



**WEST VALLEY WATER DISTRICT
855 W. BASE LINE ROAD, RIALTO, CA 92376
PH: (909) 875-1804
WWW.WVWD.ORG**

**ENGINEERING, OPERATIONS AND PLANNING COMMITTEE MEETING
AGENDA**

Thursday, July 23, 2026, 6:00 PM

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

BOARD OF DIRECTORS

**Director Gregory Young, Chair
Director Estevan Bennett**

Members of the public may attend the meeting in person at 855 W. Base Line Road, Rialto, CA 92376, or you may join the meeting using Zoom by clicking this link: <https://us02web.zoom.us/j/8402937790>. Public comment may be submitted via Zoom, by telephone by calling the following number and access code: Dial: (888) 475-4499, Access Code: 840-293-7790, or via email to administration@wwwd.org.

If you require additional assistance, please contact administration@wwwd.org.

CALL TO ORDER

PUBLIC PARTICIPATION

Any person wishing to speak to the Board of Directors on matters listed or not listed on the agenda, within its jurisdiction, is asked to complete a Speaker Card and submit it to the Board Secretary, if you are attending in person. For anyone joining on Zoom, please wait for the Board President's instruction to indicate that you would like to speak. Each speaker is limited to three (3) minutes. Under the State of California Brown Act, the Board of Directors is prohibited from discussing or taking action on any item not listed on the posted agenda. Comments related to noticed Public Hearing(s) and Business Matters will be heard during the occurrence of the item.

Public communication is the time for anyone to address the Board on any agenda item or anything under the jurisdiction of the District. Also, please remember that no disruptions from the crowd will be tolerated. If someone disrupts the meeting, they will be removed.

PRESENTATIONS

DISCUSSION ITEMS

1. Updates to the Engineering, Operations and Planning Committee
2. Minutes of the June 30, 2026, Special Committee Meeting - **PG 5**
3. Water System Infrastructure Installation and Conveyance Agreement with North Fontana Investment Company, LLC for Tract 20646 The Resort at the Arboretum (Terra Vista Drive) - **PG 7**
4. Water System Infrastructure Installation and Conveyance Agreement with North Fontana Investment Company, LLC for Tract 20646 The Resort at the Arboretum (Cypress Avenue) - **PG 31**
5. Water System Infrastructure Installation and Conveyance Agreement with North Fontana Investment Company, LLC for Tract 20646 The Resort at the Arboretum (Grapeland Street) - **PG 59**
6. Water System Infrastructure Installation and Conveyance Agreement with North Fontana Investment Company, LLC for Tract 20646 The Resort at the Arboretum (Duncan Canyon Road) - **PG 85**

ADJOURN

Please Note:

Material related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the District's office located at 855 W. Baseline, Rialto, during normal business hours. Also, such documents are available on the District's website at www.wvwd.org subject to staff's ability to post the documents before the meeting.

Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in the above-agendized public meeting should be directed to the Board Secretary, Brandon Yoshida, at least 72 hours in advance of the meeting to ensure availability of the requested service or accommodation. Brandon Yoshida may be contacted by telephone at (909) 875-1804 ext. 703, or in writing at the West Valley Water District, P.O. Box 920, Rialto, CA 92377-0920.

DECLARATION OF POSTING:

I declare under penalty of perjury, that I am employed by the West Valley Water District and posted the foregoing Agenda at the District Offices on July 16, 2026, by 6:00 pm.

Brandon Yoshida

Brandon Yoshida, Board Secretary

Date Posted: July 16, 2026

MINUTES
ENGINEERING, OPERATIONS AND PLANNING
SPECIAL COMMITTEE MEETING
of the
WEST VALLEY WATER DISTRICT
JUNE 30, 2026

I. CALL TO ORDER

Chair Young called the Engineering, Operations and Planning Committee meeting to order at 5:00 p.m.

Attendee Name	Present	Absent	Late	Arrived
Gregory Young	☒	☐	☐	
Estevan Bennett	☒	☐	☐	
John Thiel	☒	☐	☐	
Linda Jadeski	☒	☐	☐	
Rocky Welborn	☒	☐	☐	
Joanne Chan	☒	☐	☐	
Daniel Guerra	☒	☐	☐	

II. PUBLIC PARTICIPATION

Chair Young inquired if anyone from the public would like to speak. No requests were received, therefore Chair Young closed the public comment period.

III. DISCUSSION ITEMS

1. Updates to the Engineering, Operations and Planning Committee

Director of Engineering Welborn provided update on staff reviewing Water Facilities Master Plan, construction progress of the Lord Ranch Project, and departmental needs for the New Headquarters Project.

Director of Operations Chan provided update on recent break-ins at the Lord Ranch site and presented the Consumer Confidence Report.

2. Minutes of the May 26, 2026, Special Committee Meeting

Committee approved the minutes as presented.

3. Partial Retention Release with PCL Construction Inc. for the Oliver P. Roemer Water Filtration Facility Upgrade and Expansion Project

Director of Engineering Welborn presented the staff report and fielded questions from the Committee.

The committee approved moving the item forward to the next Board of Director's meeting Consent Calendar.

RESULT: REFERRED TO BOARD

Next: 07/16/2026 6:00 PM

4. Professional Services Agreement with Michael Baker International, Inc. for New Groundwater Production Well 36A

Director of Engineering Welborn presented the staff report and fielded questions from the Committee.

The committee approved moving the item forward to the next Board of Director's meeting Business Item.

RESULT: REFERRED TO BOARD

Next: 07/16/2026 6:00 PM

IV. ADJOURN

Chair Young adjourned the meeting at 5:27 p.m.

ATTEST:

Paola Lara, Acting Board Secretary

Minutes were approved on _____ by the Engineering, Operations and Planning Committee of the West Valley Water District.



STAFF REPORT

DATE: July 23, 2026

TO: Engineering, Operations and Planning Committee

FROM: Rocky Welborn, Director of Engineering

SUBJECT: Water System Infrastructure Installation and Conveyance Agreement with North Fontana Investment Company, LLC for Tract 20646 The Resort at the Arboretum (Terra Vista Drive)

STRATEGIC GOAL:

Strategic Goal 1 - Manage and Deliver a Safe, Reliable, and Sustainable Water Supply; Objective 1A - Increase System Capacity for Anticipated Growth.

MEETING HISTORY:

None.

BACKGROUND:

North Fontana Investment Company, LLC ("Developer") is the owner of land located south of Grapeland Street, north of Duncan Canyon Road, and west of Sierra Avenue, in the City of Fontana, known as Tract 20646 The Resort at the Arboretum ("Development"). The project proposes the development of 136 acres of vacant land into a master planned community with 14 numbered lots designated for residential, commercial, open space and a public school. The Development will require the relocation and installation of multiple District facilities to provide domestic, irrigation and fire water service to the project. This phase of the development specifically deals with the construction of 570 LF of 12" Ductile Iron Pipe within the Terra Vista Drive right-of-way.

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. Included 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.

REQUESTED ACTION:

Forward a recommendation to the Board of Directors to approve the Water System Infrastructure Installation and Conveyance Agreement with North Fontana Investment Company, LLC for Tract 20646 The Resort at the Arboretum (Terra Vista Drive).

Attachments

[Exhibit A - WICA.pdf](#)

Exhibit A

WATER SYSTEM INFRASTRUCTURE INSTALLATION AND CONVEYANCE AGREEMENT

This water system infrastructure installation and conveyance agreement ("Agreement") is entered into and effective as of _____ by and between **North Fontana Investment Company, LLC** ("Developer"), and WEST VALLEY WATER DISTRICT ("District") who agree as follows:

The Developer is the owner of certain land described as **Tract 20646 The Resort at the Arboretum** 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 sole expense, the water facilities and appurtenances required to serve the development in accordance with final District-approved plans known as **Tract 20646 The Resort at the Arboretum – Terra Vista Drive**, as approved and 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 Rules and Regulations, latest edition (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, 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, improvement 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, legal requirements, and other applicable requirements.

2.2 The performance of this Agreement shall commence within ninety (90) calendar days from the executed 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 pre-construction meeting with the District no less than two (2) 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 by the District, 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 attached herein as Exhibit “C”.

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 sole expense prior to construction.

3.4. Developer shall, at Developer's sole 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.

3.5 Developer shall, at Developer's sole expense, be responsible for obtaining and adhering to the California Environmental Quality Act.

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. Automotive/Vehicle Liability Insurance: 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. Excess Liability: 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 obtain a cost proposal for the approved water improvement plans from a pre-approved Contractor attached herein as Exhibit "C". The cost proposal will be submitted to the District for review and approval, and shall be used as the basis for bonding requirements for the water system described in the plans provided to the District by the Developer and approved for construction by the District.

5.2. Performance Bond: The cost proposal for the water system improvements for **Tract 20646 The Resort at the Arboretum – Terra Vista Drive**, is (DEVELOPER TO PROVIDE AT LATER DATE) no/100 dollars (DEVELOPER TO PROVIDE AT LATER DATE). Developer shall and by this Agreement does guarantee the Developer's faithful performance of this Agreement and all of its terms and conditions by providing the following: Developer shall provide the District with 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 attached herein at Exhibit "D", shall be in the amount of (DEVELOPER TO PROVIDE AT LATER DATE) equal to 100 percent of the cost proposal.

5.3. Warranty Bond: The pre-approved Contractor shall furnish a two-year warranty bond for all work completed in accordance with the approved water improvement plans attached herein as 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 and shall be in the amount of (DEVELOPER TO PROVIDE AT LATER DATE) equal to 100 percent of the Contractor's cost proposal.

6. MATERIALS

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

7. NOTICES

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

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

WEST VALLEY WATER DISTRICT

Attn: General Manager

Post Office Box 920

Rialto, CA 92377

RE: Tract 20646 The Resort at the Arboretum – Terra Vista Drive

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

DEVELOPER NAME: North Fontana Investment Company, LLC

ATTN TO:

ADDRESS: 1156 N. Mountain Ave

Upland, CA 91786

RE: Tract 20646 The Resort at the Arboretum – Terra Vista Drive

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

SURETY NAME:

ATTN TO:

ADDRESS

RE: Tract 20646 The Resort at the Arboretum – Terra Vista Drive

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.

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 or verbal notice followed by written notice within three (3) working days, 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. The Developer shall be responsible for insuring the pre-approved contractor performs work with District inspection. If work is done without District inspection, the Contractor shall be responsible for exposing any portion of work as directed by the District at their sole expense. The District will not provide permanent water services until all required inspections are completed and any requirements set forth by the District have been satisfied.

9.7. 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 before construction can take place as outlined in the billing letter (provided separately).

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 a warranty bond (One Hundred (100%) of Contractor's cost proposal) for a period of two (2) years as stated in Sections 5.3 of this Agreement, as-built drawings with contractor redlines and AutoCAD files, materials list with quantities, water system cost breakouts, compaction test report signed and sealed by a California Registered Engineer, notice of completion filed with County Recorder's office, 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 Bill of Sale 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.

IN WITNESS WHEREOF, the parties hereto execute this Agreement.

