

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

#### ENGINEERING, OPERATIONS & PLANNING COMMITTEE MEETING AGENDA

WEDNESDAY, FEBRUARY 9<sup>TH</sup>, 2021 - 6:00 PM

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

On March 4, 2020, Governor Newsom declared a State of Emergency resulting from the threat of COVID-19. On September 16, 2021, Governor Newsom signed Assembly Bill No. 361 into law. Assembly Bill No. 361 amends Government Code section 54953(e) by adding provisions for remote teleconferencing participation in meetings by members of a legislative body, without the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions. The West Valley Water District adopted a resolution determining, by majority vote, that, as a result of the declared State of Emergency, a meeting in person would present imminent risks to the health or safety of attendees. Accordingly, it has been determined that all Board and Workshop meetings of the West Valley Water District will be held pursuant to Assembly Bill No. 361, the Brown Act and will be conducted via teleconference. There will be no public access to the meeting venue. 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 join using Zoom the meeting by clicking this https://us02web.zoom.us/j/8402937790. Public comment may also be submitted via email to administration@wwwd.org. If you require additional assistance, please contact the Executive Assistant at administration@wvwd.org.

#### **BOARD OF DIRECTORS**

Director Greg Young, (Chair) Director Angela Garcia

#### 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 the Engineering Committee.
- B. Mid-Year Budget Review.
- C. Consider Water System Infrastructure Installation and Conveyance Agreement with Lennar Homes of California, Inc (Tr 20362 Lot 5 Gardens at the Arboretum).
- D. Consider Water System Infrastructure Installation and Conveyance Agreement with Lennar Homes of California, Inc (Tr 20362 Lot 6 Gardens at the Arboretum).
- E. Consider Water System Infrastructure Installation and Conveyance Agreement with Lennar Homes of California, Inc (Tr 20363 Gardens at the Arboretum).
- F. Consider Water System Infrastructure Installation and Conveyance Agreement with Lennar Homes of California, Inc (Tr 20364 Gardens at the Arboretum).
- G. Consider Water System Infrastructure Installation and Conveyance Agreement with Lennar Homes of California, Inc (Tr 20362 Gardens at the Arboretum Collector Streets).
- H. Consider Water System Infrastructure Installation and Conveyance Agreement with Lennar Homes of California, Inc for River Ranch PA4 Tract 20207.
- I. Consider Water System Infrastructure Installation and Conveyance Agreement with BSREP III Sierra Grande, LLC for PM 20167 on Sierra Ave and Casa Grande Dr.

#### 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 & Planning Committee Agenda at the District Offices on February 3, 2022.

Maisha Mesa, Executive Assistant



#### BOARD OF DIRECTORS ENGINEERING, OPERATIONS AND PLANNING COMMITTEE STAFF REPORT

DATE:

February 9, 2022

TO:

Engineering, Operations and Planning Committee

FROM:

Shamindra Manbahal, General Manager

SUBJECT:

CONSIDER A WATER SYSTEM INFRASTRUCTURE INSTALLATION

AND CONVEYANCE AGREEMENT WITH LENNAR HOMES OF

CALIFORNIA, INC (TRACT 20362 LOT 5 GARDENS AT THE

ARBORETUM)

#### **BACKGROUND:**

Lennar Homes of California, Inc. ("Developer") is the owner of land located north of Casa Grande Avenue, east of Sierra Avenue, west of Cypress Avenue, and south of Duncan Canyon Road, in the City of Fontana, known as the Gardens at the Arboretum. The Developer has subdivided the land into multiple tracts and lots to be developed into single family residential homes within the Gardens at the Arboretum. Tract 20362 Lot 5, ("Development"), is part of this master planned community containing residential lots and is required to construct new water mains and related facilities within the tract to allow for new domestic and irrigation connections.

#### **DISCUSSION:**

West Valley Water District ("District") and the Developer wish to enter into a Developer-Installed Water System Infrastructure Installation and Conveyance Agreement ("Agreement") to construct the water facilities needed to supply water to the Development. 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 A is a copy of the Water System Infrastructure Installation and Conveyance Agreement for this development which also includes the location of the Development.

#### FISCAL IMPACT:

No fiscal impact to the District.

#### STAFF RECOMMENDATION:

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

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Respectfully	Submitted,
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Shamindra Manbahal, General Manager

DG: ls

ATTACHMENT(S):

1. Exhibit A - Water System Infrastructure Installation Agreement

### **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 <u>February 17, 2022</u>, 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 20362 LOT 5, and as more fully (or further) shown on Exhibit "A". 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 Exhibit "A".

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 IMPROVEMENT PLANS FOR TRACT 20362 LOT 5, as approved and provided at a later date attached herein as Exhibit "B" 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. General Liability: 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. Workers' Compensation Insurance: 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 provide a Contractor's proposal based on the District approved water system plans. The Developer will provide a Contractor's proposal and will be submitted to the District for review and approval at a later date (Exhibit "C"), 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.
- 5.2. Performance Bond: The Contractor's proposal from the Developer for WATER IMPROVEMENT PLANS FOR TRACT 20362 LOT 5, is TBD -DEVELOPER WILL PROVIDE BOND AMOUNT AT A LATER DATE DOLLARS and 00/100 (\$0.00). Developer shall and by this Agreement does guarantee the Developer's faithful performance of this Agreement and all of its terms and conditions. The Developer shall provide the District with 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 of DEVELOPER WILL PROVIDE BOND AMOUNT AT A LATER DATE TBD DOLLARS and 00/100 (\$0.00) 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. The approved plans will be provided at a later date (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 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 IMPROVEMENT PLANS FOR TRACT 20362 LOT 5

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

LENNAR HOMES OF CALIFORNIA, INC ATTENTION: Geoffrey L. Smith, Vice President 980 MONTECITO, SUITE 302 CORONA, CA

RE: WATER IMPROVEMENT PLANS FOR TRACT 20362 LOT 5

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

**SURETY NAME:** 

**ADDRESS** 

RE: WATER IMPROVEMENT PLANS FOR TRACT 20362 LOT 5

- 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 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

- 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.

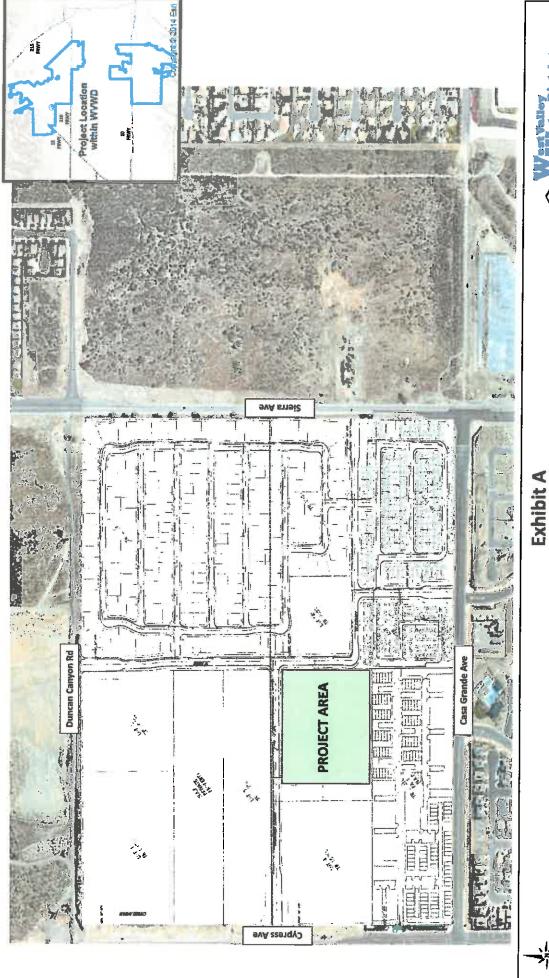
#### 20. ENFORCEMENT OF PROVISIONS

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]

