

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
MAINLINE EXTENSION AGREEMENT**

THIS AGREEMENT is made and entered into this _____ day of _____, 20__ by and between Rancho Murieta Community Services District, a California special district (“District”), and _____, a District property owner (“Developer”), who agree as follows:

1. Recitals. This Agreement is made with reference to the following recitals:

1.1. Developer is the owner and developer of the real property described in Attachment A (the “Property”). Developer plans to develop and construct a development project on the Property as described in Attachment A (the “Project”). Developer has requested that District provide water, sewer, and drainage service to the Project. The District, at its reasonable discretion, may determine and require that the Project also be served with recycled water pipelines for outside irrigation.

1.2. District has determined that it has available water supply and sewer treatment and disposal capacity to provide water and sewer service to the Project, subject to Developer’s installation and construction of certain water and sewer system improvements and other terms and conditions as provided by this Agreement. In the event District requires the Project to be served with recycled water, District has determined that it will have available recycled water supply to serve the Project when it activates the District Recycled Water System.

2. Plans and Specifications. Developer, in consultation with District and the District engineer, will design and prepare detailed plans, specifications and drawings for the construction of the on-site improvements and off-site improvements (if any) necessary to extend and provide water, sewer, drainage service, and recycled water service, if applicable, to the Project, and will submit them to District for approval. The plans, specifications and drawings must comply with the District Code and all District ordinances, resolutions, rules, regulations, policies, standards and specifications, as well as all other federal, state and local standards and requirements, whichever are most stringent. The plans, specifications, and drawings, when approved in writing by District and its engineer, will become a part of this Agreement. The water, sewer, drainage, and recycled water improvements as described on the approved plans, specifications and drawings will be referred to as the “Work.” The Developer may modify the plans, specifications and drawings for the Work prior to or during the course of construction, provided that any modification is approved in advance and in writing by District.

3. Payments to District

3.1. For District Services. Upon execution of this Agreement, Developer agrees to advance to District the deposit amount set forth in Attachment A to fund the District engineering, legal and administrative services in connection with District’s study and investigation of water, sewer, drainage, and recycled water (if applicable) service to the Project, plan review, inspection of construction, testing of improvements, and other costs incurred by District in the performance of its duties under this Agreement and otherwise in connection with extending and providing water, sewer, drainage, and recycled water facilities and service to the Project. District will draw on this deposit to pay or reimburse periodic

invoices from the District consultants and to reimburse District for the cost of District staff time and materials. If, before completion of the Work, the deposit becomes depleted or 20% or less of the deposit remains, District reserves the right to require additional deposits to cover additional anticipated District costs. If any requested deposit or payment is not timely made, District may so notify Developer and it will have ten days to cure the default. If deposit or payment has not been made within the ten-day period or if the funds become depleted, then District will suspend all services in connection with the Work pending receipt of the deposit or payment. If the deposit or payment remains unpaid, then District may terminate this Agreement. District will refund to Developer any deposit remaining upon termination of the Agreement without interest. District shall deposit Developer deposits into a special fund for the purpose of paying and reimbursing District costs. Any Developer deposit remaining upon completion and acceptance of the Work will be refunded without interest to Developer. If the final total District costs exceed the amount of the deposit(s), Developer must pay the difference upon demand and before the District accepts the Work.

3.2. District Fees. All District development-related fees for each Project building and structure are due and payable at the then-prevailing rate at the time water permits are requested for the Project.

4. Construction of Work

4.1. Developer, at its sole cost and expense, shall furnish, construct and install the Work, and, where necessary, pay the cost of acquiring land or rights-of-way necessary for the construction and installation of the Work. The construction and materials must be in accordance with the provisions of this Agreement; the approved plans, specifications and drawings; District Code, ordinances, resolutions, rules, regulations, policies, standards and specifications; other federal, state and local statutes, regulations, ordinances, codes and other requirements; and standard construction practices.

4.2. Prior to commencing construction of any portion of the Work, Developer or its contractor must submit to District a written list of materials, in a form acceptable to District, showing the particular manufacturer and specifications of all materials proposed to be installed by Developer. The District will either disapprove with reasons or approve the list of materials. Only materials approved in advance by District may be installed on the Work.