WEST VALLEY WATER DISTRICT

By: _____ Date: _____
John Thiel, General Manager

DEVELOPER:

North Fontana Investment Company, LLC
a limited liability company

By: _____ Date: _____
Authorized Agent

Exhibit A

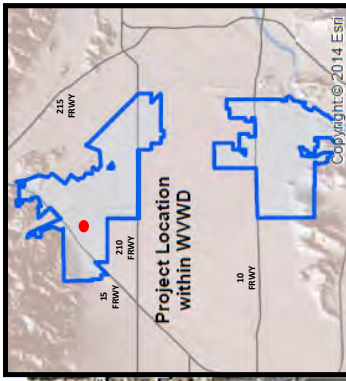


Exhibit A
TRACT 20646
The Resort at the Arboretum – Terra Vista Drive



Exhibit B

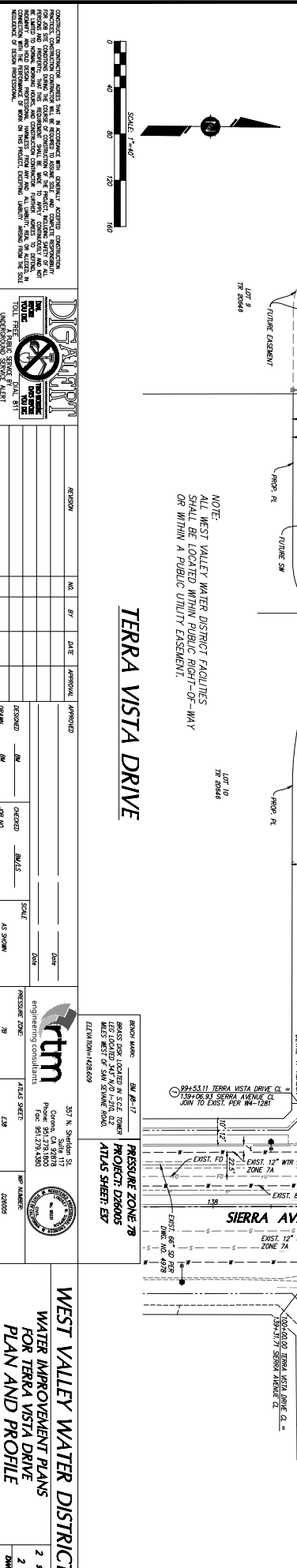
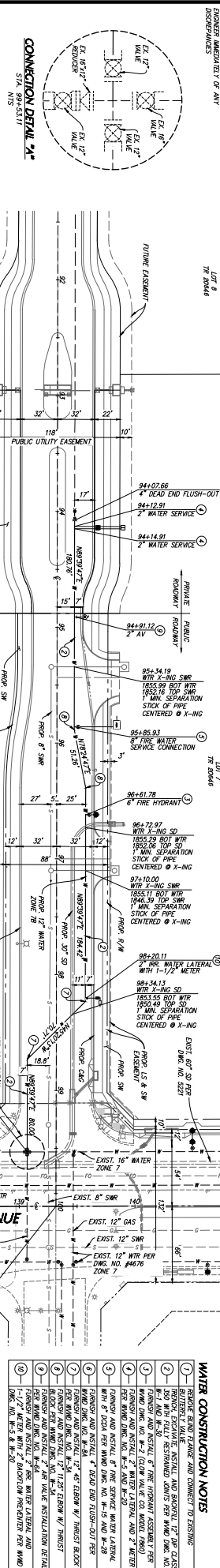
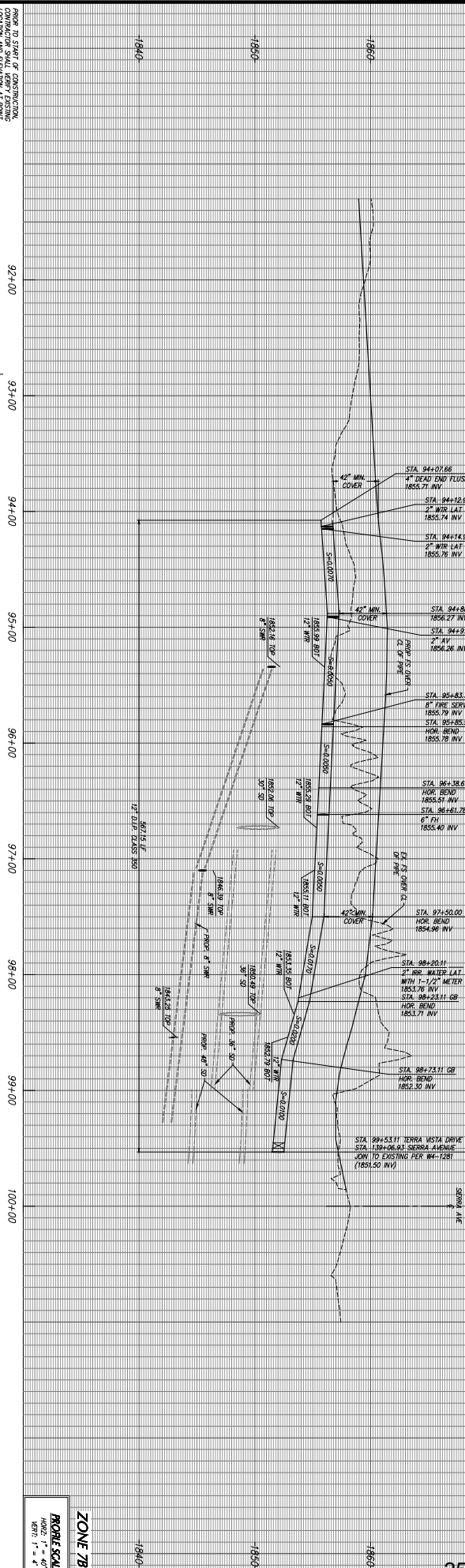


Exhibit C

to be provided at later date

Exhibit D

BOND NO. _____

FAITHFUL PERFORMANCE BOND

To WEST VALLEY WATER DISTRICT for Water System Installation in Accordance with **Water Improvement Plans for Tract 20646 The Resort at the Arboretum – Terra Vista Drive (DATE OF APPROVED PLANS)**. This premium charged on this bond is \$_____ being at the rate of \$_____ per thousand of the contract price.

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the WEST VALLEY WATER DISTRICT has awarded to:

**North Fontana Investment Company, LLC
1156 N. Mountain Ave
Upland, CA 91786**

as the "Principal", an agreement for the work described as follows:

**Water Improvement Plans for Tract 20646 The Resort at the Arboretum –
Terra Vista Drive (DATE OF APPROVED PLANS).**

WHEREAS, the said Principal is required under the terms of said agreement to furnish a bond for the faithful performance of labor and materials of said contract:

NOW, THEREFORE, WE the undersigned Developer, as Principal, and
_____ (Name of Surety)

_____ (Address of Surety) duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the WEST VALLEY WATER DISTRICT in the sum (TEXT PERFORMANCE BOND AMOUNT) no/100 dollars (NUMERIC PERFORMANCE BOND AMOUNT), lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if the above bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things

stand to and abide by, and well and truly keep and perform all the undertakings, terms, covenants, conditions and agreements in the said agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed, at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the WEST VALLEY WATER DISTRICT, its officers, agents, and as therein stipulated, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect. In case suit is brought on this bond, Surety further agrees to pay all court costs and reasonable attorney's fees as shall be fixed by the court.

And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the contract or to the work or to the specifications.

IN WITNESS WHEREOF, we have hereunto set our hands this _____ day of _____, 2026.

ALL SIGNATURES MUST BE NOTARIZED

PRINCIPAL

North Fontana Investment Company, LLC

A Limited Liability Company

By: _____

Name, Title

Authorized Agent

(NOTARIZATION AND SEAL)

SURETY

(NOTARIZATION AND SEAL)



STAFF REPORT

DATE: July 23, 2026

TO: Engineering, Operations and Planning Committee

FROM: Rocky Welborn, Director of Engineering

SUBJECT: Water System Infrastructure Installation and Conveyance Agreement with North Fontana Investment Company, LLC for Tract 20646 The Resort at the Arboretum (Cypress Avenue)

STRATEGIC GOAL:

Strategic Goal 1 - Manage and Deliver a Safe, Reliable, and Sustainable Water Supply; Objective 1A - Increase System Capacity for Anticipated Growth.

MEETING HISTORY:

None.

BACKGROUND:

North Fontana Investment Company, LLC ("Developer") is the owner of land located south of Grapeland Street, north of Duncan Canyon Road, and west of Sierra Avenue, in the City of Fontana, known as Tract 20646 The Resort at the Arboretum ("Development"). The project proposes the development of 136 acres of vacant land into a master planned community with 14 numbered lots designated for residential, commercial, open space and a public school. The Development will require the relocation and installation of multiple District facilities to provide domestic, irrigation and fire water service to the project. This phase of the development specifically deals with the construction of 2,805 LF of 12" Ductile Iron Pipe within the Cypress Avenue right-of-way.

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. Included 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.

REQUESTED ACTION:

Forward a recommendation to the Board of Directors to approve the Water System Infrastructure Installation and Conveyance Agreement with North Fontana Investment Company, LLC for Tract 20646 The Resort at the Arboretum (Cypress Avenue).

Attachments

[Exhibit A - WICA.pdf](#)

Exhibit A

WATER SYSTEM INFRASTRUCTURE INSTALLATION AND CONVEYANCE AGREEMENT

This water system infrastructure installation and conveyance agreement ("Agreement") is entered into and effective as of _____ by and between **North Fontana Investment Company, LLC** ("Developer"), and WEST VALLEY WATER DISTRICT ("District") who agree as follows:

The Developer is the owner of certain land described as **Tract 20646 The Resort at the Arboretum** 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 sole expense, the water facilities and appurtenances required to serve the development in accordance with final District-approved plans known as **Tract 20646 The Resort at the Arboretum – Cypress Avenue**, as approved and 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 Rules and Regulations, latest edition (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, 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, improvement 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, legal requirements, and other applicable requirements.

2.2 The performance of this Agreement shall commence within ninety (90) calendar days from the executed 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 pre-construction meeting with the District no less than two (2) 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 by the District, 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 attached herein as Exhibit "C".

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 sole expense prior to construction.

3.4. Developer shall, at Developer's sole 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.

3.5 Developer shall, at Developer's sole expense, be responsible for obtaining and adhering to the California Environmental Quality Act.

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. Automotive/Vehicle Liability Insurance: 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. Excess Liability: 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 obtain a cost proposal for the approved water improvement plans from a pre-approved Contractor attached herein as Exhibit "C". The cost proposal will be submitted to the District for review and approval, and shall be used as the basis for bonding requirements for the water system described in the plans provided to the District by the Developer and approved for construction by the District.

5.2. Performance Bond: The cost proposal for the water system improvements for **Tract 20646 The Resort at the Arboretum – Cypress Avenue**, is (DEVELOPER TO PROVIDE AT LATER DATE) no/100 dollars (DEVELOPER TO PROVIDE AT LATER DATE). Developer shall and by this Agreement does guarantee the Developer's faithful performance of this Agreement and all of its terms and conditions by providing the following: Developer shall provide the District with 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 attached herein at Exhibit "D", shall be in the amount of (DEVELOPER TO PROVIDE AT LATER DATE) equal to 100 percent of the cost proposal.

5.3. Warranty Bond: The pre-approved Contractor shall furnish a two-year warranty bond for all work completed in accordance with the approved water improvement plans attached herein as 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 and shall be in the amount of (DEVELOPER TO PROVIDE AT LATER DATE) equal to 100 percent of the Contractor's cost proposal.

6. MATERIALS

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

7. NOTICES

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

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

WEST VALLEY WATER DISTRICT

Attn: General Manager

Post Office Box 920

Rialto, CA 92377

RE: Tract 20646 The Resort at the Arboretum – Cypress Avenue

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

DEVELOPER NAME: North Fontana Investment Company, LLC

ATTN TO:

ADDRESS: 1156 N. Mountain Ave

Upland, CA 91786

RE: Tract 20646 The Resort at the Arboretum – Cypress Avenue

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

SURETY NAME:

ATTN TO:

ADDRESS

RE: Tract 20646 The Resort at the Arboretum – Cypress Avenue

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.

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 or verbal notice followed by written notice within three (3) working days, 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. The Developer shall be responsible for insuring the pre-approved contractor performs work with District inspection. If work is done without District inspection, the Contractor shall be responsible for exposing any portion of work as directed by the District at their sole expense. The District will not provide permanent water services until all required inspections are completed and any requirements set forth by the District have been satisfied.

9.7. 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 before construction can take place as outlined in the billing letter (provided separately).

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 a warranty bond (One Hundred (100%) of Contractor's cost proposal) for a period of two (2) years as stated in Sections 5.3 of this Agreement, as-built drawings with contractor redlines and AutoCAD files, materials list with quantities, water system cost breakouts, compaction test report signed and sealed by a California Registered Engineer, notice of completion filed with County Recorder's office, 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 Bill of Sale 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.

IN WITNESS WHEREOF, the parties hereto execute this Agreement.