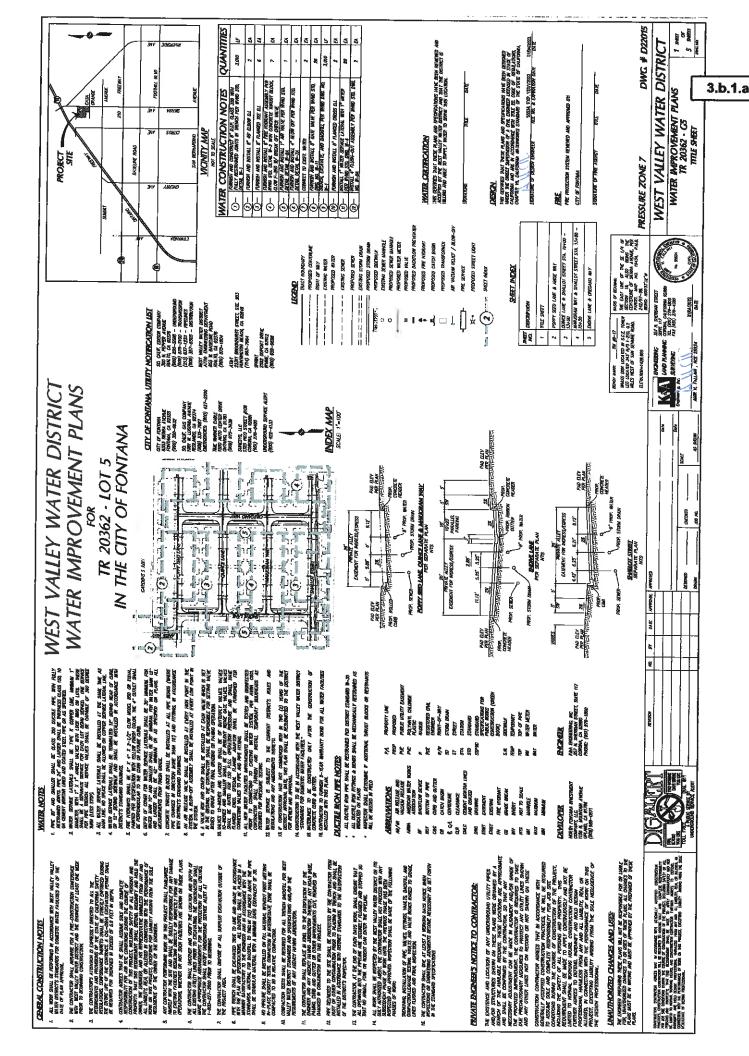
IN WITNESS WHEREOF, the parties hereto execute this Agreement.			
WEST	VALLEY WATER DISTRICT		
By:	Shamindra Manbahal, General Manager	Date:	
DEVE	LOPER:		
	Homes of California, Incornia Corporation		
Ву:	Geoffrey L. Smith. Vice President	Date:	

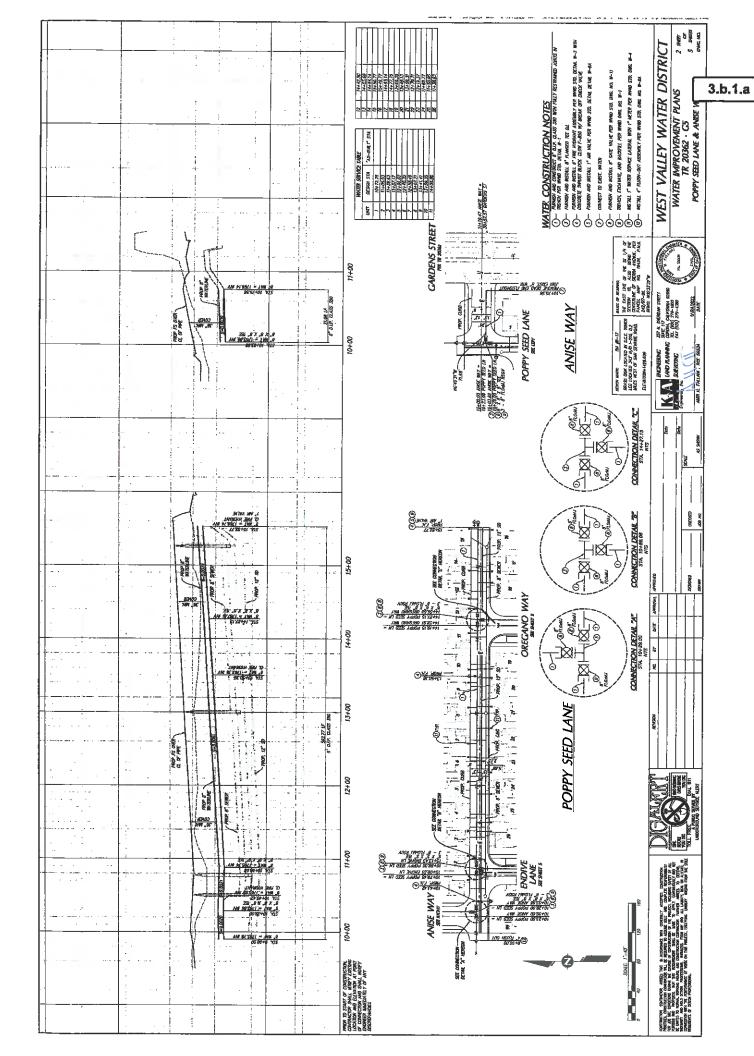
# Exhibit A

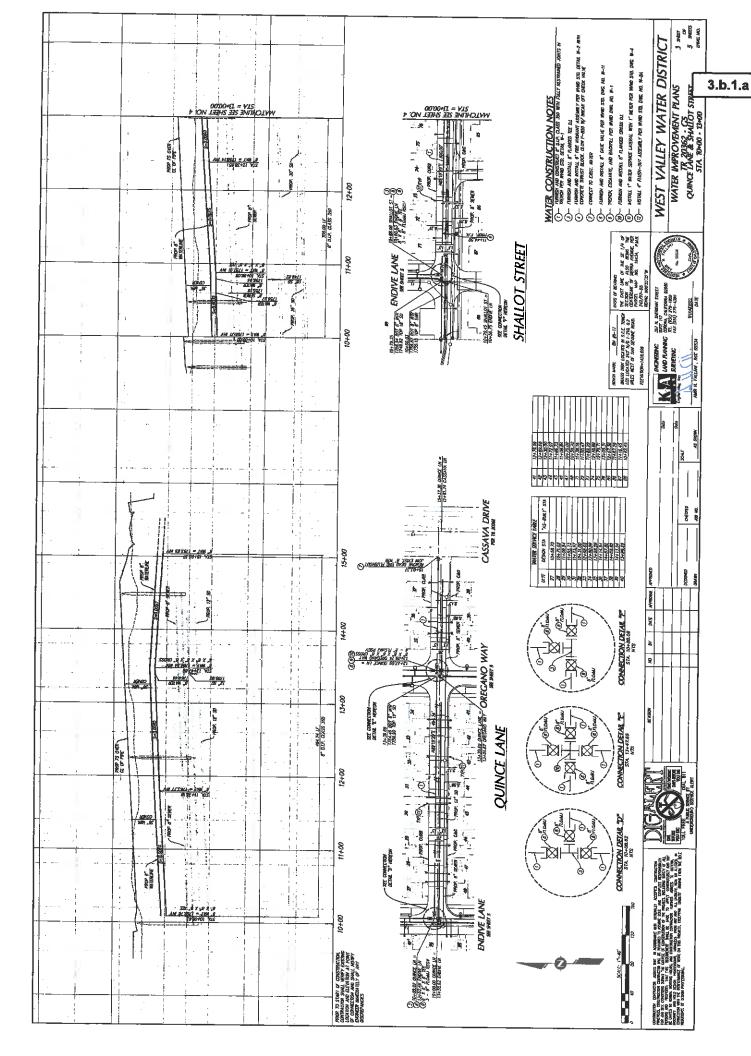


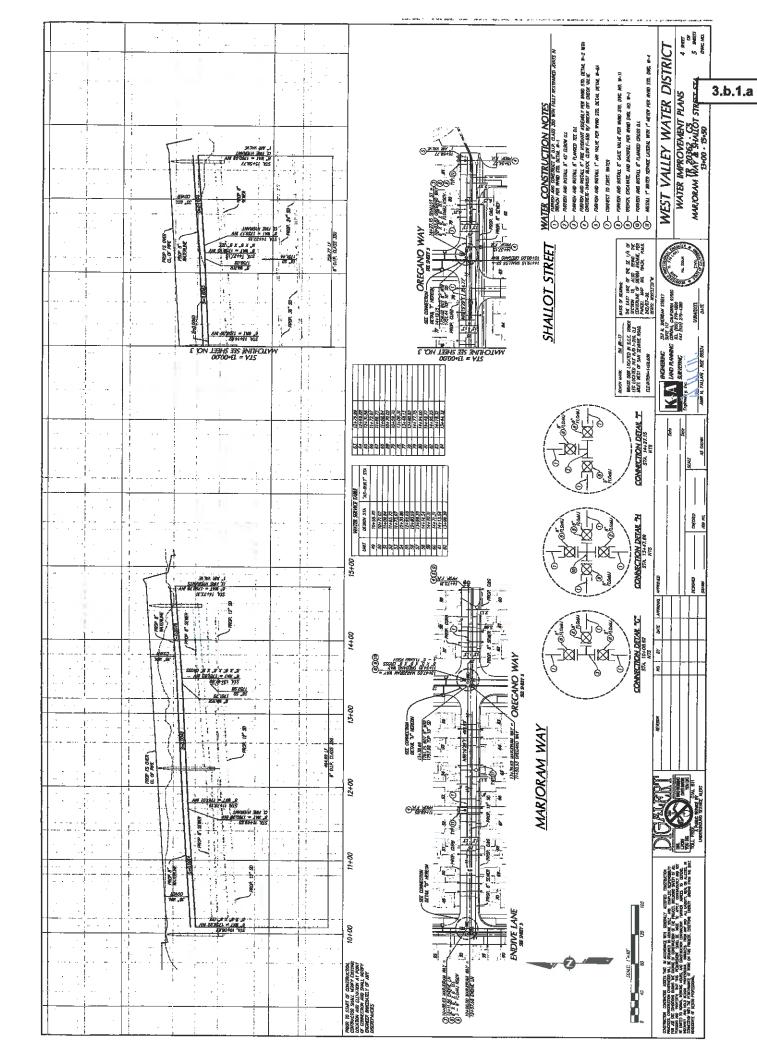
Gardens at Arboretum Tract 20362 (Lot 5)

