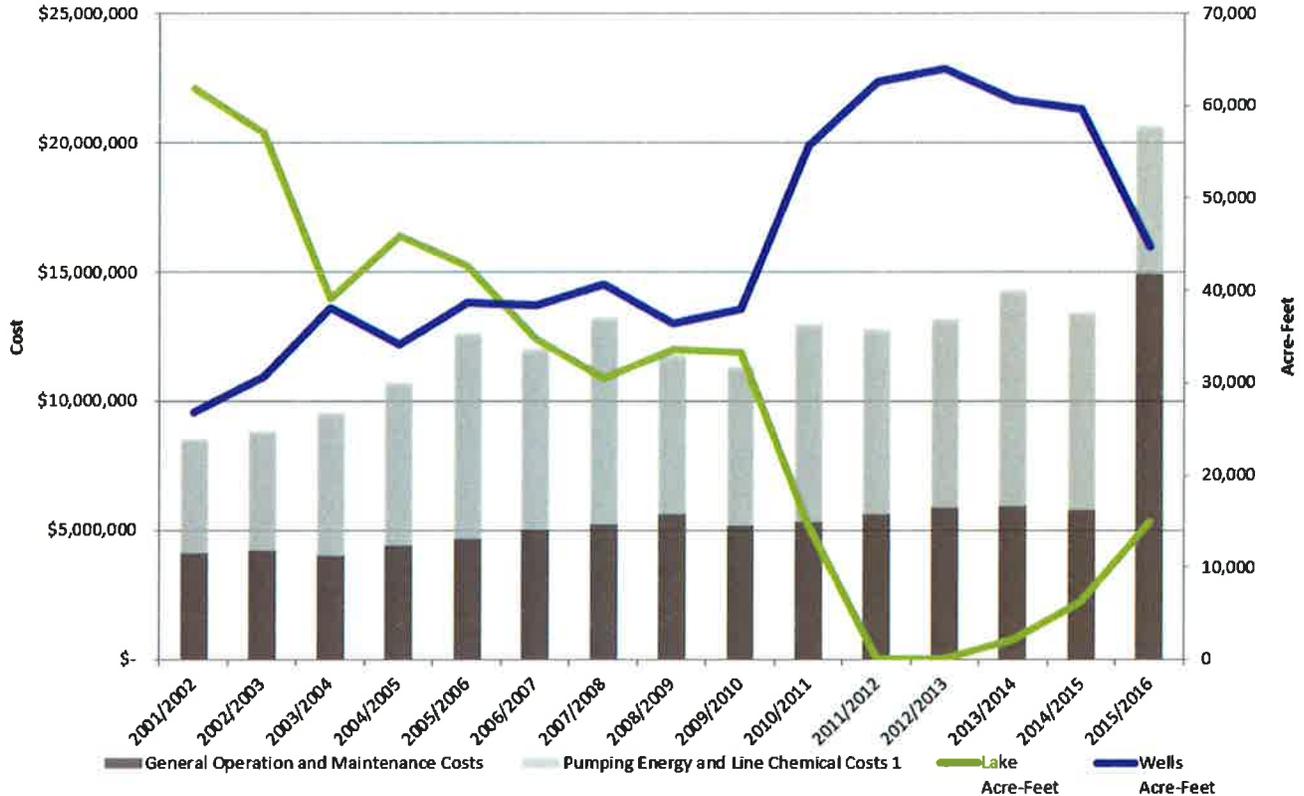
CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2016

HISTORICAL COSTS (Fiscal Year)