5. Licensed Contractor. The contractor constructing and installing the Work (the "Contractor") must be licensed pursuant to the California Business and Professions Code to do the Work. No construction can be performed on the Work except by a licensed Contractor approved by District. District may request evidence of qualifications that the Contractor has satisfactorily constructed other projects of like kind and magnitude and comparable difficulty. To the extent required by law, Developer and its Contractor, and any contract entered into by Developer and its Contractor, must comply with California Labor Code provisions concerning payment of prevailing wage rates, penalties, employment of apprentices, hours of work and overtime, keeping and retention of payroll records, and other requirements applicable to public works projects within the meaning of the Labor Code. (See California Labor Code division 2, part 7, chapter 1 (sections 1720-1861).)

6. Faithful Performance Guarantee. Prior to commencement of construction of any portion of the Work by Developer's Contractor, Developer must provide District with a faithful performance bond, letter of credit or other financial security satisfactory to District, such as a performance bond held by Sacramento County, ("Performance Guarantee") in a sum equal to no less than 100% of the estimated cost of the Work to be constructed in public or private streets or rights-of-way or on public property. The Performance Guarantee will be for the purpose of insuring the proper and timely completion of the Work. In the event of the failure of Developer to complete the Work covered by the Performance Guarantee and District completes construction of the Work or any portion of it, Developer and its surety under the Performance Guarantee will be jointly and severally liable to District for the costs of completion, including, but not limited to, management and administrative costs, and engineering, legal and other costs incurred relating to the completion. District will bill Developer and the surety (or Sacramento County, if the Performance Guarantee is held by them) for the costs, which bill must be paid within thirty days of its date. Interest will accrue on any late payment at the legal rate then prevailing.

7. Time for Performance; Termination

7.1. Developer agrees to commence construction of the Work within six months from the date of this Agreement, and it will complete construction of the Work within two years from the date of commencement. Time is of the essence of this Agreement. Upon a showing of good cause by Developer, District may extend these deadlines. Any extension granted by District may be done without notice to any of Developer's sureties, and the extension will not relieve any surety's liability. District also may condition the granting of any extension by requiring acceptable new or amended faithful performance guarantee. If construction of the Work has not been completed and accepted by District within these deadlines, and any extensions, then District may terminate this Agreement at any time thereafter by giving written notice of termination to Developer.

7.2. Developer must give District at least 48 hours advance notice of the commencement of construction and installation of the Work. Any construction performed without notice to and inspection by District will be subject to rejection.

7.3. Developer may terminate this Agreement at any time prior to commencement of construction of any portion of the Work by giving written notice to District. After commencement of Work, Developer may terminate this Agreement only with the written consent of District, which consent may be given subject to reasonable conditions as necessary or appropriate to protect the public health, safety, aesthetics or welfare.

7.4. If the Agreement is terminated, District will have no further obligation under this Agreement and no obligation to provide water, sewer, drainage, or recycled water service to the Project or the Property. Upon termination, District will refund any advances made by Developer that exceed District's costs at the date of termination.

8. Inspections. District, may, at its option, inspect and test all or part of the construction or material being used in construction of the Work and Developer will provide reasonable assistance in performing all inspection and testing. The inspection and testing of the Work will not relieve Developer of its obligation to construct the Work in accordance with the approved plans, specifications and drawings. If all or any portion of the Work, or any materials

used in connection with the Work, are found to be defective, substandard or nonconforming, then the Developer must replace, repair or otherwise remedy the Work to the satisfaction of District, notwithstanding that the Work and materials may have been previously overlooked or inspected by District. Developer must pay for the costs of inspection and testing by District and District's engineer.

9. Final Inspection. Upon completion of construction of the Work (or any portion of the Work), Developer agrees to notify District and request a final inspection of the Work. District will inspect and test the Work to determine whether it meets the requirements of this Agreement. District will not accept any Work that does not satisfy District inspection and testing requirements. Pursuant to section 3.1, Developer must pay the costs of inspections and tests by District and District's engineer. Developer also will be responsible for all costs incurred in the testing of the Work as needed or required by other governmental agencies having jurisdiction.