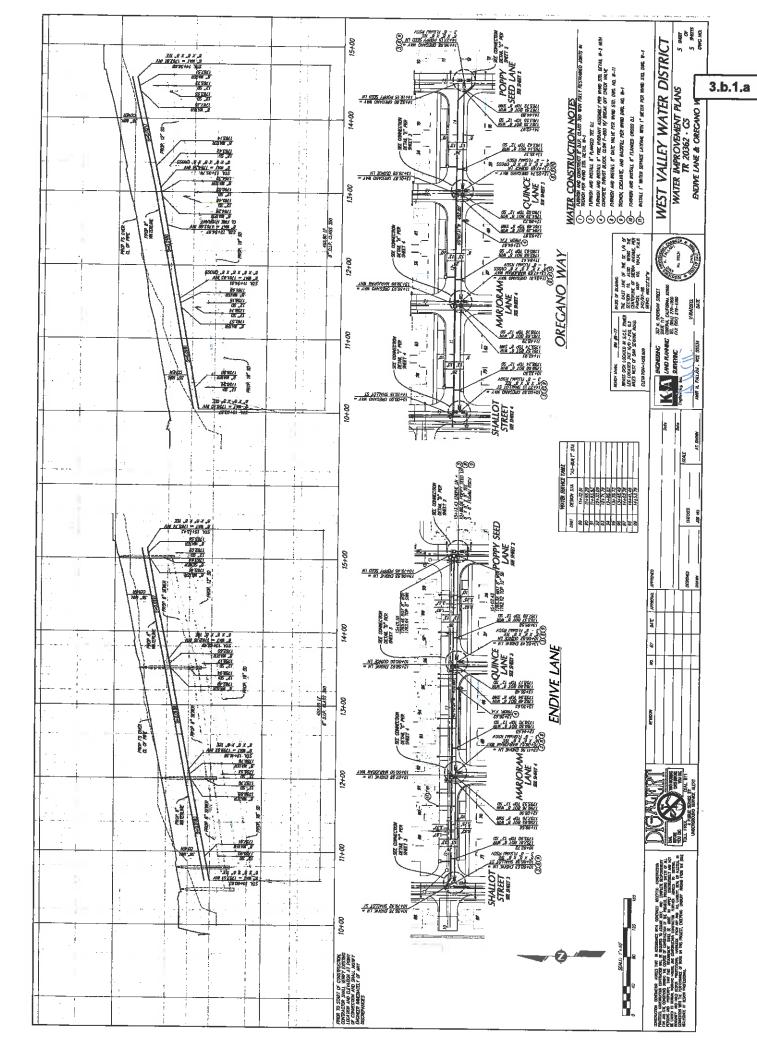
# Exhibit B











# Exhibit C

(to be provided at later date)

# Exhibit D



# CALENDAR YEAR 2022 HOLIDAY SCHEDULE

HOLIDAY	DAY	<b>OBSERVED</b>

New Year's Day Friday, December 31, 2021

Martin Luther King Jr. Day Monday, January 17, 2022

Presidents Day Monday, February 21, 2022

Memorial Day Monday, May 30, 2022

Independence Day Monday, July 4, 2022

Labor Day Monday, September 5, 2022

Veterans Day Friday, November 11, 2022

Thanksgiving Day Thursday, November 24, 2022

Day after Thanksgiving Friday, November 25, 2022

Day before Christmas Friday, December 23, 2022

Christmas Day Monday, December 26, 2022

New Year's Eve Friday, December 30, 2022



#### BOARD OF DIRECTORS ENGINEERING, OPERATIONS AND PLANNING COMMITTEE STAFF REPORT

DATE:

February 9, 2022

TO:

**Engineering, Operations and Planning Committee** 

FROM:

Shamindra Manbahal, General Manager

SUBJECT:

CONSIDER A WATER SYSTEM INFRASTRUCTURE INSTALLATION

AND CONVEYANCE AGREEMENT WITH LENNAR HOMES OF

CALIFORNIA, INC (TRACT 20362 LOT 6 GARDENS AT THE

ARBORETUM)

#### **BACKGROUND:**

Lennar Homes of California, Inc. ("Developer") is the owner of land located north of Casa Grande Avenue, east of Sierra Avenue, west of Cypress Avenue, and south of Duncan Canyon Road, in the City of Fontana, known as the Gardens at the Arboretum. The Developer has subdivided the land into multiple tracts and lots to be developed into single family residential homes within the Gardens at the Arboretum. Tract 20362 Lot 6, ("Development"), is part of this master planned community containing residential lots and is required to construct new water mains and related facilities within the tract to allow for new domestic and irrigation connections.

#### **DISCUSSION:**

West Valley Water District ("District") and the Developer wish to enter into a Developer-Installed Water System Infrastructure Installation and Conveyance Agreement ("Agreement") to construct the water facilities needed to supply water to the Development. 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 A is a copy of the Water System Infrastructure Installation and Conveyance Agreement for this development which also includes the location of the Development.

#### FISCAL IMPACT:

No fiscal impact to the District.

#### STAFF RECOMMENDATION:

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

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Shamindra Manbahal, General Manager

#### DG:ls

ATTACHMENT(S):
1. Exhibit A - Water System Infrastructure Installation Agreement

### **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 <u>February 17, 2022</u>, 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 20362 LOT 6, and as more fully (or further) shown on Exhibit "A". 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 Exhibit "A".

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 IMPROVEMENT PLANS FOR TRACT 20362 LOT 6**, as approved and provided at a later date 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. General Liability: 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. Workers' Compensation Insurance: 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 provide a Contractor's proposal based on the District approved water system plans. The Developer will provide a Contractor's proposal and will be submitted to the District for review and approval at a later date (Exhibit "C"), 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.
- 5.2. Performance Bond: The Contractor's proposal from the Developer for WATER IMPROVEMENT PLANS FOR TRACT 20362 LOT 6, is TBD -DEVELOPER WILL PROVIDE BOND AMOUNT AT A LATER DATE DOLLARS and 00/100 (\$0.00). Developer shall and by this Agreement does guarantee the Developer's faithful performance of this Agreement and all of its terms and conditions. The Developer shall provide the District with 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 of DEVELOPER WILL PROVIDE BOND AMOUNT AT A LATER DATE TBD DOLLARS and 00/100 (\$0.00) 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. The approved plans will be provided at a later date (<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 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 IMPROVEMENT PLANS FOR TRACT 20362 LOT 6

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

LENNAR HOMES OF CALIFORNIA, INC ATTENTION: Geoffrey L. Smith, Vice President 980 MONTECITO, SUITE 302 CORONA, CA RE: WATER IMPROVEMENT PLANS FOR TRACT 20362 LOT 6

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

SURETY NAME:

**ADDRESS** 

RE: WATER IMPROVEMENT PLANS FOR TRACT 20362 LOT 6

- 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 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 WIT	NESS WHEREOF, the parties hereto execute this Ag	greement.
WEST	VALLEY WATER DISTRICT	
Ву:	Shamindra Manbahal, General Manager	Date:
DEVEI	LOPER:	
	Homes of California, Inc ornia Corporation	
Ву:	Geoffrey L. Smith, Vice President	Date:

