

WEST VALLEY WATER DISTRICT 855 W. Base Line Road, Rialto, CA 92376 PH: (909) 875-1804 FAX: (909) 875-1849

ENGINEERING, OPERATIONS AND PLANNING COMMITTEE MEETING AGENDA

WEDNESDAY, MAY 12, 2021 - 6:00 PM

NOTICE IS HEREBY GIVEN that West Valley Water District has called a meeting of the Engineering, Operations and Planning Committee to meet in the District Headquarters, 855 W. Base Line Road, Rialto, CA 92376.

Teleconference Notice: In an effort to prevent the spread of COVID-19 (Coronavirus), and in accordance with the Governor's Executive Order N-29-20 and the order of the County of San Bernardino dated March 17, 2020, there will be no public location for attending this Committee Meeting in person. Members of the public may listen and provide public comment via telephone by calling the following number and access code: Dial (888)475-4499, Access Code: 840-293-7790 or you may join the meeting using Zoom by clicking this link: https://us02web.zoom.us/j/8402937790. Public comment may also be submitted via email to administration@wvwd.org. If you require additional assistance, please contact the Executive Assistant at administration@wvwd.org.

BOARD OF DIRECTORS

Director, Greg Young, Chair Director, Kyle Crowther

1. CONVENE MEETING

2. PUBLIC PARTICIPATION

The public may address the Board on matters within its jurisdiction. Speakers are requested to keep their comments to no more than three (3) minutes. However, the Board of Directors is prohibited by State Law to take action on items not included on the printed agenda.

3. **DISCUSSION ITEMS**

- a. Updates to Engineering, Operations and Planning Committee
- **b.** Consider Water System Infrastructure Installation and Conveyance Agreement with Lennar Homes of California, Inc for Zone 4 30 Transmission Line Improvements (Page 3)
- c. Consider Water System Infrastructure Installation and Conveyance Agreement with Lennar Homes of California, Inc for Well Supply Line Replacement Project (Page 62)

- **d.** Consider Water System Infrastructure Installation and Conveyance Agreement with Lennar Homes of California, Inc for Tract 20092 Water Improvement Plans (Page 90)
- e. Pepper Avenue at I-10 Freeway 24-inch Transmission Main Project: Union Pacific Railroad Company Agreement (Page 122)
- **f.** Fiscal Year 2021-2022 Budget Discussion

4. ADJOURN

DECLARATION OF POSTING:

I declare under penalty of perjury, that I am employed by the West Valley Water District and posted the foregoing Engineering, Operations and Planning Committee Agenda at the District Offices on May 7, 2021.

Lizett Santoro, Executive Assistant



BOARD OF DIRECTORS ENGINEERING, OPERATIONS AND PLANNING COMMITTEE STAFF REPORT

DATE: May 12, 2021

TO: Engineering, Operations and Planning Committee

FROM: Shamindra Manbahal, Interim General Manager

SUBJECT: CONSIDER WATER SYSTEM INFRASTRUCTURE INSTALLATION

AND CONVEYANCE AGREEMENT WITH LENNAR HOMES OF CALIFORNIA, INC FOR ZONE 4 - 30 TRANSMISSION LINE

IMPROVEMENTS

BACKGROUND:

Lennar Homes of California, Inc. ("Developer") is the owner of land located north of Sycamore Avenue, east of Country Club Drive and west of Oakdale Ave in the former El Rancho Verde Golf Course in the City of Rialto, known as Tract No. 20092, River Ranch ("Development"), as shown in **Exhibit A**. The Development is part of a master planned community containing residential lots requiring water services. In developing this land, the Developer has entered into a Reimbursement Agreement with West Valley Water District ("District") to construct a Zone 4 – 30" transmission line through their development. The Developer will extend the 30" transmission line from Highland Ave. (east of Oakdale Ave.) 6,700 lineal feet to connect with the District's Zone 4 Reservoir pipeline within the newly established public right-of-way.

DISCUSSION:

In order to construct the water facilities needed to supply water to the Development, the District and the Developer wish to enter into a Developer-Installed Water System Infrastructure Installation and Conveyance Agreement ("Agreement"). This Agreement outlines the responsibilities of the Developer in constructing facilities, including insurance, indemnification and bonding requirements as well as conveyance and acceptance of the water system by the District. Attached as **Exhibit B** is a copy of the Water System Infrastructure Installation and Conveyance Agreement for this development.

FISCAL IMPACT:

No fiscal impact to the District.

STAFF RECOMMENDATION:

Staff recommends that this item be submitted for consideration & approval by the full Board at a future Board of Directors meeting and authorize the General Manager to execute the necessary documents.

Respectfully Submitted,

Shamindra Manbahal Interim General Manager

DG:ls

Exhibit A – Aerial Map

Exhibit B – Water System Infrastructure Installation and Conveyance Agreement with Lennar Homes of California, Inc for Zone 4 – 30" Transmission Line Improvements.

Respectfully Submitted,

Shamindra Manbahal

Shamindra Manbahal, Interim General Manager

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ATTACHMENT(S):

- 1. Exhibit A Aerial Map
- 2. Exhibit B Water System Infrastructure Installation and Conveyance Agreement with Lennar Homes Inc

EXHIBIT A





WATER SYSTEM INFRASTRUCTURE INSTALLATION AND CONVEYANCE AGREEMENT

This water system infrastructure installation	and conveyance agreement ("Agreement") is
entered into and effective as of	by and between LENNAR HOMES OF
CALIFORNIA, INC ("Developer"), and WEST	VALLEY WATER DISTRICT ("District")
who agree as follows:	

The Developer is the owner of certain land described as **TRACT 20092** and as more fully (or further) shown on <u>Exhibit "A"</u>. In developing this land, the Developer is desirous of obtaining a public water supply adequate for domestic uses and public fire protection purposes and is desirous of integrating that water system into the District's public water system.

In order to provide facilities for a water supply to said land, it is the intention of the parties to this Agreement that the Developer shall furnish and install those water mains, fire hydrants, service laterals, water meters and valves, valve boxes, and all other appurtenant fittings and facilities required for a complete water system to serve the land shown on <u>Exhibit "A"</u>.

In order to implement the foregoing and in consideration of the terms and conditions herein contained, the parties further agree as follows:

1. DESIGN

- 1.1. Developer shall design and construct, at the Developer's own expense, the water facilities and appurtenances required to serve the development in accordance with final District approved plans known as **WATER LINE IMPROVEMENT PLANS FOR ZONE 4 30'' TRANSMISSION LINE IMPROVEMENTS**, as approved and attached herein as <u>Exhibit "B"</u> and in accordance with District-approved design standards and specifications, and the terms and conditions of this Agreement.
- 1.2. The water system design shall be by a Professional Engineer registered in the State of California, and in accordance with the District's most recent Rules and Regulations (the "Rules and Regulations"), the District's Standards for Domestic Water Facilities and Standard Drawings herein included by reference, all applicable District ordinances and policies and all City, County of San Bernardino, State of California, and Federal laws, ordinances, rules, regulations, codes and other legal requirements of all government bodies having jurisdiction over said construction and property (all of the foregoing requirements in this paragraph being collectively referred to herein at times as "Legal Requirements").
- 1.3. The District, at Developer's expense, shall review Developer's plans for the purpose of ensuring the adequacy of the design and conformance with the District's standards and specifications. The District reserves the right to add, delete, modify, change or amend any or all the plans and specifications.
- 1.4. In the event that the property to be developed includes multiple residential, condominiums, commercial or industrial uses, all site plans, grading plans, and any available plumbing plot plans shall be furnished to the District by Developer.

1.5. The District makes no warranties as to the correctness, accuracy or completeness of the plans and specifications. The accuracy, adequacy, suitability, and correctness of the water system design shall be the sole responsibility of the Developer.

2. CONSTRUCTION

- 2.1. Developer shall perform, or caused to be performed, all construction of the water system infrastructure installation pursuant to the approved water system plans, and all Legal Requirements.
- 2.2 The performance of this Agreement shall commence within ninety (90) calendar days from the date of this Agreement and shall be completed within one (1) year from the estimated construction start date.
- 2.3. Time is of the essence in this Agreement; provided that, in the event good cause is shown therefore, the general manager of the District ("General Manager") may extend the time for completion of the water system installation. Any such extension may be granted without the notice to Developer's surety, and extensions so granted shall not relieve the surety's liability on the bond to secure faithful performance of this Agreement. The General Manager shall be the sole and final judge as to whether or not good cause has been shown to entitle Developer to an extension.
- 2.4. The Developer and its contractor and subcontractors shall attend a preconstruction meeting with the District at the District's headquarters no less than five (5) working days prior to commencement of construction.
- 2.5. No work on water facilities shall commence prior to the completion of all required curbs and gutters.

3. LICENSES AND PERMITS

- 3.1. Developer, and all of Developer's contractors and subcontractors warrants it possesses, or shall obtain, and maintain during the term of this Agreement any and all licenses, permits, qualifications, insurance and approval of whatever nature that are legally required of Developer, its contractors, and all subcontractors to practice its profession, skill or business.
- 3.2. The work to be performed under this Agreement, except meter installations, shall be performed by Developer, or a contractor or subcontractor who is pre-approved by the District and is licensed under the laws of the State of California in the specialty Class of "C-34" Pipeline or Class "A" General Engineering. A copy of the contract between Developer and the selected pre-approved contractor and all subcontractors shall be submitted to the District for review and approval.
- 3.3. Excavation/resurfacing permits shall be secured by Developer at Developer's expense. Permits/easements to install, maintain and operate water system facilities in private property shall be secured by Developer at Developer's own expense prior to construction.

3.4. Developer shall, at Developer's own expense, be responsible for obtaining and adhering to a National Pollution Discharge Elimination System (NPDES) permit from the Regional Water Quality Board as required for construction or pipeline flushing and disinfection.

4. INSURANCE REQUIREMENTS

- 4.1. The following insurance requirements have been adopted by the District and shall be applicable to this Agreement. These requirements supersede the insurance requirements set forth in any other reference of the District, and to the extent of any conflict, the specified requirements herein shall prevail.
- 4.2. Developer shall ensure that Developer's contractors conform to the following insurance requirements and that all required documents are submitted to the District at the time of Agreement submittal: Developer shall ensure that its contractors and all subcontractors shall purchase and maintain insurance in amounts equal to the requirements set forth in (a) through (d) below, and shall not commence work under this Agreement until all insurance required under this heading is obtained in a form acceptable to the District, nor shall Developer allow any contractor or subcontractor to commence construction pursuant to a contract or subcontract until all insurance required of the contractor and any subcontractors has been obtained.
- a. <u>General Liability</u>: Developer shall ensure that its contractor and all subcontractors shall maintain during the life of this Agreement, a standard form of either Comprehensive General Liability insurance or Commercial General Liability insurance ("General Liability Insurance") providing the following minimum limits of liability: Combined single limit of \$1.0 million per occurrence for bodily injury, including death, personal injury, and property damage with \$2.0 million minimum aggregate, separate for this project as evidenced by endorsement. The insurance shall include coverage for each of the following hazards: Premises-Operations; Owners and Contractors Protective; Broad Form Property Damage contractual for Specific Contract; Severability of Interest or Cross-Liability; XCU Hazards; and Personal Injury With the "Employee" Exclusive Deleted.
- b. <u>Automotive/Vehicle Liability Insurance</u>: Developer shall ensure that its contractor and all subcontractors shall maintain a policy of automotive/vehicle liability insurance on a commercial auto liability form covering owned, non-owned and hired automobiles providing the following minimum limits of liability: Combined single limit of liability of \$1.0 million per accident for Bodily Injury, Death and Property Damage ("Automotive/Vehicle Liability Insurance").
- c. <u>Workers' Compensation Insurance</u>: Developer shall ensure that its contractor and all subcontractors shall provide such workers' compensation insurance with statutory minimum amounts of coverage, as required by the California *Labor Code* and other applicable law, and including employer's liability insurance with a minimum limit of \$1,000,000.00 ("Workers' Compensation Insurance"). Such Workers' Compensation Insurance shall be endorsed to provide for a waiver of subrogation against the District.
- d. <u>Excess Liability</u>: Developer shall ensure that its contractor and all subcontractors shall provide a policy providing excess coverage in a face amount necessary when

combined with the primary insurance, to equal the minimum requirements for General Liability Insurance and Automotive/Vehicle Liability Insurance.

- 4.3. The insurances provided for in Section 4.2 and its subsections above are subject to all of the following conditions:
- a. The insurance shall be issued and underwritten by insurance companies acceptable to the District, and shall be licensed by the State of California to do business on the lines of insurance specified. The insurers must also have an "A-" Policyholder's rating" and a "financial rating" of at least Class VII in accordance with the most current A.M. Best's Rating Guide.
- b. Developer's contractor and subcontractors may satisfy the limit requirements in a single policy or multiple policies. Any such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.
- c. Any costs associated with a self-insured program, deductibles, or premium rating programs that determine premium based on loss experience shall be for the account of Developer, Developer's contractor and subcontractors, and the District shall not be required to participate in any such loss. If any such programs exist, Developer, Developer's contractor and subcontractors, agree to protect and defend the District in the same manner as if such cost provisions were not applicable.
- d. Developer shall ensure that its contractor and all subcontractors shall have presented at the time of execution of the Agreement, the original policies of insurance and a certificate of insurance naming the District as the certificate holder and that such coverage is in force and complies with the terms and conditions outlined herein.
- e. If an insurance policy contains a general policy aggregate of less than the minimum limits specified, then the policy coverage shall be written with limits applicable solely to this Agreement, as specified, and shall not be reduced by or impaired by any other claims arising against Developer. These policy limits shall be set forth by separate endorsement to the policy.
- 4.4. Each such policy of General Liability Insurance and Automotive/Vehicle Liability Insurance shall contain endorsements providing the following:
- a. The District, their board members, officers, agents, employees, consultants, and engineers, are hereby declared to be additional insureds under the terms of this policy, but only with respect to the operations of the Developer at or upon any of the premises of the District in connection with the Agreement with the District, or acts or omissions of the additional insureds in connection with, but limited to its general supervision or inspection of said operations and save for any claims arising from the sole negligence or sole willful misconduct the District.
- b. No policy shall be canceled, limited, materially altered, or non-renewed by the insurer until thirty (30) days after receipt by the District of a written notice of such cancellation or reduction in coverage.
- c. This insurance policy is primary insurance and no insurance held or owned by the designated additional insureds shall be called upon to cover a loss under this policy.

5. BONDING REQUIREMENTS

- 5.1. Developer shall generate an engineer's cost estimate based on the water system plans provided to the District. The estimated costs, attached herein as <u>Exhibit "C"</u>, will be submitted to the District for review and approval, and shall be used as the basis for bonding requirements for the water system described in the plans provided to the District by the Developer and approved for construction by the District. The sole intent and purpose of the engineer's estimate is to establish a cost valuation for bonding purposes only.
- 5.2. Performance Bond: The Developer's engineers estimate for the **WATER LINE IMPROVEMENT PLANS FOR** 30" **ZONE** 4 TRANSMISSION IMPROVEMENTS, is TWO MILLION SIXTY-FOUR THOUSAND FOUR HUNDRED NINETY-FIVE DOLLARS and 00/100 (\$2,064,495.00). Developer shall and by this Agreement does guarantee the Developer's faithful performance of this Agreement and all of its terms and conditions by providing the following: Developer shall provide the District with either an irrevocable letter of credit from a recognized financial institution acceptable to the District or a performance bond, from a surety institution licensed by the State of California and authorized to do and doing business in said State, valid and renewable until such improvements are accepted by the District. The irrevocable letter of credit or performance bond shall be in the amount of **TWO** MILLION SIXTY-FOUR THOUSAND FOUR HUNDRED NINETY-FIVE DOLLARS and **00/100** (\$2,064,495.00). equal to 100 percent of the approved Developer's estimate.
- 5.3. Warranty Bond: The Developer's pre-approved contractor shall furnish a two-year warranty bond for all work completed in accordance with the approved plans Exhibit "B". Before District's acceptance of the completed water facilities and appurtenances, such facilities and appurtenances shall be free from any and all liens and encumbrances and free from any and all defects in the materials or construction thereof. The two-year warranty shall be either an irrevocable letter of credit from a recognized financial institution acceptable to the District or a warranty bond beginning on the date of acceptance of the water facilities by the District.

6. MATERIALS

6.1. The water system facilities to be installed pursuant to this Agreement shall become an extension of the distribution system of the District. All materials used must conform to District specifications for such materials pursuant to all applicable Legal Requirements.

7. NOTICES

- 7.1. All notices herein required shall be in writing, and delivered in person or sent by registered mail, postage prepaid.
 - 7.2. Notices required shall be given to the **District** addressed as follows:

WEST VALLEY WATER DISTRICT

Attn: General Manager Post Office Box 920 Rialto, CA 92377

RE: ZONE 4 – 30" TRANSMISSION LINE IMPROVEMENTS

7.3. Notices required shall be given to **Developer** addressed as follows:

LENNAR HOMES OF CALIFORNIA, INC ATTENTION: GREG MENDOZA 980 MONTECITO, SUITE 302 CORONA, CA

RE: ZONE 4 – 30" TRANSMISSION LINE IMPROVEMENTS

7.4. Notices required shall be given to **Surety** addressed as follows:

SURETY NAME:

ADDRESS

RE: ZONE 4 – 30" TRANSMISSION LINE IMPROVEMENTS

- 7.5. Provided that any party or Surety may change such address by notice in writing to the other party, and thereafter, notices shall be addressed and transmitted to the new address.
- 7.6. The Developer or its contractor shall provide the District forty-eight (48) hours advance notice of request for inspection or testing.
 - 7.7. The District is closed on the holidays listed in Exhibit "D".

8. NOTICE TO PROCEED TO CONSTRUCT WATER SYSTEM FACILITIES

8.1. Upon acceptance of the insurance and aforementioned bonds and/or irrevocable letters of credit in the amounts provided herein and approval by the District and upon payment of all applicable charges, the Agreement shall be signed by Developer and the District. The District shall return an original copy of the signed Agreement with a letter to Developer giving notice to proceed to construct the water system facilities.

9. INSPECTION

- 9.1. It is understood that the sole purpose and intent of the District's inspection and testing is to validate that the materials, workmanship, and construction of the water facilities are in compliance with the District-approved final plans, the District's Rules and Regulations, the Standards for Domestic Water Facilities, the Standard Drawings, and all other applicable District requirements. Developer acknowledges and represents that it assumes full and sole responsibility for the safety and management of the project.
- 9.2. Developer shall at all times maintain proper facilities and provide safe access for inspection by the District to all parts of the work and to the shops wherein the work is in preparation. Additionally, in connection with the performance of this Agreement, the District shall have the authority to enter the work site at any time for the purpose of identifying the existence of conditions, either actual or threatened, that may present a danger of hazard to any and all employees. Developer agrees that the District, in its sole authority and discretion, may order the immediate abatement of any and all conditions that may present an actual or threatened danger or hazard to any and all employees at the work site. Furthermore, Developer acknowledges the provisions of California *Labor Code* Section 6400 et seq., which requires that employers shall

furnish employment and a place of employment that is safe and healthful for all employees working therein. In the event the District identifies the existence of any condition that presents an actual or threatened danger or hazard to any or all employees at the work site, the District is hereby authorized to order an immediate abatement of that condition.

- 9.3. All work and materials shall be subject to inspection, testing, and acceptance by the District at Developer's expense. In the event Developer arranges to have materials fabricated for the project, Developer may be required to arrange for the District to inspect that material during fabrication at Developer's expense.
- 9.4. All material fabrications shall be preapproved by the District and must conform to District standards and specifications.
- 9.5. The District's inspectors shall have full, unlimited access to perform continuous inspection and have the authority to stop work at any time, by written notice, without any liability whatsoever to the District, if, in the inspectors' judgment, the work called for by this Agreement, or the District approved plans, or the specifications is not being installed or performed in a satisfactory and workmanlike manner according to District's standards and specifications and/or in the event the materials do not comply with the District's standards and specifications.
- 9.6. Final acceptance of all material to be purchased or fabricated by Developer under this Agreement shall be made only with the prior approval of the District. Approval by the District, however, shall not operate to relieve the material supplier or Developer of any guarantees, warranties, or the duty of compliance with any of the requirements of the approved plans and specifications or of this Agreement. All construction pursuant to this Agreement shall be inspected pursuant for conformity with District requirements. Developer shall pay actual costs for inspections.

10. TESTING AND DISINFECTION

10.1. All water system facilities and components constructed pursuant to this Agreement shall adhere to all requirements for testing, disinfection, and flushing pursuant to District standards and Legal Requirements.

11. RELOCATIONS, RECONSTRUCTIONS, AND DAMAGES

11.1. Developer accepts the responsibility for and the costs occasioned by any reconstruction, relocation, damages to, or changes of water services or facilities caused or contributed to directly or indirectly by any subsequent changes in the location of any of said facilities or water meters or water services.

12. AS-CONSTRUCTED DOCUMENTATION

12.1. In order for the District to accept the facilities, Developer shall provide all required documentation as specified in the Standards for Domestic Water Facilities, including As-Built drawings.

13. INDEMNIFICATION

- 13.1. Developer hereby agrees to and shall protect, defend, indemnify and hold the District and its board members, officers, agents, employees, and engineers free and harmless from any and all liability losses, damages, claims, liens, demands and cause of action of every kind and character including, but not limited to, the amounts of judgments, penalties, interests, court costs, attorney's/legal fees, and all other expenses incurred by the District arising in favor of any party, including claims, liens, debts, demands for lost wages or compensation, personal injuries, including employees or the District, death or damages to property (including property of the District) and without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by Developer save and except claims or litigation arising through the sole negligence or sole willful misconduct of the District or the District's agents and employees. Developer shall investigate, handle, respond to, provide defense for and defend any such claims, demand, or suit at the sole expense of Developer even if the claim or claims alleged are groundless, false or fraudulent. Developer agrees to, and shall defend the District and its members, directors, officers, agents, employees, and engineers from any suits or actions at law or in equity for damages caused, or alleged to have been caused, by reason of any of the aforesaid operations, provided as follows:
- a. That the District does not and shall not waive any rights against Developer which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by the District, or the deposit with District by Developer, or any of the insurance policies described in this Agreement.
- b. That the aforesaid hold harmless agreement by Developer shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any or the aforesaid operations referred to in this subsection, regardless of whether or not District has prepared, supplied water system installation, or regardless of whether or not such insurance policies shall have been determined to be applicable to any such damages or claims for damages.

This provision is not intended to create any cause of action in favor of any third party against Developer or the District or to enlarge in any way Developer's liability but is intended solely to provide for indemnification of the District from liability for damage or injuries to third persons or property arising from Developer's performance hereunder.

13.2. Neither Developer nor any of Developer's agents, contractors or subcontractors are, or shall be, considered to be agents of the District in connection with the performance of Developer's obligations under this Agreement.

14. REPAIR OR RECONSTRUCTION OF DEFECTIVE WORK

14.1. If, within a period of two years after final acceptance of the work performed under this Agreement, any structure or part of any structure furnished and/or installed or constructed, or caused to be installed or constructed by Developer, or any of the work done under this Agreement, fails to fulfill any of the requirement of this Agreement or the specifications referred to herein, Developer shall, without delay and without any cost to District, repair or replace or reconstruct

any defective or otherwise unsatisfactory part or parts of the work structure. Should Developer fail to act promptly or in accordance with this requirement, or should the exigencies of the situation as determined by the District in the exercise of its sole discretion require repair, replacement or reconstruction before Developer can be notified, District may, at its option, make the necessary repairs or replacements or perform the necessary work, and Developer shall pay to the District the actual cost of such repairs.

15. COSTS AND FEES

- 15.1. Developer shall be responsible for all fees and deposits as required by the District. All fees and deposits, shall be paid in full prior to the execution of this Agreement and before construction can take place.
- 15.2. Any additional costs and fees shall be paid in full prior to conveyance and acceptance of the water system.
- 15.3. The District shall reimburse the Developer for only the true construction costs associated with the construction of the reimbursable facilities as outlined in the Reimbursement Agreement dated, May 21, 2020, attached herein as Exhibit "E".

16. CONVEYANCE AND ACCEPTANCE OF WATER SYSTEM

- 16.1. Upon completion of the water system in accordance with the approved water plans and submission of the required documentation, the Developer shall convey the water system to the District.
- 16.2. The Developer shall be responsible for insuring the pre-approved contractor furnish an irrevocable letter of credit to the District or a warranty bond (One Hundred (100%) of Developer's estimate) for a period of two years as stated in Sections 5.3 of this Agreement, asbuilt drawings with contractor redlines and AutoCAD files, materials list with quantities, labor, equipment, and materials, water system cost breakouts, compaction test report signed and sealed by a California Registered Engineer, notice of completion filed with San Bernardino County Recorder, fire flow tests of all hydrants, all required easements for water facilities and unconditional financial release from subcontractors and material providers, Upon compliance with all the terms and conditions of this Agreement, the District shall prepare the conveyance agreement accepting the water facilities and forward same to the address provided herein. Title to the ownership of said facilities and appurtenances shall thereby be conveyed to the District. The District shall thereafter operate and maintain said facilities so as to furnish water service to the development Exhibit "A" in accordance with the District's ordinances, policies and Rules and Regulations.

17. PERMANENT WATER SERVICE

17.1. In no event shall permanent water services be provided to Developer's installed system until all applicable charges and fees have been paid by Developer and all facilities have been conveyed, free of all encumbrances, to the District, including any easements which may be required. Such conveyance shall occur in a timely manner in accordance with the terms of this Agreement.

18. BREACH OR DEFAULT OF AGREEMENT

- 18.1. If Developer refuses or fails to obtain prosecution of the work, or any severable part thereof, with such diligence as will insure its completion within the time specified, or any extension thereof, or fails to obtain completion of said work within such time, or if Developer should be adjudged as bankrupt, or Developer should make a general assignment for the benefit of Developer's creditors, or if a receiver should be appointed in the event of Developer's insolvency, or if Developer, or any of Developer's contractors, subcontractors, agents or employees, should violate any of the provisions of this Agreement, the District's General Manager or the General Manager's designee may serve written notice upon Developer and Developer's surety of breach of this Agreement, or of any portion therefore, and default of Developer.
- 18.2. In the event of any such notice, Developer's surety shall have the duty to take over and complete the work and the improvement herein specified; provided, however, that if the surety, within five (5) days after the serving upon of such notice of breach, does not give the District written notice of its intention to take over the performance of the contract, and does not commence performance thereof within five (5) days after notice to the District of such election, District may take over the work and prosecute the same to completion, by contract or by any other method District may deem advisable, for the account and at the expense of Developer, and Developer's surety shall be liable to the District for any excess cost or damages occasioned District thereby; and, in such event, District, without liability for so doing, may take possession of, and utilize in completing the work, such materials, appliances, plant and other property belonging to Developer as may be on the site of the work and necessary therefore.

19. SUCCESSORS BOUND

19.1. This Agreement shall be binding upon and inure to the benefit of each of the parties and their respective legal representatives, successors, heirs, and assigns.