WEST VALLEY WATER DISTRICT

By: _____ Date: _____
John Thiel, General Manager

DEVELOPER:

North Fontana Investment Company, LLC
a limited liability company

By: _____ Date: _____
Authorized Agent

Exhibit A

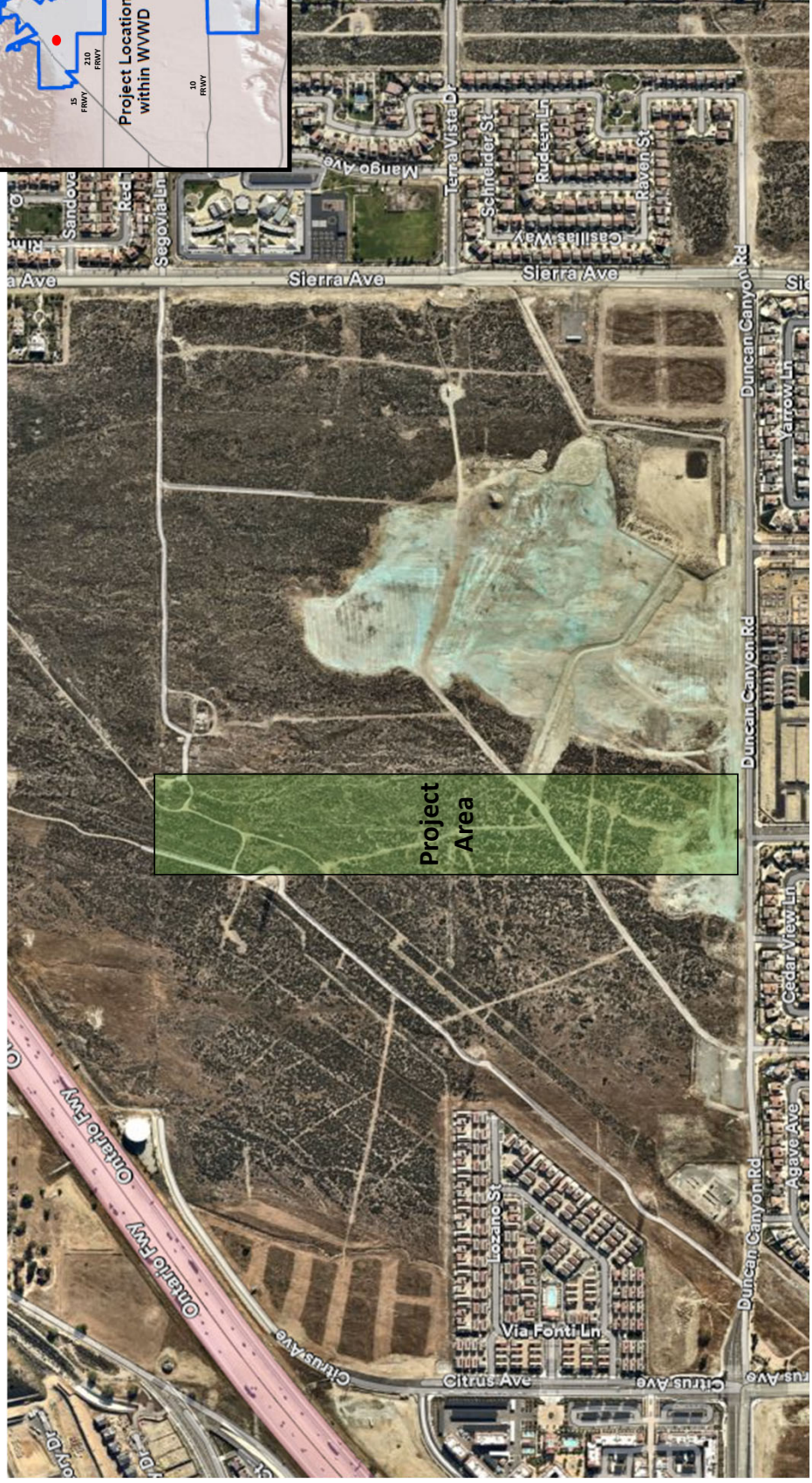
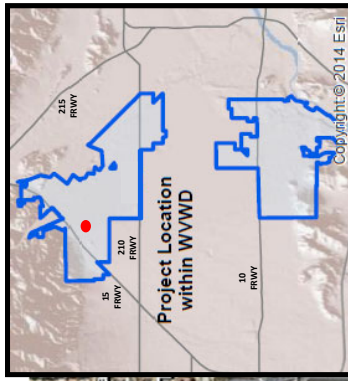


Exhibit A
TRACT 20646
The Resort at the Arboretum – Cypress Avenue



Exhibit B

[illegible]

CONTRACTOR TO RAINFALL, 2-4" PER INCHBURY BOND FOR ALL WATER FACILITIES INSTALLED WITH THIS PLAN.

ALL DUCTILE IRON PIPE SHALL BE RESTRAINED PER DISTRICT STANDARD W-30.

ALL DUCTILE IRON DRAIN, SEWER, AND FITTINGS SHALL BE MECHANICALLY RESTRAINED AS INDICATED ON THE PLANS.

WATER LINE SHUTDOWNS ARE ONLY SCHEDULED BETWEEN 11:00AM THROUGH 4:00PM BASED ON DISTRICT AVAILABILITY.

THE EXISTENCES AND LOCATIONS OF ANY UNDERGROUND UTILITY PIPES AND/OR STRUCTURES SHOWN ON THESE PLANS MUST BE OBTAINED BY A SEARCH OF THE RECORDS OF THE CITY OF CHICAGO. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE ALIGNMENT AND/OR DEPTH OF THE PROPOSED INSTALLATION. THE CONTRACTOR IS REQUIRED TO MAKE THE NECESSARY ADJUSTMENTS TO PROTECT ANY UTILITY (UNDERGROUND AND/OR OTHER) NOT ON RECORD OR NOT SHOWN ON THESE CONSTRUCTION CONVICTION PAPERS. THE CONTRACTOR, WITH GENERALITY, MUST BE ACCOUNTABLE TO ASSUME SUCH RESPONSIBILITY FOR THE PROTECTION OF ANY CONCEALED CONSTRUCTION PROCESSES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE CONSTRUCTION OF THE PROJECT, INCLUDING THE SAFETY OF ALL PERSONS AND PROPERTIES. THIS REQUIREMENT SHALL BE MADE TO ANY CONTRACTORS AND NOT BE LIMITED TO REMAIN, WITHOUT ADVICE, CONSTRUCTION CONTRACTORS. FURTHER, ANY AND ALL LIABILITY, BEING OR ALLEGED, IN CONNECTION WITH THE PERFORMANCE OR NON-OF THIS PROJECT, EXCEPTING THE PERSON PROFESSIONAL, LIABILITY ARISING FROM THE STATE

FOR
CYPRESS AVENUE IN THE CITY OF FONTANA

[illegible]

1	REACH ELK, HALL, AND CORNER TO EXISTING BUTTERFLY WALK	EA	1
2	REACH DUCK FLAME AND BACKSET 12' OFF CLASS 350' FROM RALLY	EA	2
3	REACHED JONES PER WIND STD. DMC. NO. W-1	EA	3
4	PARISH AND INSTILL 12' BUTTERFLY WALK PER WIND DMC. NO. W-1	EA	4
5	PARISH AND INSTILL 12' BUTTERFLY ASSEMBLY PER WIND DMC. NO. W-2 FOLLOW	EA	5
6	WALK OFF WOODS	EA	6
7	PARISH AND INSTILL 4' WATER LATERAL AND 4' WEIR WITH 2' BACKFLOW	EA	7
8	PREFILTER PER WIND STD. DMC. NO. W-9, W-10, W-11 AND W-28	EA	8
9	PARISH AND INSTILL 4' FIRE SERVICE WATER LATERAL WITH 8' DOCK PER WIND STD. DMC. NO. W-14 AND W-28	EA	9
10	PARISH AND INSTILL 4' DEAD END FLUSH-OUT PER WIND STD. DMC. NO. W-48	EA	10
11	PARISH AND INSTILL 12' HOR. DRAIN WITH INHIBIT BLOCK PER WIND STD. W-1-A	EA	11
12	PARISH AND INSTILL GRADE BREAK THREE BLOCKS PER WIND STD. W-1-A AND W-2	---	12
13	PARISH AND INSTILL 12' DI. EEE PER WIND STD. DMC. NO. W-11 AND W-20	EA	13
14	REACHED JONES PER WIND DMC. NO. W-30	EA	14
15	PARISH AND INSTILL 2' PER WATER SERVICE AND 1-1/2' WEIR WITH 2' BACKFLOW	EA	15
16	PREFILTER PER WIND STD. DMC. NO. W-5 AND W-20	EA	16
17	PREFILTER PER WIND STD. DMC. NO. W-5 AND W-20	EA	17
18	PREFILTER PER WIND STD. DMC. NO. W-5 AND W-20	EA	18
19	PREFILTER PER WIND STD. DMC. NO. W-5 AND W-20	EA	19
20	PREFILTER PER WIND STD. DMC. NO. W-5 AND W-20	EA	20

[illegible]

THE ENGINEER PREPARING THESE PLANS WILL NOT BE RESPONSIBLE FOR OR LIABLE FOR, UNAUTHORIZED CHANGES TO OR USES OF THESE PLANS. ALL CHANGES TO THE PLANS MUST BE IN WRITING AND MUST BE APPROVED BY THE PREPARER OF THESE PLANS.

**Don't
Dial 911
Before
You Dial
Dial 811
Two Weeks
Before
You Dig**

**TOLL FREE
A PUBLIC SERVICE BY
UNDERGROUND SERVICE ALERT**

PERSON		NO.	BY	DATE	APPROVAL
APPROVED					
					Date
					Date
DESIGNED		BY		DATE	
DRAWN		BY		DATE	
CHECKED		BY		DATE	
SCALE		AS SHOWN			
PRESSURE ZONE: _____					
ALIAS SHEET: _____					
IMP. NUMBER: _____					



3571 N. Swanton St.
 Suite 117
 Chicago, IL 60642
 Phone: 861.273.1800
 Fax: 861.273.4860



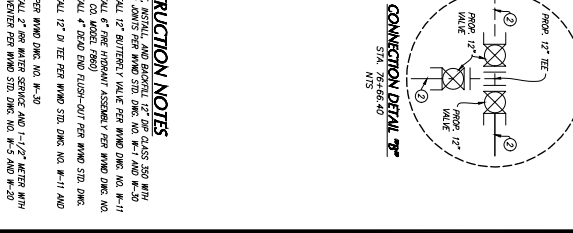
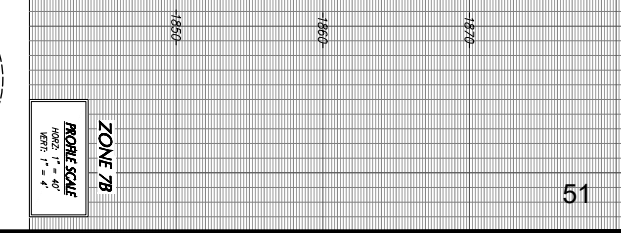
**WATER IMPROVEMENT PLANS
FOR CYPRESS AVENUE
TITLE SHEET**

THIS CERTIFIES THAT THESE PLANS AND SPECIFICATIONS HAVE BEEN REVIEWED AND ACCEPTED BY THE WEST VALLEY WATER DISTRICT AND THAT THE DISTRICT IS MILLING AND ABLE TO SUPPLY WATER TO SERVE THIS LOCATION.

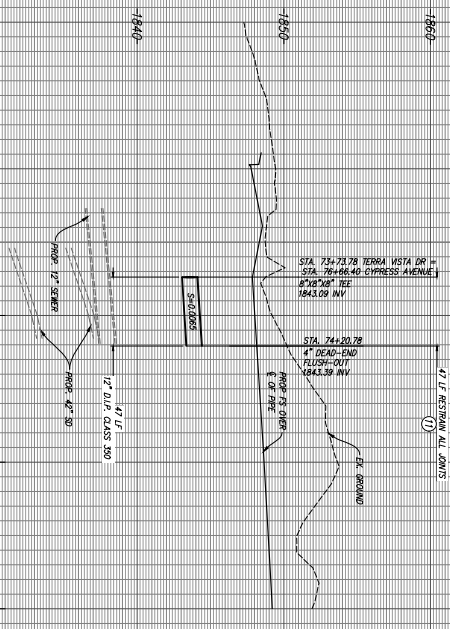
THIS CERTIFIES THAT THESE PLANS AND SPECIFICATIONS HAVE BEEN DESIGNED UNDER THE DIRECT SUPERVISION OF A CIVIL ENGINEER LICENSED IN STATE OF CALIFORNIA AND ARE IN ACCORDANCE WITH TITLE 22, CODE OF REGULATIONS, CHAPTER 16, CALIFORNIA WATERWORKS STANDARD OF THE STATE OF CALIFORNIA.