# Exhibit A

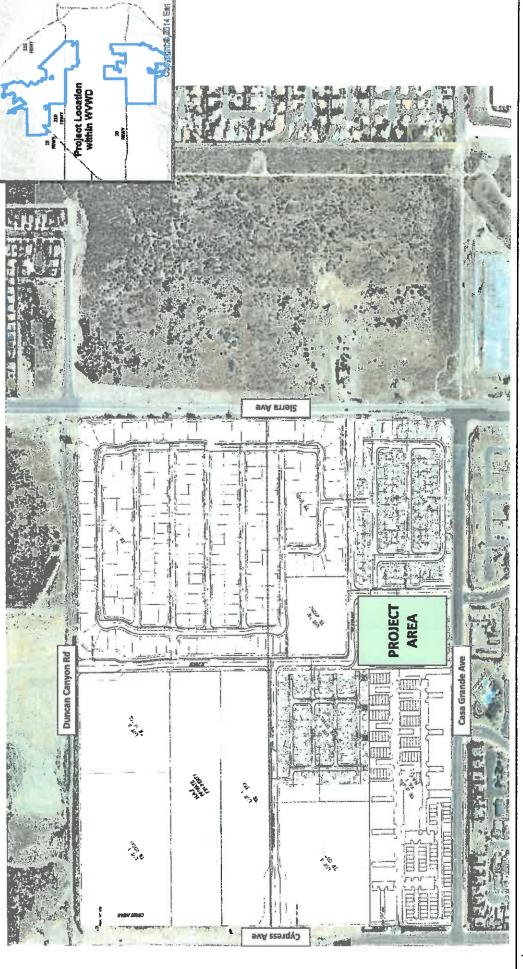
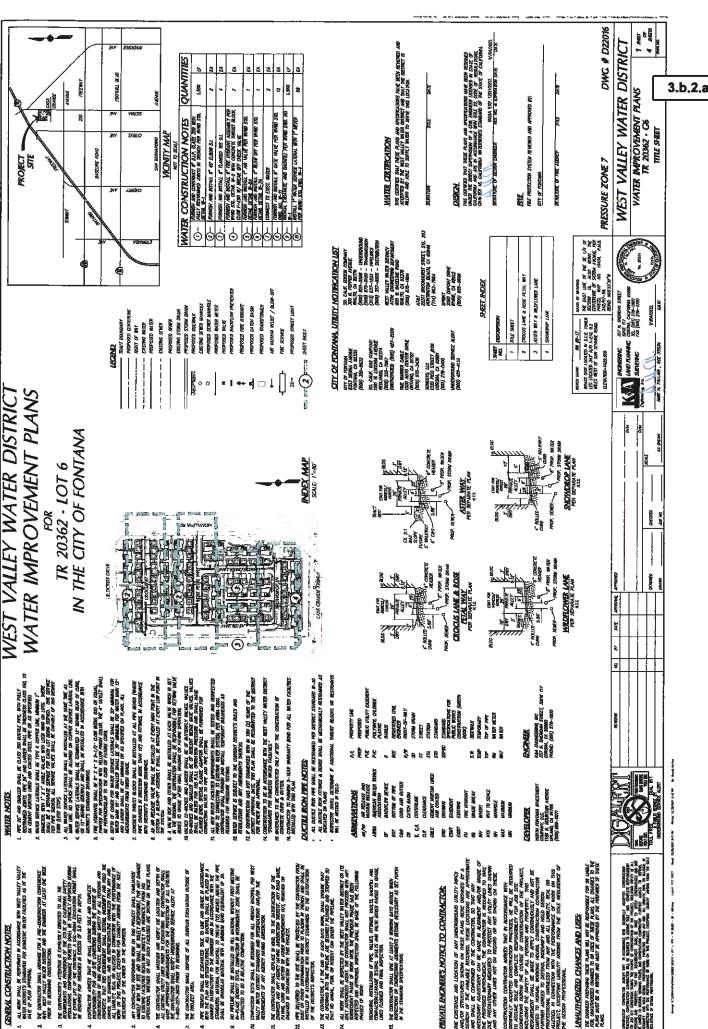


Exhibit A Gardens at Arboretum Tract 20362 (Lot 6)

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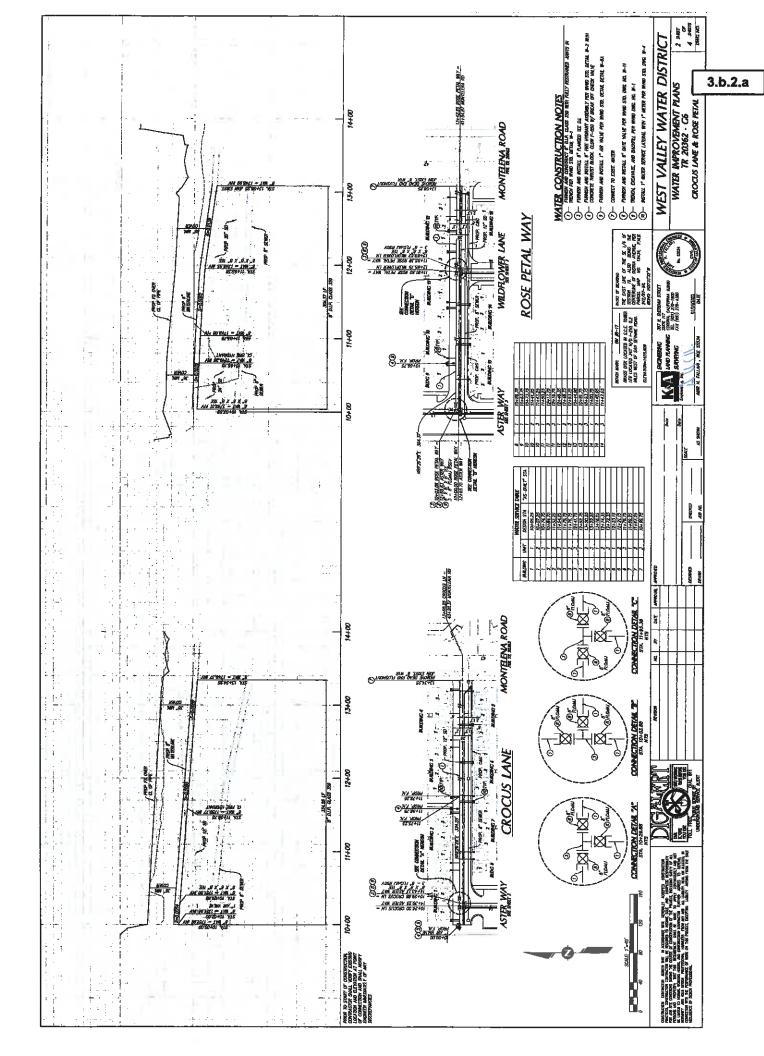
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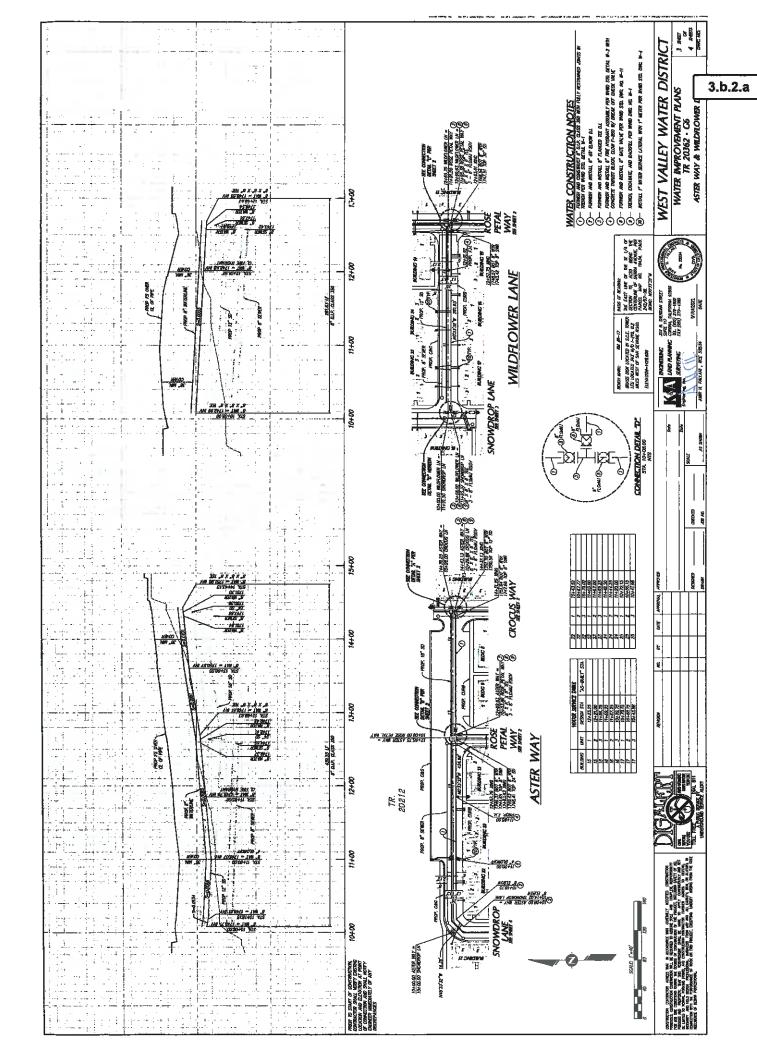
# Exhibit B