20. ENFORCEMENT OF PROVISIONS

20.1. The District's failure to enforce any provisions of this Agreement or the waiver thereof in any instance shall not be construed as a general waiver or relinquishment on its part of any such provision, but the same shall nevertheless be and remain in full force and effect.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the	e parties hereto	execute this Agreement.
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WEST VALLEY WATER DISTRICT

Ву:	Ricky Shamindra Manbahal, Interim General Manager	Date:
Lenn	ELOPER: ar Homes of California, Inc ifornia Corporation	
By:	LENNAR HOMES OF CALIFORNIA, INC a California Corporation, Its Manager:	
Ву:	Authorized Agent	Date:

Exhibit A

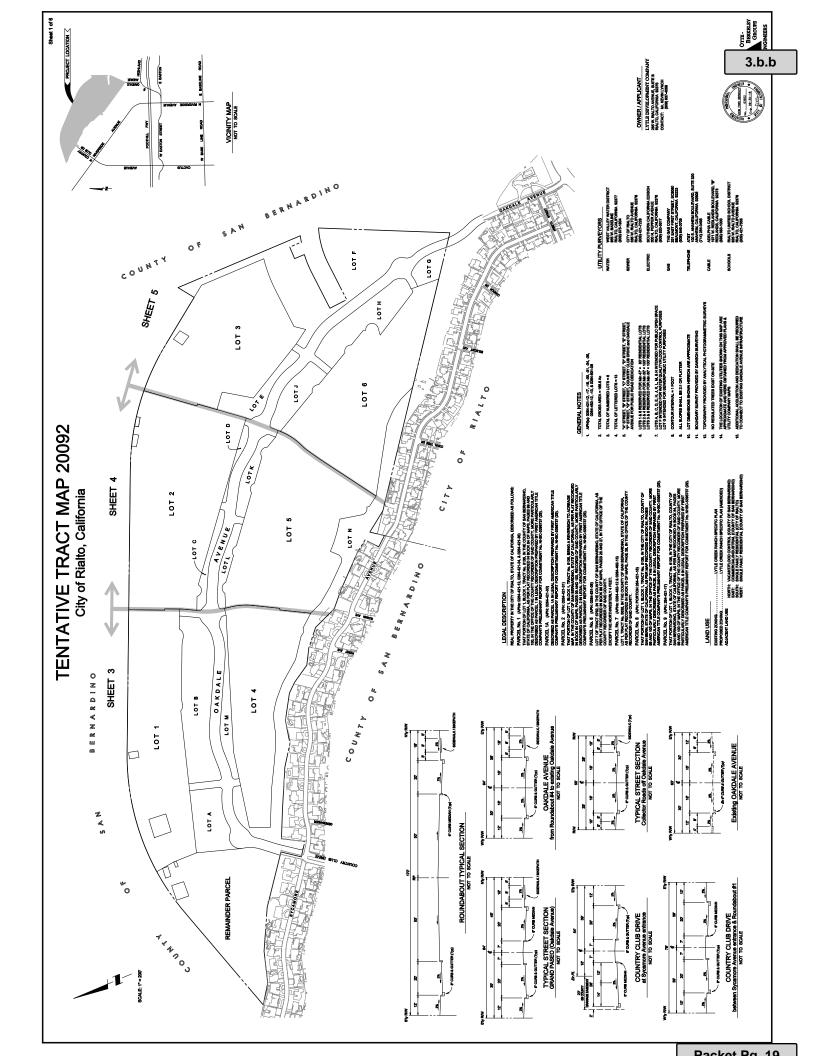
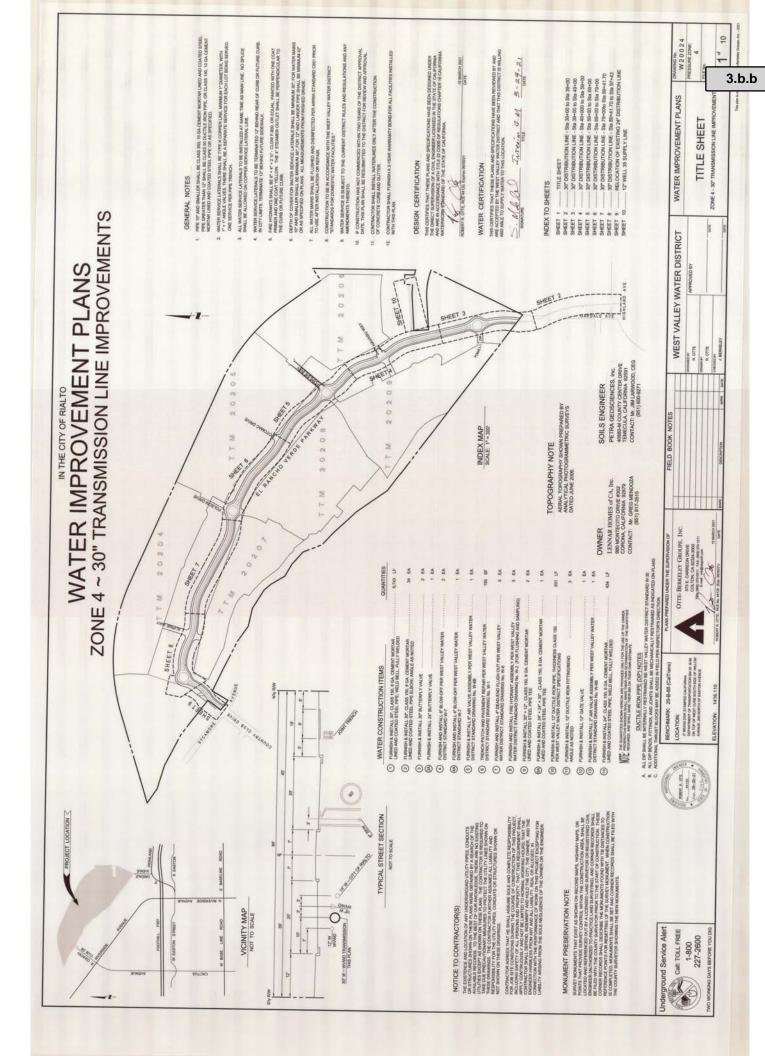
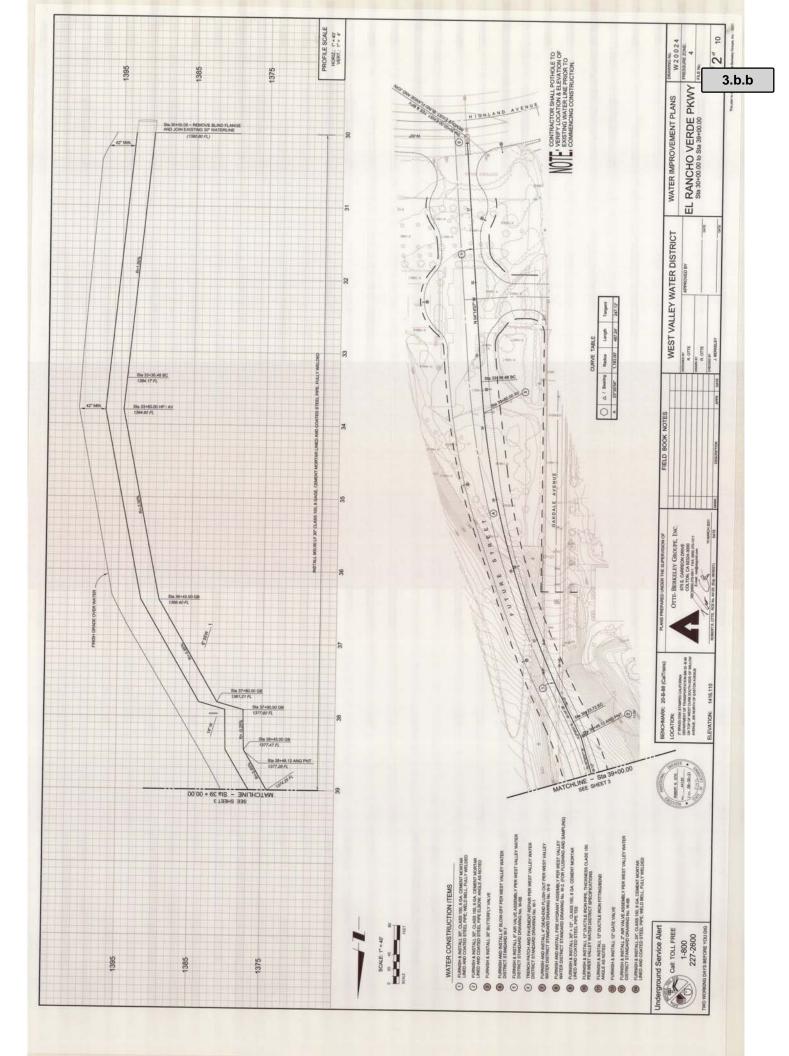
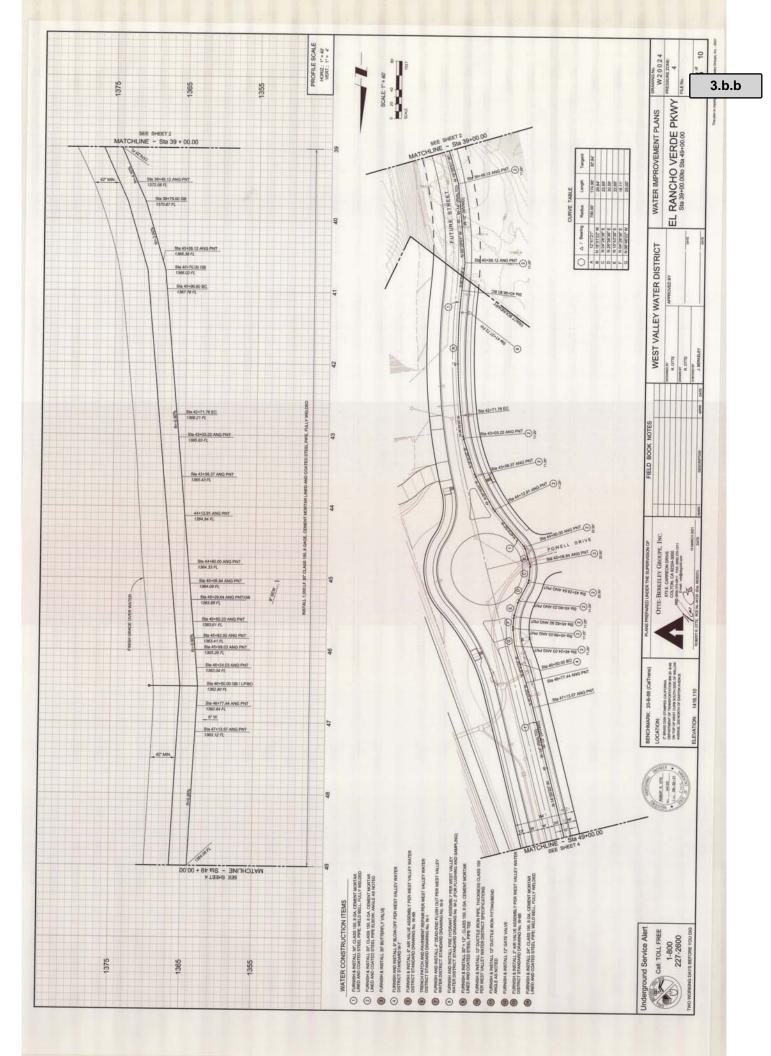
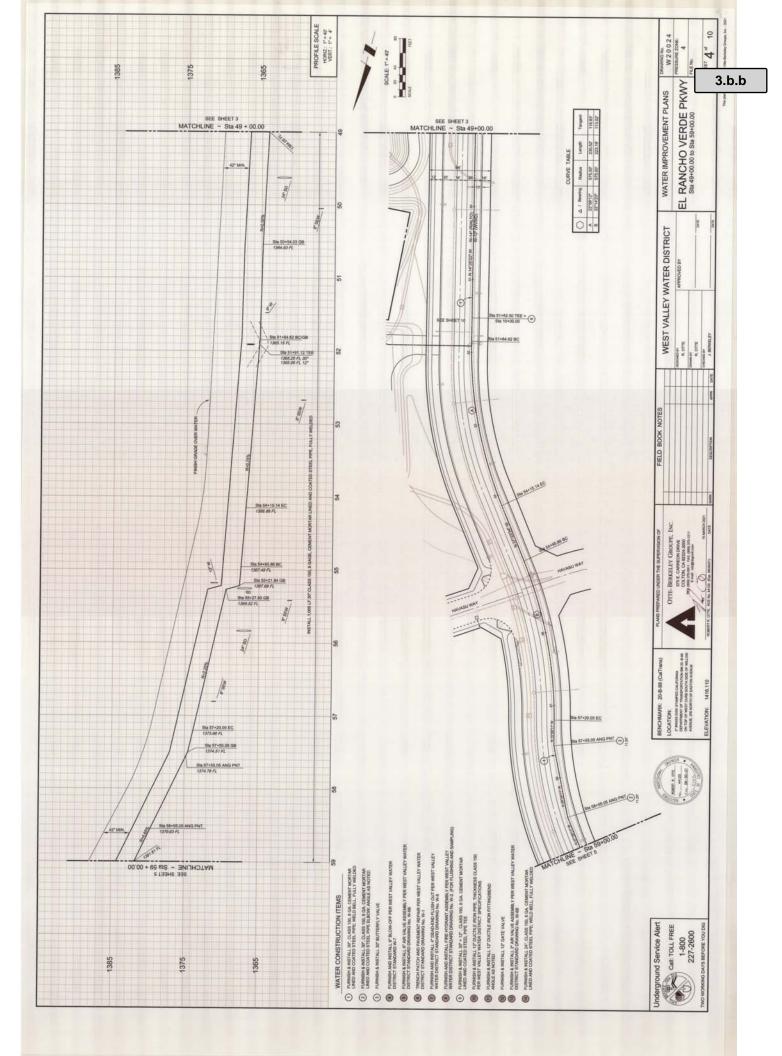


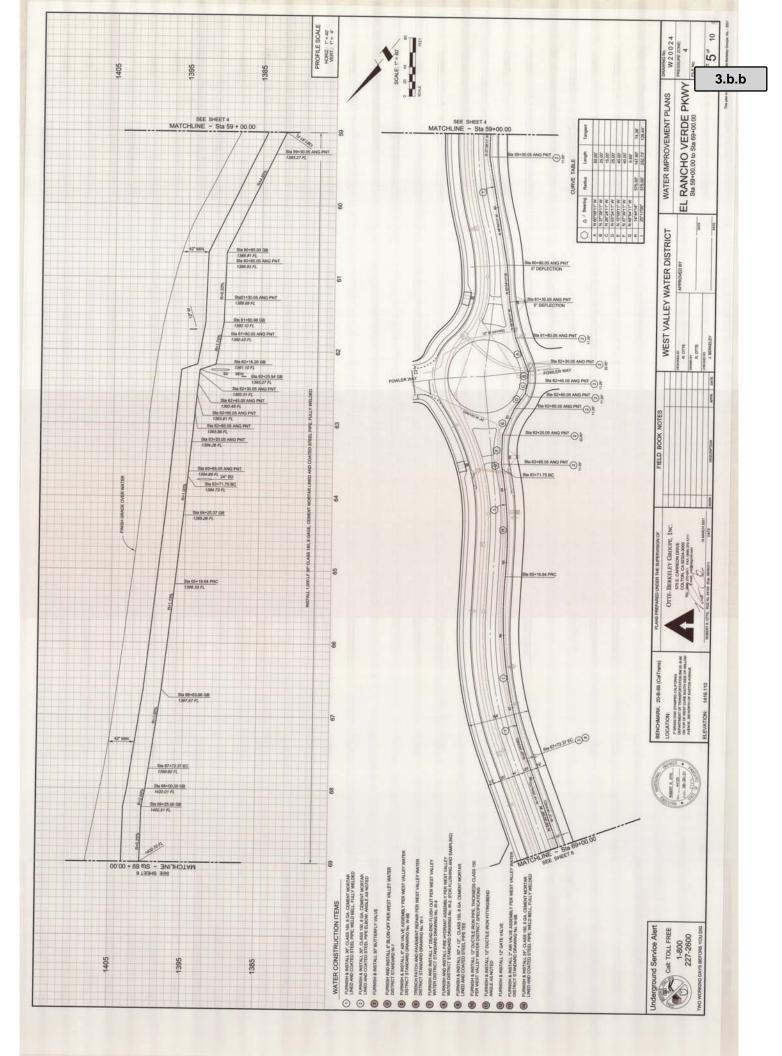
Exhibit B

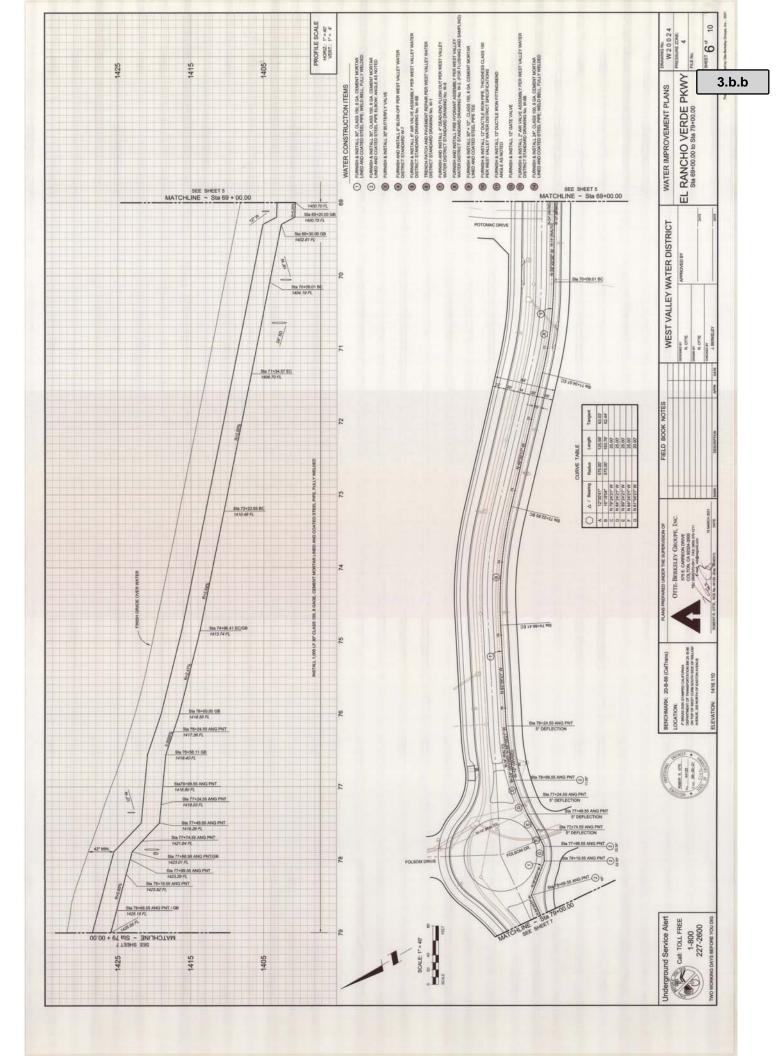


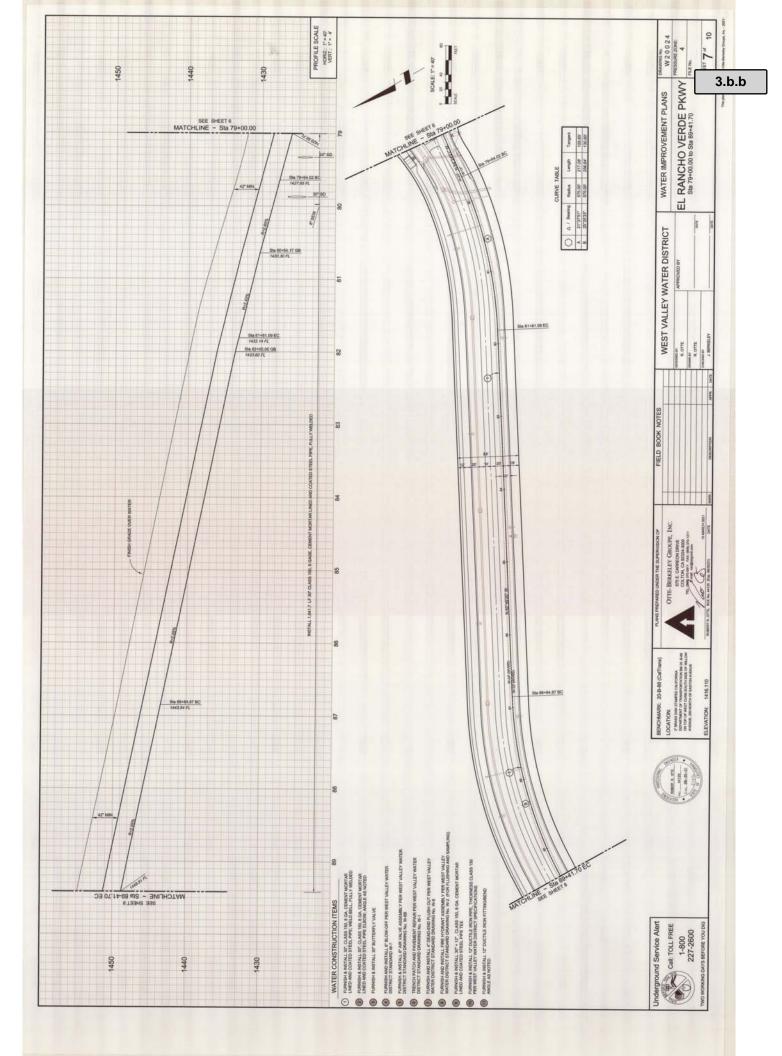


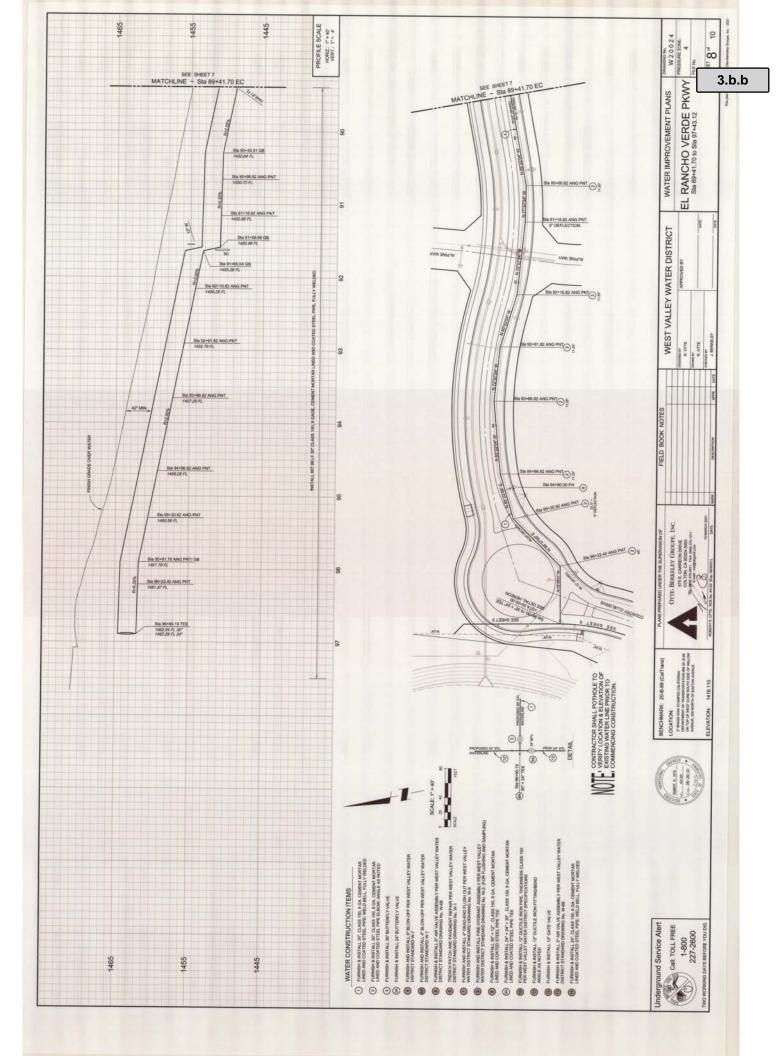


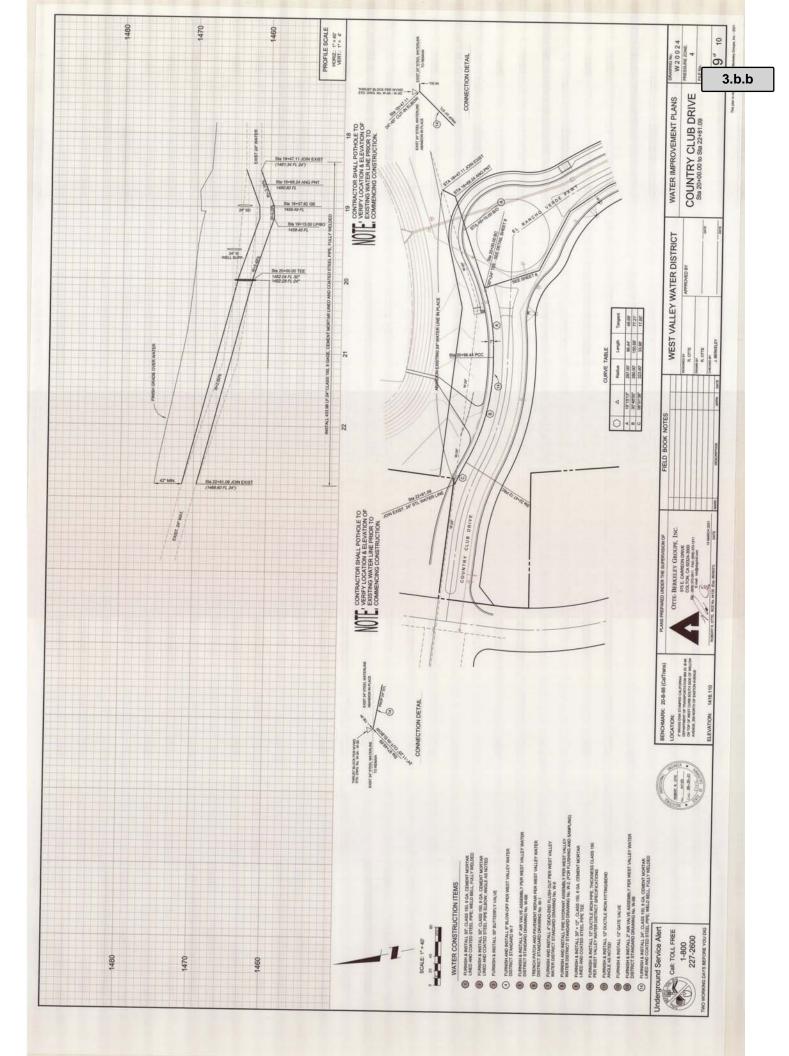












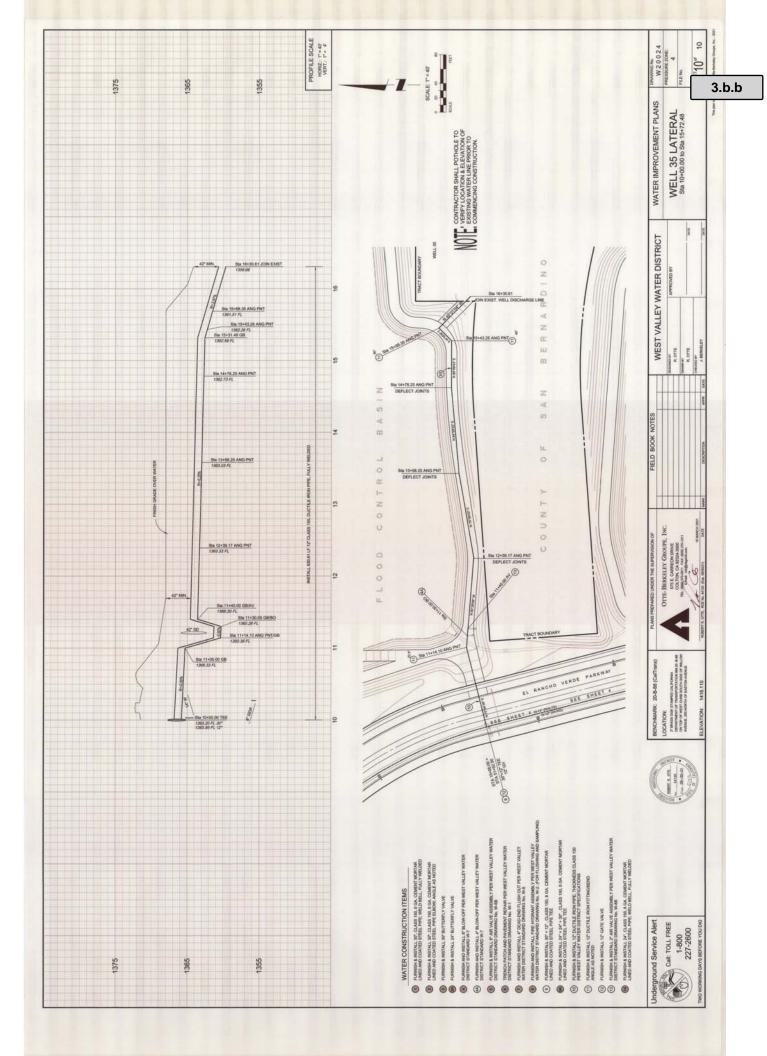


Exhibit C

Weka, Inc.
Attn: Steve Himle
Tel: 909-425-8700

\$2,064,495.00

				1			
NO.	30" Transmission Line Improvements	MEAS	QUAN	PRICE	AMOUNT		
	WORK PHASE "BB - 1A"						
6.	Furnish and Install 30", Class 150, 8GA. CML&C Stell Pipe, Fully Welded	LF	771	249.00	191,979.00		
7.	Furnish and Install 6" Air Valve Assembly per West Valley Water District Std. Dwg. No. W-6B	EA	1	13,000.00	13,000.00		
8.	Remove and Dispose Existing Blind Flange and Join Existing Pipe	EA	1	6,500.00	6,500.00		
9.	Trench Patch and Pavement Repair per West Valley Water District Std. Dwg. No. W-1	SF	163	10.00	1,630.00		
10.	Chlorinate and Pressure Test Pipe per West Valley Water District Standards	LF	771	3.00	2,313.00		
	WORK PHASE "BB - 1B"						
11.	Furnish and Install 30", Class 150, 8GA. CML&C Stell Pipe, Fully Welded	LF	3,196	245.00	783,020.00		
12.	Furnish and Install 30" Butterfly Valve, including First Raise	EA	1	28,000.00	28,000.00		
13.	Furnish and Install Fire Hydrant Assembly per West Valley Water District Std. Dwg. No. W-2, including First Raise	EA	2	11,500.00	23,000.00		
14.	Furnish and Install 6" Blowoff per West Valley Water District Std. W-7	EA	1	9,500.00	9,500.00		
15.	Raise Valve Can	EA	4	165.00	660.00		
16.	Chlorinate and Pressure Test Pipe per West Valley Water District Standards	LF	3,196	3.00	9,588.00		
	WORK PHASE "BB - 2"						
17.	Furnish and Install 30", Class 150, 8GA. CML&C Stell Pipe, Fully Welded	LF	2,729	245.00	668,605.00		
18.	Furnish and Install 24", Class 150, 8GA. CML&C Steel Pipe, Fully Welded	LF	432	265.00	114,480.00		
19.	Furnish and Install 12" DIP, Thickness Class 150, per West Valley Water District Specifications	LF	631	134.00	84,554.00		
20.	Furnish and Install 30" Butterfly Valve, including First Raise	EA	1	28,000.00	28,000.00		
21.	Furnish and Install 24" Butterfly Valve, including First Raise	EA	1	17,000.00	17,000.00		
22.	Furnish and Install 12" Gate Valve, including First Raise	EA	1	3,800.00	3,800.00		
23.	Furnish and Install Fire Hydrant Assembly per West Valley Water District Std. Dwg. No. W-2, including First Raise	EA	1	11,500.00	11,500.00		
24.	Furnish and Install 6" Blowoff per West Valley Water District Std. W-7	EA	2	9,500.00	19,000.00		
25.	Furnish and Install 2" Air Valve Assembly per West Valley Water District Std. Dwg. No. W-6B	EA	1	6,000.00	6,000.00		
26.	Join Existing 24" Steel Waterline with Cut-in and Abondon the rest of the 24" Waterline	EA	2	11,500.00	23,000.00		
27.	Join Existing Well Discharge Line	EA	1	7,000.00	7,000.00		
28.	Raise Valve Can	EA	6	165.00	990.00		
29.	Chlorinate and Pressure Test Pipe per West Valley Water District Standards	LF	3,792	3.00	11,376.00		
				-			

SUB-TOTAL, IMPROVEMENTS...

Packet Pg. 32

Exhibit D



ESTABLISHED AS A PUBLIC AGENCY IN 1952

West Valley Water District's mission is to provide a reliable, safe-drinking water supply to meet our customers' present and future needs at a reasonable cost and to promote water-use efficiency and conservation.

2021 HOLIDAY LIST

FRIDAY, JANUARY 1
MONDAY, JANUARY 18
MONDAY, FEBRUARY 15
TUESDAY, MAY 25
MONDAY, JULY 5
MONDAY, SEPTEMBER 6
THURSDAY, NOVEMBER 11
THURSDAY, NOVEMBER 25
FRIDAY, NOVEMBER 26
THURSDAY, DECEMBER 23
FRIDAY, DECEMBER 24
FRIDAY, DECEMBER 30

THURSDAY, DECEMBER 31

NEW YEAR'S DAY
MARTIN LUTHER KING, JR.
PRESIDENT'S DAY
MEMORIAL DAY
INDEPENDENCE DAY
LABOR DAY
VETERANS DAY (OBSERVED)
THANKSGIVING
DAY AFTER THANKSGIVING
CHRISTMAS EVE
CHRISTMAS
NEW YEAR'S EVE
NEW YEAR'S DAY

Exhibit E



April 27, 2021

Linda Jadeski Engineering Services Manager West Valley Water District 855 W. Baseline Road Rialto, CA 92376

Subject:

Successor to Lytle Development Company and El Rancho Verde Golf, LLC for the El

Rancho Verde Development in Rialto CA

Dear Ms. Jadeski:

In December 2020, Lytle Development Company and El Rancho Verde Golf, LLC sold their interests in the El Rancho Verde development (Tract # 20092) to Lennar Homes of California, Inc., a California corporation (Lennar). As such, Lennar is the successor to Lytle Development Company and El Rancho Verde Golf, LLC in the El Rancho Verde development (Tract 20092).

Please do not hesitate to contact me at (626) 203-3247 should you have any questions or desire additional information.

Very truly yours,

Kevin Lynch Vice-President

Lytle Development Company

REIMBURSEMENT AGREEMENT

THIS REIMBURSEMENT AGREEMENT ("Agreement") is made and entered into this 21st day of May, 2020, by and between the WEST VALLEY WATER DISTRICT, a public agency of the State of California ("District"), and LYTLE DEVELOPMENT COMPANY, a California corporation ("Applicant"). District and Applicant are sometimes referred to herein singularly as "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the Applicant is the owner of certain real property located in the City of Rialto, State of California, legally described as Tract Map 20092 in Exhibit "A" attached hereto and by this reference incorporated herein ("El Rancho Verde Development").