FIRE PROTECTION SYSTEM REVIEWED AND APPROVED BY:

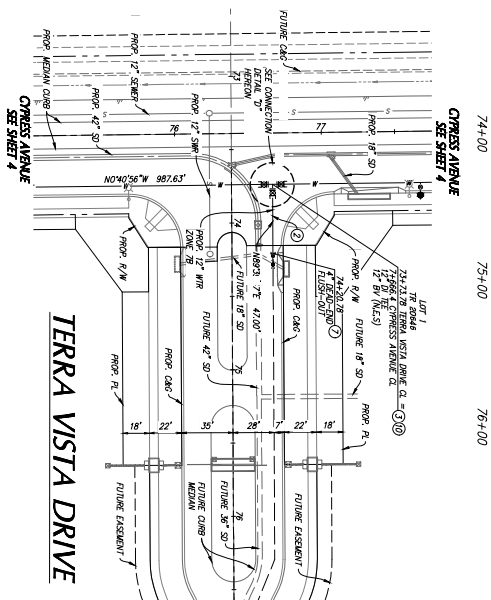
- 1 TITLE SHEET
- 2 INDEX MAP
- 3-6 PLAN AND PROFILE

[illegible]

\\Fs1\G:\Users\BeverlyM\AC\2020\FTM Engineering Consultants LLC\15558.79000-RESORT FONTANA\Project Files\Final\Water\Cypress Avenue - School Site\1074 - PLN - WTR - CYPRESS AVENUE - 004.dwg Layout: 1074 - PLN - WTR - CYPRESS AVENUE - 004 Saved: 5/26/2020 11:42 AM Plotted: 5/26/2020 11:44 AM By: Beverly Marlow

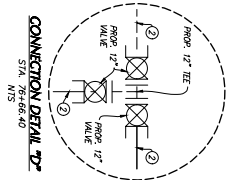


53



**CYPRESS AVENUE
SEE SHEET 4**

TERRA VISTA DRIVE



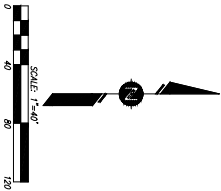
WATER CONSTRUCTION NOTES

- 2 PRICK, SPARK, INSTILL AND BROADCAST 12TH DEGREE CLASS 350 WITH POLY, RESINATED JOINTS PER WIND DING. NO. W-1 AND W-50
- 3 FURNISH AND INSTILL 12TH BUTTERFLY VALVE PER WIND DING. NO. W-1
- 7 FURNISH AND INSTILL 4TH DEAD END FLUSH-OUT PER WIND STD. DING. NO. W-68
- 10 FURNISH AND INSTILL 12TH DI TEE PER WIND STD. DING. NO. W-11 AND W-50
- 11 RESTRAIN JOINTS PER WIND DING. NO. W-50

WEST VALLEY WATER DISTRICT

**WATER IMPROVEMENT PLAN
FOR CYPRESS AVENUE
PLAN AND PROFILE**

6	SHEET
6	SHEET
6	SHEET



CONSTRUCTION CONTRACTOR AGREES THAT IN ACCORDANCE WITH GENERALLY ACCEPTED CONSTRUCTION PRACTICES, CONSTRUCTION CONTRACTOR WILL BE REQUIRED TO ASSUME SOLE AND COMPLETE RESPONSIBILITY FOR THE PROTECTION OF THE CONSTRUCTION PROJECT. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF THE PROJECT, INCLUDING, BUT NOT LIMITED TO, HOLDING, BORROWING, NOTES, AND CONSTRUCTION CONTRACT. FURTHER, AGREES TO DEFEND, INDEMNIFY, AND HOLD PERSON, PROFESSIONAL, NONPROFESSIONAL, AND/OR COMPANY, WITHOUT LIMITATION, IN CONNECTION WITH THE PERFORMANCE OF WORK ON THIS PROJECT, EXCEPTING LIABILITY ARISING FROM THE SOLE NEGLIGENCE OF DESIGN PROFESSIONAL.

[illegible]

BENCH MARK **BU #8-17**

BRASS RISK (LOCATED IN S.C.E. TOWER)
LES (LOCATED) SKY N/O 1-210, 0.2
MILES WEST OF SAN SEVANTE ROAD.

EL ELEVATION=1428.609

PRESSURE ZONE: 78

PROJECT: D26006

ATLAS SHEET: E36 & E38

PRESSURE ZONE: 7B
PROJECT: D26006
ATLAS SHEET: E36 & E38

357 N. Sheridan St.
Suite 117
Corona, CA 92678

Corona, CA 92678
Phone: 951.279.1800
Fax: 951.279.4380

STRESS ZONE:	ATLAS SHEET:
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8	E36 & E37
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NUMBER:  D26006

WEST VALLEY WATER DISTRICT WATER IMPROVEMENT PLANS FOR CYPRESS AVENUE PLAN AND PROFILE	6 sheets
	Q. 6 SHEETS DWC IN.

Exhibit C

to be provided at later date

Exhibit D

BOND NO. _____

FAITHFUL PERFORMANCE BOND

To WEST VALLEY WATER DISTRICT for Water System Installation in Accordance with **Water Improvement Plans for Tract 20646 The Resort at the Arboretum – Cypress Avenue (DATE OF APPROVED PLANS)**. This premium charged on this bond is \$_____ being at the rate of \$_____ per thousand of the contract price.

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the WEST VALLEY WATER DISTRICT has awarded to:

**North Fontana Investment Company, LLC
1156 N. Mountain Ave
Upland, CA 91786**

as the "Principal", an agreement for the work described as follows:

**Water Improvement Plans for Tract 20646 The Resort at the Arboretum –
Cypress Avenue (DATE OF APPROVED PLANS).**

WHEREAS, the said Principal is required under the terms of said agreement to furnish a bond for the faithful performance of labor and materials of said contract:

NOW, THEREFORE, WE the undersigned Developer, as Principal, and
_____ (Name of Surety)

_____ (Address of Surety) duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the WEST VALLEY WATER DISTRICT in the sum (TEXT PERFORMANCE BOND AMOUNT) no/100 dollars (NUMERIC PERFORMANCE BOND AMOUNT), lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if the above bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things

stand to and abide by, and well and truly keep and perform all the undertakings, terms, covenants, conditions and agreements in the said agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed, at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the WEST VALLEY WATER DISTRICT, its officers, agents, and as therein stipulated, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect. In case suit is brought on this bond, Surety further agrees to pay all court costs and reasonable attorney's fees as shall be fixed by the court.

And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the contract or to the work or to the specifications.

IN WITNESS WHEREOF, we have hereunto set our hands this _____ day of _____, 2026.

ALL SIGNATURES MUST BE NOTARIZED

PRINCIPAL

North Fontana Investment Company, LLC

A Limited Liability Company

By: _____
Name, Title

Authorized Agent

(NOTARIZATION AND SEAL)

SURETY

(NOTARIZATION AND SEAL)



STAFF REPORT

DATE: July 23, 2026

TO: Engineering, Operations and Planning Committee

FROM: Rocky Welborn, Director of Engineering

SUBJECT: Water System Infrastructure Installation and Conveyance Agreement with North Fontana Investment Company, LLC for Tract 20646 The Resort at the Arboretum (Grapeland Street)

STRATEGIC GOAL:

Strategic Goal 1 - Manage and Deliver a Safe, Reliable, and Sustainable Water Supply; Objective 1A - Increase System Capacity for Anticipated Growth.

MEETING HISTORY:

None.

BACKGROUND:

North Fontana Investment Company, LLC ("Developer") is the owner of land located south of Grapeland Street, north of Duncan Canyon Road, and west of Sierra Avenue, in the City of Fontana, known as Tract 20646 The Resort at the Arboretum ("Development"). The project proposes the development of 136 acres of vacant land into a master planned community with 14 numbered lots designated for residential, commercial, open space on and a public school. The Development will require the relocation and installation of multiple District facilities to provide domestic, irrigation and fire water service to the project. This phase of the development specifically deals with the construction of 2,400 LF of 18" Ductile Iron Pipe within the Grapeland Street right-of-way.

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. Included 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.

REQUESTED ACTION:

Forward a recommendation to the Board of Directors to approve the Water System Infrastructure Installation and Conveyance Agreement with North Fontana Investment Company, LLC for Tract 20646 The Resort at the Arboretum (Grapeland Street).

Attachments

[Exhibit A - WICA.pdf](#)

Exhibit A

WATER SYSTEM INFRASTRUCTURE INSTALLATION AND CONVEYANCE AGREEMENT

This water system infrastructure installation and conveyance agreement (“Agreement”) is entered into and effective as of _____ by and between **North Fontana Investment Company, LLC** (“Developer”), and WEST VALLEY WATER DISTRICT (“District”) who agree as follows:

The Developer is the owner of certain land described as **Tract 20646 The Resort at the Arboretum** 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 sole expense, the water facilities and appurtenances required to serve the development in accordance with final District-approved plans known as **Tract 20646 The Resort at the Arboretum – Grapeland Street**, as approved and 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 Rules and Regulations, latest edition (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, 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, improvement 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, legal requirements, and other applicable requirements.

2.2 The performance of this Agreement shall commence within ninety (90) calendar days from the executed 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 pre-construction meeting with the District no less than two (2) 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 by the District, 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 attached herein as Exhibit "C".

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 sole expense prior to construction.

3.4. Developer shall, at Developer's sole 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.

3.5 Developer shall, at Developer's sole expense, be responsible for obtaining and adhering to the California Environmental Quality Act.

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. Automotive/Vehicle Liability Insurance: 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. Excess Liability: 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 obtain a cost proposal for the approved water improvement plans from a pre-approved Contractor attached herein as Exhibit "C". The cost proposal will be submitted to the District for review and approval, and shall be used as the basis for bonding requirements for the water system described in the plans provided to the District by the Developer and approved for construction by the District.

5.2. Performance Bond: The cost proposal for the water system improvements for **Tract 20646 The Resort at the Arboretum – Grapeland Street**, is (DEVELOPER TO PROVIDE AT LATER DATE) no/100 dollars (DEVELOPER TO PROVIDE AT LATER DATE). Developer shall and by this Agreement does guarantee the Developer's faithful performance of this Agreement and all of its terms and conditions by providing the following: Developer shall provide the District with 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 attached herein at Exhibit "D", shall be in the amount of (DEVELOPER TO PROVIDE AT LATER DATE) equal to 100 percent of the cost proposal.

5.3. Warranty Bond: The pre-approved Contractor shall furnish a two-year warranty bond for all work completed in accordance with the approved water improvement plans attached herein as 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 and shall be in the amount of (DEVELOPER TO PROVIDE AT LATER DATE) equal to 100 percent of the Contractor's cost proposal.

6. MATERIALS

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

7. NOTICES

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

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

WEST VALLEY WATER DISTRICT

Attn: General Manager

Post Office Box 920

Rialto, CA 92377

RE: Tract 20646 The Resort at the Arboretum – Grapeland Street

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

DEVELOPER NAME: North Fontana Investment Company, LLC

ATTN TO:

ADDRESS: 1156 N. Mountain Ave

Upland, CA 91786

RE: Tract 20646 The Resort at the Arboretum – Grapeland Street

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

SURETY NAME:

ATTN TO:

ADDRESS

RE: Tract 20646 The Resort at the Arboretum – Grapeland Street

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.

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 or verbal notice followed by written notice within three (3) working days, 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. The Developer shall be responsible for insuring the pre-approved contractor performs work with District inspection. If work is done without District inspection, the Contractor shall be responsible for exposing any portion of work as directed by the District at their sole expense. The District will not provide permanent water services until all required inspections are completed and any requirements set forth by the District have been satisfied.

9.7. 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 before construction can take place as outlined in the billing letter (provided separately).

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 a warranty bond (One Hundred (100%) of Contractor's cost proposal) for a period of two (2) years as stated in Sections 5.3 of this Agreement, as-built drawings with contractor redlines and AutoCAD files, materials list with quantities, water system cost breakouts, compaction test report signed and sealed by a California Registered Engineer, notice of completion filed with County Recorder's office, 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 Bill of Sale 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.

IN WITNESS WHEREOF, the parties hereto execute this Agreement.

WEST VALLEY WATER DISTRICT

By: _____ Date: _____
John Thiel, General Manager

DEVELOPER:

North Fontana Investment Company, LLC
a limited liability company

By: _____ Date: _____
Authorized Agent

Exhibit A

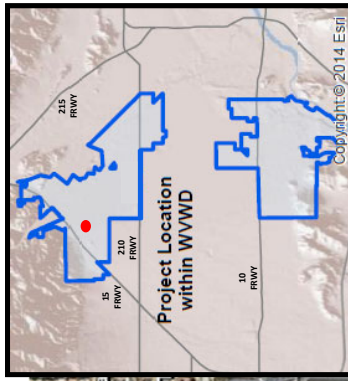


Exhibit A
TRACT 20646
The Resort at the Arboretum – Grapeland Street



Exhibit B

[illegible]

IF CONSTRUCTION HAS NOT COMMENCED WITHIN TWO (2) YEARS OF THE DISTRICT APPROVAL DATE, THIS PLAN SHALL BE REASSIGNED TO THE DISTRICT FOR REVIEW AND APPROVAL.