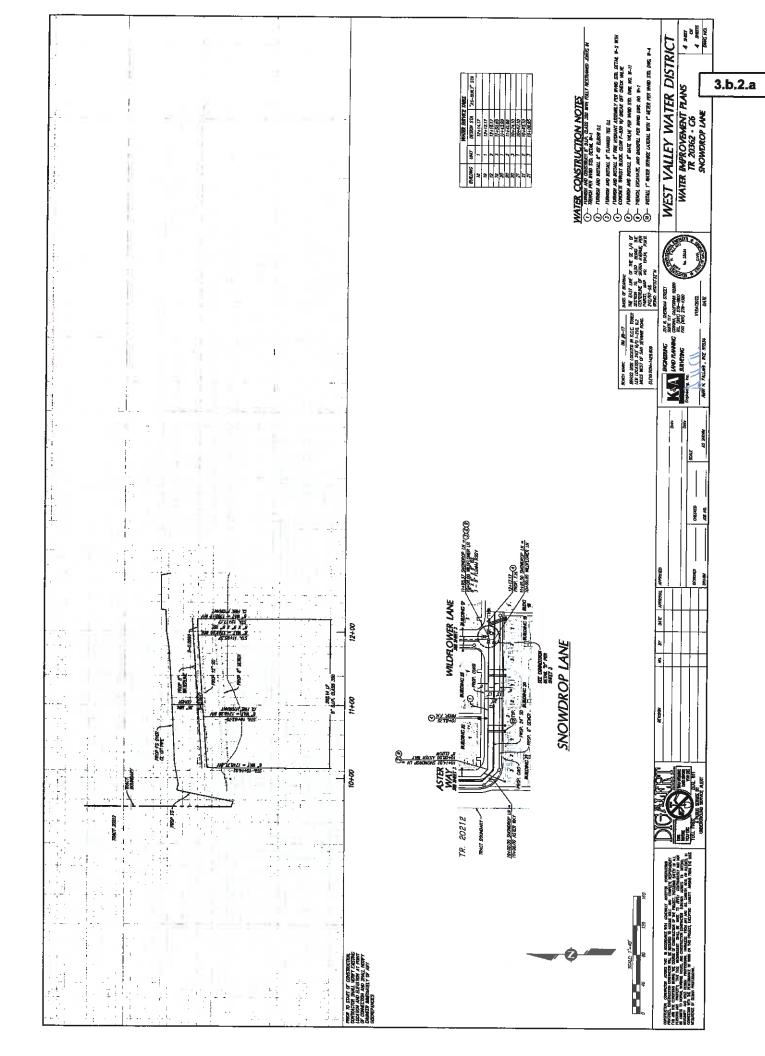


CENERAL CONSTRUCTION NOTES

UNIUTHORIZED CHANCES AND USES







# Exhibit C

(to be provided at later date)

# Exhibit D



# CALENDAR YEAR 2022 HOLIDAY SCHEDULE

HOLIDAY	<b>DAY OBSERVED</b>

New Year's Day Friday, December 31, 2021

Martin Luther King Jr. Day Monday, January 17, 2022

Presidents Day Monday, February 21, 2022

Memorial Day Monday, May 30, 2022

Independence Day Monday, July 4, 2022

Labor Day Monday, September 5, 2022

Veterans Day Friday, November 11, 2022

Thanksgiving Day Thursday, November 24, 2022

Day after Thanksgiving Friday, November 25, 2022

Day before Christmas Friday, December 23, 2022

Christmas Day Monday, December 26, 2022

New Year's Eve Friday, December 30, 2022



## BOARD OF DIRECTORS ENGINEERING, OPERATIONS AND PLANNING COMMITTEE STAFF REPORT

DATE: Feb

February 9, 2022

TO:

Engineering, Operations and Planning Committee

FROM:

Shamindra Manbahal, General Manager

SUBJECT:

CONSIDER A WATER SYSTEM INFRASTRUCTURE INSTALLATION

AND CONVEYANCE AGREEMENT WITH LENNAR HOMES OF CALIFORNIA, INC (TRACT 20363 GARDENS AT THE ARBORETUM)

#### **BACKGROUND:**

Lennar Homes of California, Inc. ("Developer") is the owner of land located north of Casa Grande Avenue, east of Sierra Avenue, west of Cypress Avenue, and south of Duncan Canyon Road, in the City of Fontana, known as the Gardens at the Arboretum. The Developer has subdivided the land into multiple tracts and lots to be developed into single family residential homes within the Gardens at the Arboretum. Tract 20363, ("Development"), is part of this master planned community containing residential lots and is required to construct new water mains and related facilities within the tract to allow for new domestic and irrigation connections.

#### **DISCUSSION:**

West Valley Water District ("District") and the Developer wish to enter into a Developer-Installed Water System Infrastructure Installation and Conveyance Agreement ("Agreement") to construct the water facilities needed to supply water to the Development. 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 A is a copy of the Water System Infrastructure Installation and Conveyance Agreement for this development which also includes the location of the Development.

#### **FISCAL IMPACT:**

No fiscal impact to the District.

#### STAFF RECOMMENDATION:

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

## Shamindra Manbakal

Shamindra Manbahal, General Manager

DG:ls

## ATTACHMENT(S):

1. Exhibit A - Water System Infrastructure Installation Agreement

## **EXHIBIT A**

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The Developer is the owner of certain land described as **TRACT 20363** 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 Exhibit "A".

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 IMPROVEMENT PLANS FOR TRACT 20363, as approved and provided at a later date attached herein as <a href="Exhibit">Exhibit "B"</a> 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. General Liability: 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. Workers' Compensation Insurance: 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 provide a Contractor's proposal based on the District approved water system plans. The Developer will provide a Contractor's proposal and will be submitted to the District for review and approval at a later date (Exhibit "C"), 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.
- 5.2. Performance Bond: The Contractor's proposal from the Developer for WATER IMPROVEMENT PLANS FOR TRACT 20363, is TBD -DEVELOPER WILL PROVIDE BOND AMOUNT AT A LATER DATE DOLLARS and 00/100 (\$0.00). Developer shall and by this Agreement does guarantee the Developer's faithful performance of this Agreement and all of its terms and conditions. The Developer shall provide the District with 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 of DEVELOPER WILL PROVIDE BOND AMOUNT AT A LATER DATE TBD DOLLARS and 00/100 (\$0.00) 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. The approved plans will be provided at a later date (<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 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 IMPROVEMENT PLANS FOR TRACT 20363

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

LENNAR HOMES OF CALIFORNIA, INC ATTENTION: Geoffrey L. Smith, Vice President 980 MONTECITO, SUITE 302 CORONA, CA

RE: WATER IMPROVEMENT PLANS FOR TRACT 20363

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

**SURETY NAME:** 

ADDRESS

**RE:** WATER IMPROVEMENT PLANS FOR TRACT 20363

- 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 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 WI	TNESS WHEREOF, the parties hereto execute this	s Agreement.	
WEST	VALLEY WATER DISTRICT		
Ву:	Shamindra Manbahal, General Manager	Date:	
Lenna	CLOPER: or Homes of California, Inc fornia Corporation		
Ву:	Geoffrey I. Smith Vice President	Date:	

