



Arapahoe County Water and Wastewater Authority
13031 E Caley Avenue, Centennial, CO 80111 9364
Phone (303) 790-4830, Fax (303)790-9364

Financial Guarantee – Letter of Credit or Cash Deposit

Prior to the pre-construction meeting, the Applicant may need to provide a Financial Guarantee¹, if the project contains elements that could put ACWWA's system at risk. This can be delivered in the form of a Letter of Credit or Cash Deposit, and is equal to 100 percent of the estimated construction cost of the water and/or sewer utilities as approved by ACWWA.

ACWWA's Rules and Regulations allow the initial Financial Guarantee to be reduced once construction of all water and/or sewer utilities are satisfactorily completed and Probationary Acceptance has been granted for the project. After Probationary Acceptance has been granted the Applicant may reduce the Financial Guarantee to the greater of 20% of the estimated construction cost as approved by ACWWA or \$20,000. The request to reduce the Financial Guarantee must be submitted to ACWWA in writing.

The Financial Guarantee is to be in effect throughout the construction phase and warranty period, whether in full or reduced amount, and will be released when Final Acceptance is granted by ACWWA.

For Applicants that submitted a Financial Guarantee in the form of cash: ACWWA will process a refund for the difference of the original amount and the adjusted amount, or the original amount if it was less than \$20,000.

For Applicants that submitted a Financial Guarantee in the form of a Letter of Credit (LOC): The following options are available:

- 1) The Applicant may provide a cash deposit for the reduced amount as approved by ACWWA. After receipt of the cash deposit by ACWWA, ACWWA will release the original LOC to the Applicant either by mail or at its main office or,
- 2) The Applicant may provide a revised LOC to be exchanged for the original (language must be the same as the original LOC or legal review/expenses may apply). After receipt of the revised LOC by ACWWA, ACWWA will release the original LOC to the Applicant either by mail or at its main office or,
- 3) The bank may issue a letter amending the LOC to the amount and expiration date as approved by ACWWA.

¹ Please discuss with Wade Wheatlake at Merrick Engineers if a Financial Guarantee is needed for your project. Wade can be reached at 303.353.3683 or wade.wheatlake@merrick.com