WATER LINES TO BE INSTALLED ONLY AFTER THE COMPLETION OF CONCRETE CURB AND GUTTER.

CONTRACTOR TO FURNISH 2-YEAR WARRANTY BOND FOR ALL WATER FACILITIES INSTALLED WITH THIS PLAN.

ALL DUCTILE IRON PIPE SHALL BE RESTRAINED PER DISTRICT STANDARD W-30.

ALL DUCTILE IRON JOINTS, BENDS, AND FITTINGS SHALL BE MECHANICALLY RESTRAINED AS MONICED ON THE PLANS.

COMPANY, LLC
1156 N. MOUNTAIN AVENUE
UPLAND, CA 91786
(909) 969-0971

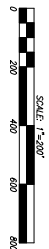
UTILITY NOTIFICATION LIST

[illegible]

UNAUTHORIZED CHANGES AND USES

THE ENGINEER PREPARING THESE PLANS WILL NOT BE RESPONSIBLE FOR OR LIABLE FOR UNAUTHORIZED CHANGES TO OR USES OF THESE PLANS. ALL CHANGES TO THE PLANS MUST BE IN WRITING AND MUST BE APPROVED BY THE PREPARER OF THESE PLANS.

GRAPELAND STREET IN THE CITY OF FONTANA



CIVIL ENGINEER LICENSED IN STATE OF CALIFORNIA AND ARE IN ACCORDANCE WITH TITLE 22, CODE OF REGULATIONS, CHAPTER 16, CALIFORNIA WATERWORKS BOARD, OF THE STATE OF CALIFORNIA.

FIRE PROTECTION SYSTEM REVIEWED AND APPROVED BY
CITY OF FONTANA

THE LOCATION AND LOCATION OF THE ABOVE RECORDS, THESE LOCATIONS ARE APPROXIMATE AND SHALL BE OBTAINED BY A SEARCH OF THE ABOVE RECORDS. THE CONTRACTOR IS REQUIRED TO TAKE DUE PRECAUTIONARY MEASURES TO PROTECT THE PROPOSED IMPROVEMENT. THE CONTRACTOR IS REQUIRED TO TAKE DUE PRECAUTIONARY MEASURES TO PROTECT THE UTILITY LINES SHOWN AND ANY OTHER LINES NOT ON RECORD OR NOT SHOWN ON THESE.

SALE NEGLIGENCE OF THE DESIGN PROFESSIONAL.

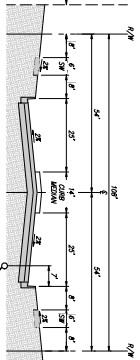
UNIT	QTY	WATER CONSTRUCTION NOTES
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WATER CONSTRUCTION NOTES

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THIS CERTIFIES THAT THESE PLANS AND SPECIFICATIONS HAVE BEEN REVIEWED AND ACCEPTED BY THE WEST VALLEY WATER DISTRICT AND THAT THE DISTRICT IS WILLING AND ABLE TO SUPPLY WATER TO SERVE THIS LOCATION.

SIGNATURE _____ MILE _____ DATE _____



LEGEND

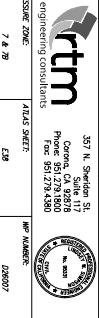
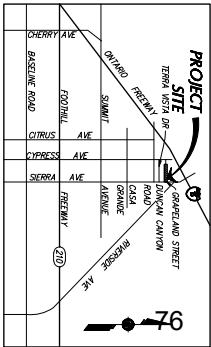
TRACT BOUNDARY
PROPOSED CENTERLINE
RIGHT OF WAY
EXISTING WATER
PROPOSED WATER
EXISTING SEWER
PROPOSED SEWER
EXISTING STORM DRAIN

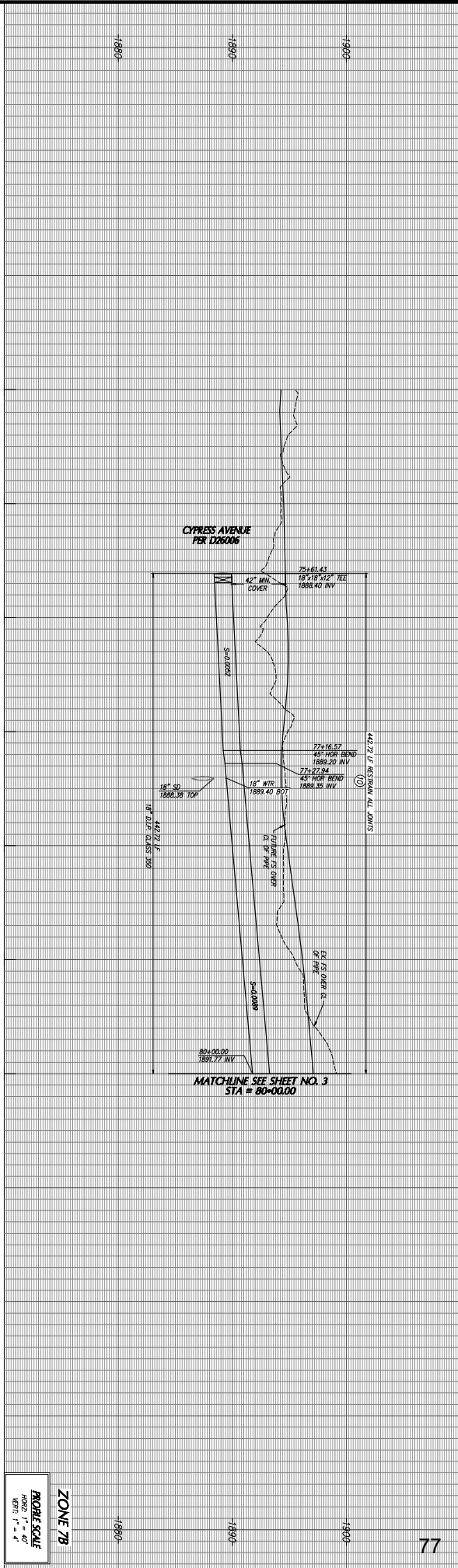
SHEET 1 INDEX

1	TITLE SHEET
2	PLAN AND PROFILE - STA. 75+38.25 TO STA. 80+00.00
3	PLAN AND PROFILE - STA. 80+00.00 TO STA. 91+00.00
4	PLAN AND PROFILE - STA. 91+00.00 TO 99+53.15

PRESSURE ZONE: 7 / PROJECT: D26007 / ATLAS SHEET: E38

WEST VALLEY WATER DISTRICT	1.
WATER IMPROVEMENT PLANS	
FOR GRAPELAND STREET	4
TITLE SHEET	
	DATE:



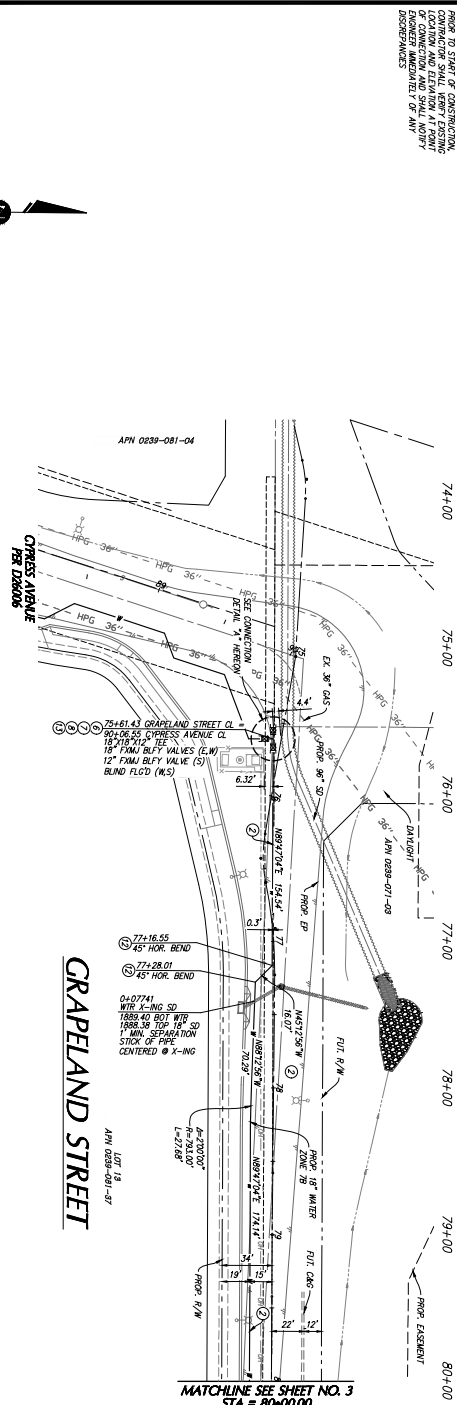


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THE LOCATION AND ELEVATION AT POINT
OF CONNECTION SHALL INDICATE
POSSIBLE MEANWELL OF ANY

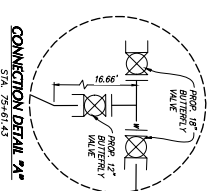
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DRAWN BY DATE

PROPOSED EASEMENT

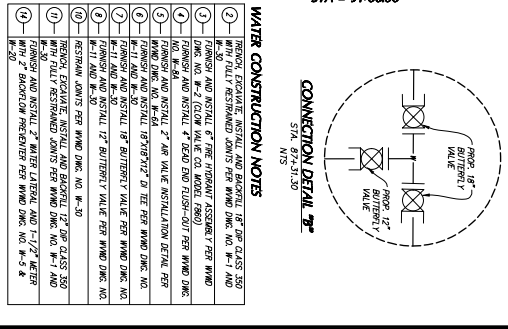
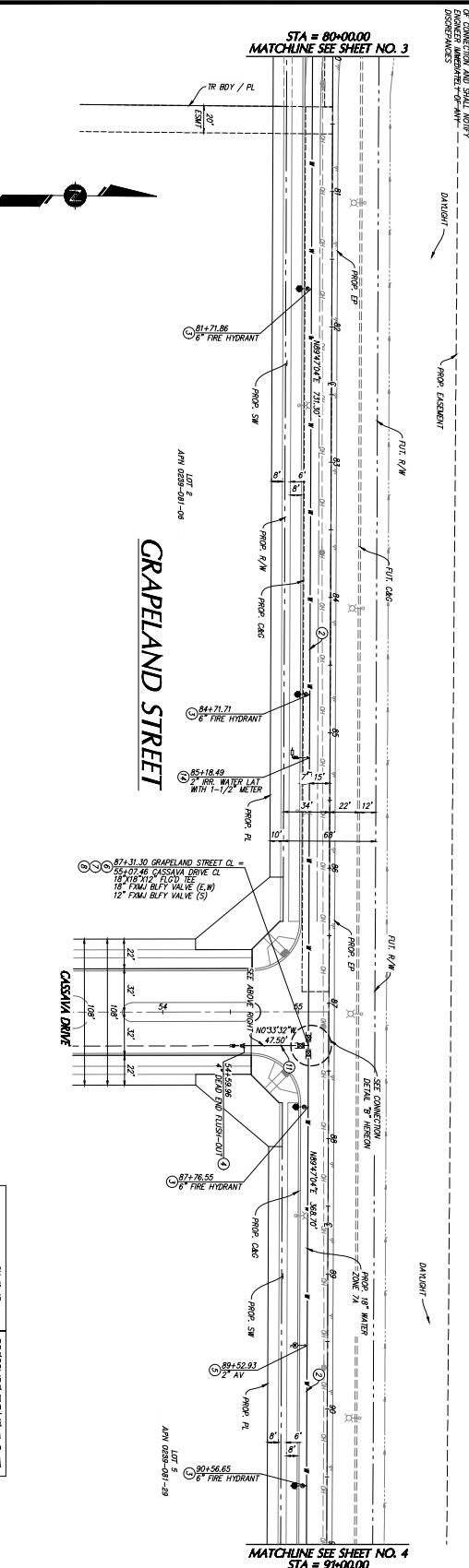
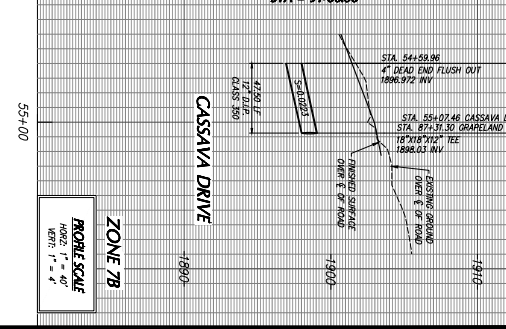
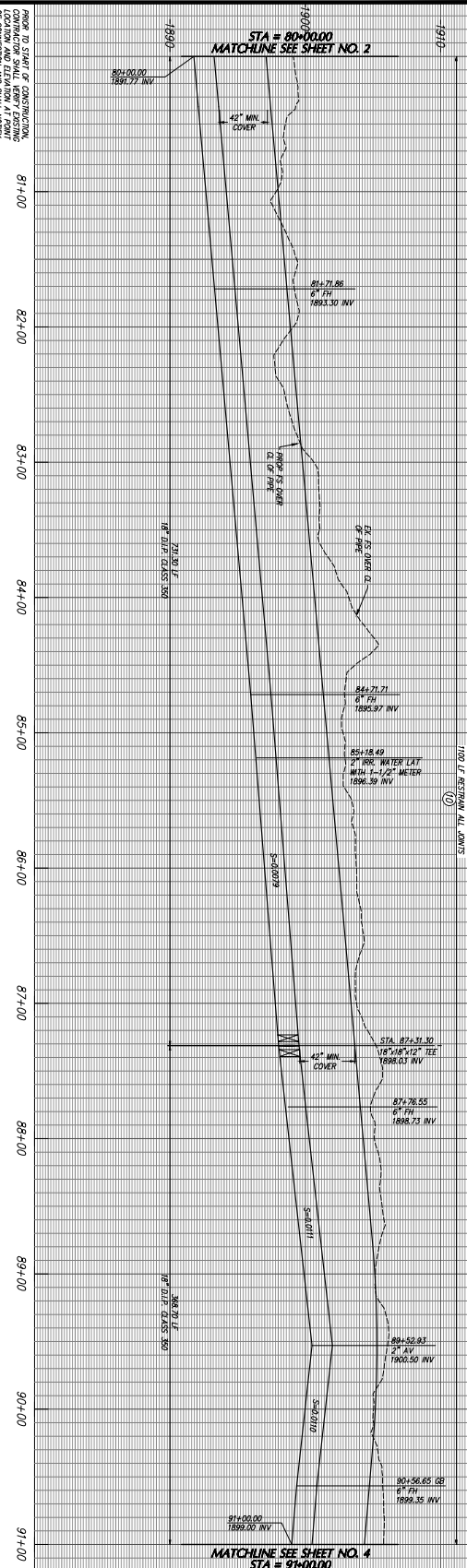