# Exhibit A

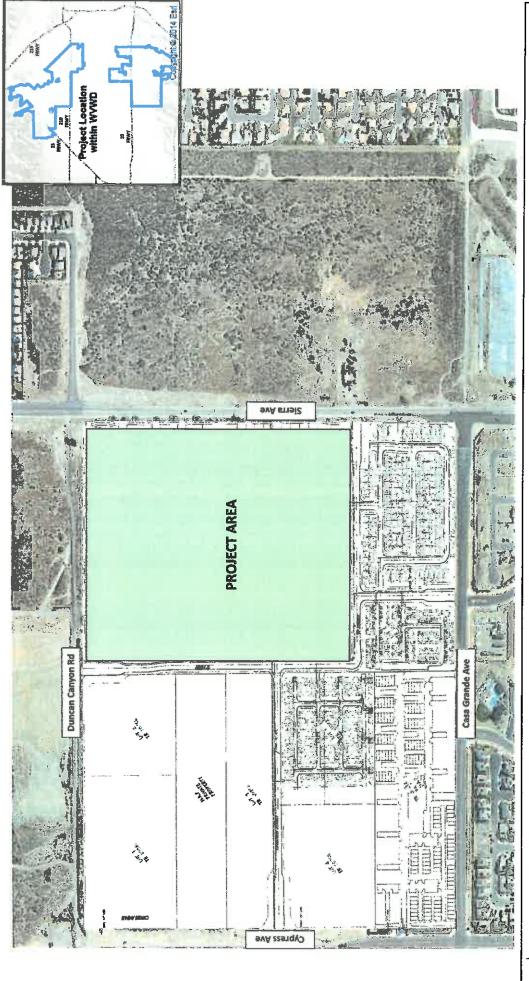
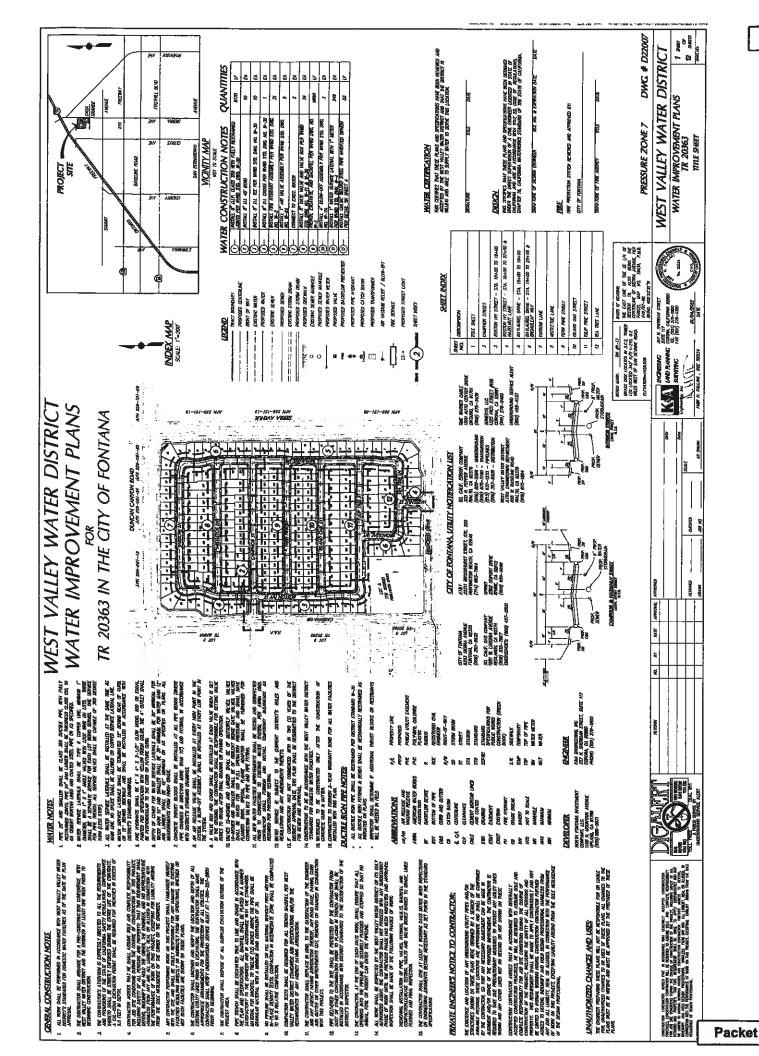


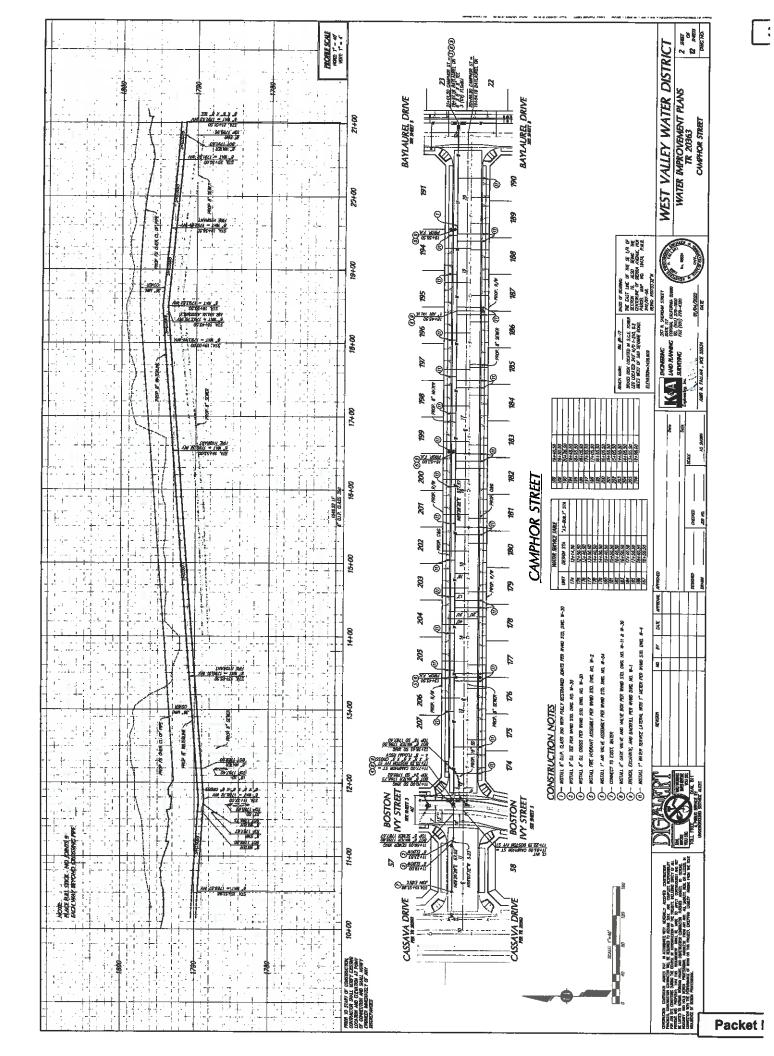
Exhibit A Gardens at Arboretum Tract 20363