WHEREAS, Applicant is developing a residential project ("Project") on the El Rancho Verde Development.

WHEREAS, by approval of the Board of Directors of the District, District authorized certain reimbursement to Applicant arising out of the construction of the Facility by or on behalf of Applicant.

WHEREAS, District desires the Applicant construct the water facility described and depicted on Exhibit "B", attached hereto and by this reference incorporated herein (the "Facility") when the Applicant is constructing other facilities needed to support the El Rancho Verde Development.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

- 1. Applicant shall, at Applicant's sole cost and expense, be responsible for compliance with the California Environmental Quality Act ("CEQA") and all other applicable state and federal environmental laws and all requirements of the Federal Endangered Species Act and the California Endangered Species Act arising out of or in connection with the design and construction of the Facility and for compliance with all conditions and mitigation measures which must be satisfied in connection with the same. As part of its obligation to fund the CEQA process, Applicant shall prepare or cause to be prepared all instruments, documents, reports and other like or kind writings required to be prepared and/or filed by CEQA. District has received a copy of the Notice of Determination for the Project approved by the City of Rialto on September 10, 2019 as referenced in Exhibit "C" attached hereto.
- 2. District has or will approve West Valley Water District Waterline Improvement Plans, WATER IMPROVEMENT PLANS ZONE 4 30" TRANSMISSION LINE IMPROVEMENTS ("Plans"). Notwithstanding the approval, District shall have no responsibility for the Plans and Applicant hereby releases the District from and waives on its behalf and on behalf of its successors and assigns, all Costs (as that term is defined herein) for any matter arising out of or in connection with the Plans, including review thereof, except

for any matter arising out of or in connection with the Plans, including review thereof, except as otherwise expressly provided herein. Applicant represents and warrants to District, to Applicant's knowledge, that the Plans conform to all applicable federal, state and local laws, rules, ordinances and regulations. To Applicant's knowledge, the Plans are complete, accurate, workable and are in compliance with all governmental requirements and in accordance with District approved design standards and specifications with respect thereto.

- 3. The Facility shall be constructed in the location identified in Exhibit "B" attached hereto and by this reference incorporated herein ("Route"). Applicant shall not change the Route without the prior written consent of District, which consent may be withheld in District's sole and absolute discretion. The majority of the Route will be located within property that will be dedicated right-of-way as set forth in Tract Map No. 20092. Prior to construction and acceptance of the Facility, Applicant shall cause such map to be recorded and shall furnish to District an easement satisfactory to District (in its sole and absolute discretion) as to content, form and width which assures District's unequivocal right to own, operate, maintain, replace, repair, enlarge, reconstruct, remove and improve the Facility to the extent the same is located on land owned by the Applicant (which shall be by easement and in content, form and width as is customarily required by the District). Applicant shall ensure that all deeds of trust, mortgages and private party monetary liens on the easement portion located on land owned by the Applicant are subordinated to the easement to be granted to the District referred to herein.
- 4. The provisions of Resolution No. 2018-25 designated as the Rules, Rates and Regulations for Water Service by the West Valley Water District and any amendments thereto, are hereby incorporated by reference in this Agreement. Notwithstanding the foregoing, Applicant shall construct the Facility in accordance with the following requirements:
 - a. Prior to commencing work on the Facility, Applicant shall arrange a preconstruction meeting. At such meeting there shall be at least one (1) representative of Applicant, Applicant's contractor and District.
 - b. The Applicant shall utilize one of the District's pre-approved contractors. The applicant shall obtain a minimum of three (3) bids and submit a copy of the contract between the Applicant and the selected contractor to the District for review and approval (and the District shall either approve of such contract or provide written notice of the reasons for disapproval within ten (10) days of submittal).
 - c. The Applicant shall provide material list submittal to District for approval (and the District shall either approve of such list or provide written notice of the reasons for disapproval within ten (10) days of submittal).
 - d. Prior to commencing work on the Facility, Applicant shall, at its sole cost, expense, and liability (except as otherwise expressly provided herein), obtain all necessary permits and licenses and give all necessary and incidental notices

- required for the lawful construction of the Facility and performance of Applicant's obligations under this Agreement.
- e. The Facility shall be completed in substantial accordance with the Plans and specifications, and all other applicable maps, plans, specifications, standard drawings and special amendments thereto approved and on file with District. Any substantial deviations from the approved Plans must be approved by District, in writing, prior to being made (and the District shall either approve of such requested deviations or provide written notice of the reasons for disapproval within ten (10) days of submittal of a request for approval). The Facility shall be completed in conformance with all applicable federal, state, and local laws, ordinances, regulations codes, standards, and other requirements.
- f. Applicant and its contractors shall construct the Facility in a skillful and workmanlike manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Applicant represents and maintains that its employees and its contractors shall be skilled in the professional calling necessary to perform the work. Applicant warrants that all of its employees and contractors shall have sufficient skill and experience to perform the work assigned to them, and that they shall have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the work, and that such license, permits, qualifications and approvals shall be maintained throughout the term of this Agreement.
- g. Once construction and/or installation of the Facility has commenced, Applicant shall diligently prosecute the same to completion at no cost or expense to District, except for the reimbursement set forth in Section 6.
- h. District shall be under no obligation to protect the Facility or any material, tool and equipment until written acceptance thereof by District. Prior to the acceptance of the Facility, Applicant shall bear all risk of loss or damage thereto by whatever cause inflicted. Applicant shall rebuild, repair, restore and replace or cause to be rebuilt, repaired, restored or replaced, and make good all injuries or damages to any portion of the Facility before completion and acceptance by District and Applicant shall bear the expense thereof.
- i. Applicant shall directly pay all costs associated with the construction and installation of the Facility, including, but not limited to, furnishing of materials, and Applicant shall keep District free and harmless from such costs, except for the reimbursement set forth in Section 6.
- j. Applicant is subject to all of the same requirements as would be applicable to District had District undertaken construction of the Facility, including, without limitation, the payment of prevailing wages, and other public works requirements pursuant to the California Labor Code, the California Government Code and the California Public Contracts Code. Applicant shall indemnify, defend and hold

harmless the District Indemnitees (as defined below) from all Costs (as defined below) to which they may be subjected or put, by reason of or resulting from failure to comply with public works requirements, including, but not limited to, the failure to pay prevailing wages or such other requirements as would be applicable to District had it undertaken such construction.

- k. Applicant hereby irrevocably appoints District to inspect the construction and installation of the Facility. Applicant shall provide District representatives with reasonable access for inspection purposes. It is understood and agreed that District's inspection personnel shall have the authority to enforce the Plans, which authority shall include requiring that all unacceptable materials, workmanship and/or installation be replaced, repaired or corrected by Applicant's contractor. Nothing herein shall be construed to grant District direct control over Applicant's contractor. District's inspection does not include inspection for compliance with safety requirements by Applicant's contractor. Any inspection completed by District shall be for the sole use and benefit of District, and neither Applicant nor any third party shall be entitled to rely thereon for any purpose. Except for District's duties and obligations set forth in this Agreement, District does not undertake or assume any responsibility for or owe a duty to select, review or supervise the creation of the Facility.
- 1. Applicant shall, at Applicant's own expense, be responsible for obtaining and adhering to a National Pollution Discharge Elimination System (NPDES) permit from the Regional Water Quality Control Board as required for construction or pipeline flushing and disinfection.

In the event of an inconsistency or ambiguity between the terms of this Section and Resolution No. 2018-25, the terms of this Section shall control.

5. Upon completion of the Facility, Applicant shall give District notice of (i) a. the same. District shall make a final inspection within ten (10) days of receipt of such notice and shall provide written notice to Applicant within five (5) days thereafter either (A) confirming that the Facility has been completed in accordance with the requirements of this Agreement or (B) setting forth a punch list of items that need to be completed or corrected. If District provides such a punch list, the above-referenced notice and inspection procedure shall be repeated upon completion of the punch list items. Upon the District giving the Applicant written notice that the District has determined that the Facility has been completed in accordance with the requirements of this Agreement as contemplated above, the District shall be deemed to have accepted the Facility (with such written notice being proof thereof). Nothing herein shall be considered a waiver of any warranty, guarantee or other right in favor of the District.

- (ii) Upon completion and acceptance of the Facility, Applicant shall prepare and District shall, within ten (10) days of request, execute a Certificate of Completion as to the Facility in such form and content as set forth in California Civil Code Section 8182 and record said notice with the Office of Recorder of the County of San Bernardino, State of California. In addition, thereto, District shall record a document within five (5) days thereafter releasing the lien of this Agreement with respect to the El Rancho Verde Development. The release of the lien of this Agreement shall not affect any term of condition set forth herein.
- (iii) Upon receipt of the Certificate of Completion, the Applicant shall provide a Bill of Sale to District in the form of Exhibit "D" attached hereto which shall convey title to the Facility to District at no cost and expense to the District except for the reimbursement set forth in Section 6 and, within ten (10) days thereafter, the District shall execute the Bill of Sale and return a fully executed copy to the Applicant. The Facility shall be transferred to District free of all liens and encumbrances. Upon execution of the bill of sale, District shall own and operate the Facility subject to any express warranties set forth herein.
- b. Upon completion of the Facility, Applicant shall cause all contractors, subcontractors and materialmen to provide unconditional lien and material releases and provide copies of the same to District prior to District's acceptance of the Facility.
- c. Applicant shall provide District with a declaration by all contractors that the contractors and all persons and entities who furnished material in the construction of the Facility have been paid in full.
- d. All permits, plans and operating manuals related thereto, shall be delivered to and become the sole property of the District, subject to Applicant's warranty work and other obligations required hereunder. On the acceptance of the Facility, Applicant shall deliver to District all surveys and as-built drawings associated with the construction of the Facility.
- 6. a. The Applicant estimates that the cost to construct the Facility is as follows:
 - (i) (Two million and one hundred thousand and no/100 dollars (\$2,100,000) representing the construction of the Zone 4-30" Transmission Line Improvements.

Notwithstanding the foregoing, the amount of the fee reimbursement to be paid to Applicant by District shall be the amount determined herein. Applicant shall obtain a minimum of three (3) bids from the District's

approved list of contractors. Applicant shall furnish to the District true and accurate copies of bids received. Applicant shall award the contract to the lowest bidder for the Facility. In addition to the foregoing, Applicant shall be required to post payment and performance bonds as required by the District for the Facility. A performance bond, from a surety institution licensed by the State of California and authorized to do and doing business in said state, valid and renewable until such improvements are accepted by the District. The performance bond shall be in the amount equal to 100 percent of the approved estimate. District shall have the right to review and approve the bids and the successful bidder (which shall be the lowest bidder). Notwithstanding anything to the contrary contained in this Agreement, the District shall reimburse the Applicant for all third-party out of pocket costs incurred in connection with the design, permitting, construction and conveyance of the Facility, including, without limitation, (i) all design costs, permitting costs, insurance costs and bonding costs incurred, (ii) all engineering costs incurred, (iii) all plan check and survey costs incurred and (iv) the costs of any as-built plans.

- b. Applicant will not issue a change order with respect to the Facility without the prior written consent of District, which consent shall not be unreasonably withheld. Subject to the foregoing, District shall have no obligation to pay any cost increases for changes to the work for the Facility unless District has approved the same in writing, but once approved in writing, any increases in costs due to such changes shall be reimbursed by District to Applicant.
- c. Upon the completion of the Facility and the acceptance thereof pursuant to Section 5 of this Agreement, and upon the compliance by Applicant with Section 5.b and 5.c, Applicant shall submit an invoice to District for the Facility. The invoice shall include an itemized accounting. The invoice shall be subject to the review and approval by District, which approval shall not be unreasonably withheld. District shall pay the undisputed portion of the invoice within thirty (30) days of receipt thereof. Payment of the disputed amount, if any, shall be paid within ten (10) business days following resolution of the payment dispute. Any amounts not paid when due shall also bear interest at ten percent (10%) per annum from the due date until paid.
- 7. Applicant shall be required to repair the Facility if it is damaged by any party (other than by District or its Representatives) prior to District's acceptance of the Facility. Applicant shall provide to District a two (2) year guarantee bond (following the date of final acceptance of the Facility) acceptable in form and substance to District (in its reasonable discretion), for defects in materials and workmanship which appear within said two (2) year period (the "Warranty Period"). In addition, thereto, Applicant specifically agrees, within the Warranty Period, to make or require Applicant's contractor to repair, at its or their expense, all failures of the Facility (or any portion thereof) which was furnished, installed and/or constructed due to faulty materials or installation. In the event surety, Applicant or Applicant's contractor fail to cause satisfactory repair, as reasonably determined by District,

within forty-eight (48) hours after written notice or such longer period of time as District may reasonably determine (the "Repair Period"), District may cause such repairs to be completed at Applicant's cost and expense. Notwithstanding the Repair Period, District shall have the unqualified right to immediately make any emergency repairs reasonably necessary due to faulty materials or installation to eliminate any imminent and material threat to the public's health, safety or welfare, at Applicant's cost and expense. Nothing in this Section shall limit or abrogate any other claims, demands or actions District may have against Applicant or Applicant's contractor on account of damages sustained by reason of such defects, nor shall the provisions of this Section limit, abrogate or affect any warranties in favor of District which are expressed or implied by law or set forth in any construction agreement.

- 8. The Applicant shall assume the defense of, indemnify and hold harmless District and its officers, directors, administrators, representatives, consultants, engineers, employees and agents, and their respective successors and assigns (collectively, "District Indemnitees") and each and every one of them, from and against all actions, causes of action, damages, demands, liabilities, costs (including, but not limited to reasonable attorneys' fees), claims, losses and expenses of every type and description (collectively, "Costs") to which they may be subjected or put, to the extent arising during the Warranty Period, but only to the extent resulting from: (A) the defective design, engineering and/or construction of the Facility; (B) the performance of or failure to perform, the work covered by this Agreement which is caused or occasioned by any neglect on the part of Applicant or its Representatives (as defined below); (C) any death, injury, property damage, accident or casualty caused by the negligence or willful misconduct of Applicant or its Representatives or including Applicant or its Representatives or its or their property; and (D) any breach by Applicant of its obligations under this Agreement. The foregoing indemnity shall not apply to the extent any such Costs are ultimately established by a court of competent jurisdiction to have been caused by any act or omission on the part of District Indemnitees or any of them. Nothing herein shall be construed to increase the Warranty Period set forth in Section 7. District shall make all decisions with respect to its representation in any legal proceeding concerning this Section. If Applicant fails to do so, District shall have the right, but not the obligation, to defend the same and charge all of the reasonable direct or incidental costs of such defense, including reasonable fees and costs, to Applicant and to recover the same from Applicant. The term "Representatives" shall mean employees, representatives, agents, contractors, subcontractors or any other persons directly or indirectly employed by any of the foregoing or reasonably under the control of any of the foregoing or for whose acts any of the foregoing may be liable. Except as expressly provided herein, no provision of this Agreement shall in any way limit the extent of the responsibility of Applicant for payment of damages resulting from its operations or the operations of any of its Representatives.
- 9. a. Unless otherwise approved by District in writing, Applicant shall carry and maintain, or shall cause its' contractor or subcontractor to carry and maintain, at Applicant's sole cost and expense (subject to reimbursement pursuant to this Agreement), until the Facility has been installed or completed, not less than the following coverage and limits of insurance which shall be maintained with insurers and under forms of policies satisfactory to District:

- (i) Worker's Compensation and Employer's Liability:
 - (A) State Workers Compensation coverage as required by law.
 - (B) Employer's Liability with limits of at least \$1,000,000 per occurrence.
- (ii) Automobile Liability for Bodily Injury, Death and Property Damage \$2,000,000 per person, \$2,000,000 per occurrence.
- (iii) Commercial General Liability for Bodily Injury, Death and Property Damage \$2,000,000 per person, \$2,000,000 per occurrence.
- (iv) Builder's Risk Insurance covering no less than the total construction costs of the Facility to be constructed by Applicant hereunder. Coverage shall be on an "all risks basis." The coverage shall include vandalism coverage which remains in force until acceptance of the Facility by the District, automatic inclusion of underground exposure, coverage to be on a replacement basis, and waiver of co-insurance penalties.

The foregoing policies shall include, without limitation, owned, non-owned and hired automobile (vehicle) liability, contractual liability, personal injury, blanket commercial, broad form property damage and product/completed operation liability coverage. These policies may contain an aggregate limit not less than the occurrence limit. The required limits may be satisfied by a combination of a primary policy and an excess or umbrella policy.

- b. (i) All insurance required pursuant to the express provisions of this Agreement shall:
 - (A) Provide that coverage shall not be revised, cancelled or reduced until at least thirty (30) days written notice of such cancellation shall have been given to District. In the event any policies of insurance are revised, cancelled or reduced, Applicant shall, prior to the revision, cancellation or reduction date, submit evidence of new insurance to the District complying with this Section.
 - (B) Be issued by insurance companies which are qualified to do business in the State of California and which have a rating satisfactory to District and by such rating service as shall be reasonably acceptable to District.
 - (C) Be reasonably satisfactory to District in all other reasonable respects.

- (ii) The policies required pursuant to this Agreement or a certificate of the policies, together with evidence of payment of premiums, shall be provided to District prior to the commencement of construction of the Facility.
- (iii) The general liability insurance to be maintained by Applicant or its' contractor pursuant to this Section shall:
 - (A) Name District, their board members, its officers, agents, employees, consultants, and engineers as additional insureds:
 - (B) Apply severally to Applicant and District, its officers and employees.
 - (C) Cover Applicant and District as insureds in the same manner as if separate policies had been issued to each of them;
 - (D) Contain no provisions affecting the rights which either of them would have as claimants if not so named as insured.
 - (E) Be primary insurance with any other valid and collectible insurance available to the aforesaid additional insureds constituting excess insurance and each policy shall be endorsed substantially as follows:
 - "The insurance afforded by this policy to District shall be primary insurance and other valid and collectible insurance available to District shall be excess insurance and, under no circumstances, shall be considered contributory."
 - (F) Have a deductible or deductibles, if any, which are no greater than those normally maintained from similar projects in the State of California and shall contain a waiver of subrogation and endorsement in favor of the District.
- 10. All notices, demands, invoices, and written communication shall be in writing and delivered to the following addresses or such other addresses as the Parties may designate by written notice:

To District: West Valley Water District

Attn: General Manager

P.O. Box 920

855 West Baseline Road

Rialto, CA 92377

To Applicant: Lytle Development Company

Attn: Ron Pharris 2050 Main St. Suite 250 Irvine, CA 92614 (949) 313-5808

Depending upon the method of transmittal, notice shall be deemed received as follows: by electronic mail, as of the date and time sent; by messenger or overnight mail, as of the date delivered; and by U.S. Mail first class postage prepaid, as of 72 hours after deposit in the U.S. Mail.

- 11. a. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate, or convenient to attain the purposes of this Agreement.
- b. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.
 - c. This Agreement contains the entire agreement between District and Applicant and supersedes any prior oral or written statements or agreements between District and Applicant.
 - d. In the event of any litigation between District and Applicant concerning this Agreement, the prevailing Party as determined by the court shall be awarded its reasonable attorney's fees.
 - e. This Agreement shall be binding on the successors and assigns of the Parties.
 - f. This Agreement will be executed in multiple counterparts which shall together constitute the complete Agreement.
 - g. If any provision of this Agreement shall be ruled invalid, illegal or unenforceable, the Parties shall: (i) promptly negotiate a substitute for the provision which shall, to the greatest extent legally permissible, effect the intent of the Parties in the invalid, illegal or unenforceable provision, and (ii) negotiate such changes in, substitutions for or additions to the remaining provisions of this Agreement as may be necessary in addition to and in conjunction with subsection (i) above to give effect to the intent of the Parties without the invalid, illegal or unenforceable provision. To the extent the Parties are unable to negotiate such changes, substitutions or additions as set forth in the preceding sentence, and the intent of the Parties with respect to the essential terms of the Agreement may be carried out without the invalid, illegal or unenforceable provision, the balance of this Agreement shall not be

- affected, and this Agreement shall be construed and enforced as if the invalid, illegal or unenforceable provision did not exist.
- h. This Agreement is entered into within the State of California, and all questions concerning the validity, interpretation and performance of any of its terms or provisions or any of the rights or obligations of the Parties hereto shall be governed by and resolved in accordance with the laws of the State of California.
- i. Applicant may assign all or any portion of its' rights, responsibilities and liabilities under this Agreement to any person or entity acquiring all or a portion of the El Rancho Verde Development. No such assignment shall relieve Applicant of any responsibility or liability under this Agreement except to the extent the assignee expressly assumes Applicant's rights and obligations hereunder by written assignment and assumption agreement in a form approved by the District, which approval shall not be unreasonably withheld, delayed or conditioned.
- k. The provisions of the Agreement shall be construed as to their fair meaning, and not for or against any Party based upon any attribution to such Party as the source of language in question.
- 1. Time is of the essence of this Agreement and each and every term and provision thereof.
- m. This Agreement shall be construed as if prepared by all of the Parties.

 Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the Party that has drafted it is not applicable and is waived.
- n. No delay on the part of any Party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any Party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder, nor shall any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise of any other right, power or privilege hereunder.
- o. Each entity executing this Agreement hereby represents and warrants that the individual signing on such entity's behalf has the full power and authority to execute this Agreement on behalf of the named Parties.
- p. Applicant shall maintain and make available for inspection by District during regular office hours and until the acceptance of the Facility, accurate records pertaining to the design, construction and installation of the Facility.

q. The Parties agree that any action or proceeding to enforce or relating to this Agreement shall be brought exclusively in the State courts located in San Bernardino County, California, or the Federal court located in Riverside County, California and the Parties hereto consent to the exercise of personal jurisdiction over them by any such courts for purposes of any such action or proceeding.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date and year hereinabove written.

WEST VALLEY WATER DISTRICT

Lytle Development Company, a

California Corporation.

By: Variable VVO

Its: General Manager

By: Ron Pharris
Its: Chairman

EXHIBIT LIST

EXHIBIT "A" LEGAL DESCRIPTION OF

TRACT 20092

EXHIBIT "B" DESCRIPTION AND

LOCATION OF FACILITY

EXHIBIT "C" NOTICE OF

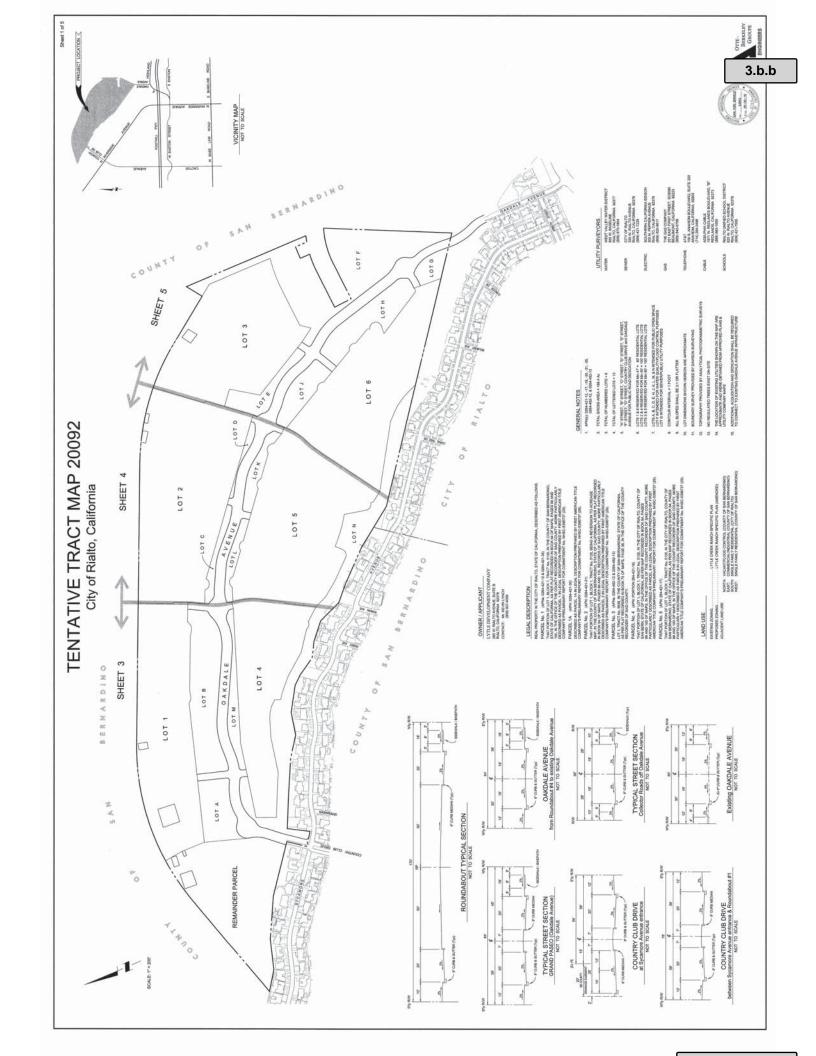
DETERMINATION

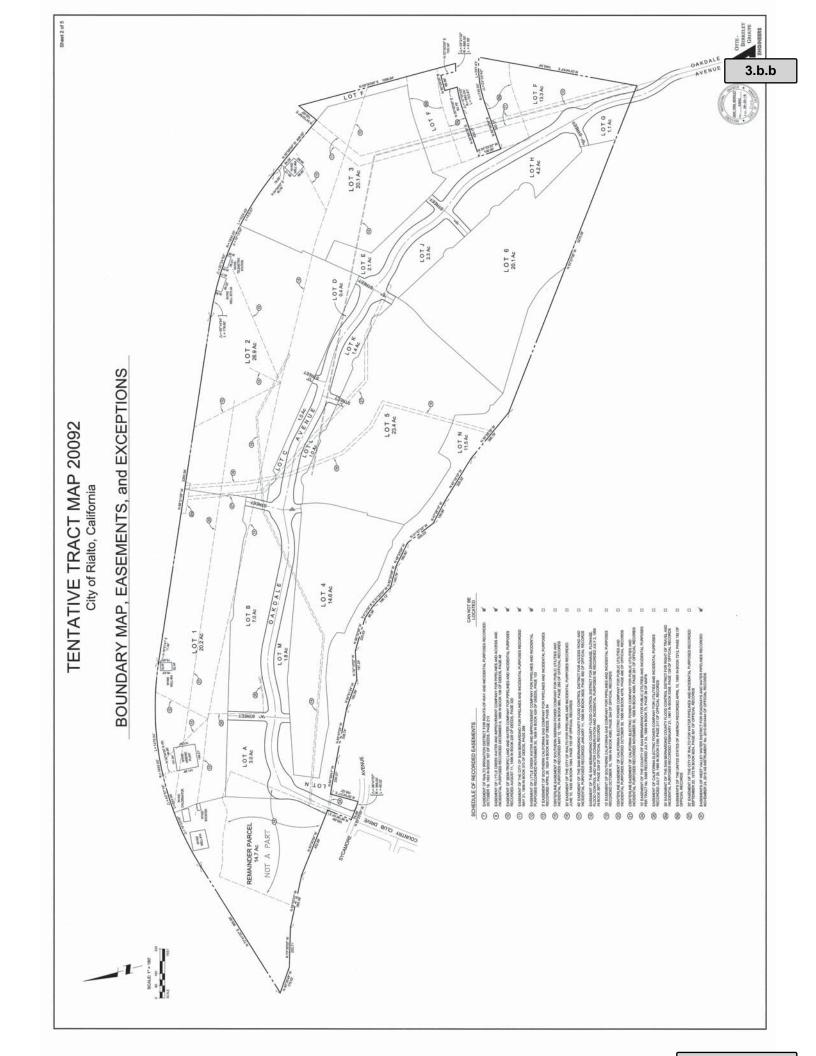
EXHIBIT "D" DEPICTION OF BILL OF

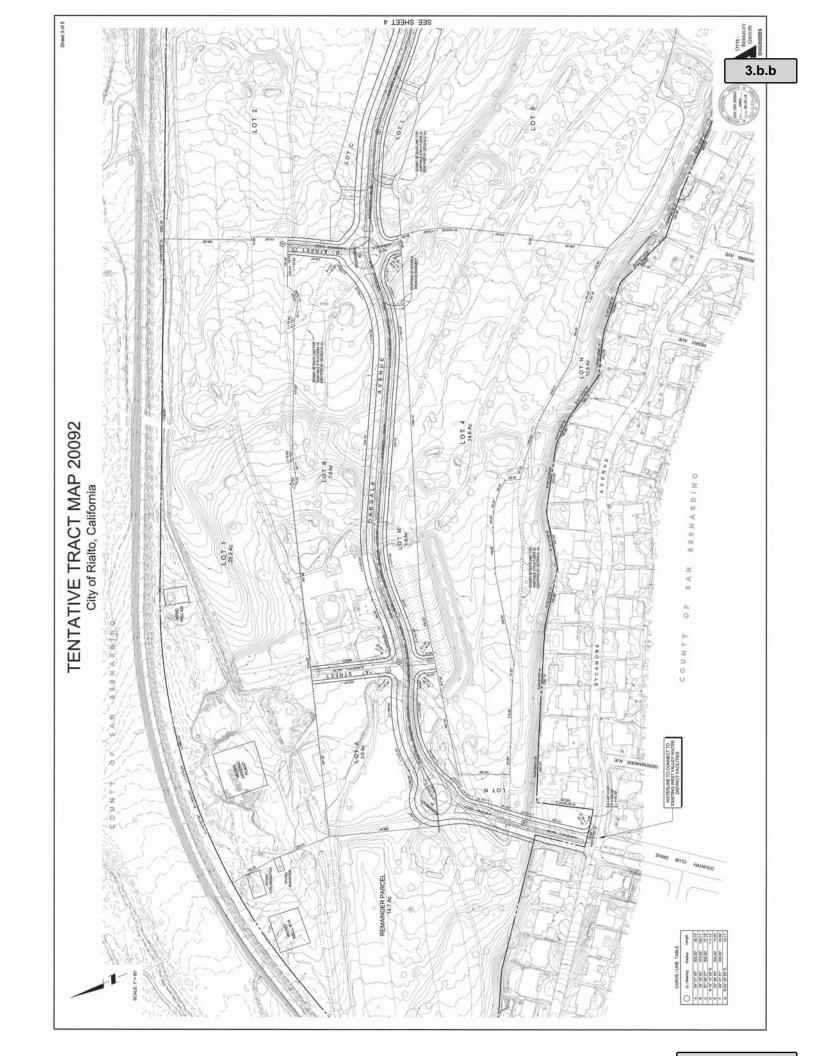
SALE FORM

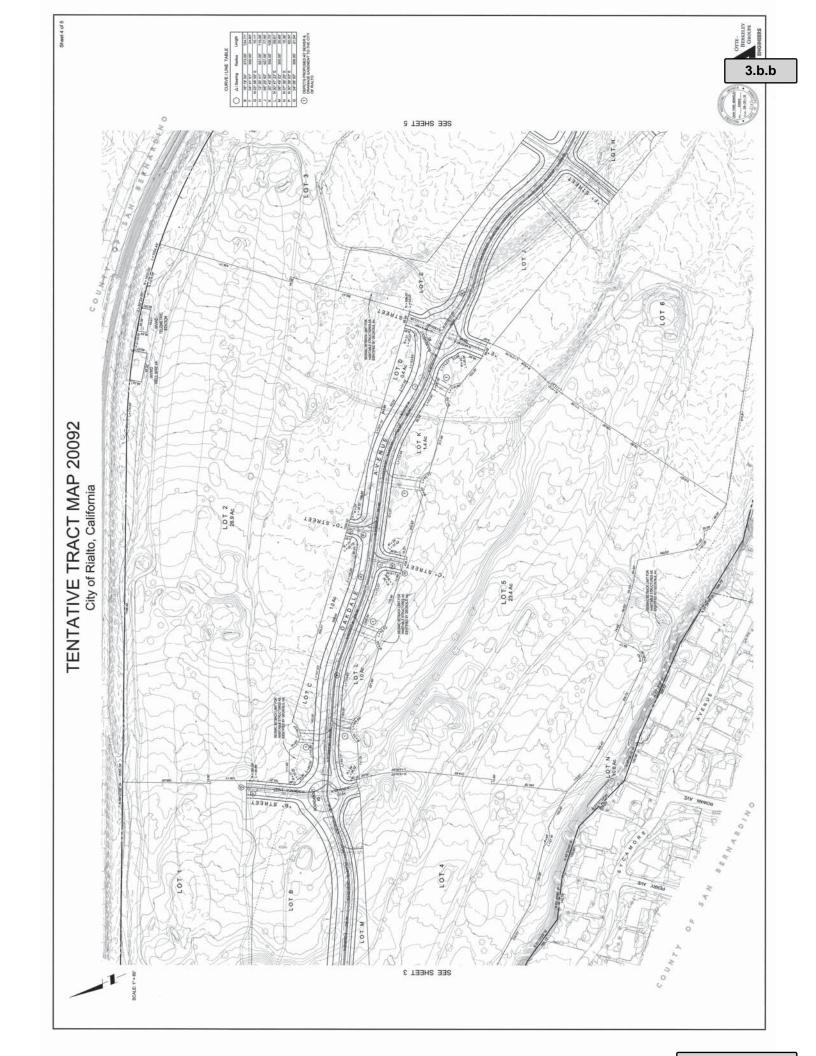
EXHIBIT "A"