MATCHLINE SEE SHEET NO. 3
STA. = 80+00.00



- | WATER CONSTRUCTION NOTES | |
|--------------------------|---|
| 2 | BRICK, REACTIVE, INSTALL AND INSTALL, 1/2" TOP CLASS 550 WITH TILT / REINFORCED JOINTS PER WIND DUC. NO. W-11 AND W-10. |
| 6 | FANSHY AND INSTALL, 1/2" TOP CLASS 550 / THE PER WIND DUC. NO. W-11 AND W-10. |
| 7 | FANSHY AND INSTALL, 1/2" BUTTERY / THE PER WIND DUC. NO. W-11 AND W-10. |
| 8 | FANSHY AND INSTALL, 1/2" BUTTERY / THE PER WIND DUC. NO. W-11 AND W-10. |
| 10 | REPAIRING JOINTS PER WIND DUC. NO. W-10. |
| 12 | FANSHY AND INSTALL, 1/2" TOP, BOND WITH THINSET BLOCKS PER WIND DUC. NO. W-10. |
| 12 | FANSHY AND INSTALL, BOND FLAME PER WIND DUC. NO. W-10. |

[illegible]



CONSTRUCTION NOTES:

1. ALL NEW WATER MAINS SHALL BE 18" DIA. CLASS 300 RCP.
2. ALL EXISTING WATER MAINS SHALL BE 18" DIA. CLASS 300 RCP.
3. ALL NEW WATER MAINS SHALL BE 18" DIA. CLASS 300 RCP.
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19. ALL NEW WATER MAINS SHALL BE 18" DIA. CLASS 300 RCP.
20. ALL EXISTING WATER MAINS SHALL BE 18" DIA. CLASS 300 RCP.

WEST VALLEY WATER DISTRICT

FOR IMPROVEMENT PLANS

WATER MAIN AND STORM SEWER

PLAN AND PROFILE - STA 80+00.00 TO STA 91+00.00

3 SHEET OF 4 SHEETS

DWG NO. 100000

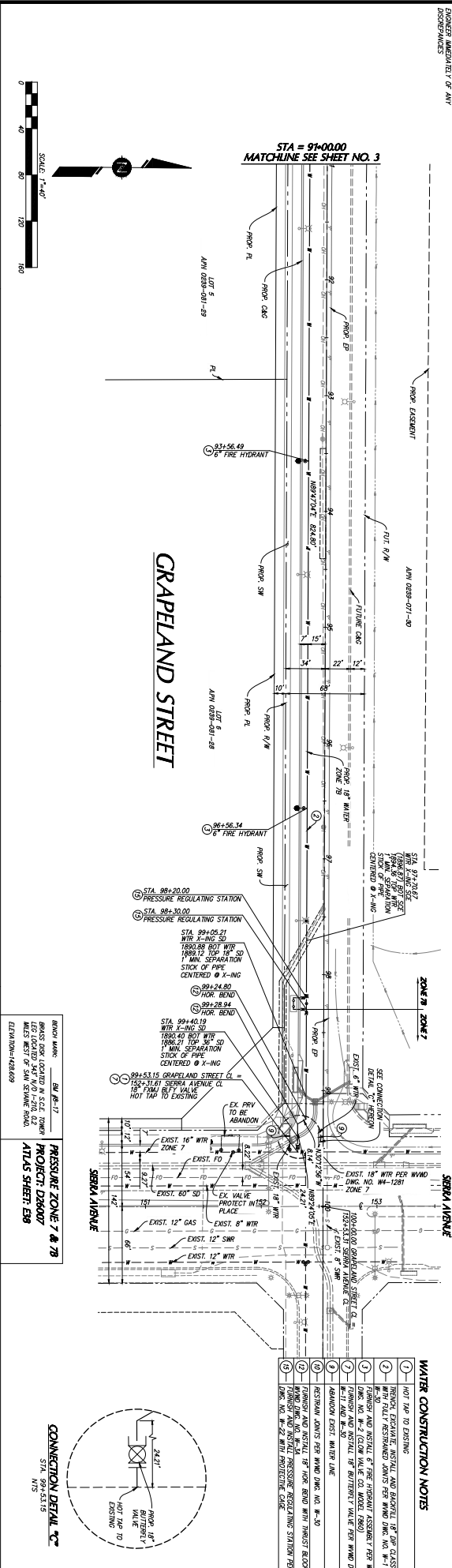
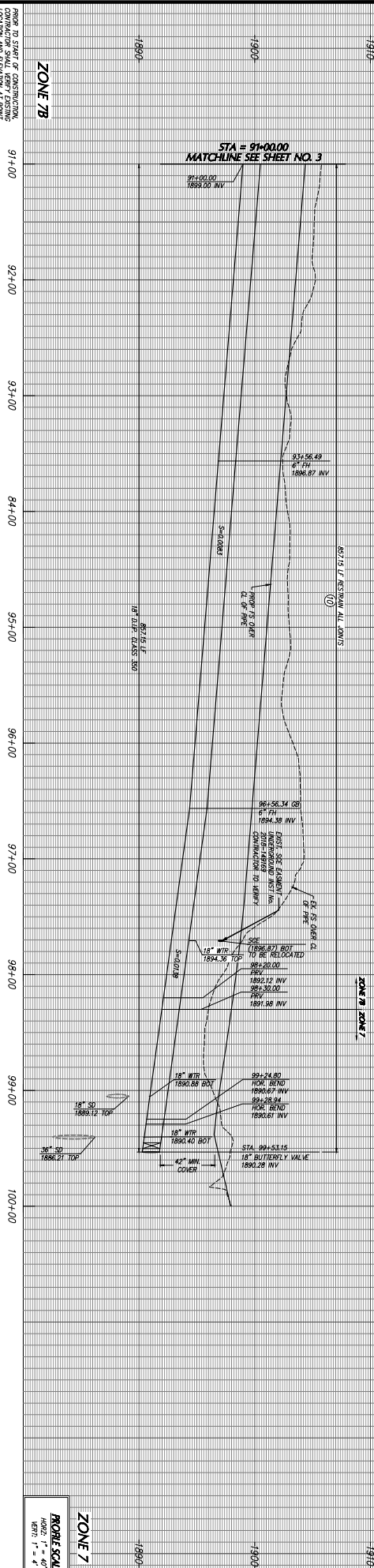
[illegible]

Exhibit C

to be provided at later date

Exhibit D

BOND NO. _____

FAITHFUL PERFORMANCE BOND

To WEST VALLEY WATER DISTRICT for Water System Installation in Accordance with **Water Improvement Plans for Tract 20646 The Resort at the Arboretum – Grapeland Street (DATE OF APPROVED PLANS)**. This premium charged on this bond is \$_____ being at the rate of \$_____ per thousand of the contract price.

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the WEST VALLEY WATER DISTRICT has awarded to:

**North Fontana Investment Company, LLC
1156 N. Mountain Ave
Upland, CA 91786**

as the "Principal", an agreement for the work described as follows:

Water Improvement Plans for Tract 20646 The Resort at the Arboretum – Grapeland Street (DATE OF APPROVED PLANS).

WHEREAS, the said Principal is required under the terms of said agreement to furnish a bond for the faithful performance of labor and materials of said contract:

NOW, THEREFORE, WE the undersigned Developer, as Principal, and _____ (Name of Surety)

_____ (Address of Surety) duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the WEST VALLEY WATER DISTRICT in the sum (TEXT PERFORMANCE BOND AMOUNT) no/100 dollars (NUMERIC PERFORMANCE BOND AMOUNT), lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if the above bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things

stand to and abide by, and well and truly keep and perform all the undertakings, terms, covenants, conditions and agreements in the said agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed, at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the WEST VALLEY WATER DISTRICT, its officers, agents, and as therein stipulated, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect. In case suit is brought on this bond, Surety further agrees to pay all court costs and reasonable attorney's fees as shall be fixed by the court.

And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the contract or to the work or to the specifications.

IN WITNESS WHEREOF, we have hereunto set our hands this _____ day of _____, 2026.

ALL SIGNATURES MUST BE NOTARIZED

PRINCIPAL

North Fontana Investment Company, LLC

A Limited Liability Company

By: _____
Name, Title

Authorized Agent

(NOTARIZATION AND SEAL)

SURETY

(NOTARIZATION AND SEAL)



STAFF REPORT

DATE: July 23, 2026

TO: Engineering, Operations and Planning Committee

FROM: Rocky Welborn, Director of Engineering

SUBJECT: Water System Infrastructure Installation and Conveyance Agreement with North Fontana Investment Company, LLC for Tract 20646 The Resort at the Arboretum (Duncan Canyon Road)

STRATEGIC GOAL:

Strategic Goal 1 - Manage and Deliver a Safe, Reliable, and Sustainable Water Supply; Objective 1A - Increase System Capacity for Anticipated Growth

MEETING HISTORY:

None.

BACKGROUND:

North Fontana Investment Company, LLC ("Developer") is the owner of land located south of Grapeland Street, north of Duncan Canyon Road, and west of Sierra Avenue, in the City of Fontana, known as Tract 20646 The Resort at the Arboretum ("Development"). The project proposes the development of 136 acres of vacant land into a master planned community with 14 numbered lots designated for residential, commercial, open space and a public school. The Development will require the relocation and installation of multiple District facilities to provide domestic, irrigation and fire water service to the project. This phase of the development specifically deals with the construction of 90 LF of 12" Ductile Iron Pipe within the Duncan Canyon Road right-of-way.

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. Included 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.

REQUESTED ACTION:

Forward a recommendation to the Board of Directors to approve the Water System Infrastructure Installation and Conveyance Agreement with North Fontana Investment Company, LLC for Tract 20646 The Resort at the Arboretum (Duncan Canyon Road).

Attachments

[Exhibit A - WICA.pdf](#)

Exhibit A

WATER SYSTEM INFRASTRUCTURE INSTALLATION AND CONVEYANCE AGREEMENT

This water system infrastructure installation and conveyance agreement (“Agreement”) is entered into and effective as of _____ by and between **North Fontana Investment Company, LLC** (“Developer”), and WEST VALLEY WATER DISTRICT (“District”) who agree as follows:

The Developer is the owner of certain land described as **Tract 20646 The Resort at the Arboretum** 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 sole expense, the water facilities and appurtenances required to serve the development in accordance with final District-approved plans known as **Tract 20646 The Resort at the Arboretum –Duncan Canyon Road**, as approved and 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 Rules and Regulations, latest edition (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, 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, improvement 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, legal requirements, and other applicable requirements.