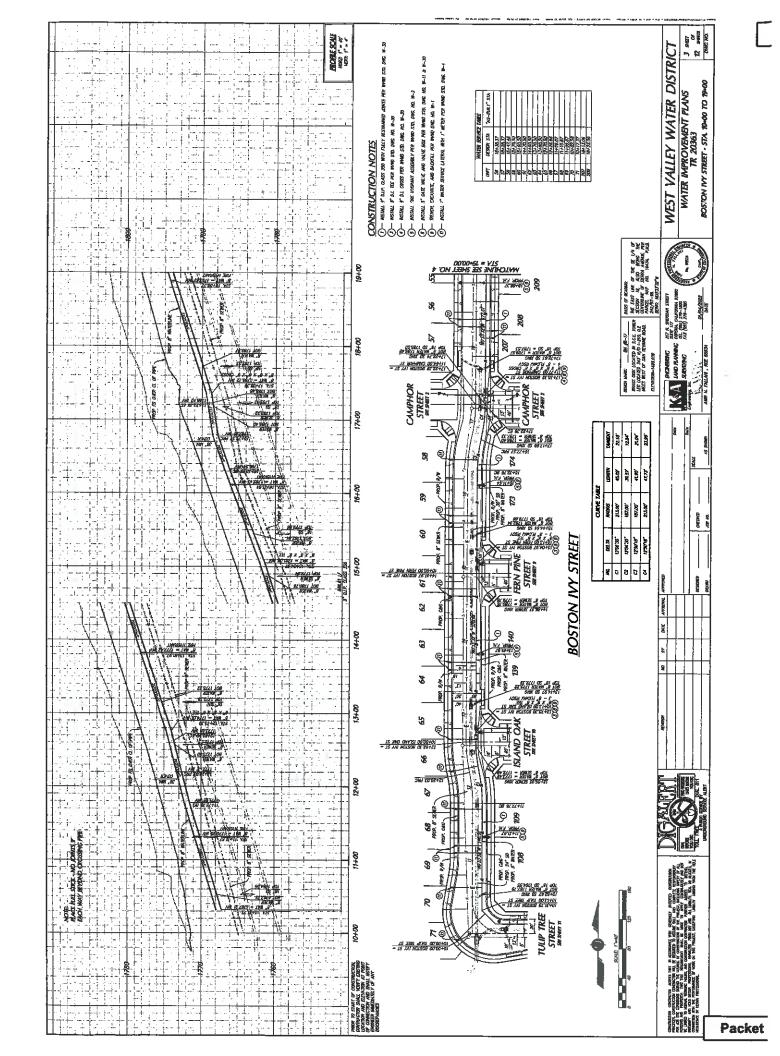
Wart Valley

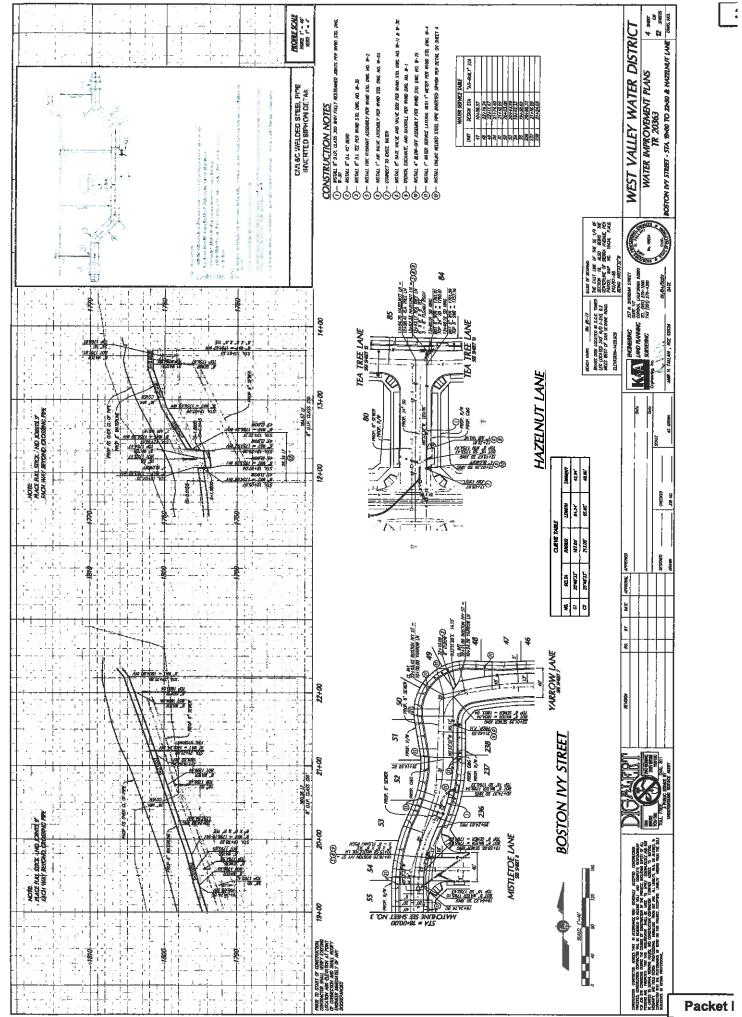
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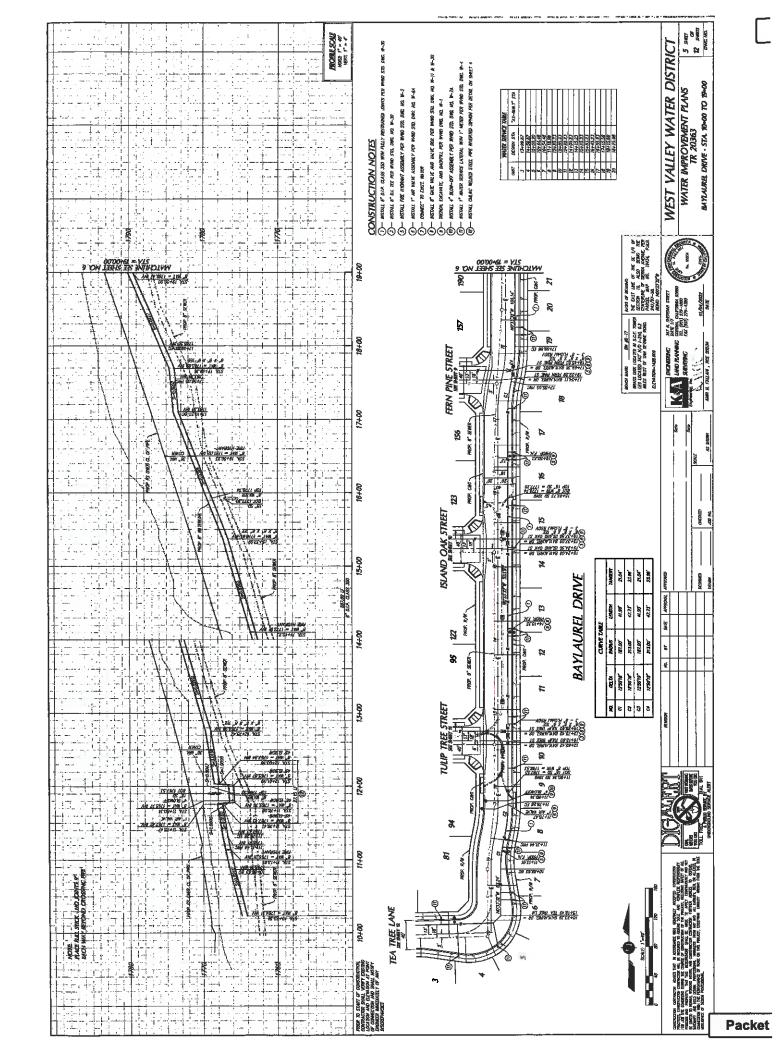
# Exhibit B