LEGAL DESCRIPTION









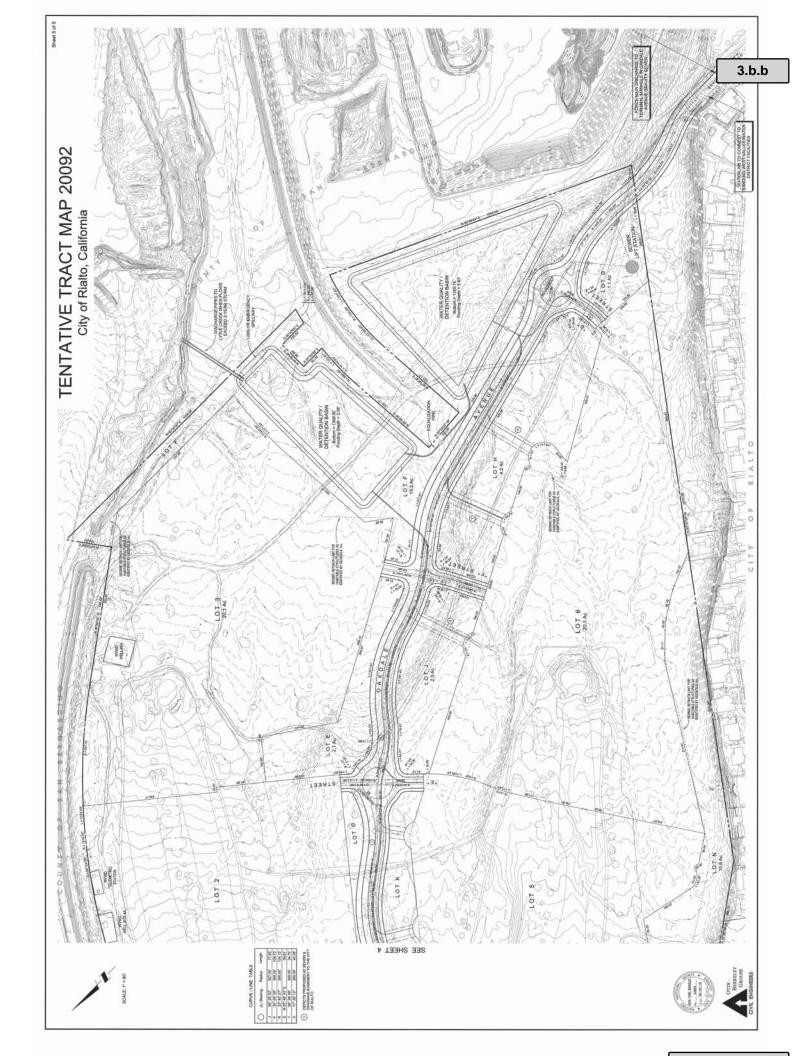


EXHIBIT "B" DESCRIPTION AND LOCATION OF FACILITY

EXHIBIT "C"

NOTICE OF DETERMINATION

Packet Pg. 58



Daniel Casey, Senior Planner

NOTICE OF DETERMINATION

Posted On:	9/19/19
Removed On:	10/25/19
Receipt No:	10-09122019-63

To: Office of Planning and Research From: City of Rialto 1400 Tenth Street, Room 121 **Development Services Department** Sacramento, CA 95814 150 South Palm Avenue Rialto, CA 92376 \boxtimes Clerk of the Board County of San Bernardino 385 North Arrowhead Avenue San Bernardino, CA 92415 Subject: Filing of Notice of Determination in compliance with Section 21152 of the Public Resources Code Project Title: Revised Addendum to the Lytle Creek Ranch Specific Plan Final Environmental Impact Report State Clearinghouse Number: 2009061113 Lead Agency Contact Person: Daniel Casey, Senior Planner Lead Agency Phone (909) 820-2525 ext. 2075 Project Location: The Lytle Creek Ranch Specific Plan is located on the north side of Lytle Creek Road, Riverside Avenue and Sycamore Avenue. Neighborhood II is located within the Specific Plan. Project: The Lytle Creek Ranch Specific Plan, Environmental Impact Report and Recirculated Portions of the Environmental Impact Report (SCH #2009061113) were adopted by the City Council on August 14, 2012. The project involves a specific plan amendment (SPA 2017-0002) to revise the approved specific plan to eliminate Neighborhood I, modify the land use configuration of Neighborhoods II and III, and update the text, tables, charts and maps, and Tentative Tract Map No. 20092 (TTM 2017-0005) to create six (6) lots on a 188-acre site to facilitate a 776-lot residential subdivision in Neighborhood II of the Lytle Creek Specific Plan. The proposed Map will also create one (1) remainder lot and twelve (12) lettered lots for public open space, utilities and infrastructure, and fall within the scope of the previously-certified Environmental Impact Report ("LCRSP EIR"). No supplemental or subsequent EIR is required pursuant to Section 21166 of the Public Resources Code or Sections 15162 through 15164 of the CEQA Guidelines. A Revised Addendum to the LCRSP EIR has been prepared. All potential effects of the project have been analyzed in the LCRSP EIR and the Revised Addendum. Proponent & Address: Lytle Development Company, Inc. 285 W. Rialto Avenue, Rialto CA 92376 Contact Info & Phone: Kevin Lynch, (909) 937-4058 A Revised Addendum to the LCRSP EIR was prepared, considered and approved in connection with the City's consideration and approval of the Project. The Revised Addendum confirmed that Project would not result in new unanalyzed significant adverse impacts and that none of the circumstances set forth in Public Resources Code section 21166 or CEQA Guideline 15162(a) were present, and that no further environmental review is necessary for the Project. This is to advise that the City of Rialto adopted the Revised Addendum to the LCRSP EIR and re-approved the Project on September 10, 2019 and has made the following determinations regarding the above described Project: 1. The proposed project { will will not} have a significant effect on the environment. 2. An Environmental Impact Report (SCH 2009061113) was prepared and certified for the Project pursuant to the provisions of CEQA. An Addendum to the certified LCRSP was prepared and approved for the proposed Specific Plan Amendment and the Tentative Map which confirmed that the proposed revisions did not trigger the need for supplemental or subsequent environmental review per Pub. Resource Code 21166. Mitigation measures { were not} made a condition of the approval of the Project as carried forward from 3. the LCRSP EIR. A mitigation reporting or monitoring plan { was not} adopted for the Project as carried forward from the 4. LCRSP EIR. A Statement of Overriding Considerations { was mot} adopted for this Project in connection with the 5. approval of the LCRSP EIR. Findings { were \(\subseteq \) were not} made pursuant to the provisions of CEQA. 6. This is to certify that the LCRSP EIR with comments and responses, the Revised Addendum and the record of Project is available to the general public at the City of Rialto, Development Services Department, Planning Division, 150 South Palm Avenue, Rialto, CA 92376. Date: September 11, 2019

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	RECEIPT	NUME	BER:	The state of the s
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SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY.	20090	0611	13	
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City of Rialto Development Services Department			09122019	
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San Bernardino				
PROJECT TITLE Revised Addendum to the Lytle Creek Ranch Specific Plan Final E	nvironn	nenta	al Impact Re _l	port
PROJECT APPLICANT NAME PROJECT APPLICANT EM	AIL		PHONE NUMBER	-
City of Rialto Development Services Department			(909) 820-2525 es	d 2075
PROJECT APPLICANT ADDRESS CITY	STATE	=	ZIP CODE	
150 South Palm Avenue Rialto	CA		92376	
PROJECT APPLICANT (Check appropriate box) Local Public Agency School District Other Special District	□ s	tate Ag	ency 🗸	Private Entity
CHECK APPLICABLE FEES:				
☐ Environmental impact Report (EIR) \$	3,271.00	\$_		0.00
☐ Mitigated/Negative Declaration (MND)(ND) \$	2,354.75	\$_		0.00
☐ Certified Regulatory Program (CRP) document - payment due directly to CDFW \$	1,112.00	\$_		0.00
 ☑ Exempt from fee ☑ Notice of Exemption (attach) ☑ CDFW No Effect Determination (attach) ☑ Fee previously paid (attach previously issued cash receipt copy) 				
☐ Water Right Application or Petition Fee (State Water Resources Control Board only)	\$850.00	\$		0.00
☑ County documentary handling fee				50.00
Other		\$_		
PAYMENT METHOD: # 0000 Cash ☐ Credit ☑ Check ☐ Other TOTAL RE	CEIVED	\$_		50.00
X WICH Vicky Hernandez, Depu				

EXHIBIT "D"

BILL OF SALE

This is to acknowledge that	("Owner"), has this day, transferred to the West
	the State of California ("District") for good and
	is hereby acknowledged, the water facilities for
	described below and as shown
on Exhibit A attached hereto and by this fo	eference incorporated herein ("District Facilities").
Water facilities description:	
30" cement lined and mortar co	pated steel pipe and all other water facilities
installed with approved plan and	<mark>shown in "Exhibit A</mark> ".
and (2) that the District Facilities are free of (2) years from the date the Bill of Sale is e	Facilities are free and clear of any encumbrances, of all defects in material and workmanship for two executed. It shall be the Owner's responsibility to (2) year period which are due to defects in material
employees and agents harmless from and actions, costs, including attorneys' fees and	defend and hold District and its officers, directors, against any and all claims, liabilities, damages, costs of any nature to which they may be subjected esign, engineering and construction of the District
OWNER:	Accepted
	DISTRICT:
By:	WEST VALLEY WATER DISTRICT,
	a public agency of the State of California
Print Name:	By:
Its:	Print Name:
Dated:	Its: General Manager
	Dated:

EXHIBIT A TO BILL OF SALE



BOARD OF DIRECTORS ENGINEERING, OPERATIONS AND PLANNING COMMITTEE STAFF REPORT

DATE: May 12, 2021

TO: Engineering, Operations and Planning Committee

FROM: Shamindra Manbahal, Interim General Manager

SUBJECT: CONSIDER WATER SYSTEM INFRASTRUCTURE INSTALLATION

AND CONVEYANCE AGREEMENT WITH LENNAR HOMES OF CALIFORNIA, INC FOR WELL SUPPLY LINE REPLACEMENT

PROJECT

BACKGROUND:

Lennar Homes of California, Inc. ("Developer") is the owner of land located north of Sycamore Avenue, east of Country Club Drive and west of Oakdale Ave in the former El Rancho Verde Golf Course in the City of Rialto, known as Tract No. 20092, River Ranch ("Development"), as shown in **Exhibit A**. The Development is part of a master planned community containing residential lots requiring water services. In developing this land, the Developer is required to relocate the existing West Valley Water District ("District") well supply lines and construct new well lines within newly established public right-of-way.

DISCUSSION:

In order to construct the water facilities needed to supply water to the Development, the District and the Developer wish to enter into a Developer-Installed Water System Infrastructure Installation and Conveyance Agreement ("Agreement"). This Agreement outlines the responsibilities of the Developer in constructing facilities, including insurance, indemnification and bonding requirements as well as conveyance and acceptance of the water system by the District. Attached as **Exhibit B** is a copy of the Water System Infrastructure Installation and Conveyance Agreement for this development.

FISCAL IMPACT:

No fiscal impact to the District.

STAFF RECOMMENDATION:

Staff recommends that this item be submitted for consideration & approval by the full Board at a future Board of Directors meeting and authorize the General Manager to execute the necessary documents.

Shamindra Manbahal Interim General Manager

DG:ls

Exhibit A – Aerial Map

Exhibit B – Water System Infrastructure Installation and Conveyance Agreement with Lennar Homes of California, Inc for Well Supply Line Replacement Project.

Respectfully Submitted,

Shamindra Manbahal

Shamindra Manbahal, Interim General Manager

ls

ATTACHMENT(S):

- 1. Exhibit A Aerial Map
- 2. Exhibit B Water System Infrastructure Installation and Conveyance Agreement with Lennar Homes of California Inc

EXHIBIT A





WATER SYSTEM INFRASTRUCTURE INSTALLATION AND CONVEYANCE AGREEMENT

This water system infrastructure installation and conveyance agreement ("Agreement") is entered into and effective as of ______ by and between **LENNAR HOMES OF CALIFORNIA**, **INC** ("Developer"), and **WEST VALLEY WATER DISTRICT** ("District") who agree as follows:

The Developer is the owner of certain land described as **TRACT 20092** and as more fully (or further) shown on <u>Exhibit "A"</u>. In developing this land, the Developer is desirous of obtaining a public water supply adequate for domestic uses and public fire protection purposes and is desirous of integrating that water system into the District's public water system.

In order to provide facilities for a water supply to said land, it is the intention of the parties to this Agreement that the Developer shall furnish and install those water mains, fire hydrants, service laterals, water meters and valves, valve boxes, and all other appurtenant fittings and facilities required for a complete water system to serve the land shown on <u>Exhibit "A"</u>.

In order to implement the foregoing and in consideration of the terms and conditions herein contained, the parties further agree as follows:

1. DESIGN

- 1.1. Developer shall design and construct, at the Developer's own expense, the water facilities and appurtenances required to serve the development in accordance with final District approved plans known as **WATER LINE IMPROVEMENT PLANS FOR WELL SUPPLY LINE REPLACEMENT PROJECT**, as approved and attached herein as <u>Exhibit "B"</u> and in accordance with District-approved design standards and specifications, and the terms and conditions of this Agreement.
- 1.2. The water system design shall be by a Professional Engineer registered in the State of California, and in accordance with the District's most recent Rules and Regulations (the "Rules and Regulations"), the District's Standards for Domestic Water Facilities and Standard Drawings herein included by reference, all applicable District ordinances and policies and all City, County of San Bernardino, State of California, and Federal laws, ordinances, rules, regulations, codes and other legal requirements of all government bodies having jurisdiction over said construction and property (all of the foregoing requirements in this paragraph being collectively referred to herein at times as "Legal Requirements").
- 1.3. The District, at Developer's expense, shall review Developer's plans for the purpose of ensuring the adequacy of the design and conformance with the District's standards and specifications. The District reserves the right to add, delete, modify, change or amend any or all the plans and specifications.
- 1.4. In the event that the property to be developed includes multiple residential, condominiums, commercial or industrial uses, all site plans, grading plans, and any available plumbing plot plans shall be furnished to the District by Developer.

1.5. The District makes no warranties as to the correctness, accuracy or completeness of the plans and specifications. The accuracy, adequacy, suitability, and correctness of the water system design shall be the sole responsibility of the Developer.

2. CONSTRUCTION

- 2.1. Developer shall perform, or caused to be performed, all construction of the water system infrastructure installation pursuant to the approved water system plans, and all Legal Requirements.
- 2.2 The performance of this Agreement shall commence within ninety (90) calendar days from the date of this Agreement and shall be completed within one (1) year from the estimated construction start date.
- 2.3. Time is of the essence in this Agreement; provided that, in the event good cause is shown therefore, the general manager of the District ("General Manager") may extend the time for completion of the water system installation. Any such extension may be granted without the notice to Developer's surety, and extensions so granted shall not relieve the surety's liability on the bond to secure faithful performance of this Agreement. The General Manager shall be the sole and final judge as to whether or not good cause has been shown to entitle Developer to an extension.
- 2.4. The Developer and its contractor and subcontractors shall attend a preconstruction meeting with the District at the District's headquarters no less than five (5) working days prior to commencement of construction.
- 2.5. No work on water facilities shall commence prior to the completion of all required curbs and gutters.

3. LICENSES AND PERMITS

- 3.1. Developer, and all of Developer's contractors and subcontractors warrants it possesses, or shall obtain, and maintain during the term of this Agreement any and all licenses, permits, qualifications, insurance and approval of whatever nature that are legally required of Developer, its contractors, and all subcontractors to practice its profession, skill or business.
- 3.2. The work to be performed under this Agreement, except meter installations, shall be performed by Developer, or a contractor or subcontractor who is pre-approved by the District and is licensed under the laws of the State of California in the specialty Class of "C-34" Pipeline or Class "A" General Engineering. A copy of the contract between Developer and the selected pre-approved contractor and all subcontractors shall be submitted to the District for review and approval.
- 3.3. Excavation/resurfacing permits shall be secured by Developer at Developer's expense. Permits/easements to install, maintain and operate water system facilities in private property shall be secured by Developer at Developer's own expense prior to construction.

3.4. Developer shall, at Developer's own expense, be responsible for obtaining and adhering to a National Pollution Discharge Elimination System (NPDES) permit from the Regional Water Quality Board as required for construction or pipeline flushing and disinfection.

4. INSURANCE REQUIREMENTS

- 4.1. The following insurance requirements have been adopted by the District and shall be applicable to this Agreement. These requirements supersede the insurance requirements set forth in any other reference of the District, and to the extent of any conflict, the specified requirements herein shall prevail.
- 4.2. Developer shall ensure that Developer's contractors conform to the following insurance requirements and that all required documents are submitted to the District at the time of Agreement submittal: Developer shall ensure that its contractors and all subcontractors shall purchase and maintain insurance in amounts equal to the requirements set forth in (a) through (d) below, and shall not commence work under this Agreement until all insurance required under this heading is obtained in a form acceptable to the District, nor shall Developer allow any contractor or subcontractor to commence construction pursuant to a contract or subcontract until all insurance required of the contractor and any subcontractors has been obtained.
- a. <u>General Liability</u>: Developer shall ensure that its contractor and all subcontractors shall maintain during the life of this Agreement, a standard form of either Comprehensive General Liability insurance or Commercial General Liability insurance ("General Liability Insurance") providing the following minimum limits of liability: Combined single limit of \$1.0 million per occurrence for bodily injury, including death, personal injury, and property damage with \$2.0 million minimum aggregate, separate for this project as evidenced by endorsement. The insurance shall include coverage for each of the following hazards: Premises-Operations; Owners and Contractors Protective; Broad Form Property Damage contractual for Specific Contract; Severability of Interest or Cross-Liability; XCU Hazards; and Personal Injury With the "Employee" Exclusive Deleted.
- b. <u>Automotive/Vehicle Liability Insurance</u>: Developer shall ensure that its contractor and all subcontractors shall maintain a policy of automotive/vehicle liability insurance on a commercial auto liability form covering owned, non-owned and hired automobiles providing the following minimum limits of liability: Combined single limit of liability of \$1.0 million per accident for Bodily Injury, Death and Property Damage ("Automotive/Vehicle Liability Insurance").
- c. <u>Workers' Compensation Insurance</u>: Developer shall ensure that its contractor and all subcontractors shall provide such workers' compensation insurance with statutory minimum amounts of coverage, as required by the California *Labor Code* and other applicable law, and including employer's liability insurance with a minimum limit of \$1,000,000.00 ("Workers' Compensation Insurance"). Such Workers' Compensation Insurance shall be endorsed to provide for a waiver of subrogation against the District.
- d. <u>Excess Liability</u>: Developer shall ensure that its contractor and all subcontractors shall provide a policy providing excess coverage in a face amount necessary when

combined with the primary insurance, to equal the minimum requirements for General Liability Insurance and Automotive/Vehicle Liability Insurance.

- 4.3. The insurances provided for in Section 4.2 and its subsections above are subject to all of the following conditions:
- a. The insurance shall be issued and underwritten by insurance companies acceptable to the District, and shall be licensed by the State of California to do business on the lines of insurance specified. The insurers must also have an "A-" Policyholder's rating" and a "financial rating" of at least Class VII in accordance with the most current A.M. Best's Rating Guide.
- b. Developer's contractor and subcontractors may satisfy the limit requirements in a single policy or multiple policies. Any such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.
- c. Any costs associated with a self-insured program, deductibles, or premium rating programs that determine premium based on loss experience shall be for the account of Developer, Developer's contractor and subcontractors, and the District shall not be required to participate in any such loss. If any such programs exist, Developer, Developer's contractor and subcontractors, agree to protect and defend the District in the same manner as if such cost provisions were not applicable.
- d. Developer shall ensure that its contractor and all subcontractors shall have presented at the time of execution of the Agreement, the original policies of insurance and a certificate of insurance naming the District as the certificate holder and that such coverage is in force and complies with the terms and conditions outlined herein.
- e. If an insurance policy contains a general policy aggregate of less than the minimum limits specified, then the policy coverage shall be written with limits applicable solely to this Agreement, as specified, and shall not be reduced by or impaired by any other claims arising against Developer. These policy limits shall be set forth by separate endorsement to the policy.
- 4.4. Each such policy of General Liability Insurance and Automotive/Vehicle Liability Insurance shall contain endorsements providing the following:
- a. The District, their board members, officers, agents, employees, consultants, and engineers, are hereby declared to be additional insureds under the terms of this policy, but only with respect to the operations of the Developer at or upon any of the premises of the District in connection with the Agreement with the District, or acts or omissions of the additional insureds in connection with, but limited to its general supervision or inspection of said operations and save for any claims arising from the sole negligence or sole willful misconduct the District.
- b. No policy shall be canceled, limited, materially altered, or non-renewed by the insurer until thirty (30) days after receipt by the District of a written notice of such cancellation or reduction in coverage.
- c. This insurance policy is primary insurance and no insurance held or owned by the designated additional insureds shall be called upon to cover a loss under this policy.

5. BONDING REQUIREMENTS

- 5.1. Developer shall generate an engineer's cost estimate based on the water system plans provided to the District. The estimated costs, attached herein as <u>Exhibit "C"</u>, will be submitted to the District for review and approval, and shall be used as the basis for bonding requirements for the water system described in the plans provided to the District by the Developer and approved for construction by the District. The sole intent and purpose of the engineer's estimate is to establish a cost valuation for bonding purposes only.
- 5.2. Performance Bond: The Developer's engineers estimate for the WATER LINE IMPROVEMENT PLANS FOR WELL SUPPLY LINE REPLACEMENT PROJECT, is NINE HUNDRED THIRTY-TWO THOUSAND SIX HUNDRED ELEVEN DOLLARS and 00/100 (\$932,611.00). Developer shall and by this Agreement does guarantee the Developer's faithful performance of this Agreement and all of its terms and conditions by providing the following: Developer shall provide the District with either an irrevocable letter of credit from a recognized financial institution acceptable to the District or a performance bond, from a surety institution licensed by the State of California and authorized to do and doing business in said State, valid and renewable until such improvements are accepted by the District. The irrevocable letter of credit or performance bond shall be in the amount of NINE HUNDRED THIRTY-TWO THOUSAND SIX HUNDRED ELEVEN DOLLARS and 00/100 (\$932,611.00), equal to 100 percent of the approved Developer's estimate.
- 5.3. <u>Warranty Bond:</u> The Developer's pre-approved contractor shall furnish a two-year warranty bond for all work completed in accordance with the approved plans (<u>Exhibit "B"</u>). Before District's acceptance of the completed water facilities and appurtenances, such facilities and appurtenances shall be free from any and all liens and encumbrances and free from any and all defects in the materials or construction thereof. The two-year warranty shall be either an irrevocable letter of credit from a recognized financial institution acceptable to the District or a warranty bond beginning on the date of acceptance of the water facilities by the District.

6. MATERIALS

6.1. The water system facilities to be installed pursuant to this Agreement shall become an extension of the distribution system of the District. All materials used must conform to District specifications for such materials pursuant to all applicable Legal Requirements.

7. NOTICES

7.1. All notices herein required shall be in writing, and delivered in person or sent by registered mail, postage prepaid.

7.2. Notices required shall be given to the **District** addressed as follows:

WEST VALLEY WATER DISTRICT

Attn: General Manager Post Office Box 920 Rialto, CA 92377

RE: WATER LINE IMPROVEMENT PLANS FOR WELL SUPPLY LINE REPLACEMENT PROJECT

7.3. Notices required shall be given to **Developer** addressed as follows:

LENNAR HOMES OF CALIFORNIA, INC

ATTENTION: GREG MENDOZA

980 MONTECITO, SUITE 302

CORONA, CA

RE: WATER LINE IMPROVEMENT PLANS FOR WELL SUPPLY LINE REPLACEMENT PROJECT

7.4. Notices required shall be given to **Surety** addressed as follows:

SURETY NAME:

ADDRESS

RE: WATER LINE IMPROVEMENT PLANS FOR WELL SUPPLY LINE REPLACEMENT PROJECT

- 7.5. Provided that any party or Surety may change such address by notice in writing to the other party, and thereafter, notices shall be addressed and transmitted to the new address.
- 7.6. The Developer or its contractor shall provide the District forty-eight (48) hours advance notice of request for inspection or testing.
 - 7.7. The District is closed on the holidays listed in Exhibit "D".

8. NOTICE TO PROCEED TO CONSTRUCT WATER SYSTEM FACILITIES

8.1. Upon acceptance of the insurance and aforementioned bonds and/or irrevocable letters of credit in the amounts provided herein and approval by the District and upon payment of all applicable charges, the Agreement shall be signed by Developer and the District. The District shall return an original copy of the signed Agreement with a letter to Developer giving notice to proceed to construct the water system facilities.

9. INSPECTION

9.1. It is understood that the sole purpose and intent of the District's inspection and testing is to validate that the materials, workmanship, and construction of the water facilities are in compliance with the District-approved final plans, the District's Rules and Regulations, the Standards for Domestic Water Facilities, the Standard Drawings, and all other applicable District

requirements. Developer acknowledges and represents that it assumes full and sole responsibility for the safety and management of the project.

- 9.2. Developer shall at all times maintain proper facilities and provide safe access for inspection by the District to all parts of the work and to the shops wherein the work is in preparation. Additionally, in connection with the performance of this Agreement, the District shall have the authority to enter the work site at any time for the purpose of identifying the existence of conditions, either actual or threatened, that may present a danger of hazard to any and all employees. Developer agrees that the District, in its sole authority and discretion, may order the immediate abatement of any and all conditions that may present an actual or threatened danger or hazard to any and all employees at the work site. Furthermore, Developer acknowledges the provisions of California *Labor Code* Section 6400 et seq., which requires that employers shall furnish employment and a place of employment that is safe and healthful for all employees working therein. In the event the District identifies the existence of any condition that presents an actual or threatened danger or hazard to any or all employees at the work site, the District is hereby authorized to order an immediate abatement of that condition.
- 9.3. All work and materials shall be subject to inspection, testing, and acceptance by the District at Developer's expense. In the event Developer arranges to have materials fabricated for the project, Developer may be required to arrange for the District to inspect that material during fabrication at Developer's expense.
- 9.4. All material fabrications shall be preapproved by the District and must conform to District standards and specifications.
- 9.5. The District's inspectors shall have full, unlimited access to perform continuous inspection and have the authority to stop work at any time, by written notice, without any liability whatsoever to the District, if, in the inspectors' judgment, the work called for by this Agreement, or the District approved plans, or the specifications is not being installed or performed in a satisfactory and workmanlike manner according to District's standards and specifications and/or in the event the materials do not comply with the District's standards and specifications.
- 9.6. Final acceptance of all material to be purchased or fabricated by Developer under this Agreement shall be made only with the prior approval of the District. Approval by the District, however, shall not operate to relieve the material supplier or Developer of any guarantees, warranties, or the duty of compliance with any of the requirements of the approved plans and specifications or of this Agreement. All construction pursuant to this Agreement shall be inspected pursuant for conformity with District requirements. Developer shall pay actual costs for inspections.

10. TESTING AND DISINFECTION

10.1. All water system facilities and components constructed pursuant to this Agreement shall adhere to all requirements for testing, disinfection, and flushing pursuant to District standards and Legal Requirements.

11. RELOCATIONS, RECONSTRUCTIONS, AND DAMAGES

11.1. Developer accepts the responsibility for and the costs occasioned by any reconstruction, relocation, damages to, or changes of water services or facilities caused or contributed to directly or indirectly by any subsequent changes in the location of any of said facilities or water meters or water services.

12. AS-CONSTRUCTED DOCUMENTATION

12.1. In order for the District to accept the facilities, Developer shall provide all required documentation as specified in the Standards for Domestic Water Facilities, including As-Built drawings.

13. INDEMNIFICATION

- 13.1. Developer hereby agrees to and shall protect, defend, indemnify and hold the District and its board members, officers, agents, employees, and engineers free and harmless from any and all liability losses, damages, claims, liens, demands and cause of action of every kind and character including, but not limited to, the amounts of judgments, penalties, interests, court costs, attorney's/legal fees, and all other expenses incurred by the District arising in favor of any party, including claims, liens, debts, demands for lost wages or compensation, personal injuries, including employees or the District, death or damages to property (including property of the District) and without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by Developer save and except claims or litigation arising through the sole negligence or sole willful misconduct of the District or the District's agents and employees. Developer shall investigate, handle, respond to, provide defense for and defend any such claims, demand, or suit at the sole expense of Developer even if the claim or claims alleged are groundless, false or fraudulent. Developer agrees to, and shall defend the District and its members, directors, officers, agents, employees, and engineers from any suits or actions at law or in equity for damages caused, or alleged to have been caused, by reason of any of the aforesaid operations, provided as follows:
- a. That the District does not and shall not waive any rights against Developer which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by the District, or the deposit with District by Developer, or any of the insurance policies described in this Agreement.
- b. That the aforesaid hold harmless agreement by Developer shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any or the aforesaid operations referred to in this subsection, regardless of whether or not District has prepared, supplied water system installation, or regardless of whether or not such insurance policies shall have been determined to be applicable to any such damages or claims for damages.

This provision is not intended to create any cause of action in favor of any third party against Developer or the District or to enlarge in any way Developer's liability but is intended

solely to provide for indemnification of the District from liability for damage or injuries to third persons or property arising from Developer's performance hereunder.