2.2 The performance of this Agreement shall commence within ninety (90) calendar days from the executed 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 pre-construction meeting with the District no less than two (2) 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 by the District, 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 attached herein as Exhibit "C".

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 sole expense prior to construction.

3.4. Developer shall, at Developer's sole 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.

3.5 Developer shall, at Developer's sole expense, be responsible for obtaining and adhering to the California Environmental Quality Act.

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. Automotive/Vehicle Liability Insurance: 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. Excess Liability: 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 obtain a cost proposal for the approved water improvement plans from a pre-approved Contractor attached herein as Exhibit "C". The cost proposal will be submitted to the District for review and approval, and shall be used as the basis for bonding requirements for the water system described in the plans provided to the District by the Developer and approved for construction by the District.

5.2. Performance Bond: The cost proposal for the water system improvements for **Tract 20646 The Resort at the Arboretum – Duncan Canyon Road**, is (DEVELOPER TO PROVIDE AT LATER DATE) no/100 dollars (DEVELOPER TO PROVIDE AT LATER DATE). Developer shall and by this Agreement does guarantee the Developer's faithful performance of this Agreement and all of its terms and conditions by providing the following: Developer shall provide the District with 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 attached herein at Exhibit "D", shall be in the amount of (DEVELOPER TO PROVIDE AT LATER DATE) equal to 100 percent of the cost proposal.

5.3. Warranty Bond: The pre-approved Contractor shall furnish a two-year warranty bond for all work completed in accordance with the approved water improvement plans attached herein as 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 and shall be in the amount of (DEVELOPER TO PROVIDE AT LATER DATE) equal to 100 percent of the Contractor's cost proposal.

6. MATERIALS

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

7. NOTICES

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

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

WEST VALLEY WATER DISTRICT

Attn: General Manager

Post Office Box 920

Rialto, CA 92377

RE: Tract 20646 The Resort at the Arboretum – Duncan Canyon Road

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

DEVELOPER NAME: North Fontana Investment Company, LLC

ATTN TO:

ADDRESS: 1156 N. Mountain Ave

Upland, CA 91786

RE: Tract 20646 The Resort at the Arboretum – Duncan Canyon Road

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

SURETY NAME:

ATTN TO:

ADDRESS

RE: Tract 20646 The Resort at the Arboretum – Duncan Canyon Road

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.

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 or verbal notice followed by written notice within three (3) working days, 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. The Developer shall be responsible for insuring the pre-approved contractor performs work with District inspection. If work is done without District inspection, the Contractor shall be responsible for exposing any portion of work as directed by the District at their sole expense. The District will not provide permanent water services until all required inspections are completed and any requirements set forth by the District have been satisfied.

9.7. 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 before construction can take place as outlined in the billing letter (provided separately).

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 a warranty bond (One Hundred (100%) of Contractor's cost proposal) for a period of two (2) years as stated in Sections 5.3 of this Agreement, as-built drawings with contractor redlines and AutoCAD files, materials list with quantities, water system cost breakouts, compaction test report signed and sealed by a California Registered Engineer, notice of completion filed with County Recorder's office, 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 Bill of Sale 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.

IN WITNESS WHEREOF, the parties hereto execute this Agreement.

WEST VALLEY WATER DISTRICT

By: _____ Date: _____
John Thiel, General Manager

DEVELOPER:

North Fontana Investment Company, LLC
a limited liability company

By: _____ Date: _____
Authorized Agent

Exhibit A

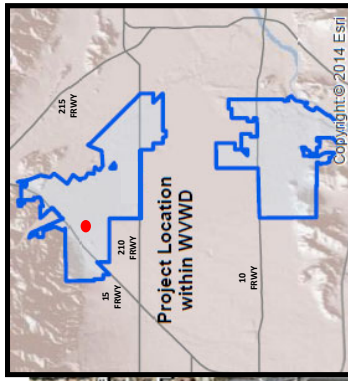


Exhibit A

TRACT 20646

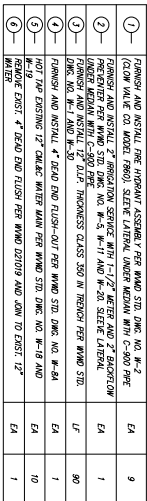
The Resort at the Arboretum – Duncan Canyon Road



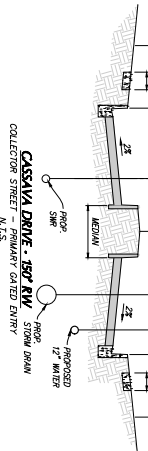
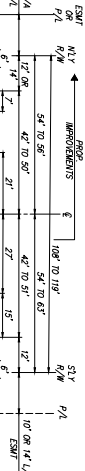
Exhibit B

[illegible][illegible]

DUNCAN CANYON ROAD IN THE CITY OF FONTANA



THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM ALL AFFECTED AGENCIES AND AGENCIES OF THE FEDERAL GOVERNMENT. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM ALL AFFECTED AGENCIES AND AGENCIES OF THE FEDERAL GOVERNMENT. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM ALL AFFECTED AGENCIES AND AGENCIES OF THE FEDERAL GOVERNMENT.

[illegible]

A map showing the location of Project Site 2. The site is marked with a black dot and labeled 'PROJECT SITE 2'. It is situated at the intersection of ONTARIO HIGHWAY 170 and CHERRY AVE. Other nearby roads include BASINCE ROAD, CITRUS, SIERRA AVE, SUMMIT, and PINEBROOK AVE. A north arrow is present, pointing towards the top right of the map.

[illegible]

THIS CERTIFIES THAT THESE PLANS AND SPECIFICATIONS HAVE BEEN REVIEWED AND ACCEPTED BY THE WEST VALLEY WATER DISTRICT AND THAT THE DISTRICT IS WILLING AND ABLE TO SUPPLY WATER TO SERVE THIS LOCATION.

CALIFORNIA AND ARE IN ACCORDANCE WITH TITLE 22, CODE OF REGULATIONS, CHAPTER 16, CALIFORNIA WATERWORKS STANDARD OF THE STATE OF CALIFORNIA.

FIRE PROTECTION SYSTEM REVIEWED AND APPROVED BY:

CITY OF FONTANA

FLY
NEVER OPEN

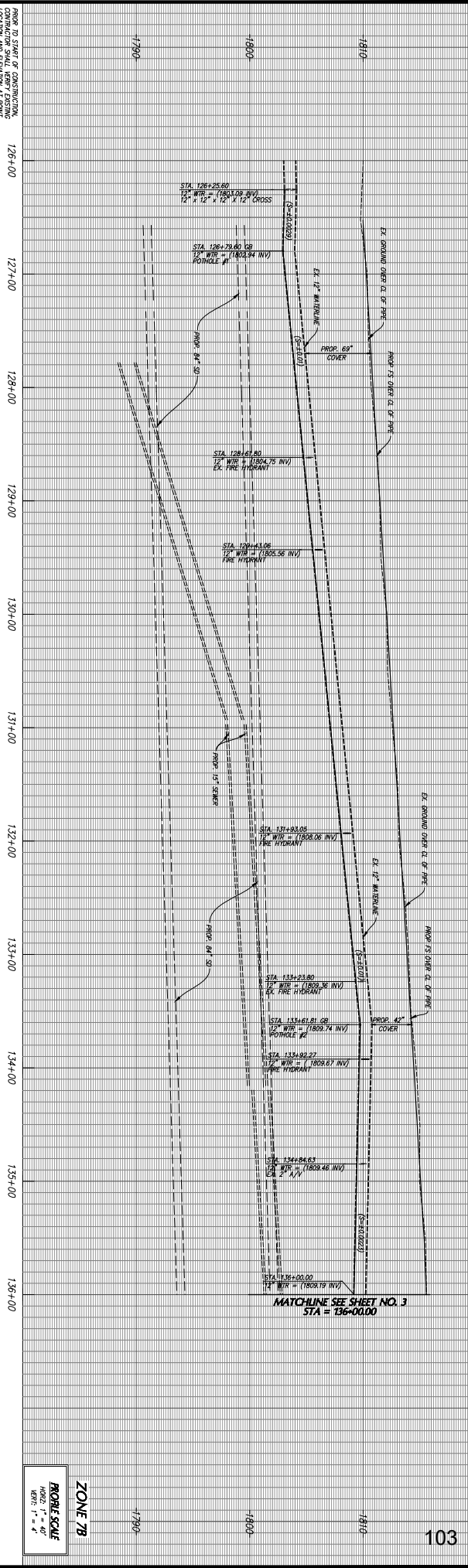
 (909) 989-0971

RIM ENGINEERING CONSULTANTS
357 N. SHERIDAN STREET,
CORONA, CA 92878

KW STORM DRAIN
ED ENTRY

SHEET INDEX

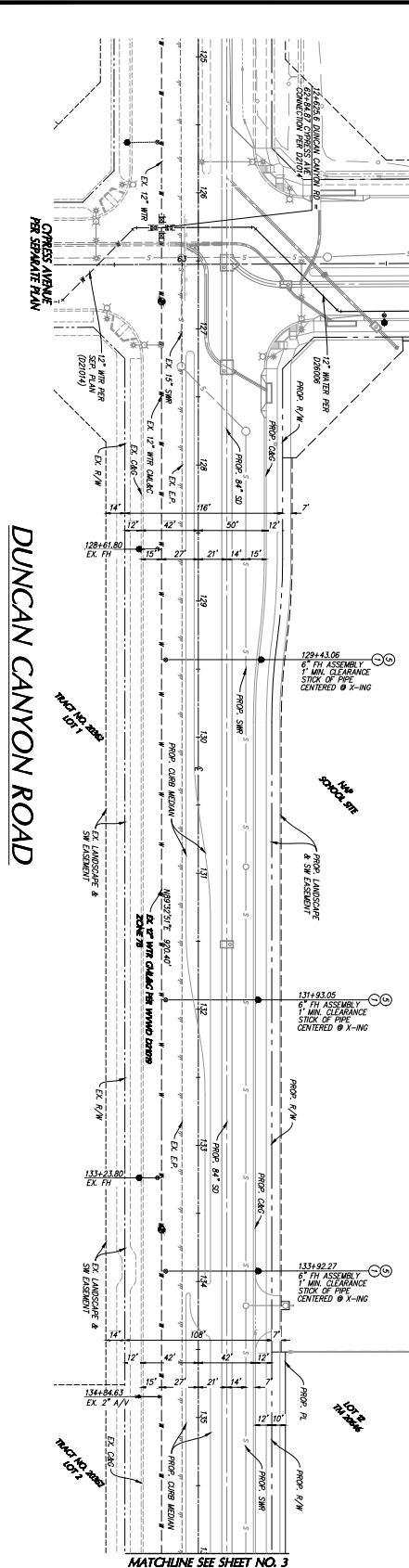
WEST VALLEY WATER DISTRICT	1	50
WATER IMPROVEMENT PLANS		
FOR DUNCAN CANYON ROAD	4	5



ZONE 7B
PROPOSED SCALE
 HORIZ. 1" = 40'
 VERT. 1" = 4'

WATER CONSTRUCTION NOTES

- 1. FURNISH AND INSTALL FIRE HYDRANT ASSEMBLY PER WWD STD.
- 2. FURNISH AND INSTALL 12" WATER MAIN PER WWD STD. (SEE DETAIL UNDER MAIN WITH C-900 PIPE ADAPTOR (R80)).
- 3. NOT SHOWN EXISTING 12" WATER MAIN PER WWD STD. (SEE DETAIL UNDER MAIN WITH C-900 PIPE ADAPTOR (R80)).