CRMWA Historical Cost vs Deliveries



Fiscal Year	Lake Acre-Feet	Wells Acre-Feet	Total Acre-Feet	Total KW/Hr	General Operation and Maintenance Costs	Pumping Energy and Line Chemical Costs ¹	Bond Payments ²	Total Member City Cost	Total Cost per Acre-Foot	Total Cost per 1,000 Gallons
2001/2002	61,867	26,763	88,630	118,501,731	\$ 4,099,573	\$ 4,483,588	\$ 6,359,733	\$14,942,894	\$ 169	\$ 0.52
2002/2003	57,079	30,576	87,654	124,393,081	\$ 4,210,200	\$ 4,653,083	\$ 6,005,785	\$14,869,067	\$ 170	\$ 0.52
2003/2004	39,041	38,043	77,084	120,176,204	\$ 4,023,905	\$ 5,564,344	\$ 6,016,681	\$15,604,930	\$ 202	\$ 0.62
2004/2005	45,915	34,162	80,077	121,047,125	\$ 4,441,227	\$ 6,309,561	\$ 6,316,757	\$17,067,545	\$ 213	\$ 0.65
2005/2006	42,635	38,669	81,304	126,888,698	\$ 4,685,346	\$ 7,942,665	\$ 8,818,664	\$21,446,675	\$ 264	\$ 0.81
2006/2007	34,648	38,392	73,040	119,338,682	\$ 5,008,562	\$ 7,046,193	\$13,694,762	\$25,749,517	\$ 353	\$ 1.08
2007/2008	30,508	40,706	71,215	118,579,357	\$ 5,218,898	\$ 8,035,218	\$12,879,400	\$26,133,515	\$ 367	\$ 1.13
2008/2009	33,552	36,406	69,959	116,086,293	\$ 5,634,272	\$ 6,181,500	\$12,822,044	\$24,637,816	\$ 352	\$ 1.08
2009/2010	33,230	38,018	71,247	123,969,388	\$ 5,197,688	\$ 6,127,440	\$13,753,463	\$25,078,591	\$ 352	\$ 1.08
2010/2011	14,601	55,695	70,297	145,467,623	\$ 5,302,842	\$ 7,702,444	\$14,068,856	\$27,074,143	\$ 385	\$ 1.18
2011/2012	-	62,562	62,562	146,264,706	\$ 5,653,120	\$ 7,124,401	\$19,027,670	\$31,805,190	\$ 508	\$ 1.56
2012/2013	-	64,030	64,030	146,184,719	\$ 5,859,319	\$ 7,369,273	\$19,744,674	\$32,973,266	\$ 515	\$ 1.58
2013/2014	2,131	60,549	62,680	145,272,690	\$ 5,937,108	\$ 8,392,506	\$20,427,944	\$34,757,559	\$ 555	\$ 1.70
2014/2015	6,300	59,676	65,976	145,511,467	\$ 5,762,240	\$ 7,702,843	\$19,306,441	\$32,771,524	\$ 497	\$ 1.52
2015/2016	14,948	44,724	59,672	118,559,009	\$ 14,924,608	\$ 5,734,395	\$19,642,479	\$40,301,482	\$ 675	\$ 2.07

NOTES:

1. Includes the fees assessed to member cities to fund reserves and the fees paid to the groundwater conservation districts
2. Includes both interest and principal

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2016

MEMBER CITIES' WATER ALLOCATIONS (Fiscal Year)