13.2. Neither Developer nor any of Developer's agents, contractors or subcontractors are, or shall be, considered to be agents of the District in connection with the performance of Developer's obligations under this Agreement.

14. REPAIR OR RECONSTRUCTION OF DEFECTIVE WORK

14.1. If, within a period of two years after final acceptance of the work performed under this Agreement, any structure or part of any structure furnished and/or installed or constructed, or caused to be installed or constructed by Developer, or any of the work done under this Agreement, fails to fulfill any of the requirement of this Agreement or the specifications referred to herein, Developer shall, without delay and without any cost to District, repair or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work structure. Should Developer fail to act promptly or in accordance with this requirement, or should the exigencies of the situation as determined by the District in the exercise of its sole discretion require repair, replacement or reconstruction before Developer can be notified, District may, at its option, make the necessary repairs or replacements or perform the necessary work, and Developer shall pay to the District the actual cost of such repairs.

15. COSTS AND FEES

- 15.1. Developer shall be responsible for all fees and deposits as required by the District. All fees and deposits shall be paid in full prior to the execution of this Agreement and before construction can take place.
- 15.2. Any additional costs and fees shall be paid in full prior to conveyance and acceptance of the water system.

16. CONVEYANCE AND ACCEPTANCE OF WATER SYSTEM

- 16.1. Upon completion of the water system in accordance with the approved water plans and submission of the required documentation, the Developer shall convey the water system to the District.
- 16.2. The Developer shall be responsible for insuring the pre-approved contractor furnish an irrevocable letter of credit to the District or a warranty bond (One Hundred (100%) of Developer's estimate) for a period of two years as stated in Sections 5.3 of this Agreement, asbuilt drawings with contractor redlines and AutoCAD files, materials list with quantities, labor, equipment, and materials, water system cost breakouts, compaction test report signed and sealed by a California Registered Engineer, notice of completion filed with San Bernardino County Recorder, fire flow tests of all hydrants, all required easements for water facilities and unconditional financial release from subcontractors and material providers, Upon compliance with all the terms and conditions of this Agreement, the District shall prepare the conveyance agreement accepting the water facilities and forward same to the address provided herein. Title to the ownership of said facilities and appurtenances shall thereby be conveyed to the District. The District shall thereafter operate and maintain said facilities so as to furnish water service to the

development (Exhibit "A") in accordance with the District's ordinances, policies and Rules and Regulations.

17. PERMANENT WATER SERVICE

17.1. In no event shall permanent water services be provided to Developer's installed system until all applicable charges and fees have been paid by Developer and all facilities have been conveyed, free of all encumbrances, to the District, including any easements which may be required. Such conveyance shall occur in a timely manner in accordance with the terms of this Agreement.

18. BREACH OR DEFAULT OF AGREEMENT

- 18.1. If Developer refuses or fails to obtain prosecution of the work, or any severable part thereof, with such diligence as will insure its completion within the time specified, or any extension thereof, or fails to obtain completion of said work within such time, or if Developer should be adjudged as bankrupt, or Developer should make a general assignment for the benefit of Developer's creditors, or if a receiver should be appointed in the event of Developer's insolvency, or if Developer, or any of Developer's contractors, subcontractors, agents or employees, should violate any of the provisions of this Agreement, the District's General Manager or the General Manager's designee may serve written notice upon Developer and Developer's surety of breach of this Agreement, or of any portion therefore, and default of Developer.
- 18.2. In the event of any such notice, Developer's surety shall have the duty to take over and complete the work and the improvement herein specified; provided, however, that if the surety, within five (5) days after the serving upon of such notice of breach, does not give the District written notice of its intention to take over the performance of the contract, and does not commence performance thereof within five (5) days after notice to the District of such election, District may take over the work and prosecute the same to completion, by contract or by any other method District may deem advisable, for the account and at the expense of Developer, and Developer's surety shall be liable to the District for any excess cost or damages occasioned District thereby; and, in such event, District, without liability for so doing, may take possession of, and utilize in completing the work, such materials, appliances, plant and other property belonging to Developer as may be on the site of the work and necessary therefore.

19. SUCCESSORS BOUND

19.1. This Agreement shall be binding upon and inure to the benefit of each of the parties and their respective legal representatives, successors, heirs, and assigns.

20. ENFORCEMENT OF PROVISIONS

20.1. The District's failure to enforce any provisions of this Agreement or the waiver thereof in any instance shall not be construed as a general waiver or relinquishment on its part of any such provision, but the same shall nevertheless be and remain in full force and effect.

[SIGNATURES ON NEXT PAGE]

IN	WITNESS	WHEREOF,	the parties	hereto	execute	this A	greemen	ıt.

WEST VALLEY WATER DISTRICT

Ву:	Ricky Shamindra Manbahal, Interim General Manager	Date:
DEVI	ELOPER:	
	ar Homes of California, Inc ifornia Corporation	
By:	LENNAR HOMES OF CALIFORNIA, INC a California Corporation, Its Manager:	
Ву:	Authorized Agent	Date:

Exhibit A

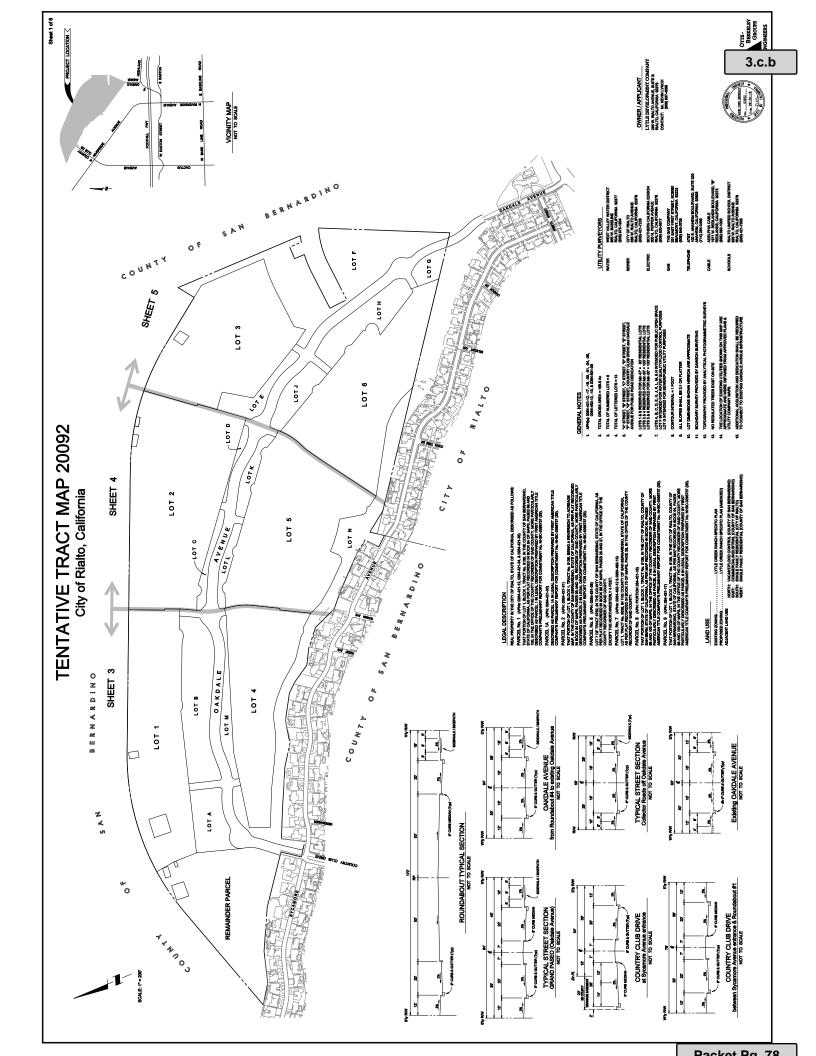
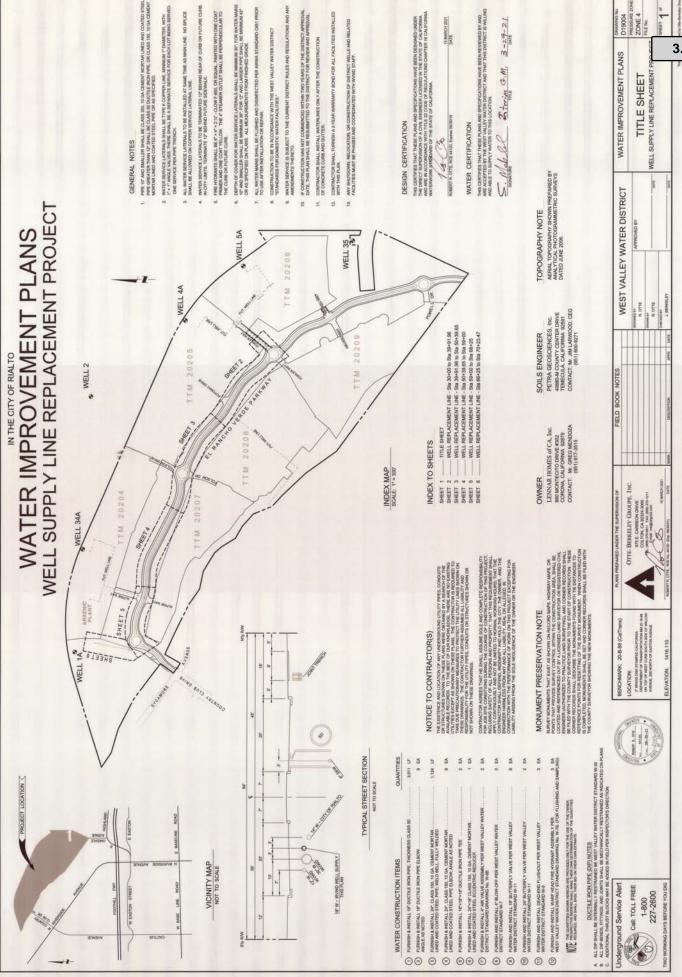
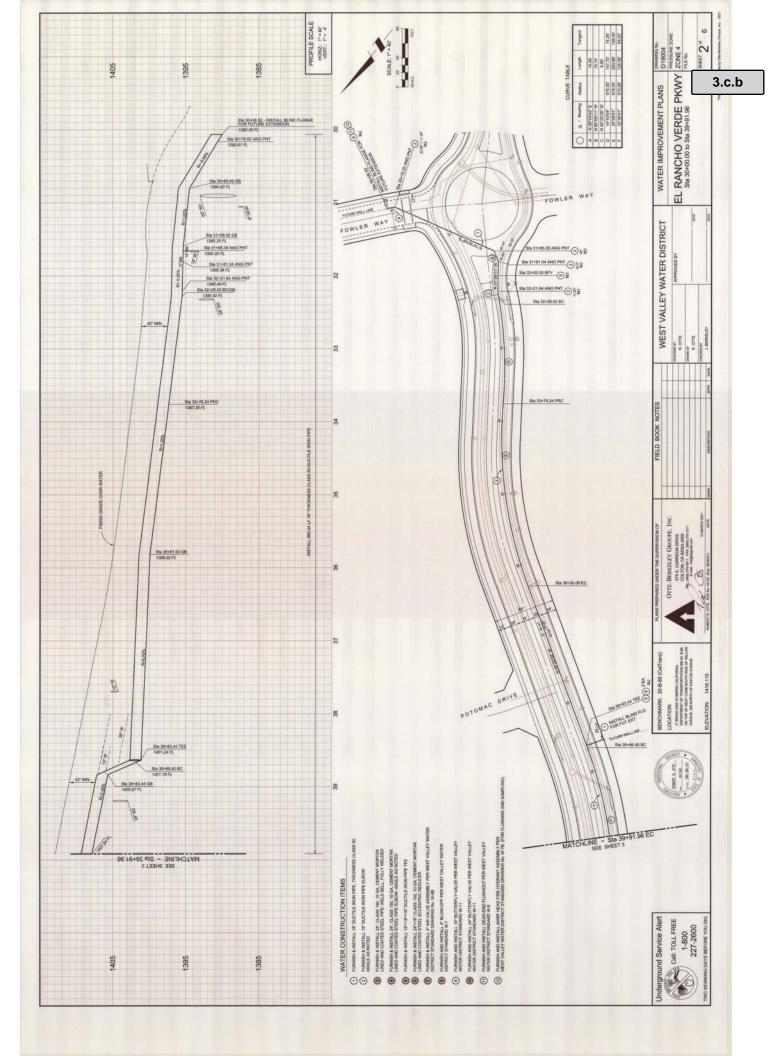
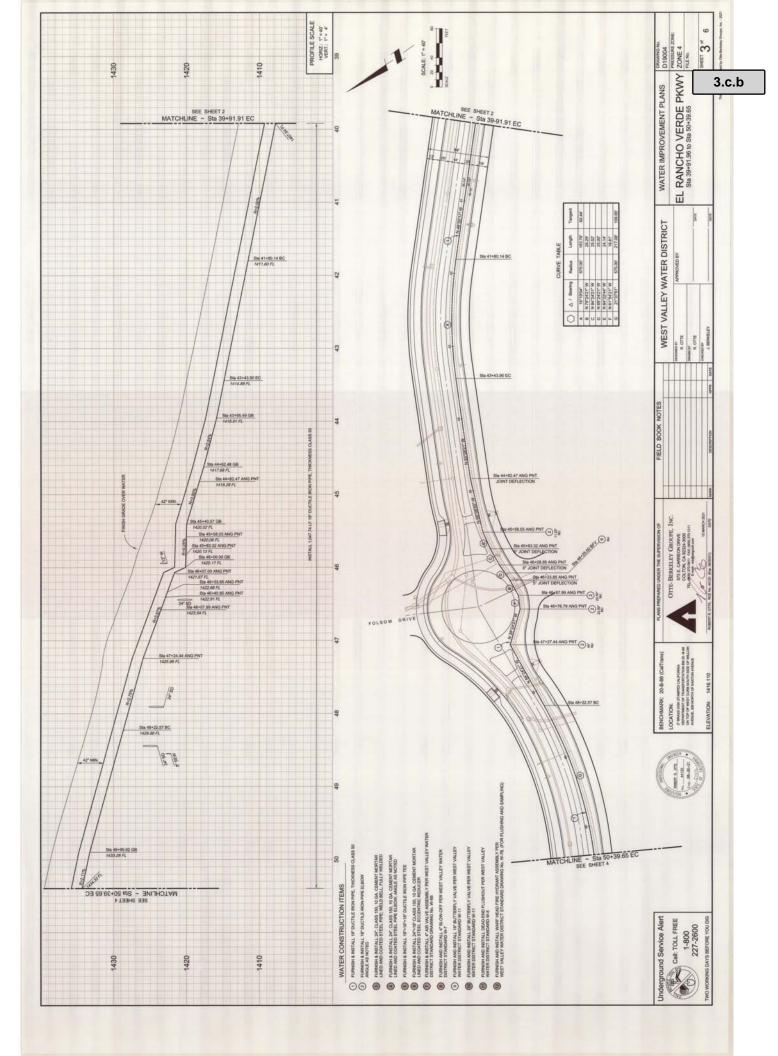


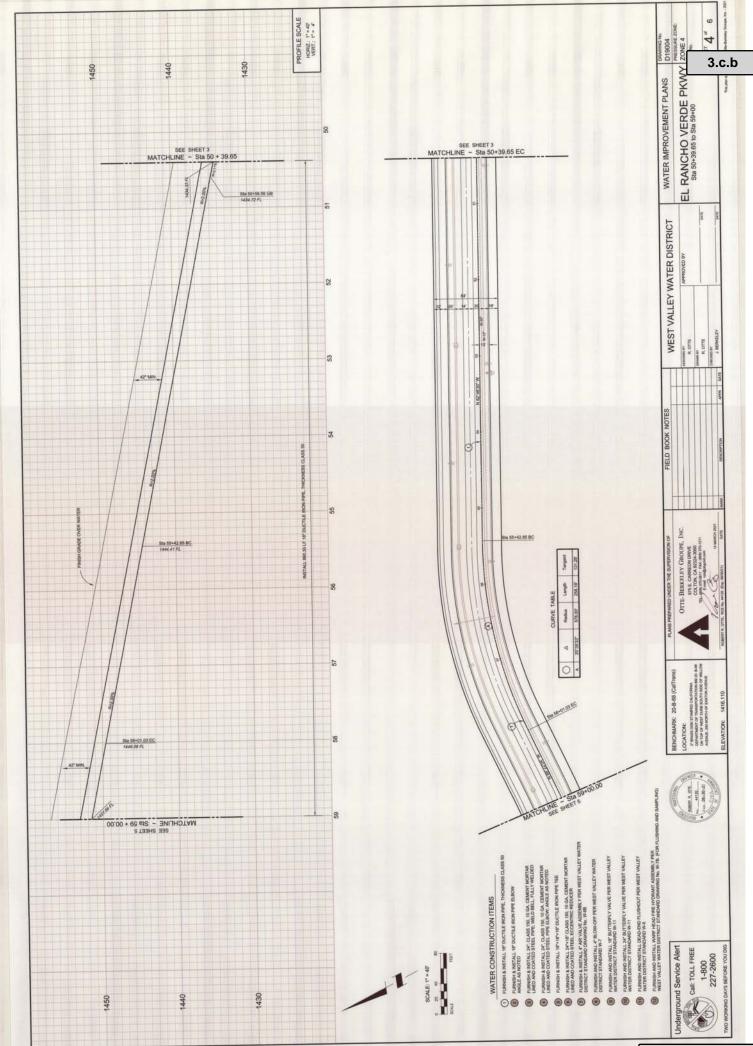
Exhibit B



3.c.b

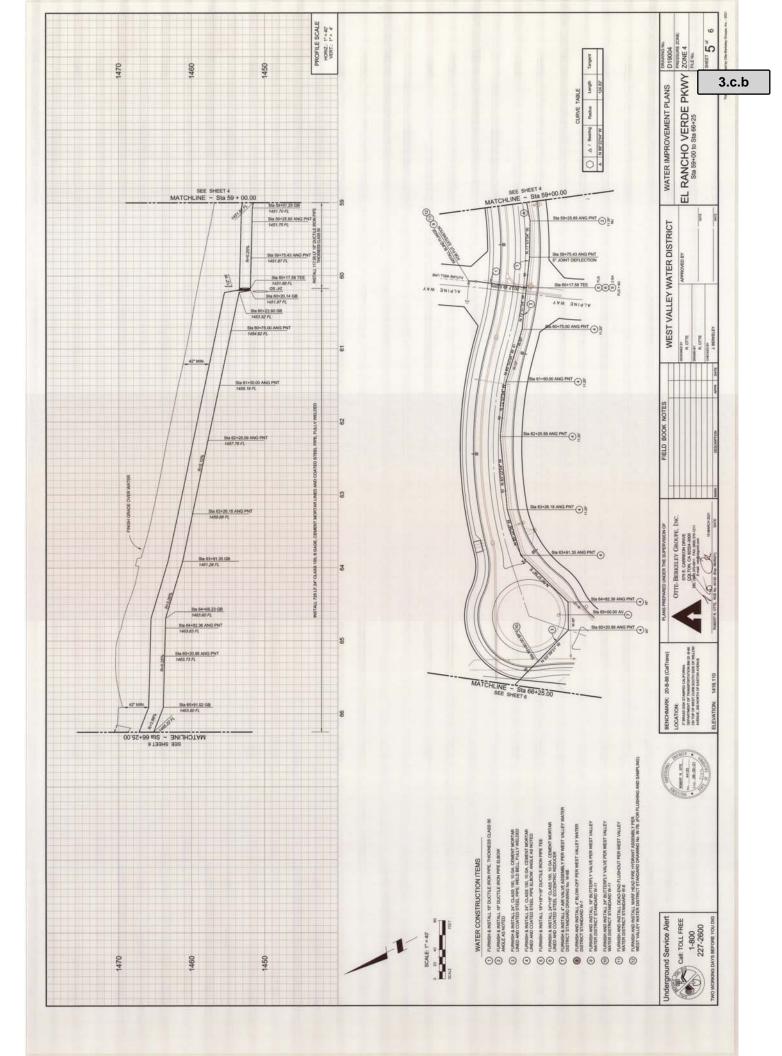






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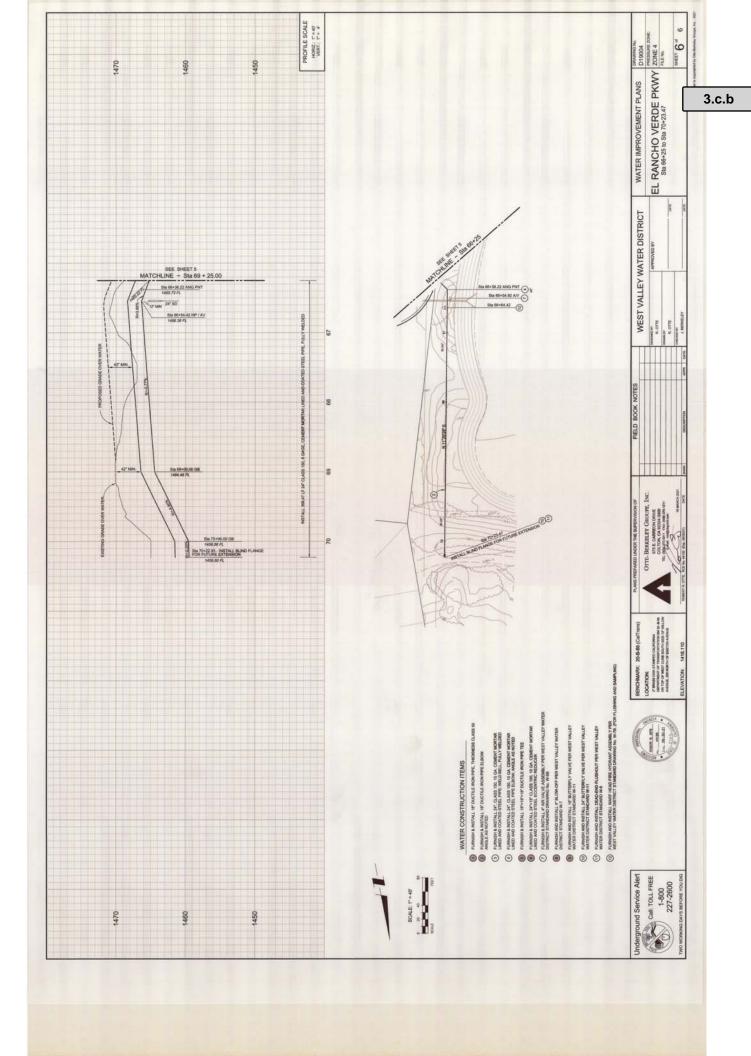


Exhibit C

				Weka, Inc. Attn: Steve Himle Tel: 909-425-8700 Email: wetainc@gmail.com	
NO.	Well Supply Line Replacement Improvements	UNIT	QUAN	PRICE	AMOUNT
	WORK PHASE "BB - 1A"				
30.	No Work				0.0
	WORK PHASE "BB - 1B"				
31.	Furnish and Install 18" DIP, Thickness Class 50	LF	792	179.00	141,768.0
32.	Furnish and Install 18" Butterfly Valve, including First Raise	EA	2	7,000.00	14,000.0
33.	Furnish and Install Warf Head Fire Hydrant Assembly per West Valley Water District Std. Dwg. No. W-78, including First Raise	EA	1	10,000.00	10,000.00
34.	Furnish and Install Dead-End Flushout for 18" Pipe per West Valley Water District Std. W-9	EA	1	4,500.00	4,500.0
35.	Raise Valve Can	EA	3	165.00	495.0
36.	Chlorinate and Pressure Test Pipe per West Valley Water District Standards	LF	792	3.00	2,376.0
	WORK PHASE "BB - 2"				
37.	Furnish and Install 24", Class 150, 10GA. CML&C Steel Pipe, Fully Welded	LF	1,014	199.00	201,786.0
38.	Furnish and Install 18" DIP, Thickness Class 50	LF	2,322	174.00	404,028.0
39.	Furnish and Install 24" Butterfly Valve, including First Raise	EA	2	17,000.00	34,000.0
40.	Furnish and Install 18" Butterfly Valve, including First Raise	EA	6	7,000.00	42,000.0
41.	Furnish and Install Warf Head Fire Hydrant Assembly per West Valley Water District Std. Dwg. No. W-7B, including First Raise	EA	2	12,000.00	24,000.0
42.	Furnish and Install Dead-End Flushout for 24" Pipe per West Valley Water District Std. W-8	EA	1	10,000.00	10,000.0
43.	Furnish and Install Dead-End Flushout for 18" Pipe per West Valley Water District Std. W-9	EA	2	4,500.00	9,000.0
44.	Furnish and Install 4" Air Valve Assembly per West Valley Water District Std. Dwg. No. W-6B	EA	2	11,500.00	23,000.0
45.	Raise Valve Can	EA	10	165.00	1,650.0
	Chlorinate and Pressure Test Pipe per West Valley Water District Standards	IF	3,336	3.00	10.008.0

Exhibit D



ESTABLISHED AS A PUBLIC AGENCY IN 1952

West Valley Water District's mission is to provide a reliable, safe-drinking water supply to meet our customers' present and future needs at a reasonable cost and to promote water-use efficiency and conservation.

2021 HOLIDAY LIST

FRIDAY, JANUARY 1
MONDAY, JANUARY 18
MONDAY, FEBRUARY 15
TUESDAY, MAY 25
MONDAY, JULY 5
MONDAY, SEPTEMBER 6
THURSDAY, NOVEMBER 11
THURSDAY, NOVEMBER 25
FRIDAY, NOVEMBER 26
THURSDAY, DECEMBER 23
FRIDAY, DECEMBER 24
FRIDAY, DECEMBER 30

THURSDAY, DECEMBER 31

NEW YEAR'S DAY
MARTIN LUTHER KING, JR.
PRESIDENT'S DAY
MEMORIAL DAY
INDEPENDENCE DAY
LABOR DAY
VETERANS DAY (OBSERVED)
THANKSGIVING
DAY AFTER THANKSGIVING
CHRISTMAS EVE
CHRISTMAS
NEW YEAR'S EVE
NEW YEAR'S DAY



BOARD OF DIRECTORS ENGINEERING, OPERATIONS AND PLANNING COMMITTEE STAFF REPORT

DATE: May 12, 2021

TO: Engineering, Operations and Planning Committee

FROM: Shamindra Manbahal, Interim General Manager

SUBJECT: CONSIDER WATER SYSTEM INFRASTRUCTURE INSTALLATION

AND CONVEYANCE AGREEMENT WITH LENNAR HOMES OF

CALIFORNIA, INC FOR TRACT 20092 WATER IMPROVEMENT PLANS

BACKGROUND:

Lennar Homes of California, Inc. ("Developer") is the owner of land located north of Sycamore Avenue, east of Country Club Drive and west of Oakdale Ave in the former El Rancho Verde Golf Course in the City of Rialto, known as Tract No. 20092, River Ranch ("Development"), as shown in **Exhibit A**. The Development is part of a master planned community containing residential lots requiring water services. In developing this land, the Developer is required to construct a new water main within the tract to allow for new domestic and irrigation connections.

DISCUSSION:

In order to construct the water facilities needed to supply water to the Development, West Valley Water District ("District") and the Developer wish to enter into a Developer-Installed Water System Infrastructure Installation and Conveyance Agreement ("Agreement"). This Agreement outlines the responsibilities of the Developer in constructing facilities, including insurance, indemnification and bonding requirements as well as conveyance and acceptance of the water system by the District. Attached as **Exhibit B** is a copy of the Water System Infrastructure Installation and Conveyance Agreement for this development.

FISCAL IMPACT:

No fiscal impact to the District.

STAFF RECOMMENDATION:

Staff recommends that this item be submitted for consideration & approval by the full Board at a future Board of Directors meeting and authorize the General Manager to execute the necessary documents.

Respectfully Submitted,

Shamindra Manbahal Interim General Manager

DG:ls

Exhibit A – Aerial Map

Exhibit B – Water System Infrastructure Installation and Conveyance Agreement with Lennar Homes of California, Inc for Tract 20092 Water Improvement Plans.

Respectfully Submitted,

Shamindra Manbahal

Shamindra Manbahal, Interim General Manager

ls

ATTACHMENT(S):

- 1. Exhibit A Aerial Map
- 2. Exhibit B Water System Infrastructure Installation and Conveyance Agreement with Lennar Homes of California Inc

EXHIBIT A





WATER SYSTEM INFRASTRUCTURE INSTALLATION AND CONVEYANCE AGREEMENT

This water system infrastructure installation and conveyance agreement ("Agreement") is entered into and effective as of ______ by and between **LENNAR HOMES OF CALIFORNIA**, **INC** ("Developer"), and **WEST VALLEY WATER DISTRICT** ("District") who agree as follows:

The Developer is the owner of certain land described as **TRACT 20092** and as more fully (or further) shown on <u>Exhibit "A"</u>. In developing this land, the Developer is desirous of obtaining a public water supply adequate for domestic uses and public fire protection purposes and is desirous of integrating that water system into the District's public water system.

In order to provide facilities for a water supply to said land, it is the intention of the parties to this Agreement that the Developer shall furnish and install those water mains, fire hydrants, service laterals, water meters and valves, valve boxes, and all other appurtenant fittings and facilities required for a complete water system to serve the land shown on <u>Exhibit "A"</u>.

In order to implement the foregoing and in consideration of the terms and conditions herein contained, the parties further agree as follows:

1. DESIGN

- 1.1. Developer shall design and construct, at the Developer's own expense, the water facilities and appurtenances required to serve the development in accordance with final District approved plans known as **TRACT 20092 WATER IMPROVEMENT PLANS**, as approved and attached herein as <u>Exhibit "B"</u> and in accordance with District-approved design standards and specifications, and the terms and conditions of this Agreement.
- 1.2. The water system design shall be by a Professional Engineer registered in the State of California, and in accordance with the District's most recent Rules and Regulations (the "Rules and Regulations"), the District's Standards for Domestic Water Facilities and Standard Drawings herein included by reference, all applicable District ordinances and policies and all City, County of San Bernardino, State of California, and Federal laws, ordinances, rules, regulations, codes and other legal requirements of all government bodies having jurisdiction over said construction and property (all of the foregoing requirements in this paragraph being collectively referred to herein at times as "Legal Requirements").
- 1.3. The District, at Developer's expense, shall review Developer's plans for the purpose of ensuring the adequacy of the design and conformance with the District's standards and specifications. The District reserves the right to add, delete, modify, change or amend any or all the plans and specifications.
- 1.4. In the event that the property to be developed includes multiple residential, condominiums, commercial or industrial uses, all site plans, grading plans, and any available plumbing plot plans shall be furnished to the District by Developer.

1.5. The District makes no warranties as to the correctness, accuracy or completeness of the plans and specifications. The accuracy, adequacy, suitability, and correctness of the water system design shall be the sole responsibility of the Developer.