10. Permits, Licenses and Easements. Developer must obtain, maintain and comply with all federal, state, county and other permits, licenses, approvals, and entitlements, including encroachment permits, that are necessary or appropriate for the Work. Developer must give all notices required by and comply with all federal, state, county and other laws, statutes, regulations, codes, ordinances, rules, regulations and policies relating to the construction of the Work. Developer agrees to obtain all real property and permanent and temporary easements of a width as determined by District to be necessary for the Work and for ingress and egress to and from the facilities for the purpose of construction, installation, operation, maintenance, repair, removal, replacement and improvement of the Work facilities. All completed Work-related grant deeds, easements and bills of sale must be in a form approved by District.

11. Transfer of Property and Easements. For purposes of this Agreement, the "District-Owned Improvements" means all the Work excluding (a) the "private water line" (as defined in District Code) beyond (upstream from) the water meter, meter stop and meter box, (b) the "private sewer line" (as defined in the District Code) from the sewer cleanout to the building or structure being served, and (c) the "customer recycled water line" (as defined in District Code) beyond (upstream from) the recycled water meter, meter stop and meter box. After District has finally inspected and approved the Work and as a condition precedent to District's acceptance of the Work, Developer must deliver conveyance documents (e.g., deeds, easements, bills of sale) satisfactory in form and content as necessary and appropriate to transfer absolute and unencumbered ownership of the completed District-Owned Improvements to District. Title to the District-Owned Improvements and the interests in real property transferred must be good, clear and marketable title and free and clear of all encumbrances, liens or charges. Developer will obtain and pay any costs of title insurance deemed necessary by District. With or without separate conveyance documents, all right, title and interest of Developer in and to the completed District-Owned Improvements shall transfer to District upon District's written notice of acceptance of Work.

12. Maintenance Guarantee

12.1. Prior to District's acceptance of the work, Developer must provide District with a maintenance bond, letter of credit or other financial security satisfactory to District ("Maintenance Guarantee") in a sum equal to 50% of the cost of the District-Owned

Improvements to be transferred to District. The Maintenance Guarantee is for the purpose of warranting all materials and workmanship furnished pursuant to this Agreement for one year from the date of District's notice of acceptance of the Work.

12.2. Developer and/or its surety under the Maintenance Guarantee must repair or replace to the satisfaction of District all or any portion of the Work that may prove defective in workmanship or materials, ordinary wear and tear excepted, together with any other Work or facilities which may be damaged or displaced in so doing.

12.3. In the event of failure to comply with the above-stated conditions within a reasonable time, District is authorized to have the defect repaired and made good. Developer and its surety under the Maintenance Guarantee will be jointly and severally liable to District for the costs of repair, including, but not limited to, management and administrative costs, and engineering, legal and other costs incurred relating to the repair. District will bill Developer and the surety for the costs, which bill must be paid within 30 days of its date. Interest will accrue on any late payment at the legal rate then prevailing.

13. Conditions Precedent to Notice of Acceptance. District will not provide a written notice of acceptance of the Work until the following have occurred:

13.1. The Work has been completed, and finally inspected, tested and approved by District;

13.2. All costs, charges and fees required by this Agreement, developer reimbursement agreement or District ordinances, resolutions and regulations to be paid to District by Developer have been so paid in full;

13.3. The District-Owned Improvements and all real property interests have been conveyed to, and accepted by District, in accordance with sections 10 and 11;

13.4. Developer has provided to District in satisfactory form and content the following items:

(a) As-built (also known as record) drawings of the completed Work, satisfactory to District, together with a copy of the specifications and any contract documents used for the construction of the Work;

(b) An accounting, satisfactory to District, of the amounts expended for the construction and installation of the Work, with values applicable to the various components of the Work, together with a list of any other materials and equipment, and their values, being transferred; and,

(c) Operating manuals and instructions and warranties, if any, received by Developer or its Contractor in connection with any of the facilities made a part of the Work;

13.5. Developer has submitted an acceptable Maintenance Guarantee in accordance with section 12; and,

13.6. If the Project involves a new subdivision of the Property, the final subdivision map has been recorded.

Upon District's determination that these conditions have been met, the District Board of Directors will accept the Work and provide notice of acceptance to Developer.