Water Deliveries to Member Cities												
	Amarillo	Borger	Brownfield	Lamesa	Levelland	Lubbock	O'Donnell	Pampa	Plainview	Slaton	Tahoka	Total Acre-feet
ACRE-FEET												
FY01-02	35,493	3,597	1,597	1,629	2,005	36,706	147	2,263	3,892	959	342	88,630
FY02-03	35,399	3,799	1,534	1,787	2,024	35,042	146	2,752	3,844	994	333	87,654
FY03-04	32,100	3,966	1,309	1,474	1,580	29,982	141	2,107	3,050	1,056	319	77,084
FY04-05	33,350	3,534	1,260	1,491	1,763	32,981	113	1,297	3,006	1,000	282	80,077
FY05-06	32,967	3,241	1,513	1,729	1,903	32,809	149	2,505	3,052	1,184	252	81,304
FY06-07	31,409	3,731	1,197	1,778	1,545	29,096	115	1,668	1,330	914	257	73,040
FY07-08	26,034	3,383	1,259	1,644	1,565	30,766	126	2,450	2,597	1,093	298	71,215
FY08-09	24,772	3,606	1,363	1,665	1,780	29,764	113	2,485	3,121	959	331	69,959
FY09-10	27,794	3,666	1,334	1,658	1,740	29,367	103	2,632	1,879	785	289	71,247
FY10-11	27,724	4,159	1,496	1,756	1,860	26,943	130	2,306	2,569	1,036	318	70,297
FY11-12	26,862	2,667	1,415	1,219	1,511	23,232	114	2,133	2,237	899	274	62,562
FY12-13	26,810	3,230	1,450	1,090	1,660	23,920	104	2,110	2,370	986	300	64,030
FY13-14	26,969	2,873	1,383	1,040	1,725	22,506	108	2,201	2,607	942	326	62,680
FY14-15	28,861	2,863	1,409	1,081	1,816	24,205	103	1,950	2,587	786	316	65,976
FY15-16	26,815	3,688	1,360	1,212	1,695	19,522	107	2,400	1,790	786	297	59,672
Proposed FY16-17	30,744	4,273	1,692	1,678	2,148	28,535	214	3,306	2,842	1,214	354	77,000
FY15-16	44.9%	6.2%	2.3%	2.0%	2.8%	32.7%	0.2%	4.0%	3.0%	1.3%	0.5%	100.0%
Proposed FY16-17	39.9%	5.5%	2.2%	2.2%	2.8%	37.1%	0.3%	4.3%	3.7%	1.6%	0.5%	100.0%

CANADIAN RIVER MUNICIPAL WATER AUTHORITY

Statistical Section

Year Ended September 30, 2016

GENERAL OPERATION AND MAINTENANCE BUDGET COMPARISON

CRMWA (includes CORP)	2014 - 2015 Budget	2015 - 2016 Original Budget	2015 - 2016 Final Budget	Final 2015/2016 Budget vs 2014/2015 Budget	
TOTAL PAYROLL EXPENSES	\$ 3,550,465	\$ 3,586,178	\$ 4,101,838	\$ 551,373	15.53%
TOTAL PROFESSIONAL FEES	276,101	403,252	2,050,791	1,774,690	642.77%
TOTAL CONTRACTED SERVICES	297,270	236,296	191,296	(105,974)	(35.65%)
TOTAL CONSUMABLE SUPPLIES	582,711	582,239	1,237,555	654,844	112.38%
TOTAL RECURRING EXPENSES	477,738	461,916	846,196	368,458	77.13%
CRMWA CORPORATION	596,914	628,319	628,319	31,405	5.26%
TOTAL CAPITAL OUTLAY	363,500	278,850	7,146,048	6,782,548	1,865.90%
GRAND TOTAL O&M	\$ 6,144,699	\$ 6,177,050	\$16,202,043	\$ 10,057,344	163.68%

Note:

Refer to page 56 for the reconciliation of the general operation and maintenance budget to the budget for operating expenses.

CRMWA BUDGET SUMMARY FY15/16

CITY	Estimated O&M	Estimated PEC	Bond Payments	TOTAL	Allocation 1,000 gal	Cost per 1,000 gal
AMARILLO	\$ 1,966,749	\$ 4,589,682	\$ 8,798,993	\$ 15,355,425	9,857,635	\$ 1.56
BORGER	278,997	464,494	1,242,506	1,985,997	1,356,110	1.46
BROWNFIELD	210,207	333,672	532,309	1,076,188	537,165	2.00
LAMESA	192,566	251,895	533,349	977,810	532,522	1.84
LEVELLAND	254,024	454,179	598,229	1,306,431	681,843	1.92
LUBBOCK	2,460,462	4,283,947	5,795,576	12,539,985	9,056,540	1.38
O'DONNELL	26,419	32,137	52,517	111,074	67,940	1.63
PAMPA	373,894	379,536	823,804	1,577,234	949,458	1.66
PLAINVIEW	199,276	426,684	809,757	1,435,717	902,037	1.59
SLATON	118,648	182,187	367,257	668,092	385,156	1.73
TAHOKA	35,807	53,177	107,688	196,672	112,419	1.75
Less SLATON/TAHOKA 2006 Bond Issue buy-in			(19,507)	(19,507)		
TOTALS	\$ 6,117,050	\$ 11,451,590	\$ 19,642,479	\$ 37,211,119	24,438,825	\$ 1.52
BOR Share - Dam & Reservoir Replacement Reserve	60,000					
FY15/16 Original Budget	6,177,050	11,451,590	19,642,479	37,211,119		
FY15/16 Budget Amendment	10,024,993			10,024,993		
FY15/16 Final Budget	\$ 16,202,043	\$ 11,451,590	\$ 19,642,479	\$ 47,236,112	24,438,825	\$ 1.93