2. CONSTRUCTION

- 2.1. Developer shall perform, or caused to be performed, all construction of the water system infrastructure installation pursuant to the approved water system plans, and all Legal Requirements.
- 2.2 The performance of this Agreement shall commence within ninety (90) calendar days from the date of this Agreement and shall be completed within one (1) year from the estimated construction start date.
- 2.3. Time is of the essence in this Agreement; provided that, in the event good cause is shown therefore, the general manager of the District ("General Manager") may extend the time for completion of the water system installation. Any such extension may be granted without the notice to Developer's surety, and extensions so granted shall not relieve the surety's liability on the bond to secure faithful performance of this Agreement. The General Manager shall be the sole and final judge as to whether or not good cause has been shown to entitle Developer to an extension.
- 2.4. The Developer and its contractor and subcontractors shall attend a preconstruction meeting with the District at the District's headquarters no less than five (5) working days prior to commencement of construction.
- 2.5. No work on water facilities shall commence prior to the completion of all required curbs and gutters.

3. LICENSES AND PERMITS

- 3.1. Developer, and all of Developer's contractors and subcontractors warrants it possesses, or shall obtain, and maintain during the term of this Agreement any and all licenses, permits, qualifications, insurance and approval of whatever nature that are legally required of Developer, its contractors, and all subcontractors to practice its profession, skill or business.
- 3.2. The work to be performed under this Agreement, except meter installations, shall be performed by Developer, or a contractor or subcontractor who is pre-approved by the District and is licensed under the laws of the State of California in the specialty Class of "C-34" Pipeline or Class "A" General Engineering. A copy of the contract between Developer and the selected pre-approved contractor and all subcontractors shall be submitted to the District for review and approval.
- 3.3. Excavation/resurfacing permits shall be secured by Developer at Developer's expense. Permits/easements to install, maintain and operate water system facilities in private property shall be secured by Developer at Developer's own expense prior to construction.

3.4. Developer shall, at Developer's own expense, be responsible for obtaining and adhering to a National Pollution Discharge Elimination System (NPDES) permit from the Regional Water Quality Board as required for construction or pipeline flushing and disinfection.

4. INSURANCE REQUIREMENTS

- 4.1. The following insurance requirements have been adopted by the District and shall be applicable to this Agreement. These requirements supersede the insurance requirements set forth in any other reference of the District, and to the extent of any conflict, the specified requirements herein shall prevail.
- 4.2. Developer shall ensure that Developer's contractors conform to the following insurance requirements and that all required documents are submitted to the District at the time of Agreement submittal: Developer shall ensure that its contractors and all subcontractors shall purchase and maintain insurance in amounts equal to the requirements set forth in (a) through (d) below, and shall not commence work under this Agreement until all insurance required under this heading is obtained in a form acceptable to the District, nor shall Developer allow any contractor or subcontractor to commence construction pursuant to a contract or subcontract until all insurance required of the contractor and any subcontractors has been obtained.
- a. <u>General Liability</u>: Developer shall ensure that its contractor and all subcontractors shall maintain during the life of this Agreement, a standard form of either Comprehensive General Liability insurance or Commercial General Liability insurance ("General Liability Insurance") providing the following minimum limits of liability: Combined single limit of \$1.0 million per occurrence for bodily injury, including death, personal injury, and property damage with \$2.0 million minimum aggregate, separate for this project as evidenced by endorsement. The insurance shall include coverage for each of the following hazards: Premises-Operations; Owners and Contractors Protective; Broad Form Property Damage contractual for Specific Contract; Severability of Interest or Cross-Liability; XCU Hazards; and Personal Injury With the "Employee" Exclusive Deleted.
- b. <u>Automotive/Vehicle Liability Insurance</u>: Developer shall ensure that its contractor and all subcontractors shall maintain a policy of automotive/vehicle liability insurance on a commercial auto liability form covering owned, non-owned and hired automobiles providing the following minimum limits of liability: Combined single limit of liability of \$1.0 million per accident for Bodily Injury, Death and Property Damage ("Automotive/Vehicle Liability Insurance").
- c. <u>Workers' Compensation Insurance</u>: Developer shall ensure that its contractor and all subcontractors shall provide such workers' compensation insurance with statutory minimum amounts of coverage, as required by the California *Labor Code* and other applicable law, and including employer's liability insurance with a minimum limit of \$1,000,000.00 ("Workers' Compensation Insurance"). Such Workers' Compensation Insurance shall be endorsed to provide for a waiver of subrogation against the District.
- d. <u>Excess Liability</u>: Developer shall ensure that its contractor and all subcontractors shall provide a policy providing excess coverage in a face amount necessary when

combined with the primary insurance, to equal the minimum requirements for General Liability Insurance and Automotive/Vehicle Liability Insurance.

- 4.3. The insurances provided for in Section 4.2 and its subsections above are subject to all of the following conditions:
- a. The insurance shall be issued and underwritten by insurance companies acceptable to the District, and shall be licensed by the State of California to do business on the lines of insurance specified. The insurers must also have an "A-" Policyholder's rating" and a "financial rating" of at least Class VII in accordance with the most current A.M. Best's Rating Guide.
- b. Developer's contractor and subcontractors may satisfy the limit requirements in a single policy or multiple policies. Any such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.
- c. Any costs associated with a self-insured program, deductibles, or premium rating programs that determine premium based on loss experience shall be for the account of Developer, Developer's contractor and subcontractors, and the District shall not be required to participate in any such loss. If any such programs exist, Developer, Developer's contractor and subcontractors, agree to protect and defend the District in the same manner as if such cost provisions were not applicable.
- d. Developer shall ensure that its contractor and all subcontractors shall have presented at the time of execution of the Agreement, the original policies of insurance and a certificate of insurance naming the District as the certificate holder and that such coverage is in force and complies with the terms and conditions outlined herein.
- e. If an insurance policy contains a general policy aggregate of less than the minimum limits specified, then the policy coverage shall be written with limits applicable solely to this Agreement, as specified, and shall not be reduced by or impaired by any other claims arising against Developer. These policy limits shall be set forth by separate endorsement to the policy.
- 4.4. Each such policy of General Liability Insurance and Automotive/Vehicle Liability Insurance shall contain endorsements providing the following:
- a. The District, their board members, officers, agents, employees, consultants, and engineers, are hereby declared to be additional insureds under the terms of this policy, but only with respect to the operations of the Developer at or upon any of the premises of the District in connection with the Agreement with the District, or acts or omissions of the additional insureds in connection with, but limited to its general supervision or inspection of said operations and save for any claims arising from the sole negligence or sole willful misconduct the District.
- b. No policy shall be canceled, limited, materially altered, or non-renewed by the insurer until thirty (30) days after receipt by the District of a written notice of such cancellation or reduction in coverage.
- c. This insurance policy is primary insurance and no insurance held or owned by the designated additional insureds shall be called upon to cover a loss under this policy.

5. BONDING REQUIREMENTS

- 5.1. Developer shall generate an engineer's cost estimate based on the water system plans provided to the District. The estimated costs, attached herein as <u>Exhibit "C"</u>, will be submitted to the District for review and approval, and shall be used as the basis for bonding requirements for the water system described in the plans provided to the District by the Developer and approved for construction by the District. The sole intent and purpose of the engineer's estimate is to establish a cost valuation for bonding purposes only.
- WATER IMPROVEMENT PLANS, is ONE MILLION FOUR HUNDRED FORTY-ONE THOUSAND ONE HUNDRED FORTY-THREE DOLLARS and 00/100 (\$1,441,143.00). Developer shall and by this Agreement does guarantee the Developer's faithful performance of this Agreement and all of its terms and conditions by providing the following: Developer shall provide the District with either an irrevocable letter of credit from a recognized financial institution acceptable to the District or a performance bond, from a surety institution licensed by the State of California and authorized to do and doing business in said State, valid and renewable until such improvements are accepted by the District. The irrevocable letter of credit or performance bond shall be in the amount of ONE MILLION FOUR HUNDRED FORTY-ONE THOUSAND ONE HUNDRED FORTY-THREE DOLLARS and 00/100 (\$1,441,143.00), equal to 100 percent of the approved Developer's estimate.
- 5.3. <u>Warranty Bond:</u> The Developer's pre-approved contractor shall furnish a two-year warranty bond for all work completed in accordance with the approved plans (<u>Exhibit "B"</u>). Before District's acceptance of the completed water facilities and appurtenances, such facilities and appurtenances shall be free from any and all liens and encumbrances and free from any and all defects in the materials or construction thereof. The two-year warranty shall be either an irrevocable letter of credit from a recognized financial institution acceptable to the District or a warranty bond beginning on the date of acceptance of the water facilities by the District.

6. MATERIALS

6.1. The water system facilities to be installed pursuant to this Agreement shall become an extension of the distribution system of the District. All materials used must conform to District specifications for such materials pursuant to all applicable Legal Requirements.

7. NOTICES

- 7.1. All notices herein required shall be in writing, and delivered in person or sent by registered mail, postage prepaid.
 - 7.2. Notices required shall be given to the **District** addressed as follows:

WEST VALLEY WATER DISTRICT

Attn: General Manager Post Office Box 920 Rialto, CA 92377

RE: TRACT 20092 WATER IMPROVEMENT PLANS

7.3. Notices required shall be given to **Developer** addressed as follows:

LENNAR HOMES OF CALIFORNIA, INC ATTENTION: GREG MENDOZA 980 MONTECITO, SUITE 302 CORONA, CA

RE: TRACT 20092 WATER IMPROVEMENT PLANS

7.4. Notices required shall be given to **Surety** addressed as follows:

SURETY NAME:

ADDRESS

RE: TRACT 20092 WATER IMPROVEMENT PLANS

- 7.5. Provided that any party or Surety may change such address by notice in writing to the other party, and thereafter, notices shall be addressed and transmitted to the new address.
- 7.6. The Developer or its contractor shall provide the District forty-eight (48) hours advance notice of request for inspection or testing.
 - 7.7. The District is closed on the holidays listed in Exhibit "D".

8. NOTICE TO PROCEED TO CONSTRUCT WATER SYSTEM FACILITIES

8.1. Upon acceptance of the insurance and aforementioned bonds and/or irrevocable letters of credit in the amounts provided herein and approval by the District and upon payment of all applicable charges, the Agreement shall be signed by Developer and the District. The District shall return an original copy of the signed Agreement with a letter to Developer giving notice to proceed to construct the water system facilities.

9. INSPECTION

- 9.1. It is understood that the sole purpose and intent of the District's inspection and testing is to validate that the materials, workmanship, and construction of the water facilities are in compliance with the District-approved final plans, the District's Rules and Regulations, the Standards for Domestic Water Facilities, the Standard Drawings, and all other applicable District requirements. Developer acknowledges and represents that it assumes full and sole responsibility for the safety and management of the project.
- 9.2. Developer shall at all times maintain proper facilities and provide safe access for inspection by the District to all parts of the work and to the shops wherein the work is in preparation. Additionally, in connection with the performance of this Agreement, the District shall have the authority to enter the work site at any time for the purpose of identifying the existence of conditions, either actual or threatened, that may present a danger of hazard to any and all employees. Developer agrees that the District, in its sole authority and discretion, may order the immediate abatement of any and all conditions that may present an actual or threatened danger or hazard to any and all employees at the work site. Furthermore, Developer acknowledges the provisions of California *Labor Code* Section 6400 et seq., which requires that employers shall

furnish employment and a place of employment that is safe and healthful for all employees working therein. In the event the District identifies the existence of any condition that presents an actual or threatened danger or hazard to any or all employees at the work site, the District is hereby authorized to order an immediate abatement of that condition.

- 9.3. All work and materials shall be subject to inspection, testing, and acceptance by the District at Developer's expense. In the event Developer arranges to have materials fabricated for the project, Developer may be required to arrange for the District to inspect that material during fabrication at Developer's expense.
- 9.4. All material fabrications shall be preapproved by the District and must conform to District standards and specifications.
- 9.5. The District's inspectors shall have full, unlimited access to perform continuous inspection and have the authority to stop work at any time, by written notice, without any liability whatsoever to the District, if, in the inspectors' judgment, the work called for by this Agreement, or the District approved plans, or the specifications is not being installed or performed in a satisfactory and workmanlike manner according to District's standards and specifications and/or in the event the materials do not comply with the District's standards and specifications.
- 9.6. Final acceptance of all material to be purchased or fabricated by Developer under this Agreement shall be made only with the prior approval of the District. Approval by the District, however, shall not operate to relieve the material supplier or Developer of any guarantees, warranties, or the duty of compliance with any of the requirements of the approved plans and specifications or of this Agreement. All construction pursuant to this Agreement shall be inspected pursuant for conformity with District requirements. Developer shall pay actual costs for inspections.

10. TESTING AND DISINFECTION

10.1. All water system facilities and components constructed pursuant to this Agreement shall adhere to all requirements for testing, disinfection, and flushing pursuant to District standards and Legal Requirements.

11. RELOCATIONS, RECONSTRUCTIONS, AND DAMAGES

11.1. Developer accepts the responsibility for and the costs occasioned by any reconstruction, relocation, damages to, or changes of water services or facilities caused or contributed to directly or indirectly by any subsequent changes in the location of any of said facilities or water meters or water services.

12. AS-CONSTRUCTED DOCUMENTATION

12.1. In order for the District to accept the facilities, Developer shall provide all required documentation as specified in the Standards for Domestic Water Facilities, including As-Built drawings.

13. INDEMNIFICATION

- 13.1. Developer hereby agrees to and shall protect, defend, indemnify and hold the District and its board members, officers, agents, employees, and engineers free and harmless from any and all liability losses, damages, claims, liens, demands and cause of action of every kind and character including, but not limited to, the amounts of judgments, penalties, interests, court costs, attorney's/legal fees, and all other expenses incurred by the District arising in favor of any party, including claims, liens, debts, demands for lost wages or compensation, personal injuries, including employees or the District, death or damages to property (including property of the District) and without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by Developer save and except claims or litigation arising through the sole negligence or sole willful misconduct of the District or the District's agents and employees. Developer shall investigate, handle, respond to, provide defense for and defend any such claims, demand, or suit at the sole expense of Developer even if the claim or claims alleged are groundless, false or fraudulent. Developer agrees to, and shall defend the District and its members, directors, officers, agents, employees, and engineers from any suits or actions at law or in equity for damages caused, or alleged to have been caused, by reason of any of the aforesaid operations, provided as follows:
- a. That the District does not and shall not waive any rights against Developer which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by the District, or the deposit with District by Developer, or any of the insurance policies described in this Agreement.
- b. That the aforesaid hold harmless agreement by Developer shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any or the aforesaid operations referred to in this subsection, regardless of whether or not District has prepared, supplied water system installation, or regardless of whether or not such insurance policies shall have been determined to be applicable to any such damages or claims for damages.

This provision is not intended to create any cause of action in favor of any third party against Developer or the District or to enlarge in any way Developer's liability but is intended solely to provide for indemnification of the District from liability for damage or injuries to third persons or property arising from Developer's performance hereunder.

13.2. Neither Developer nor any of Developer's agents, contractors or subcontractors are, or shall be, considered to be agents of the District in connection with the performance of Developer's obligations under this Agreement.

14. REPAIR OR RECONSTRUCTION OF DEFECTIVE WORK

14.1. If, within a period of two years after final acceptance of the work performed under this Agreement, any structure or part of any structure furnished and/or installed or constructed, or caused to be installed or constructed by Developer, or any of the work done under this Agreement, fails to fulfill any of the requirement of this Agreement or the specifications referred to herein, Developer shall, without delay and without any cost to District, repair or replace or reconstruct

any defective or otherwise unsatisfactory part or parts of the work structure. Should Developer fail to act promptly or in accordance with this requirement, or should the exigencies of the situation as determined by the District in the exercise of its sole discretion require repair, replacement or reconstruction before Developer can be notified, District may, at its option, make the necessary repairs or replacements or perform the necessary work, and Developer shall pay to the District the actual cost of such repairs.

15. COSTS AND FEES

- 15.1. Developer shall be responsible for all fees and deposits as required by the District. All fees and deposits shall be paid in full prior to the execution of this Agreement and before construction can take place.
- 15.2. Any additional costs and fees shall be paid in full prior to conveyance and acceptance of the water system.

16. CONVEYANCE AND ACCEPTANCE OF WATER SYSTEM

- 16.1. Upon completion of the water system in accordance with the approved water plans and submission of the required documentation, the Developer shall convey the water system to the District.
- 16.2. The Developer shall be responsible for insuring the pre-approved contractor furnish an irrevocable letter of credit to the District or a warranty bond (One Hundred (100%) of Developer's estimate) for a period of two years as stated in Sections 5.3 of this Agreement, asbuilt drawings with contractor redlines and AutoCAD files, materials list with quantities, labor, equipment, and materials, water system cost breakouts, compaction test report signed and sealed by a California Registered Engineer, notice of completion filed with San Bernardino County Recorder, fire flow tests of all hydrants, all required easements for water facilities and unconditional financial release from subcontractors and material providers, Upon compliance with all the terms and conditions of this Agreement, the District shall prepare the conveyance agreement accepting the water facilities and forward same to the address provided herein. Title to the ownership of said facilities and appurtenances shall thereby be conveyed to the District. The District shall thereafter operate and maintain said facilities so as to furnish water service to the development (Exhibit "A") in accordance with the District's ordinances, policies and Rules and Regulations.

17. PERMANENT WATER SERVICE

17.1. In no event shall permanent water services be provided to Developer's installed system until all applicable charges and fees have been paid by Developer and all facilities have been conveyed, free of all encumbrances, to the District, including any easements which may be required. Such conveyance shall occur in a timely manner in accordance with the terms of this Agreement.

18. BREACH OR DEFAULT OF AGREEMENT

- 18.1. If Developer refuses or fails to obtain prosecution of the work, or any severable part thereof, with such diligence as will insure its completion within the time specified, or any extension thereof, or fails to obtain completion of said work within such time, or if Developer should be adjudged as bankrupt, or Developer should make a general assignment for the benefit of Developer's creditors, or if a receiver should be appointed in the event of Developer's insolvency, or if Developer, or any of Developer's contractors, subcontractors, agents or employees, should violate any of the provisions of this Agreement, the District's General Manager or the General Manager's designee may serve written notice upon Developer and Developer's surety of breach of this Agreement, or of any portion therefore, and default of Developer.
- 18.2. In the event of any such notice, Developer's surety shall have the duty to take over and complete the work and the improvement herein specified; provided, however, that if the surety, within five (5) days after the serving upon of such notice of breach, does not give the District written notice of its intention to take over the performance of the contract, and does not commence performance thereof within five (5) days after notice to the District of such election, District may take over the work and prosecute the same to completion, by contract or by any other method District may deem advisable, for the account and at the expense of Developer, and Developer's surety shall be liable to the District for any excess cost or damages occasioned District thereby; and, in such event, District, without liability for so doing, may take possession of, and utilize in completing the work, such materials, appliances, plant and other property belonging to Developer as may be on the site of the work and necessary therefore.

19. SUCCESSORS BOUND

19.1. This Agreement shall be binding upon and inure to the benefit of each of the parties and their respective legal representatives, successors, heirs, and assigns.

20. ENFORCEMENT OF PROVISIONS

20.1. The District's failure to enforce any provisions of this Agreement or the waiver thereof in any instance shall not be construed as a general waiver or relinquishment on its part of any such provision, but the same shall nevertheless be and remain in full force and effect.

[SIGNATURES ON NEXT PAGE]

IN WITNESS	WHEREOF,	the parties	hereto	execute	this Ag	reement.

WEST VALLEY WATER DISTRICT

Ву:		Date:
	Ricky Shamindra Manbahal, Interim General Manager	
DEV	ELOPER:	
	ar Homes of California, Inc ifornia Corporation	
By:	LENNAR HOMES OF CALIFORNIA, INC a California Corporation, Its Manager:	
Ву:	Authorized Agent	Date:

Exhibit A

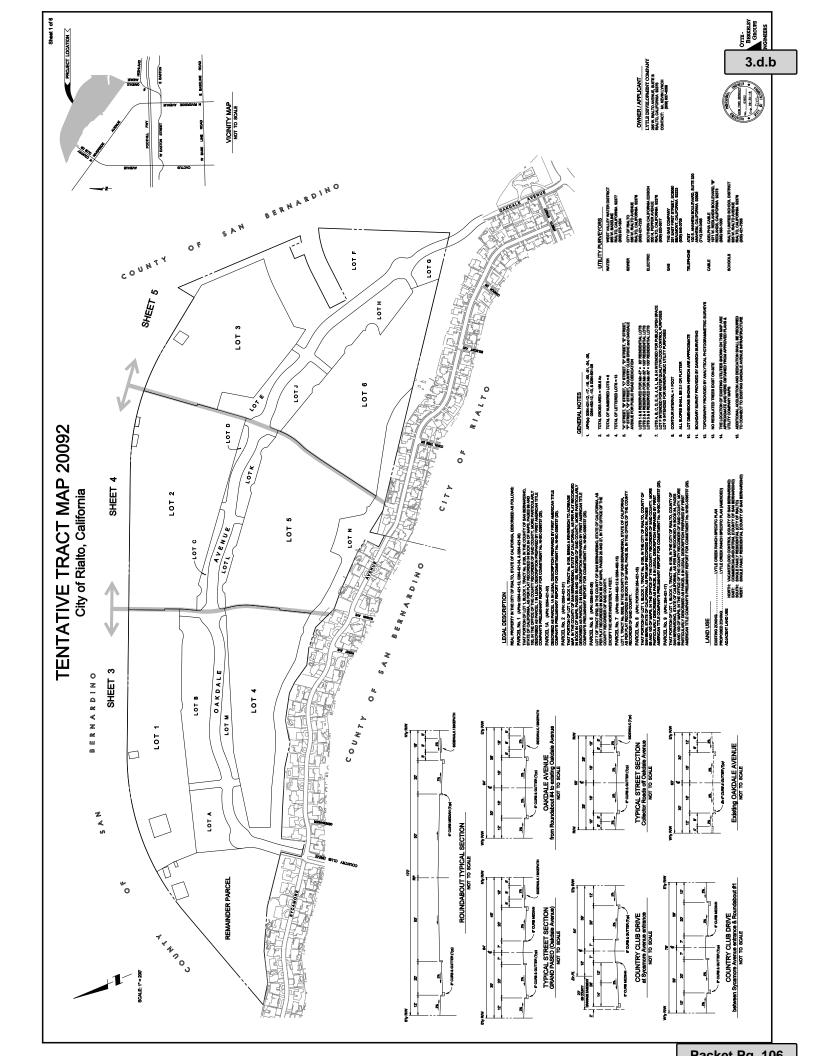
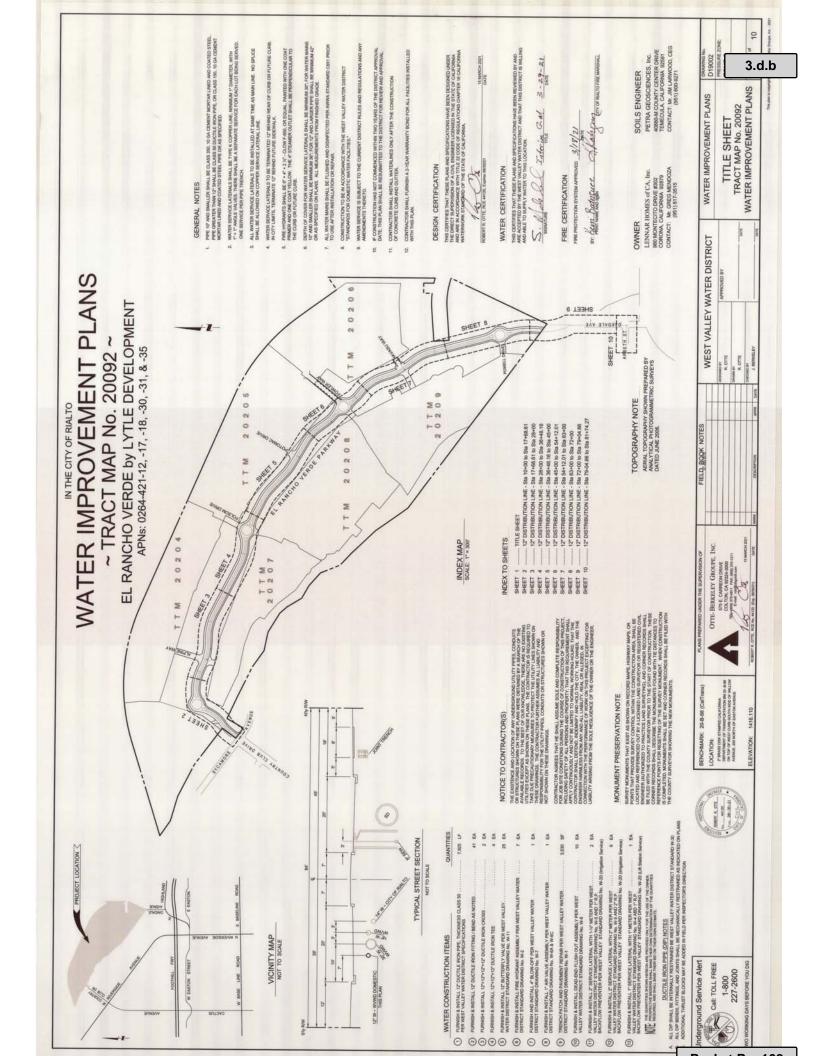
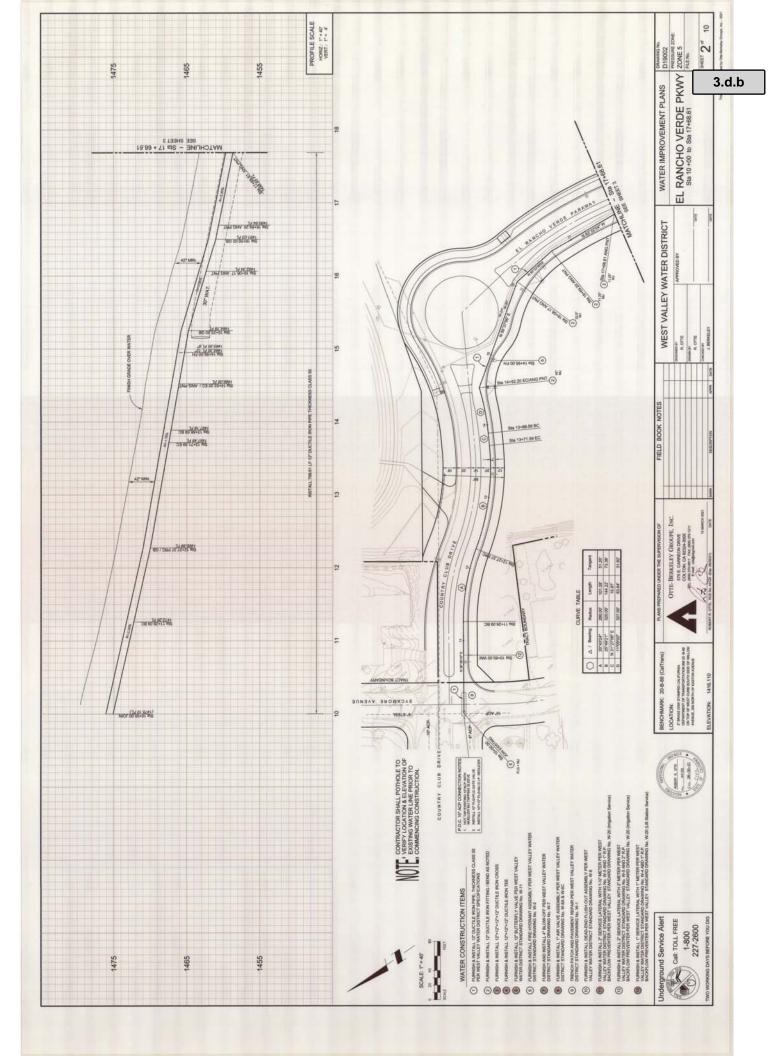
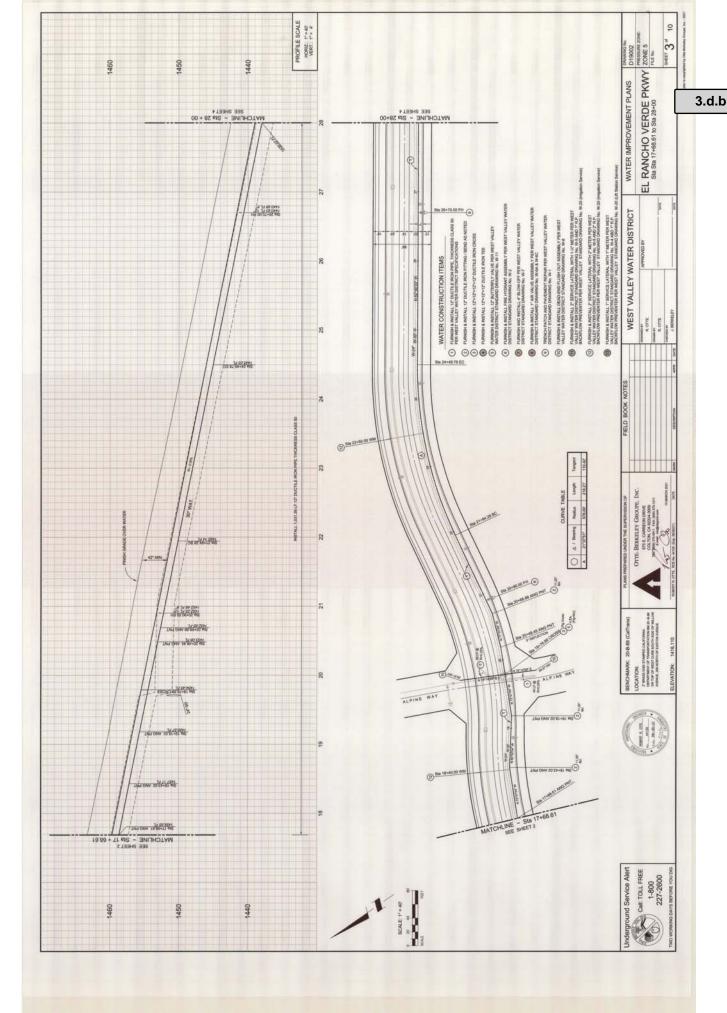
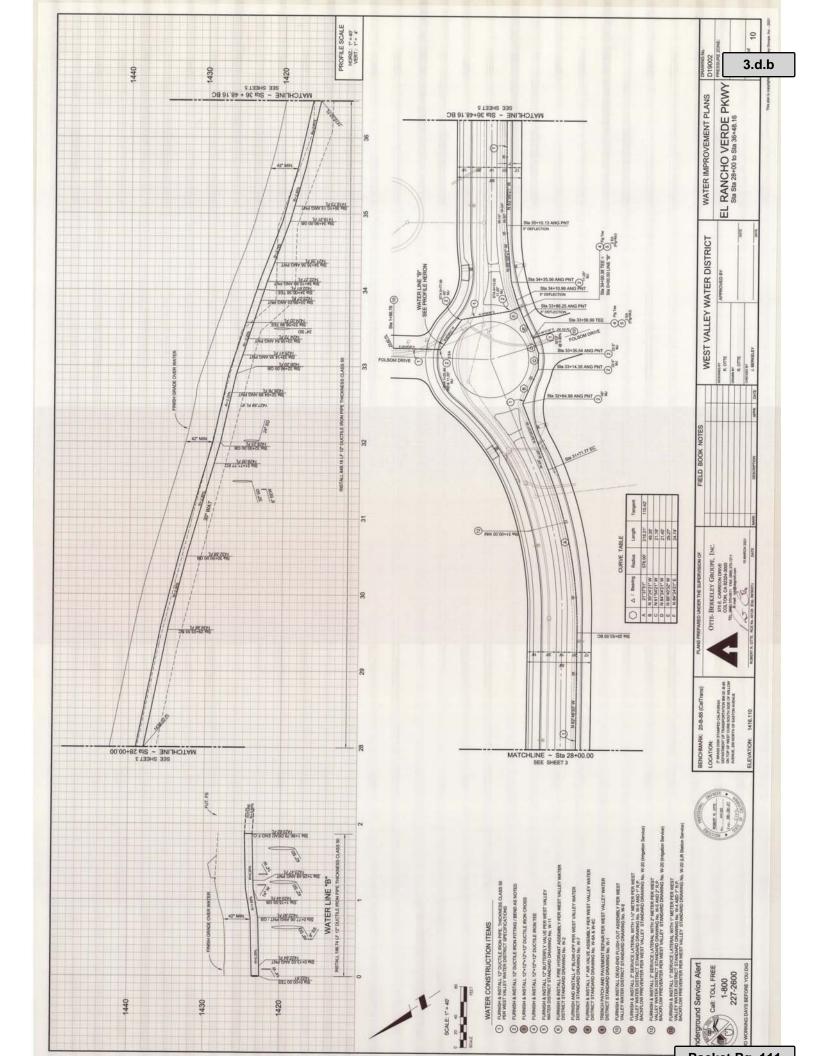