14. Developer Assistance. Developer, both before and after District's acceptance of the Work, will cooperate with District and secure and provide any information, documents or data reasonably requested by District to accept the ownership, operation and maintenance of the Work and implement the transfer of the Work.

15. Ownership and Operation and Maintenance Responsibilities. After acceptance of the Work by the District Board of Directors, the District-Owned Improvements shall become the property of District on the date that the Work is accepted by District Board. Upon such date, Developer will be deemed to have conveyed and transferred all of its right, title and interest in and to the completed District-Owned Improvements to District. District thereafter will own and be free in every respect to operate, maintain, repair, replace, manage, expand, and improve the District-Owned Improvements, as it deems appropriate. District assumes no obligation as to operation and maintenance of the District-Owned Improvements until such time as it accepts the Work. After District's acceptance of the Work, Developer or the successor landowner will continue to own and be responsible for the operation, maintenance, repair and replacement of the portion of the Work not conveyed to District (i.e., the private water line, private sewer line, and customer recycled water line).

16. Risk of Loss. Until the date of District's acceptance of the Work, all risk of loss or injury, damage or destruction to the Work shall be upon Developer. After the date of the District's acceptance, and except as provided by the Maintenance Guarantee and any applicable insurance or indemnification obligation, all risk of loss or injury or destruction to the District-Owned Improvements shall be upon District.

17. Water and Sewer Service. After District gives its notice of acceptance of the Work, it will provide water and sewer service to the Project. All District utility service will be provided in accordance with the District Code and other District ordinances, resolutions, regulations, rules, policies, and rates and charges, as the same may be amended from time to time. Developer shall not, nor shall it allow any person to, use or commence operation of any part of the Work prior to the notice of acceptance of the Work by District, except for construction and testing purposes, without the express written consent of District. District's water, sewer, and storm drainage service obligation under this Agreement will not exceed the scope of the Project described on Attachment A of this Agreement.

18. Indemnification and Hold Harmless. Developer agrees to indemnify, protect, defend and hold harmless District and its officers, employees, engineers, and agents, from any and all claims, demands or charges and from any loss or liability, including all costs, expenses, attorney's fees, litigation costs, penalties, and other fees arising out of or in any way connected with the construction of the Work or the performance or failure to perform under this Agreement by Developer or its officers, employees, contractors, subcontractors or agents. The parties agree and acknowledge that Developer's duties under this section extend to claims, lawsuits and liability of or against District resulting from the alleged failure to comply with

any provision of California Labor Code division 2, part 7, chapter 1 (sections 1720-1861) in connection with the construction of the Work by Developer's contractor.

19. Insurance

19.1. Developer or its Contractor at their sole cost and expense must procure and maintain for the duration of this Agreement the following types and limits of insurance:

Type	Limits No Less Than:	Scope
Commercial general liability	\$5,000,000/occurrence	at least as broad as ISO occurrence form CG 0001
Commercial general liability (for subcontractors)		at least as broad as CG 20 38 04 13
Automobile liability	\$5,000,000/accident for bodily injury and property damage	at least as broad as ISO CA 0001 (code 1, any auto)
Workers' compensation	statutory limits	
Employers' liability	\$1,000,000 per accident for bodily injury or disease	
Professional Liability	\$2,000,000 per occurrence or claim; \$2,000,000 policy aggregate	For the engineer who prepares the Work plans, specifications and drawings
Contractors' Pollution Legal Liability	\$1,000,000 per occurrence or claim; \$2,000,000 policy aggregate	

19.2. The general and automobile liability policy(ies) must be endorsed (consistent with Insurance Code section 11580.04) to name District, its officers, employees and agents as additional insureds regarding liability arising out of the Work. Developer's coverage will be primary and will apply separately to each insurer subject to a claim or lawsuit, except with respect to the limits of the insurer's liability. District's insurance, if any, will be excess and shall not contribute with Developer's insurance.

19.3. Insurance must be placed with insurers with a current A.M. Best's rating of A:VII or better unless otherwise acceptable to District.