DUNCAN CANYON ROAD



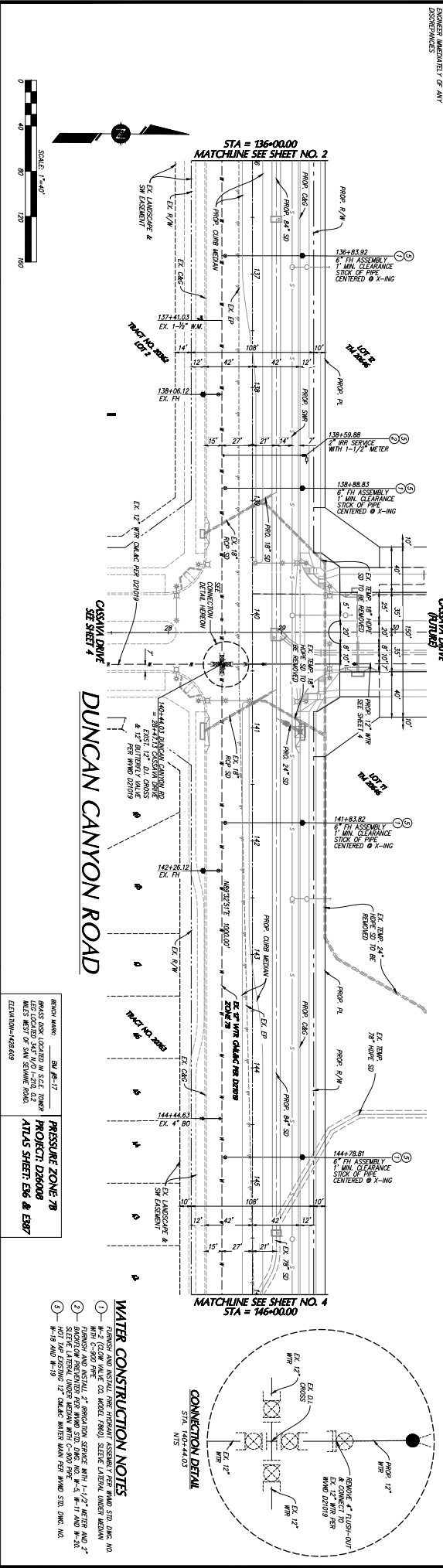
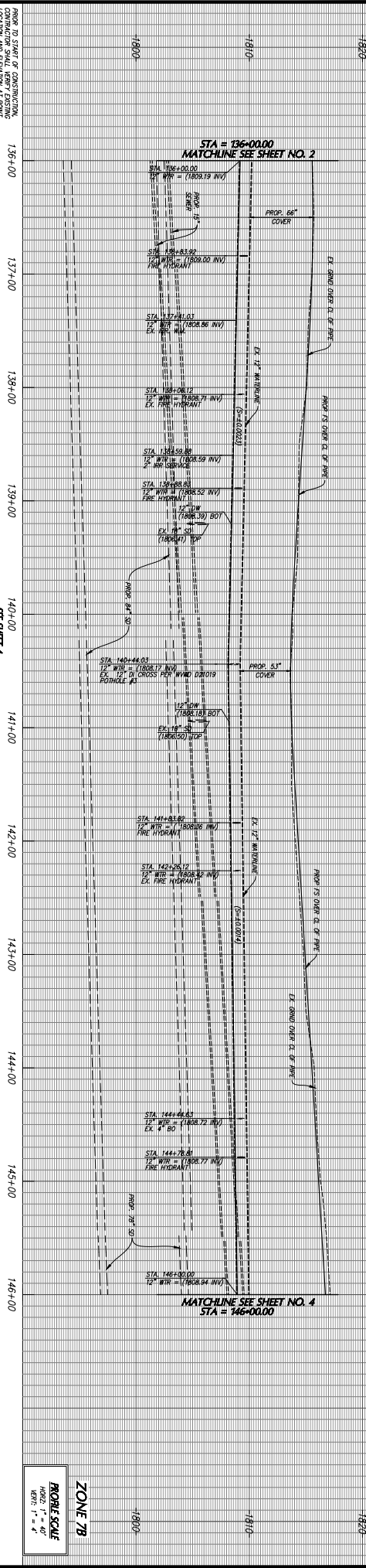
CONSTRUCTION CONTRACTORS: ANY AND ALL WORK SHALL BE DONE IN ACCORDANCE WITH THE SPECIFICATIONS AND STANDARDS OF THE CALIFORNIA DEPARTMENT OF TRANSPORTATION AND THE CALIFORNIA WATERWORKS ASSOCIATION. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND FOR THE PROTECTION OF ALL EXISTING UTILITIES AND STRUCTURES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING UTILITIES AND STRUCTURES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING UTILITIES AND STRUCTURES.

NO.	BY	DATE	APPROVAL
1	DESIGNED		
2	CHECKED		
3	IN CHARGE		

WEST VALLEY WATER DISTRICT
 WATER IMPROVEMENT PLANS
 FOR DUNCAN CANYON ROAD
 STA 126+00 TO 136+00

PROJECT NO. 20000
PROJECT SHEET NO. 2
PROJECT SHEET NO. 2

WEST VALLEY WATER DISTRICT
 WATER IMPROVEMENT PLANS
 FOR DUNCAN CANYON ROAD
 STA 126+00 TO 136+00



CONSTRUCTION NOTES:

1. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA STANDARD SPECIFICATIONS FOR HIGHWAY CONSTRUCTION, LATEST EDITION, AND THE LATEST EDITIONS OF THE CALIFORNIA STANDARD SPECIFICATIONS FOR WATER CONSTRUCTION, LATEST EDITION.
2. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA STANDARD SPECIFICATIONS FOR HIGHWAY CONSTRUCTION, LATEST EDITION, AND THE LATEST EDITIONS OF THE CALIFORNIA STANDARD SPECIFICATIONS FOR WATER CONSTRUCTION, LATEST EDITION.
3. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CALIFORNIA STANDARD SPECIFICATIONS FOR HIGHWAY CONSTRUCTION, LATEST EDITION, AND THE LATEST EDITIONS OF THE CALIFORNIA STANDARD SPECIFICATIONS FOR WATER CONSTRUCTION, LATEST EDITION.

WEST VALLEY WATER DISTRICT
WATER IMPROVEMENT PLANS
FOR DUNCAN CANYON ROAD
STA 136+00 TO 146+00

3 SHEET
OF
4 SHEETS
DWG NO.

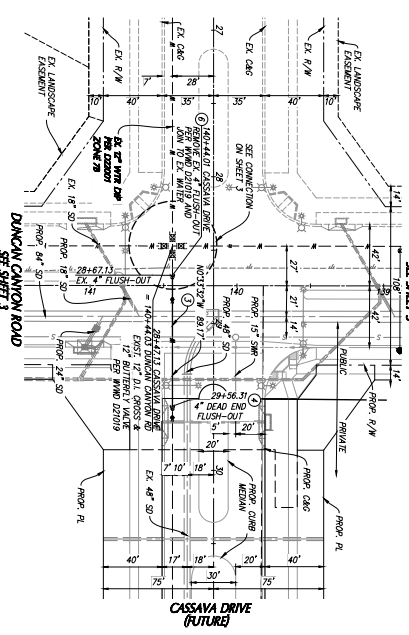
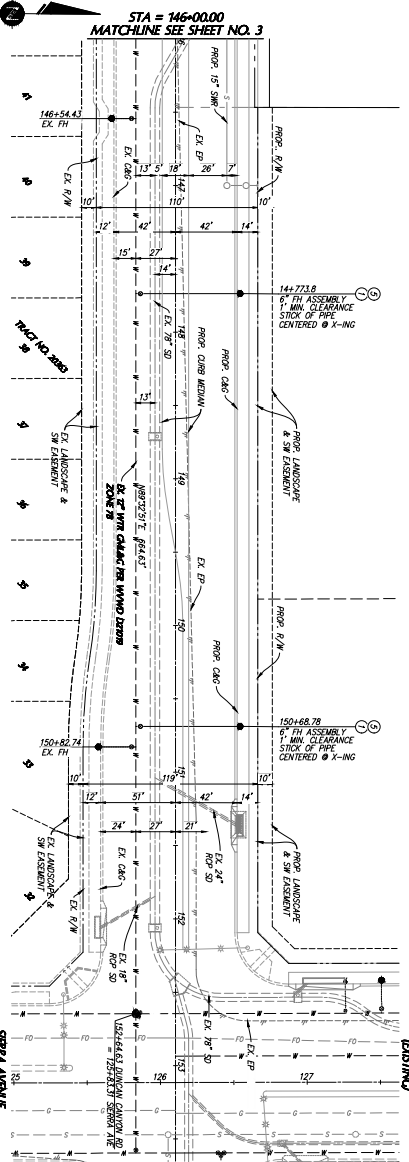
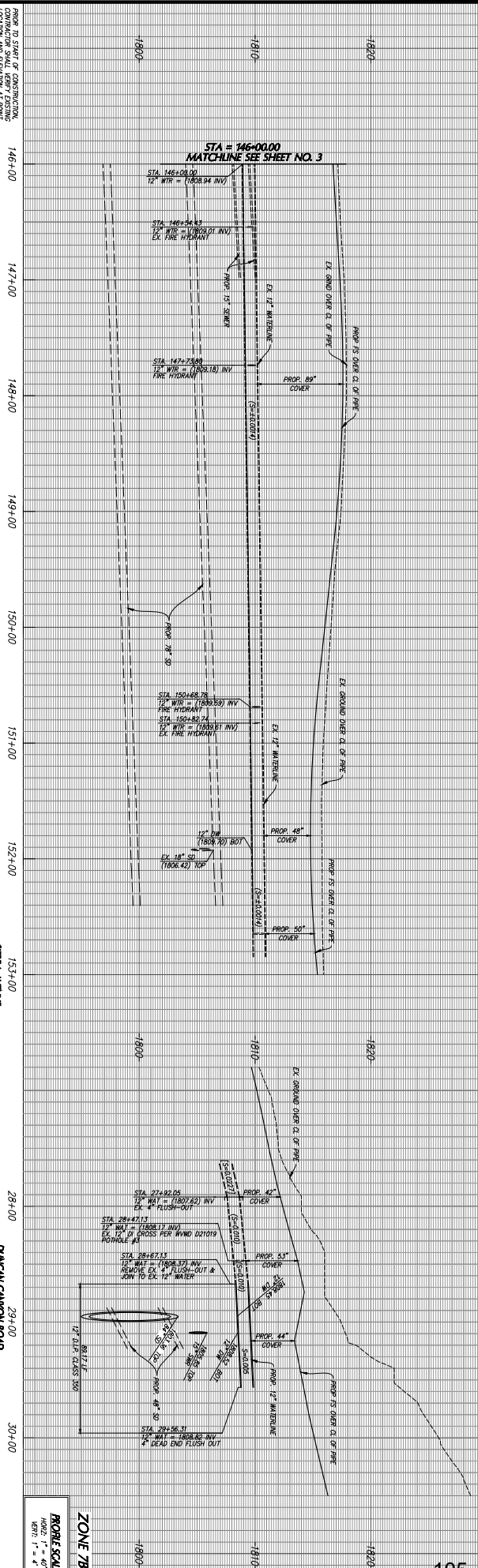
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Exhibit C

to be provided at later date

Exhibit D

BOND NO. _____

FAITHFUL PERFORMANCE BOND

To WEST VALLEY WATER DISTRICT for Water System Installation in Accordance with **Water Improvement Plans for Tract 20646 The Resort at the Arboretum – Duncan Canyon Road (DATE OF APPROVED PLANS)**. This premium charged on this bond is \$ _____ being at the rate of \$ _____ per thousand of the contract price.

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the WEST VALLEY WATER DISTRICT has awarded to:

**North Fontana Investment Company, LLC
1156 N. Mountain Ave
Upland, CA 91786**

as the "Principal", an agreement for the work described as follows:

**Water Improvement Plans for Tract 20646 The Resort at the Arboretum –
Duncan Canyon Road (DATE OF APPROVED PLANS).**

WHEREAS, the said Principal is required under the terms of said agreement to furnish a bond for the faithful performance of labor and materials of said contract:

NOW, THEREFORE, WE the undersigned Developer, as Principal, and
_____ (Name of Surety)

_____ (Address of Surety) duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the WEST VALLEY WATER DISTRICT in the sum (TEXT PERFORMANCE BOND AMOUNT) no/100 dollars (NUMERIC PERFORMANCE BOND AMOUNT), lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if the above bounded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things

stand to and abide by, and well and truly keep and perform all the undertakings, terms, covenants, conditions and agreements in the said agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed, at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the WEST VALLEY WATER DISTRICT, its officers, agents, and as therein stipulated, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect. In case suit is brought on this bond, Surety further agrees to pay all court costs and reasonable attorney's fees as shall be fixed by the court.

And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the contract or to the work or to the specifications.

IN WITNESS WHEREOF, we have hereunto set our hands this _____ day of _____, 2026.

ALL SIGNATURES MUST BE NOTARIZED

PRINCIPAL

North Fontana Investment Company, LLC

A Limited Liability Company

By: _____
Name, Title

Authorized Agent

(NOTARIZATION AND SEAL)

SURETY

(NOTARIZATION AND SEAL)