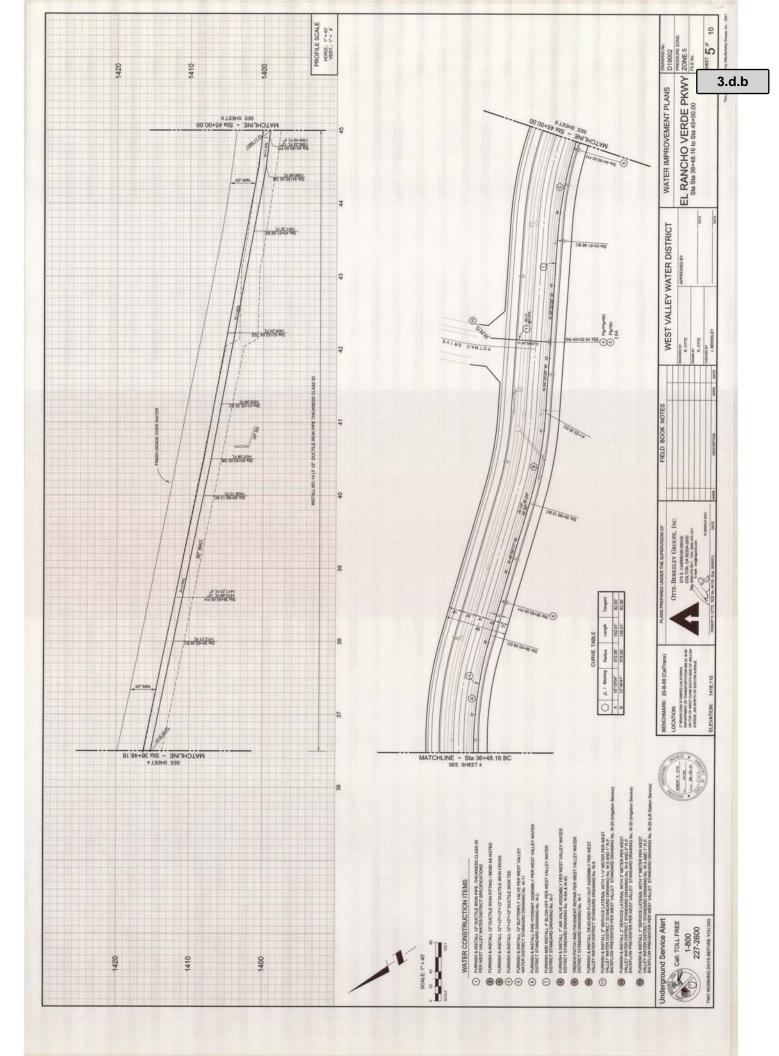
Exhibit B

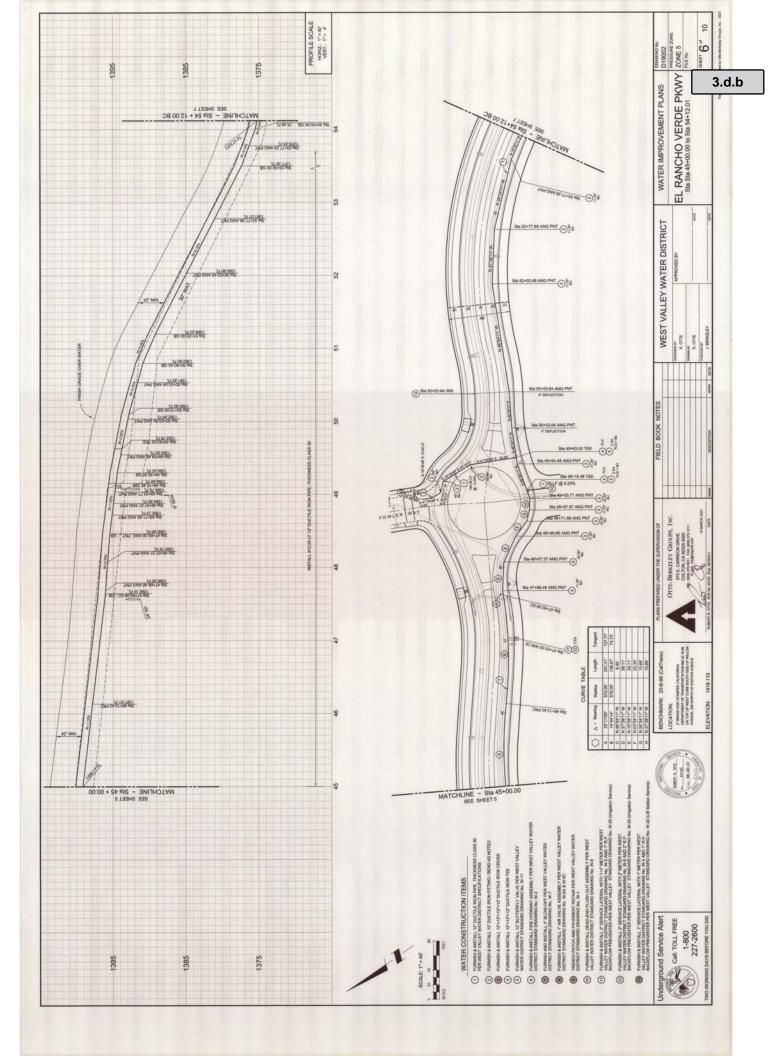


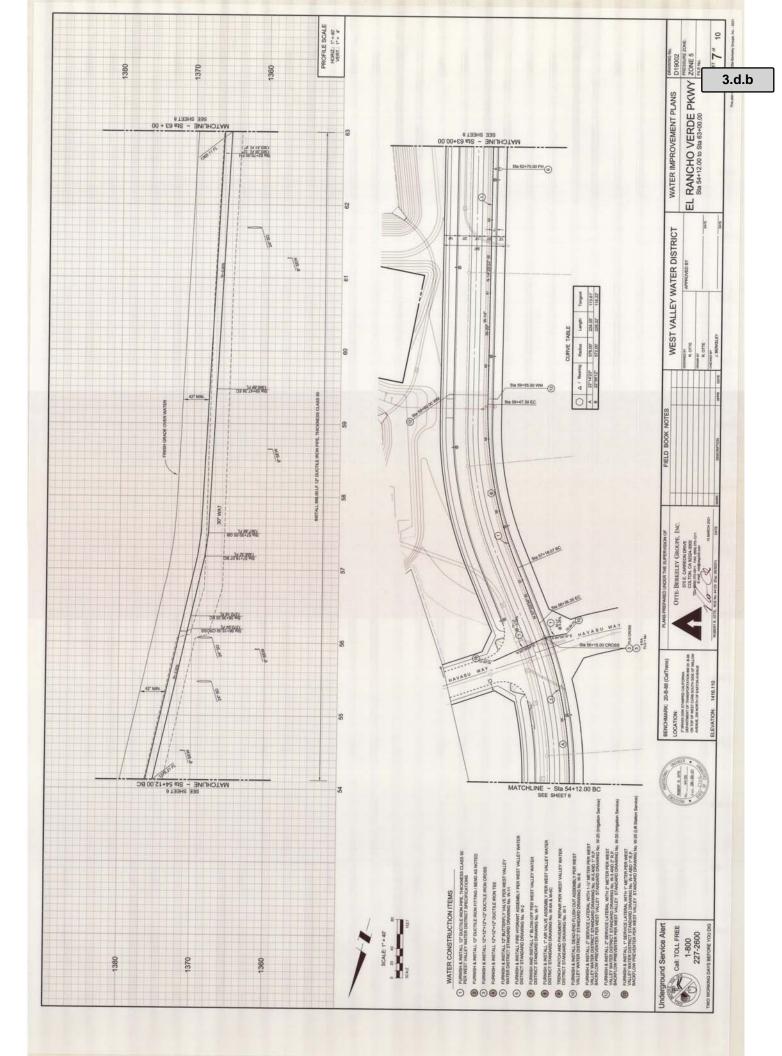


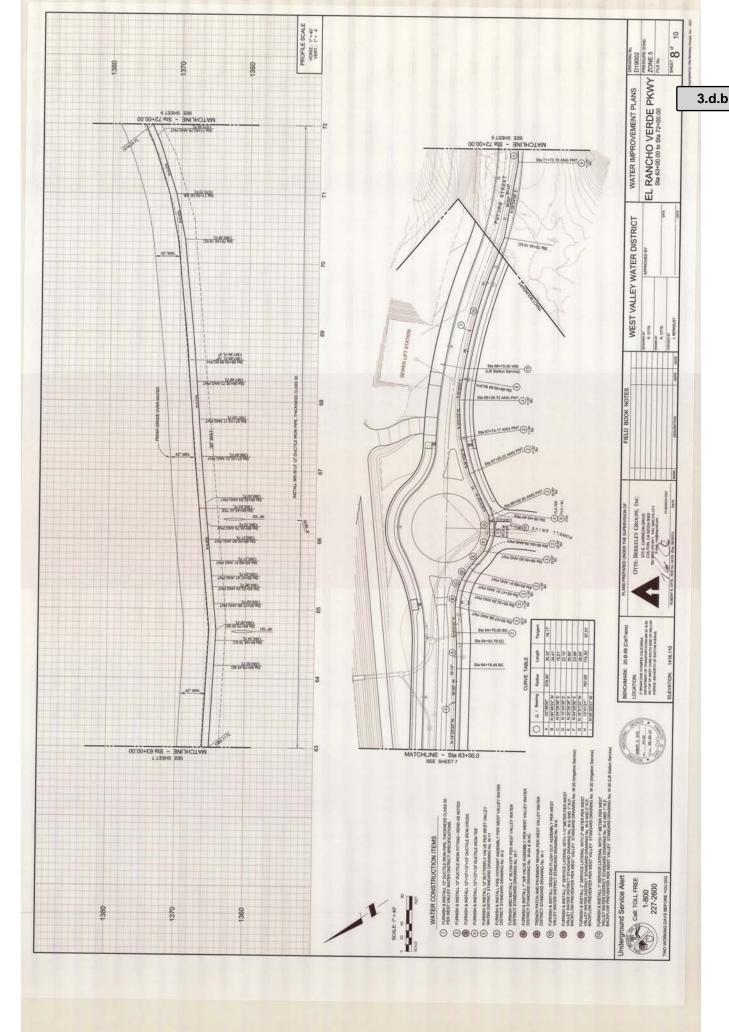


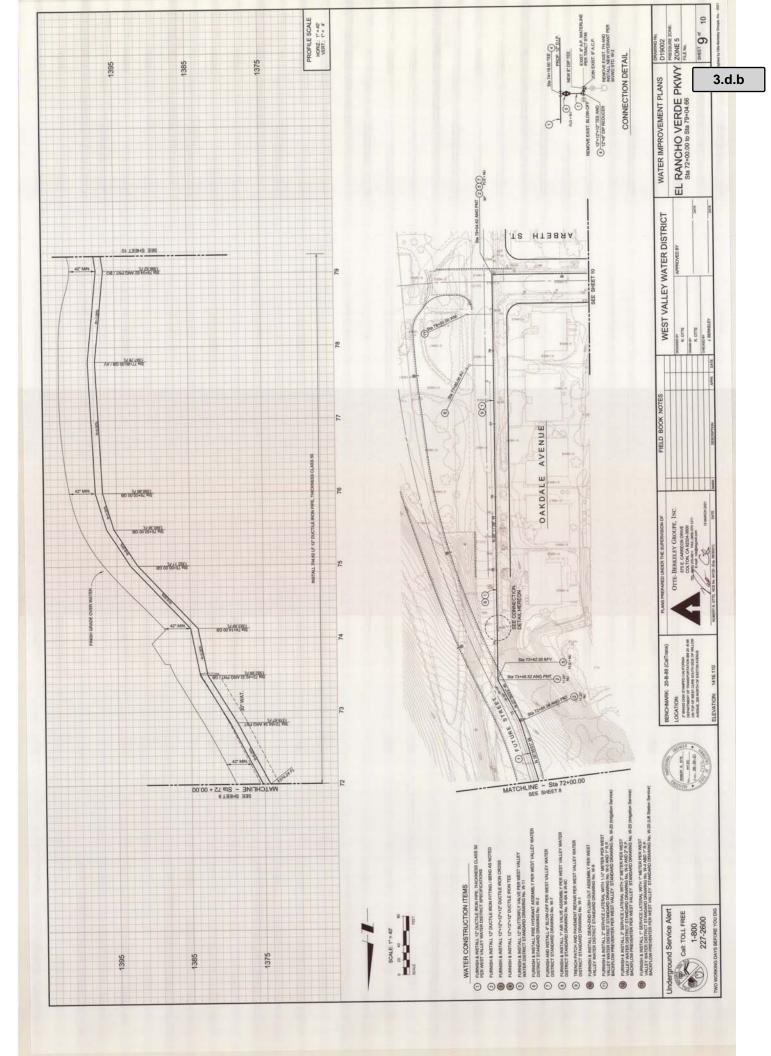












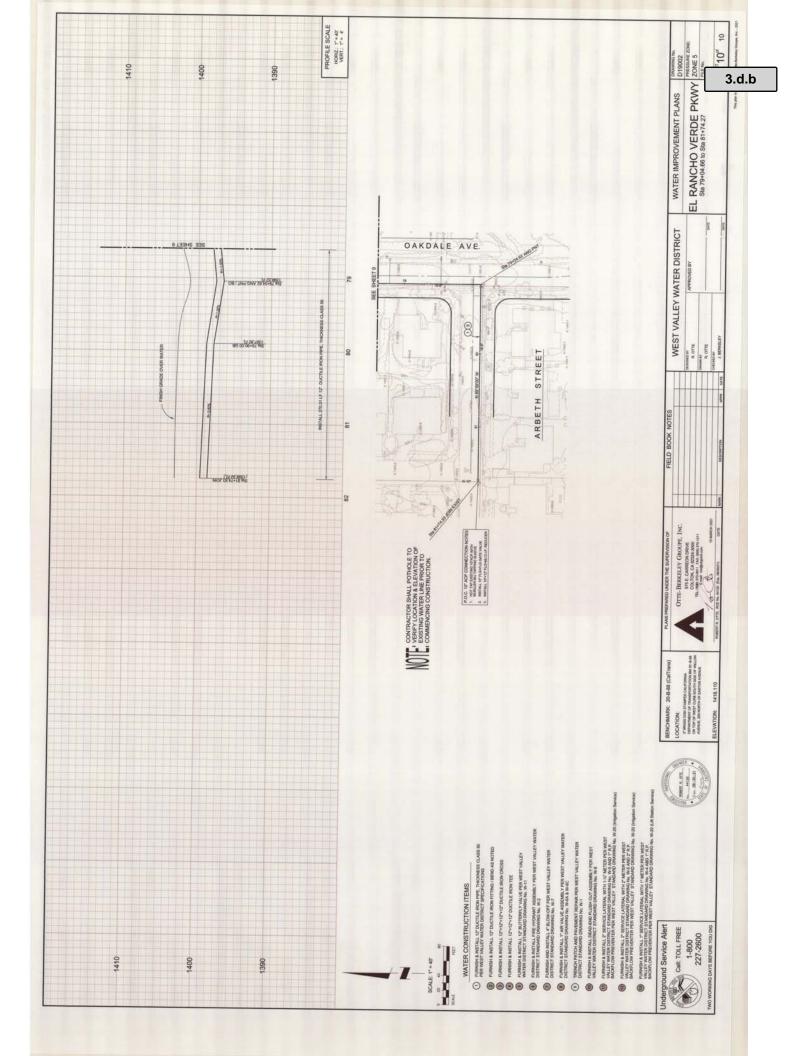


Exhibit C

				Weka, Inc. Attn: Steve Himle Tel: 909-425-8700 Email: wekainc@gmail.com	
ITEM NO.	12" Water Line Improvements	UNIT	QUAN	PRICE	AMOUNT
	WORK PHASE "BB - 1A"				
57.	Furnish and Install 12" DIP, Thickness Class 50, per West Valley Water District Specifications	LF	976	139.00	135.664.0
58.	Furnish and Install 12" Butterfly Valve per West Valley Water District Std. Dwg. No. W-11, including First Raise	EA	3	3,800.00	11,400.0
59.	Furnish and Install 4" Blowoff per West Valley Water District Std. Dwg. No. W-7	EA	1	6.000.00	6.000.0
60.	Furnish and Install 1" Air Valve Assembly per West Valley Water District Std. Dwg. No. W-6A & W-6C	EA	1	4,500.00	4,500.0
61.	Furnish and Install 2" Service Lateral w/1-1/2" Meter per West Valley Water District Std. Dwg. No. W-5 and 1" R.P. Backflow Preventer per West Valley Std. Dwg. No. W-20	EA	1	5,000.00	5,000.0
62.	Remove and Dispose Existing Blowoff and Join Existing 8" ACP, including Pipe, Gate Valve, Tee's, Removal and Replacement of Fire Hydrant, and All Other Appurtenences per Detail on Sheet 9	EA	1	16,000.00	16,000.0
63.	Hot Tap Existing 10" ACP w/Mueller M/J Tapping Sleeve, including All Appurtenances	EA	1	11,500.00	11,500.0
64.	Trench Patch and Pavement Repair per West Valley Water District Std. Dwg. No. W-1	SF	7,876	6.00	47,256.0
65.	Raise Valve Can	EA	4	165.00	660.0
66.	Chlorinate and Pressure Test Pipe per West Valley Water District Standards	LF	976	2.50	2,440.0
	WORK PHASE "BB - 1B"				
67.	Furnish and Install 12" DIP, Thickness Class 50, per West Valley Water District Specifications	LF	3,402	129.00	438,858.0
68.	Furnish and Install 12" Butterfly Valve per West Valley Water District Std. Dwg. No. W-11, including First Raise	EA	14	3,800.00	53,200.0
69.	Furnish and Install Fire Hydrant Assembly per West Valley Water District Std. Dwg. No. W-2	EA	3	10,000.00	30,000.0
70.	Furnish and Install 4" Blowoff per West Valley Water District Std. Dwg. No. W-7	EA	1	7,200.00	7,200.0
71.	Furnish and Install Dead-End Flush Out Assembly for 12" Pipe, per West Valley Water District Std. Dwg. No. W-8	EA	6	4,200.00	25,200.0
72.	Furnish and Install 2" Service Lateral w/2" Meter per West Valley Water District Std. Dwg. No. W-5 and 2" R.P. Backflow Preventer per West Valley Std. Dwg. No. W-20	EA	5	6,200.00	31,000.0
73.	Furnish and Install 2" Service Lateral w/1-1/2" Meter per West Valley Water District Std. Dwg. No. W-5 and 1" R.P. Backflow Preventer per West Valley Std. Dwg. No. W-20	EA	1	4,500.00	4,500.0
74.	Furnish and Install 2" Service Lateral w/1" Meter per West Valley Water District Std. Dwg. No. W-4 and 1" R.P. Backflow Preventer per West Valley Std. Dwg. No. W-20	EA	1	4,500.00	4,500.0
75.	Raise Valve Can	EA	18	165.00	2,970.0
76.	Chlorinate and Pressure Test Pipe per West Valley Water District Standards	LF	3,402	2.00	6,804.0
	WORK PHASE "BB - 2"				
77.	Furnish and Install 12" DIP, Thickness Class 50, per West Valley Water District Specifications	LF	3,526	129.00	454,854.0
78.	Furnish and Install 12" Butterfly Valve per West Valley Water District Std. Dwg. No. W-11, including First Raise	EA	9	3,800.00	34,200.0
79.	Furnish and Install Fire Hydrant Assembly per West Valley Water District Std. Dwg. No. W-2	EA	4	10,500.00	42,000.0
80.	Furnish and Install Dead-End Flush Out Assembly for 12" Pipe, per West Valley Water District Std. Dwg. No. W-8	EA	4	4,200.00	16,800.0
	Furnish and Install 2" Service Lateral w/2" Meter per West Valley Water District Std. Dwg. No. W-5 and 2" R.P. Backflow				
81.	Preventer per West Valley Std. Dwg. No. W-20	EA	4	6,500.00	26,000.0
82.	Hot Tap Existing 10" ACP w/Mueller M/J Tapping Sleeve, including All Appurtenances	EA	1	11,500.00	11,500.0
83.	Trench Patch and Pavement Repair per West Valley Water District Std. Dwg. No. W-1	SF	194	10.00	1,940.0
84.	Raise Valve Can	EA	13	165.00	2,145.0
85.	Chlorinate and Pressure Test Pipe per West Valley Water District Standards	LF	3,526	2.00	7,052.0

Exhibit D



ESTABLISHED AS A PUBLIC AGENCY IN 1952

West Valley Water District's mission is to provide a reliable, safe-drinking water supply to meet our customers' present and future needs at a reasonable cost and to promote water-use efficiency and conservation.

2021 HOLIDAY LIST

FRIDAY, JANUARY 1
MONDAY, JANUARY 18
MONDAY, FEBRUARY 15
TUESDAY, MAY 25
MONDAY, JULY 5
MONDAY, SEPTEMBER 6
THURSDAY, NOVEMBER 11
THURSDAY, NOVEMBER 25
FRIDAY, NOVEMBER 26
THURSDAY, DECEMBER 23
FRIDAY, DECEMBER 24
FRIDAY, DECEMBER 30

THURSDAY, DECEMBER 31

NEW YEAR'S DAY
MARTIN LUTHER KING, JR.
PRESIDENT'S DAY
MEMORIAL DAY
INDEPENDENCE DAY
LABOR DAY
VETERANS DAY (OBSERVED)
THANKSGIVING
DAY AFTER THANKSGIVING
CHRISTMAS EVE
CHRISTMAS
NEW YEAR'S EVE
NEW YEAR'S DAY



BOARD OF DIRECTORS ENGINEERING, OPERATIONS AND PLANNING COMMITTEE STAFF REPORT

DATE: May 12, 2021

TO: Engineering, Operations and Planning Committee

FROM: Shamindra Manbahal, Interim General Manager

SUBJECT: PEPPER AVENUE AT I-10 FREEWAY 24-INCH TRANSMISSION MAIN

PROJECT: UNION PACIFIC RAILROAD COMPANY AGREEMENT

BACKGROUND:

The West Valley Water District's ("District") service area straddles the I-10 Freeway at Pepper Avenue and the District has constructed transmission mains north and south of the freeway. A 24-inch diameter transmission main was constructed on a bridge widening project in Pepper Avenue over the I-10 Freeway. This transmission main terminates south of the east bound off ramp and the new 24-inch transmission main will connect to it and will need to cross under the Union Pacific Railroad Company ("UPRC") by the jack and bore method. The new transmission main will provide improved fire flow and domestic service and will deliver water supply north of the I-10 Freeway to the District's Pressure Zone 2.

DISCUSSION:

On October 20, 2017, the Board of Directors approved the development of construction bid documents for the 24-inch Waterline in Pepper Avenue at the Union Pacific Railway Project. Approximately 204 linear feet of 24-inch diameter cement mortar lined steel pipeline encased in 48-inch diameter casing pipe is within UPRC. The UPRC requires the District to enter into an agreement and pay a fee of \$11,800.00 for the District to access their right-of-way. The Agreement is attached as **Exhibit A**. The Agreement has been reviewed by staff and legal counsel and was found to be in good order.

FISCAL IMPACT:

The agreement fee is \$11,800.00 and additional funds will be needed for the Caltrans permit for a total of \$13,800.00. This item is included in the Fiscal Year 2020/2021 Capital Improvement Budget under W15008 Pepper Avenue at I-10 Freeway 24-inch Transmission Main Project. Additional funds will be needed for the UPRC agreement and Caltrans permit. The District's budget for Contingency has funds available to transfer. A summary of the requested budget transfer is as follows:

CIP FY 2020-2021 Project Name	Current Budget	UPRC Cost	Transfer From/To	Remaining Budget
CONT Contingency	\$32,539.00	\$0.00	(\$13,800.00)	\$18,739.00
W15008 Zone 2 - Pepper Avenue at I-10 24" Transmission Main	\$2,156.00	\$13,800.00	\$13,800.00	\$15,956.00

STAFF RECOMMENDATION:

Staff recommends that this item be submitted for consideration, and that the Board of Directors approve this item and authorize the Interim General Manager to execute the necessary documents.

Respectfully Submitted,

Shamindra Manbahal

Shamindra Manbahal, Interim General Manager

BP:pa

ATTACHMENT(S):

1. Exhibit A - Agreement with UPRC

EXHIBIT A



April 15, 2021 Folder: 03265-92

WEST VALLEY WATER DISTRICT 855 WEST BASELINE P.O. BOX 920 RIALTO CA 92377

Re: Proposed One Underground 24 Inch Encased Water Pipeline Crossing of Railroad Property at Mile Post 537.24 on the Alhambra Subdivision at or near Rialto, San Bernardino County, California

Attached is an original of the agreement covering your use of the Railroad Company's right of way. Please print two copies, execute on your behalf and return ALL DOCUMENTS in one mailed packaged with a check for any payments required, as shown below to 1400 Douglas Street, Omaha, NE 68179-1690, Attn: Daniel Peters.

An original copy of the fully-executed document will be returned to you, when approved and processed by the Railroad Company. Also, please provide a resolution or other authorization for the party executing the documents, *if signature authorization is required by your Entity*.

- Payment in the amount of Eleven Thousand Eight Hundred Dollars (\$11,800.00) is due and payable to Union Pacific Railroad Company upon your execution of the agreement. Please include your payment, with Folder No. 03265-92 noted on that document. If you require formal billing, you may consider this letter as a formal bill and that 94-6001323 is this Corporation's correct Federal Taxpayer Identification Number.
- Railroad Protective Liability Insurance (RPLI) may be obtained from any insurance company which offers such coverage. Union Pacific has also worked with a national broker, Marsh USA, to make available RPLI to you or your contractor. You can find additional information, premium quotes, and application forms at (uprr.marsh.com).

If we have not received the executed documents within six months from the date of this letter, this proposed offer of an agreement is withdrawn and becomes null and void.

If you have any questions, please contact me at depeters 02@up.com.

Sincerely,

Daniel Peters Senior Manager Pipeline Crossing 080808 Last Modified: 06/05/18 Form Approved, AVP-Law Folder No. 03265-92

PIPELINE CROSSING AGREEMENT

Mile Post: 537.24, Alhambra Subdivision Location: Rialto, San Bernardino County, California

THIS AGREEMENT ("Agreement") is made and entered into as of April 15, 2021, ("Effective Date") by and between UNION PACIFIC RAILROAD COMPANY, a Delaware corporation, ("Licensor") and WEST VALLEY WATER DISTRICT, to be addressed at 855 West Baseline, P.O. Box 920Rialto, California 92377 ("Licensee").

IT IS MUTUALLY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

Article 1. <u>LICENSOR GRANTS RIGHT.</u>

- A. In consideration of the license fee to be paid by Licensee set forth below and in further consideration of the covenants and agreements to be performed by Licensee, Licensor hereby grants to Licensee the right to construct and thereafter, during the term hereof, maintain and operate one underground 24 inch encased water only, including any appurtenances required for the operation of said pipeline (collectively, "Licensee's Facilities") across Licensor's real property, trackage, or other facilities located in Rialto, San Bernardino County, State of California ("Railroad Property"). The specific specifications and limited purpose for Licensee's Facilities on, along, across and under Railroad Property are described in and shown on the Print and Specifications dated March 03, 2021, attached hereto as **Exhibit A** and made a part hereof.
- B. Licensee represents and warrants that Licensee's Facilities will (i) only be used for one underground 24 inch encased water, and (ii) not be used to convey any other substance, any fiber optic cable, or for any other use, whether such use is currently technologically possible, or whether such use may come into existence during the life of this Agreement.
- C. Licensee acknowledges that if it or its contractor provides Licensor with digital imagery depicting Licensee's Facilities ("Digital Imagery"), Licensee authorizes Licensor to use the Digital Imagery in preparing **Exhibit A**. Licensee represents and warrants that through a license or otherwise, it has the right to use the Digital Imagery and to permit Licensor to use the Digital Imagery in said manner.

Article 2. <u>LICENSE FEE.</u>

Upon execution of this Agreement, the Licensee shall pay to the Licensor a one-time License Fee of Eleven Thousand Eight Hundred Dollars (\$11,800.00).

Article 3. TERM.

This Agreement shall take effect as of the Effective Date first herein written and shall continue in full force and effect until terminated as provided in the "TERMINATION; REMOVAL OF LICENSEE'S FACILITIES" Section of **Exhibit B**.

Article 4. <u>LICENSEE'S COMPLIANCE WITH GENERAL TERMS.</u>

Licensee represents and warrants that all work on Licensee's Facilities performed by Licensee or its contractors will strictly comply with all terms and conditions set forth herein, including the General Terms and Conditions, attached hereto as Exhibit B and made a part hereof.

Article 5. <u>INSURANCE</u>.

- A. During the term of this Agreement, Licensee shall fully comply or cause its contractor(s) to fully comply with the insurance requirements described in **Exhibit C**, attached hereto and made a part hereof. Upon request only, Licensee shall send copies of all insurance documentation (e.g., certificates, endorsements, etc.) to Licensor at the address listed in the "NOTICES" Section of this Agreement.
- B. If Licensee is subject to statute(s) limiting its insurance liability and/or limiting its ability to obtain insurance in compliance with **Exhibit C** of this Agreement, those statutes shall apply.

DEFINITION OF LICENSEE.

For purposes of this Agreement, all references in this Agreement to Licensee will include Licensee's contractors, subcontractors, officers, agents and employees, and others acting under its or their authority (collectively, a "Contractor"). If a Contractor is hired by Licensee to perform any work on Licensee's Facilities (including initial construction and subsequent relocation, maintenance, and/or repair work), then Licensee shall provide a copy of this Agreement to its Contractor(s) and require its Contractor(s) to comply with all terms and conditions of this Agreement, including the indemnification requirements set forth in the "INDEMNITY" Section of **Exhibit B**. Licensee shall require any Contractor to release, defend, and indemnify Licensor to the same extent and under the same terms and conditions as Licensee is required to release, defend, and indemnify Licensor herein.