19.4. Developer or its Contractor shall require and verify that all subcontractors maintain insurance meeting all requirements stated herein and Developer or its Contractor will ensure that District is an additional insured on insurance required from subcontractors.

19.5. Prior to commencing the Work, Developer must provide to District the following proof of insurance: (a) certificate(s) of insurance on ACORD Form 25-S (or insurer's equivalent) evidencing the required insurance coverages; and (b) endorsement(s) on ISO Form CG 2010 (or insurer's equivalent), signed by a person authorized to bind coverage on behalf the insurer(s), certifying the additional insured coverages.

20. General Provisions

20.1. **Integration.** This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract among the parties concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of this Agreement, except those other documents that are expressly referenced in this Agreement.

20.2. **Construction and Interpretation.** The parties agree and acknowledge that this Agreement has been arrived at through negotiation, and that each party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party will not apply in construing or interpreting this Agreement.

20.3. **Waiver.** The waiver at any time by any party of its rights with respect to a default or other matter arising in connection with this Agreement will not be deemed a waiver with respect to any subsequent default or matter.

20.4. **Remedies Not Exclusive.** The remedies provided in this Agreement are cumulative and not exclusive, and are in addition to any other remedies that may be provided by law or equity. The exercise by either party of any remedy under this Agreement will be without prejudice to the enforcement of any other remedy.

20.5. **Severability.** The invalidity, illegality or unenforceability of any provision of this Agreement will not render the other provisions unenforceable, invalid or illegal.

20.6. **Personal Obligation; Successors and Assigns.** Developer's obligations under this Agreement are personal obligations of Developer and they do not automatically "run with" the Property. Developer cannot assign its obligations under this Agreement to any transferee of all or any part of the Property or any other third party without the express written consent of District, which consent will not be withheld unreasonably.

20.7. **Relationship of Parties.** Developer and its contractors and agents are not agents of District in connection with the Work or performance of Developer's obligations under this Agreement.

20.8. **Amendment.** This Agreement may be modified or amended only by a subsequent written agreement approved and executed by both parties.

20.9. **Governing Law and Venue.** Except as otherwise required by law, (a) this Agreement will be interpreted, governed by, and construed under the laws of the State of California, and (b) Sacramento County shall be venue for any state court lawsuit and the Eastern District of California shall be venue for any federal court lawsuit seeking to enforce or construe this Agreement.

20.10. **Notices.** Any notice, invoice or other communication required or permitted to be given under this Agreement must be in writing and either served personally or sent by prepaid, first class U.S. mail and addressed as follows:

District: General Manager Rancho Murieta Community Services District P.O. Box 1050 Rancho Murieta, CA 95683	Developer:
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Any party may change its address by notifying the other parties in writing of the change of address.

RANCHO MURIETA COMMUNITY
SERVICES DISTRICT

DEVELOPER

By: _____

By: _____

_____ *[name]*

_____ *[name]*

_____ *[title]*

_____ *[title]*

**ATTACHMENT A
MAINLINE EXTENSION AGREEMENT**

Type of Extension: Water Sewer Drainage Recycled Water

Project Information (see attached map)

Title _____
 Description _____

 Address/Location _____

 APN(s) _____

Engineer

Firm _____
 Contact _____
 Address _____
 Telephone _____
 Email _____

Applicant/Developer

Name _____
 Contact _____
 Address _____

 Telephone _____
 Email _____

Owner

Name _____
 Contact _____
 Address _____

 Telephone _____
 Email _____

Type of Project:

- Single Family Multi-family/Townhouse Rezone
 Commercial Industrial Office Use permit
 Facility Modification Other [specify] _____

Number of Water Services:

_____ 3/4" _____ 1" _____ 1-1/2"
 _____ 2" _____ 3" specify _____

Number Sewer Services:

_____ 4" _____ 6" _____ 8"

Number of Recycled Water Services:

_____ 3/4" _____ 1" _____ 1-1/2"
 _____ 2" _____ 3" specify _____

Fire Protection:

Required Fire Flow: _____ gpm Hydrant Spacing: _____ ft. (maximum)

Estimated Construction Cost: _____

Initial Deposit: \$ _____
 By: _____

Check No. _____

Received

Map of Subject Property