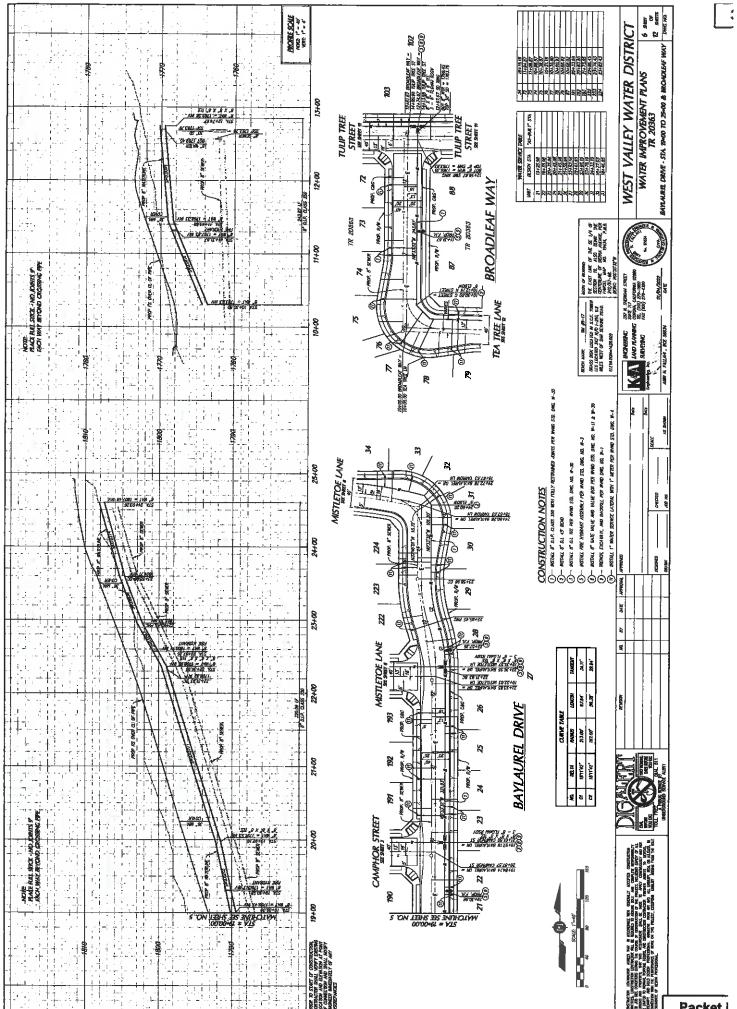




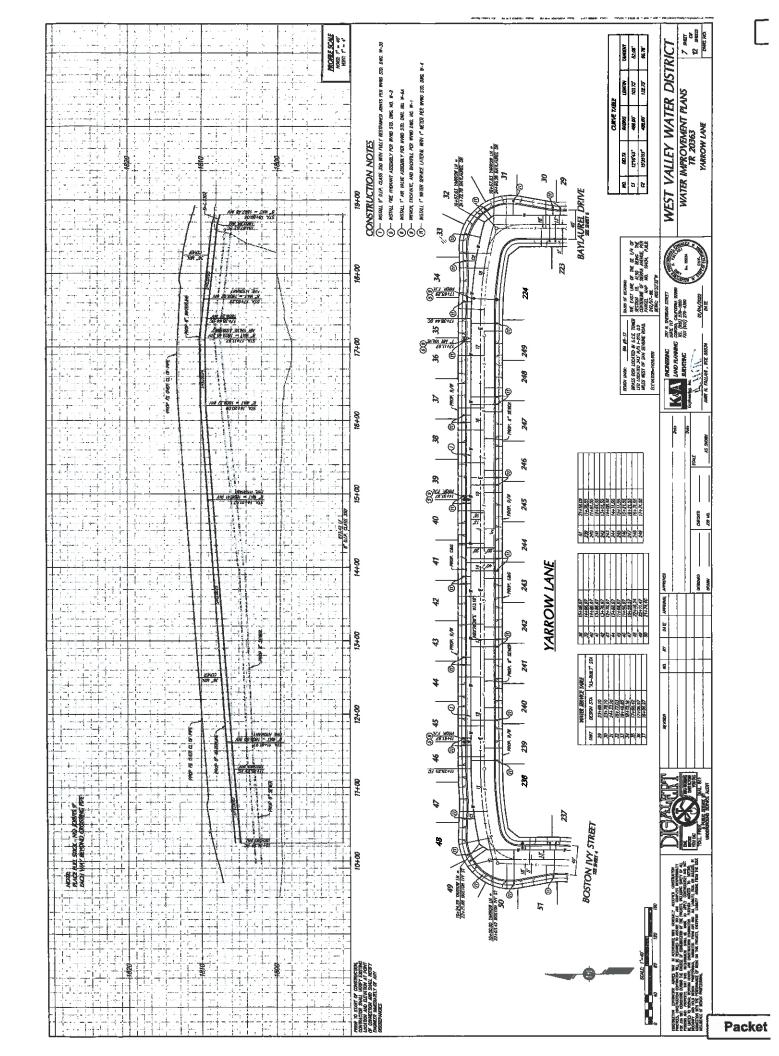


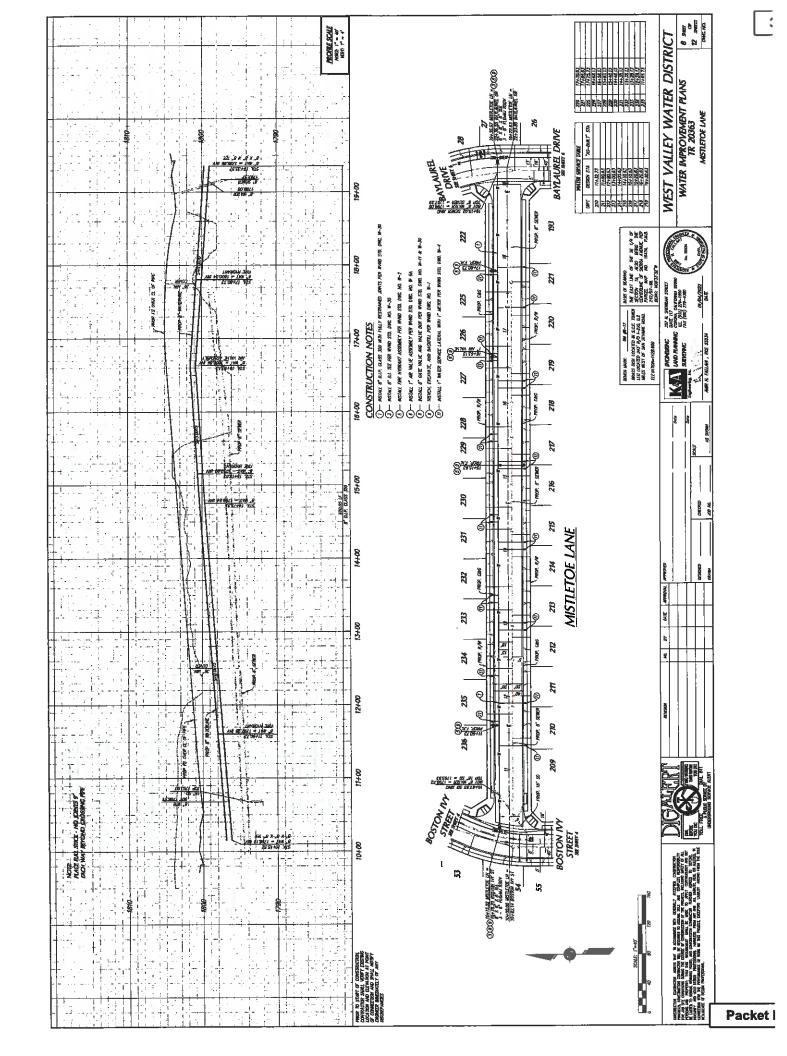


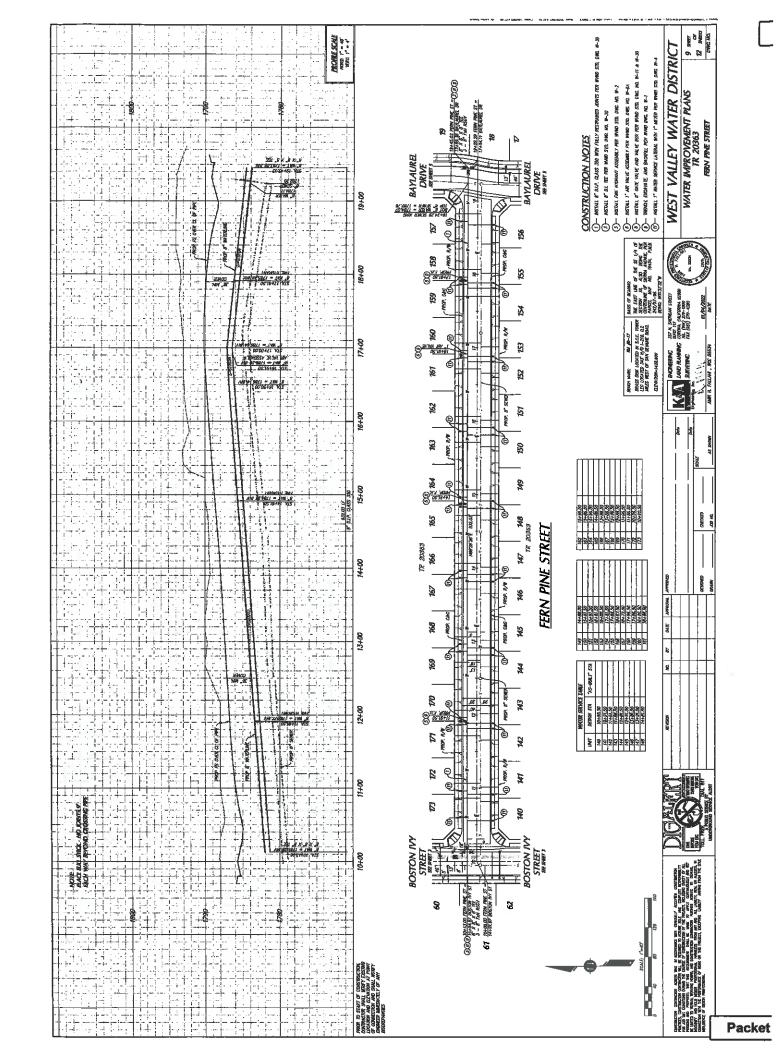


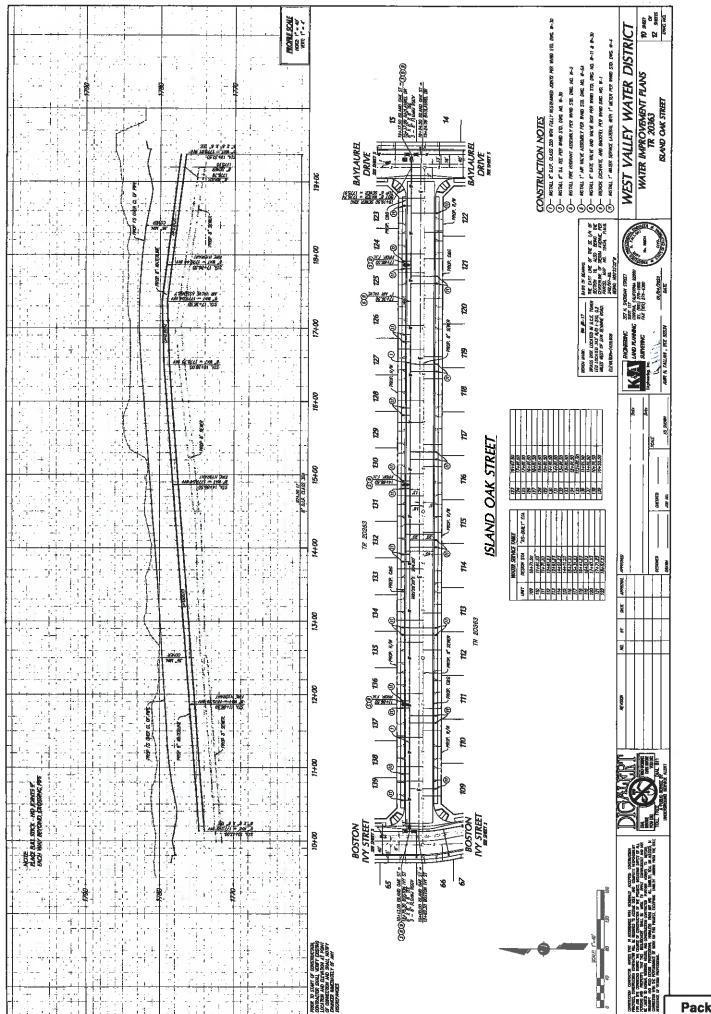


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