Article 7. <u>ATTORNEYS' FEES, EXPENSES, AND COSTS</u>.

If litigation or other court action or similar adjudicatory proceeding is undertaken by Licensee or Licensor to enforce its rights under this Agreement, all fees, costs, and expenses, including, without limitation, reasonable attorneys' fees and court costs, of the prevailing Party in such action, suit, or proceeding shall be reimbursed or paid by the Party against whose interest the judgment or decision is rendered. The provisions of this Article shall survive the termination of this Agreement.

Article 8. <u>WAIVER OF BREACH</u>.

The waiver by Licensor of the breach of any condition, covenant or agreement herein contained to be kept, observed and performed by Licensee shall in no way impair the right of Licensor to avail itself of any remedy for any subsequent breach thereof.

Article 9. ASSIGNMENT.

A. Licensee shall not assign this Agreement, in whole or in part, or any rights herein granted, without the written consent of Licensor, which must be requested in writing by Licensee. Any assignment or attempted transfer of this Agreement or any of the rights herein granted, whether voluntary, by operation of law, or otherwise, without Licensor's written consent, will be absolutely void and may result in Licensor's termination of this Agreement pursuant to the "TERMINATION; REMOVAL OF LICENSEE'S FACILITIES" Section of **Exhibit B.**

B. Upon Licensor's written consent to any assignment, this Agreement will be binding upon and inure to the benefit of the parties thereto, successors, heirs, and assigns, executors, and administrators.

Article 10. <u>SEVERABILITY</u>.

Any provision of this Agreement which is determined by a court of competent jurisdiction to be invalid or unenforceable shall be invalid or unenforceable only to the extent of such determination, which shall not invalidate or otherwise render ineffective any other provision of this Agreement.

Article 11. NOTICES.

Except Licensee's commencement of work notice(s) required under **Exhibit B**, all other notices required by this Agreement must be in writing, and (i) personally served upon the business address listed below ("Notice Address"), (ii) sent overnight via express delivery by a nationally recognized overnight delivery service such as Federal Express Corporation or United Parcel Service to the Notice Address, or (iii) by certified mail, return receipt requested to the Notice Address. Overnight express delivery notices will be deemed to be given upon receipt. Certified mail notices will be deemed to be given three (3) days after deposit with the United States Postal Service.

If to Licensor: Union Pacific Railroad Company

Attn: Analyst – Real Estate Utilities (Folder No. 03265-92)

1400 Douglas Street, MS 1690 Omaha, Nebraska 68179

If to Licensee: WEST VALLEY WATER DISTRICT

855 West Baseline Rialto, California 92377

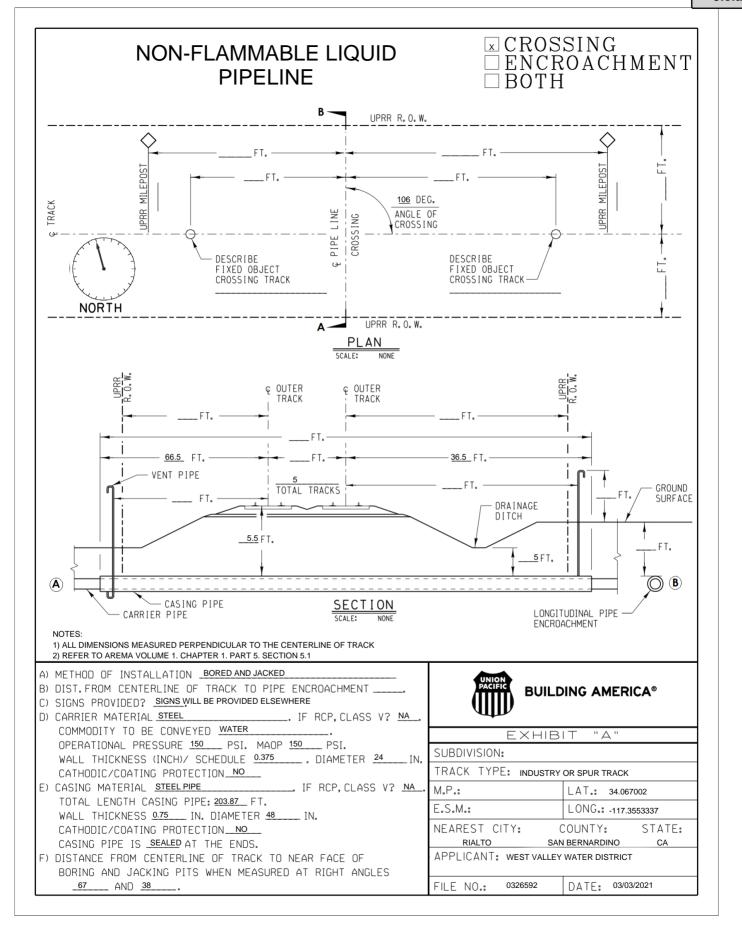
Article 12. SPECIAL PROVISION – CONSTRUCTION OBSERVATION.

Licensor requires Licensee to provide monitoring of tracks and construction observation through Licensor approved observer named below during all construction and installation work. Licensee is to directly coordinate services with the named inspector:

Railpros Field Services
Email: RP.Utility@railpros.com
Phone (682)223-5271

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first herein written.

UNION PACIFIC RAILROAD COMPANY	WEST VALLEY WATER DISTRICT			
By:	By:			
Daniel Peters Senior Manager	By:Channing Hawkins, President			
	Ву:			
	Shamindra Manbahal			
	Interim General Manager			
	APPROVED AS TO FORM:			
	TAFOYA LAW GROUP, APC			
	D.			
	By: Robert Tafoya			
	Kooti Taioya			



Pipeline Crossing 06/05/18 Form Approved, AVP Law

EXHIBIT B

GENERAL TERMS AND CONDITIONS

Section 1. <u>LIMITATION AND SUBORDINATION OF RIGHTS GRANTED</u>.

- A. The foregoing grant is subject and subordinate to the prior and continuing right and obligation of Licensor to use and maintain its entire property including the right and power of Licensor to construct, maintain, repair, renew, use, operate, change, modify or relocate railroad tracks, signal, communication, fiber optics, or other wirelines, pipelines and other facilities upon, along or across any or all parts of its property, all or any of which may be freely done at any time or times by Licensor without liability to Licensee or to any other party for compensation or damages.
- B. The foregoing grant is also subject to all outstanding superior rights (including those in favor of licensees and lessees of Railroad Property) and the right of Licensor to renew and extend the same, and is made without covenant of title or for quiet enjoyment. It shall be Licensee's sole obligation to obtain such additional permission, license and grants necessary on account of any such existing rights.

Section 2. <u>ENGINEERING REOUIREMENTS: PERMITS.</u>

- A. Licensee's Facilities will be designed, constructed, operated, maintained, repaired, renewed, modified, reconstructed, removed, or abandoned in place on Railroad Property by Licensee or its contractor to Licensor's satisfaction and in strict conformity with: (i) Licensor's current engineering standards and specifications, including those for shoring and cribbing to protect Licensor's railroad operations and facilities ("UP Specifications"), except for variances approved in advance in writing by Licensor's Assistant Vice President Engineering Design or its authorized representative ("UP Engineering Representative"); (ii) such other additional safety standards as Licensor, in its sole discretion, elects to require, including, without limitation, American Railway Engineering and Maintenance-of-Way Association ("AREMA") standards and guidelines (collectively, "UP Additional Requirements"); and (iii) all applicable laws, rules, and regulations, including any applicable Federal Railroad Administration and Federal Energy Regulatory Commission regulations and enactments (collectively, "Laws"). If there is any conflict between UP Specifications, UP Additional Requirements, and Laws, the most restrictive will apply.
- B. Licensee shall keep the soil over Licensee's Facilities thoroughly compacted, and maintain the grade over and around Licensee's Facilities even with the surface of the adjacent ground.
- C. If needed, Licensee shall secure, at Licensee's sole cost and expense, any and all necessary permits required to perform any work on Licensee's Facilities.

Section 3. NOTICE OF COMMENCEMENT OF WORK: EMERGENCIES.

A. Licensee and its contractors are strictly prohibited from commencing any work associated with Licensee's Facilities without Licensor's written approval that the work will be in strict compliance with the "ENGINEERING REQUIREMENTS; PERMITS" Section of this Exhibit B. Upon Licensor's approval, Licensee shall contact both of Licensor's field representatives ("Licensor's Field Representatives") at least ten (10) days before commencement of any work on Licensee's Facilities.

- B. Licensee shall not commence any work until: (1) Licensor has determined whether flagging or other special protective or safety measures ("Safety Measures") are required for performance of the work pursuant to the "FLAGGING" Section of this **Exhibit B** and provided Licensee written authorization to commence work; and (2) Licensee has complied with the "PROTECTION OF FIBER OPTIC CABLE SYSTEMS" Section of this **Exhibit B**.
- C. If, at any time, an emergency arises involving Licensee's Facilities, Licensee or its contractor shall immediately contact Licensor's Response Management Communications Center at (888) 877-7267.

Section 4. <u>FLAGGING</u>.

- A. Following Licensee's notice to Licensor's Field Representatives required under the "NOTICE OF COMMENCEMENT OF WORK; EMERGENCIES" Section of this **Exhibit B**, Licensor shall inform Licensee if Safety Measures are required for performance of the work by Licensee or its contractor on Railroad Property. If Safety Measures are required, no work of any kind may be performed by Licensee or its contractor(s) until arrangements for the Safety Measures have been made and scheduled. If no Safety Measures are required, Licensor will give Licensee written authorization to commence work.
- B. If any Safety Measures are performed or provided by Licensor, including but not limited to flagging, Licensor shall bill Licensee for such expenses incurred by Licensor, unless Licensor and a federal, state, or local governmental entity have agreed that Licensor is to bill such expenses to the federal, state, or local governmental entity. Additional information regarding the submission of such expenses by Licensor and payment thereof by Licensee can be found in the "LICENSEE'S PAYMENT OF EXPENSES" Section of this **Exhibit B**. If Licensor performs any Safety Measures, Licensee agrees that Licensee is not relieved of any of responsibilities or liabilities set forth in this Agreement.
- C. For flagging, the rate of pay per hour for each flagger will be the prevailing hourly rate in effect for an eight-hour day for the class of flagmen used during regularly assigned hours and overtime in accordance with Labor Agreements and Schedules in effect at the time the work is performed. In addition to the cost of such labor, a composite charge for vacation, holiday, health and welfare, supplemental sickness, Railroad Retirement and unemployment compensation, supplemental pension, Employees Liability and Property Damage, and Administration will be included, computed on actual payroll. The composite charge will be the prevailing composite charge in effect at the time the work is performed. One and one-half times the current hourly rate is paid for overtime, Saturdays and Sundays, and two and one-half times current hourly rate for holidays. Wage rates are subject to change, at any time, by law or by agreement between Licensor and its employees, and may be retroactive as a result of negotiations or a ruling of an authorized governmental agency. Additional charges on labor are also subject to change. If the wage rate or additional charges are changed, Licensee (or the governmental entity, as applicable) shall pay on the basis of the new rates and charges.
- D. Reimbursement to Licensor will be required covering the full eight-hour day during which any flagger is furnished, unless the flagger can be assigned to other railroad work during a portion of such day, in which event reimbursement will not be required for the portion of the day during which the flagger is engaged in other railroad work. Reimbursement will also be required for any day not actually worked by the flaggers following the flaggers' assignment to work on the project for which Licensor is required to pay the flaggers and which could not reasonably be avoided by Licensor by assignment of such flaggers to other work, even though Licensee may not be working during such time. When it becomes necessary for Licensor to bulletin and assign an employee to a flagging position in

compliance with union collective bargaining agreements, Licensee must provide Licensor a minimum of five (5) days notice prior to the cessation of the need for a flagger. If five (5) days notice of cessation is not given, Licensee will still be required to pay flagging charges for the days the flagger was scheduled, even though flagging is no longer required for that period. An additional ten (10) days notice must then be given to Licensor if flagging services are needed again after such five day cessation notice has been given to Licensor.

Section 5. <u>SAFETY</u>.

A. Safety of personnel, property, rail operations and the public is of paramount importance in the prosecution of any work on Railroad Property performed by Licensee or its contractor, and takes precedence over any work on Licensee's Facilities to be performed Licensee or its contractors. Licensee shall be responsible for initiating, maintaining and supervising all safety operations and programs in connection with any work on Licensee's Facilities. Licensee and its contractor shall, at a minimum comply, with Licensor's then current safety standards located at the below web address ("Licensor's Safety Standards") to ensure uniformity with the safety standards followed by Licensor's own forces. As a part of Licensee's safety responsibilities, Licensee shall notify Licensor if it determines that any of Licensor's Safety Standards are contrary to good safety practices. Licensee and its contractor shall furnish copies of Licensor's Safety Standards to each of its employees before they enter Railroad Property.

Union Pacific Current Safety Requirements

- B. Licensee shall keep the job site on Railroad Property free from safety and health hazards and ensure that their employees are competent and adequately trained in all safety and health aspects of the work.
- C. Licensee represents and warrants that all parts of Licensee's Facilities within and outside of the limits of Railroad Property will not interfere whatsoever with the constant, continuous, and uninterrupted use of the tracks, property, and facilities of Licensor, and nothing shall be done or suffered to be done by Licensee at any time that would in any manner impair the safety thereof.
- D. Licensor's operations and work performed by Licensor's personnel may cause delays in Licensee's or its contractor's work on Licensee's Facilities. Licensee accepts this risk and agrees that Licensor shall have no liability to Licensee or any other person or entity for any such delays. Licensee must coordinate any work on Railroad Property by Licensee or any third party with Licensor's Field Representatives in strict compliance with the "NOTICE OF COMMENCEMENT OF WORK; EMERGENCIES" Section of this **Exhibit**
- E. Licensor shall have the right, if it so elects, to provide any support it deems necessary for the safety of Licensor's operations and trackage during Licensee's or its contractor's construction, maintenance, repair, renewal, modification, relocation, reconstruction, or removal of Licensee's Facilities. In the event Licensor provides such support, Licensor shall invoice Licensee, and Licensee shall pay Licensor as set forth in the "LICENSEE'S PAYMENT OF EXPENSES" Section of this **Exhibit B**.
- F. Licensee may use unmanned aircraft systems ("UAS") to inspect Licensee's Facilities only upon the prior authorization from and under the direction of Licensor's Field Representatives. Licensee represents and warrants that its use of UAS on Railroad Property will comply with Licensor's then-current Unmanned Aerial Systems Policy and all applicable laws, rules and regulations, including any applicable Federal Aviation Administration regulations and enactments pertaining to UAS.

Section 6. PROTECTION OF FIBER OPTIC CABLE SYSTEMS.

Fiber optic cable systems may be buried on Railroad Property. Protection of the fiber optic cable systems is of extreme importance since any break could disrupt service to users resulting in business interruption and loss of revenue and profits. In addition to the notifications required under the "NOTICE OF COMMENCEMENT OF WORK; EMERGENCIES" Section of this **Exhibit B**, Licensee shall telephone Licensor during normal business hours (7:00 a.m. to 9:00 p.m. Central Time, Monday through Friday, except for holidays) at 1-800-336-9193 (also a 24-hour, 7-day number for emergency calls) to determine if fiber optic cable is buried anywhere on Railroad Property to be used by Licensee. If it is, Licensee shall telephone the telecommunications company(ies) involved, and arrange for a cable locator, make arrangements for relocation or other protection of the fiber optic cable, all at Licensee's expense, and will not commence any work on Railroad Property until all such protection or relocation has been completed.

Section 7. LICENSEE'S PAYMENT OF EXPENSES.

- A. Licensee shall bear the entire cost and expense of the design, construction, maintenance, modification, reconstruction, repair, renewal, revision, relocation, or removal of Licensee's Facilities.
- B. Licensee shall fully pay for all materials joined, affixed to and labor performed on Railroad Property in connection with the construction, maintenance, modification, reconstruction, repair, renewal, revision, relocation, or removal of Licensee's Facilities, and shall not permit or suffer any mechanic's or materialman's lien of any kind or nature to be enforced against the property for any work done or materials furnished thereon at the instance or request or on behalf of Licensee. Licensee shall promptly pay or discharge all taxes, charges, and assessments levied upon, in respect to, or on account of Licensee's Facilities, to prevent the same from becoming a charge or lien upon any property of Licensor, and so that the taxes, charges, and assessments levied upon or in respect to such property shall not be increased because of the location, construction, or maintenance of Licensee's Facilities or any improvement, appliance, or fixture connected therewith placed upon such property, or on account of Licensee's interest therein. Where such tax, charge, or assessment may not be separately made or assessed to Licensee but shall be included in the assessment of the property of Licensor, then Licensee shall pay to Licensor an equitable proportion of such taxes determined by the value of Licensee's property upon property of Licensor as compared with the entire value of such property.
- C. As set forth in the "FLAGGING" Section of this **Exhibit B**, Licensor shall have the right, if it so elects, to provide any Safety Measures Licensor deems necessary for the safety of Licensor's operations and trackage during Licensee's or its contractor's construction, maintenance, modification, reconstruction, repair, renewal, revision, relocation, or removal of Licensee's Facilities, including, but not limited to supervision, inspection, and flagging services. In the event Licensor provides such Safety Measures, Licensor shall submit an itemized invoice to Licensee's notice recipient listed in the "NOTICES" Article of this Agreement. Licensee shall pay to Licensor the total amount listed on such invoice within thirty (30) days of Licensee's receipt of such invoice.

Section 8. MODIFICATIONS TO LICENSEE'S FACILITIES.

A. This grant is subject to Licensor's safe and efficient operation of its railroad, and continued use and improvement of Railroad Property (collectively, "Railroad's Use"). Accordingly, Licensee shall, at its sole cost and expense, modify, reconstruct, repair, renew, revise, relocate, or remove (individually, "Modification", or collectively, "Modifications") all or any portion of Licensee's Facilities as Licensor may designate or identify, in its sole discretion, in the furtherance of Railroad's Use.

B. Upon any Modification of all or any portion of Licensee's Facilities to another location on Railroad Property, Licensor and Licensee shall execute a Supplemental Agreement to this Pipeline Agreement to document the Modification(s) to Licensee's Facilities on Railroad Property. If the Modifications result in Licensee's Facilities moving off of Railroad Property, this Agreement will terminate upon Licensee's completion of such Modification(s) and all requirements contained within the "TERMINATION; REMOVAL OF LICENSEE'S FACILITIES" Section of this **Exhibit B**. Any such Modification(s) off of Railroad Property will not release Licensee from any liability or other obligation of Licensee arising prior to and upon completion of any such Modifications to the Licensee's Facilities.

Section 9. RESTORATION OF RAILROAD PROPERTY.

In the event Licensee, in any manner moves or disturbs any property of Licensor in connection with the construction, maintenance, modification, reconstruction, repair, renewal, revision, relocation, or removal of Licensee's Facilities, then, Licensee shall, as soon as possible and at Licensee's sole cost and expense, restore Licensor's property to the same condition as the same were before such property was moved or disturbed.

Section 10. <u>INDEMNITY</u>.

- A. Definitions. As used in this Section:
 - 1. "Licensor" includes Licensor, its affiliates, its and their officers, directors, agents and employees, and other railroad companies using Railroad Property at or near the location of Licensee's installation and their officers, directors, agents, and employees.
 - 2. "Licensee" includes Licensee and its agents, contractors, subcontractors, employees, officers, and directors, or any other person or entity acting on its behalf or under its control.
 - 3. "Loss" includes claims, suits, taxes, loss, damages (including punitive damages, statutory damages, and exemplary damages), costs, charges, assessments, judgments, settlements, liens, demands, actions, causes of action, fines, penalties, interest, and expenses of any nature, including court costs, reasonable attorneys' fees and expenses, investigation costs, and appeal expenses.
- B. Licensee shall release, defend, indemnify, and hold harmless Licensor from and against any and all Loss, even if groundless, fraudulent, or false, that directly or indirectly arises out of or is related to Licensee's construction, maintenance, modification, reconstruction, repair, renewal, revision, relocation, removal, presence, use, or operation of Licensee's Facilities, including, but not limited to, any actual or alleged:
 - 1. Bodily harm or personal injury (including any emotional injury or disease) to, or the death of, any person(s), including, but not limited to, Licensee, Licensor, any telecommunications company, or the agents, contractors, subcontractors, or employees of the foregoing;
 - 2. Damage to or the disturbance, loss, movement, or destruction of Railroad Property, including loss of use and diminution in value, including, but not limited to, any telecommunications system(s) or fiber optic cable(s) on or near Railroad

- Property, any property of Licensee or Licensor, or any property in the care, custody, or control of Licensee or Licensor;
- 3. Removal of person(s) from Railroad Property;
- 4. Any delays or interference with track or Railroad's Use caused by Licensee's activity(ies) on Railroad Property, including without limitation the construction, maintenance, modification, reconstruction, repair, renewal, revision, relocation, or removal of Licensee's Facilities or any part thereof, any activities, labor, materials, equipment, or machinery in conjunction therewith;
- 5. Right(s) or interest(s) granted pursuant to this Agreement;
- 6. Contents escaping from Licensee's Facilities, including without limitation any actual or alleged pollution, contamination, breach, or environmental Loss;
- 7. Licensee's breach of this Agreement or failure to comply with its provisions, including, but not limited to, any violation or breach by Licensee of any representations and warranties Licensee has made in this Agreement; and
- 8. Violation by Licensee of any law, statute, ordinance, governmental administrative order, rule, or regulation, including without limitation all applicable Federal Railroad Administration regulations.
- C. THE FOREGOING OBLIGATIONS SHALL APPLY TO THE FULLEST EXTENT PERMITTED BY LAW FOR THE BENEFIT OF LICENSOR TO LOSSES CAUSED BY, ARISING FROM, RELATING TO, OR RESULTING FROM, IN WHOLE OR IN PART, THE NEGLIGENCE OF LICENSOR, AND SUCH NEGLIGENCE OF LICENSOR SHALL NOT LIMIT, DIMINISH, OR PRECLUDE LICENSEE'S OBLIGATIONS TO LICENSOR IN ANY RESPECT. NOTWITHSTANDING THE FOREGOING, SUCH OBLIGATION TO INDEMNIFY LICENSOR SHALL NOT APPLY TO THE EXTENT THE LOSS IS CAUSED BY THE SOLE, ACTIVE AND DIRECT NEGLIGENCE, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT OF LICENSOR AS DETERMINED IN A FINAL JUDGMENT BY A COURT OF COMPETENT JURISDICTION.

Section 11. <u>TERMINATION; REMOVAL OF LICENSEE'S FACILITIES</u>.

- A. If Licensee does not use the right herein granted on Licensee's Facilities for one (1) year, or if Licensee continues in default in the performance of any provision of this Agreement for a period of thirty (30) days after written notice from Licensor to Licensee specifying such default, Licensor may, at its sole discretion, terminate this Agreement by written notice to Licensee at the address listed in the "NOTICES" Article of this Agreement. This Agreement will not terminate until Licensee complies with Paragraphs "C" and "D" of this Section found below.
- B. In addition to the provisions of Paragraph "A" above, this Agreement may be terminated by written notice given by either party, without cause, upon thirty (30) days written notice to the non-terminating party at the address listed in the "NOTICES" Article of this Agreement. This Agreement will not terminate until Licensee complies with Paragraphs "C" and "D" of this Section found below.
- C. Prior to the effective date of any termination described in this Section, Licensee shall submit an application to Licensor's online Utility Contracts System at this link for Licensee's removal, or if applicable, abandonment in place of Licensee's Facilities located on Railroad Property ("Removal/Abandonment

Work"). Upon the UP Engineering Representative's approval of Licensee's application for the Removal/Abandonment Work, Licensor and Licensee shall execute a separate consent document that will govern Licensee's performance of the Removal/Abandonment Work from those portions of Railroad Property not occupied by roadbed and/or trackage ("Consent Document"). Licensee shall then restore the impacted Railroad Property to the same or reasonably similar condition as it was prior to Licensee's installation of Licensee's Facilities. For purposes of this Section, Licensee's (i) performance of the Removal/Abandonment Work, and (ii) restoration work will hereinafter be collectively referred to as the "Restoration Work".

- D. Following Licensee's completion of the Restoration Work, Licensee shall provide a written certification letter to Licensor at the address listed in the "NOTICES" Article of this Agreement which certifies that the Restoration Work has been completed in accordance with the Consent Document. Licensee shall report to governmental authorities, as required by law, and notify Licensor immediately if any environmental contamination is discovered during Licensee's performance of the Restoration Work. Upon discovery, the Licensee shall initiate any and all removal, remedial and restoration actions that are necessary to restore the property to its original, uncontaminated condition. Licensee shall provide written certification to Licensor at the address listed in the "NOTICES" Article of this Agreement that environmental contamination has been remediated and the property has been restored in accordance with Licensor's requirements. Upon Licensor's receipt of Licensee's restoration completion certifications, this Agreement will terminate.
- E. In the event that Licensee fails to complete any of the Restoration Work, Licensor may, but is not obligated, to perform the Restoration Work. Any such work actually performed by Licensor will be at the cost and expense of Licensee. In the event that Licensor performs any of the Restoration Work, Licensee shall release Licensor from any and all Loss (defined in the "INDEMNITY" Section of this **Exhibit B**) arising out of or related to Licensor's performance of the Restoration Work.
- F. Termination of this Agreement for any reason will not affect any of rights or obligations of the parties which may have accrued, or liabilities or Loss (defined in the "INDEMNITY" Section of this **Exhibit B)**, accrued or otherwise, which may have arisen prior to such termination.

EXHIBIT C

INSURANCE REQUIREMENTS

In accordance with Article 5 of this Agreement, Licensee shall (1) procure and maintain at its sole cost and expense, or (2) require its Contractor(s) to procure and maintain, at their sole cost and expense, the following insurance coverage:

A. <u>Commercial General Liability Insurance</u>. Commercial general liability (CGL) with a limit of not less than \$2,000,000 each occurrence and an aggregate limit of not less than \$4,000,000. CGL insurance must be written on ISO occurrence form CG 00 01 12 04 (or a substitute form providing equivalent coverage).

The policy must also contain the following endorsement, WHICH MUST BE STATED ON THE CERTIFICATE OF INSURANCE:

- Contractual Liability Railroads ISO form CG 24 17 10 01 (or a substitute form providing equivalent coverage) showing "Union Pacific Railroad Company Property" as the Designated Job Site.
- **B.** Business Automobile Coverage Insurance. Business auto coverage written on ISO form CA 00 01 10 01 (or a substitute form providing equivalent liability coverage) with a limit of not less \$2,000,000 for each accident, and coverage must include liability arising out of any auto (including owned, hired, and non-owned autos).

The policy must contain the following endorsements, WHICH MUST BE STATED ON THE CERTIFICATE OF INSURANCE:

- "Coverage For Certain Operations In Connection With Railroads" ISO form CA 20 70 10 01 (or a substitute form providing equivalent coverage) showing "Union Pacific Railroad Company Property" as the Designated Job Site.
- C. <u>Workers' Compensation and Employers' Liability Insurance</u>. Coverage must include but not be limited to:
 - Licensee's statutory liability under the workers' compensation laws of the state(s) affected by this Agreement.
 - Employers' Liability (Part B) with limits of at least \$500,000 each accident, \$500,000 disease policy limit \$500,000 each employee.

If Licensee is self-insured, evidence of state approval and excess workers' compensation coverage must be provided. Coverage must include liability arising out of the U. S. Longshoremen's and Harbor Workers' Act, the Jones Act, and the Outer Continental Shelf Land Act, if applicable.

D. <u>Environmental Liability Insurance</u>. Environmental Legal Liability Insurance (ELL) applicable to bodily injury, property damage, including loss of use of damaged property or of property that has not been physically injured or destroyed, cleanup costs, and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims, or compliance with statute, all in connection with any loss arising from the insured's performance under this Agreement. Except with respect to the limits of insurance, and any rights or duties specifically assigned to the first named insured,

this insurance must apply as if each named insured were the only named insured; and separately to the additional insured against which claim is made or suit is brought. Coverage shall be maintained in an amount of at least \$2,000,000 per loss, with an annual aggregate of at least \$4,000,000.

Licensee warrants that any retroactive date applicable to ELL insurance coverage under the policy is the same as or precedes the Effective Date of this Agreement, and that continuous coverage will be maintained for a period of five (5) years beginning from the time the work under this Agreement is completed or if coverage is cancelled for any reason the policies extended discovery period, if any, will be exercised for the maximum time allowed.

- E. Railroad Protective Liability Insurance. Licensee must maintain for the duration of work "Railroad Protective Liability" insurance written on ISO occurrence form CG 00 35 12 04 (or a substitute form providing equivalent coverage) on behalf of Licensor only as named insured, with a limit of not less than \$2,000,000 per occurrence and an aggregate of \$6,000,000. The definition of "JOB LOCATION" and "WORK" on the declaration page of the policy shall refer to this Agreement and shall describe all WORK or OPERATIONS performed under this Agreement. Notwithstanding the foregoing, Licensee does not need Railroad Protective Liability Insurance after its initial construction work is complete and all excess materials have been removed from Licensor's property; PROVIDED, however, that Licensee shall procure such coverage for any subsequent maintenance, repair, renewal, modification, reconstruction, or removal work on Licensee's Facilities.
- F. <u>Umbrella or Excess Insurance</u>. If Licensee utilizes umbrella or excess policies, and these policies must "follow form" and afford no less coverage than the primary policy.

Other Requirements

- G. All policy(ies) required above (except business automobile, workers' compensation and employers' liability) must include Licensor as "Additional Insured" using ISO Additional Insured Endorsement CG 20 26 (or substitute form(s) providing equivalent coverage). The coverage provided to Licensor as additional insured shall not be limited by Licensee's liability under the indemnity provisions of this Agreement. BOTH LICENSOR AND LICENSEE EXPECT THAT LICENSOR WILL BE PROVIDED WITH THE BROADEST POSSIBLE COVERAGE AVAILABLE BY OPERATION OF LAW UNDER ISO ADDITIONAL INSURED FORM CG 20 26.
- H. Punitive damages exclusion, if any, must be deleted (and the deletion indicated on the certificate of insurance), unless (a) insurance coverage may not lawfully be obtained for any punitive damages that may arise under this Agreement, or (b) all punitive damages are prohibited by all states in which this Agreement will be performed.
- I. Licensee waives all rights of recovery, and its insurers also waive all rights of subrogation of damages against Licensor and its agents, officers, directors and employees for damages covered by the workers' compensation and employers' liability or commercial umbrella or excess liability obtained by Licensee required in this Agreement, where permitted by law. This waiver must be stated on the certificate of insurance.
- J. All insurance policies must be written by a reputable insurance company acceptable to Licensor or with a current Best's Insurance Guide Rating of A- and Class VII or better, and authorized to do business in the state(s) in which the work is to be performed.
- K. The fact that insurance is obtained by Licensee will not be deemed to release or diminish the liability of Licensee, including, without limitation, liability under the indemnity provisions of this Agreement. Damages recoverable by Licensor from Licensee or any third party will not be limited by the amount of the required insurance coverage.