NOTE:

Based on estimated usage of 75,000 AF (24.4 billion gallons). Approximately 69,000 AF Groundwater and 6,000 AF Lake water.





To the Board of Directors
Canadian River Municipal Water Authority
Sanford, Texas

Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Canadian River Municipal Water Authority (the Authority) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 3, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Canadian River Municipal Water Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Canadian River Municipal Water Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Doshier, Pickens & Francis, LLC

Doshier, Pickens & Francis, LLC
December 1, 2016



City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: JANUARY 17, 2017

AGENDA ITEM: 21

SUBJECT: EXECUTIVE SESSION

SUBMITTED BY: City Manager

SUMMARY STATEMENT

Council to consider convening into closed executive session under Sec. 551.074, Texas Government Code: "Personnel Matters; CLOSED MEETING. (a) This chapter does not require a governmental body to conduct an open meeting: (1) to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee."

- City Manager Contract Renewal

COUNCIL ACTION

DISCUSSION: _____

Motion by Council Member _____ to convene in closed executive session in accordance with the provisions of the Texas Open Meetings to discuss and consider personnel matters. Motion seconded by Council Member _____ and upon being put to a vote the motion _____.

VOTING: "AYE" _____ "NAY" _____ "ABSTAIN" _____

**CERTIFIED AGENDA: EXECUTIVE SESSION OF
THE CITY COUNCIL OF THE CITY OF LAMESA, TEXAS**

On this FEBRUARY 21, 2017, at a regularly scheduled meeting of the City Council of the City of Lamesa, Texas the Council adjourned into a closed executive session; notice of said session having been given by a notice posted at the City Hall, 601 South First Street at least seventy-two hours in advance.

A. ANNOUNCEMENT BY PRESIDING OFFICER:

"The City Council will begin its executive session on FEBRUARY 21, 2017, at _____ P.M."

The subject matter of each executive session deliberation is as follows:

Consider meeting in closed executive session to discuss personnel matters regarding to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee." (Section 551.074 Texas Government Code).

- City Manager Contract Renewal

RECORD OF ACTION TAKEN:

B. ANNOUNCEMENT BY PRESIDING OFFICER:

"The City Council has completed its executive session on FEBRUARY 21, 2017, at _____ P.M."

C. CERTIFICATION:

I hereby certify that this agenda of an executive session of the City Council of the City of Lamesa, Texas is a true and correct record of the proceedings pursuant Texas Open Meetings Act (Chapter 551, Government Code).

WITNESS my hand this FEBRUARY 21, 2017.

Josh Stevens, Mayor

City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: FEBRUARY 21, 2017

AGENDA ITEM: 22

SUBJECT: RECONVENE TO OPEN SESSION

SUMMARY STATEMENT

City Council to reconvene into open session to consider and discuss taking action regarding the renewal of the City Manager's contract.

- City Manager Contract Renewal

COUNCIL ACTION

DISCUSSION: _____

Motion by Council Member _____ to _____. Motion seconded by Council Member _____ and upon being put to a vote the motion _____.

VOTING: "AYE" _____ "NAY" _____ "ABSTAIN" _____

City Council Agenda

City of Lamesa, Texas

DATE OF MEETING: FEBRUARY 21, 2017

AGENDA ITEM: 23

ADJOURNMENT: Announcement by the Mayor - "The next regularly scheduled meeting of the City Council of the City of Lamesa will be **MARCH 21ST, 2017** at 5:30 P.M."