



## **BOARD MEETING AGENDA SUBMITTAL**

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**TO:** GCSB Board of Directors

**FROM:** Peter Kampa, General Manager

**DATE:** September 14, 2021

**SUBJECT:** Agenda Item 6E: Adoption of Resolution Accepting the Dedication of the Water Infrastructure for the Airport Estates

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**RECOMMENDED ACTION:**

*As the proper documentation has not been submitted to and approved by the District as of the date of this report, no action should be taken on the resolution at this meeting.*

**BACKGROUND:**

In May of 2018 the district entered into agreement with mid valley aviation for the evaluation of the potential for infrastructure extensions to serve a residential development named airport estates. This subdivision project included the creation of eight rural residential parcels directly adjacent to the District boundaries and Groveland airport.

Following evaluation, it was determined that the water infrastructure could easily be extended to provide service to each of the lots with only the installation of individual water service lines and meter boxes. To provide water service to this location, the parcels created were required to annex into the district boundaries. An annexation agreement between the applicant and the district was executed on September 3rd, 2020. Unfortunately, the annexation process could not start until the district's municipal service review was updated through LAFCO. The executive officer for LAFCO did provide authorization for temporary out of area service to the lots prior to the completion of the annexation process. Once the municipal service review is completed and adopted, the annexation will proceed.

On July 14, 2020 the applicant and district entered into a construction plan check an inspection agreement for the installation of the water service laterals and related requirements. The applicant completed the installation and inspection up the laterals, and is expected to provide the remaining assurances, documentation, guarantees, and easements in the very near future. The provisions of the agreement related to notice of acceptance of the infrastructure and it's transfer to the District are included below for your information.

**Notice of Acceptance**

The District shall not provide service and a written notice of acceptance of the Project until all of the following have occurred:

- (a) The Project is finally inspected, tested and approved by the District as provided in Paragraph 6, above;

- (b) An engineer's certification that the Project is constructed in substantial conformance with the plans and specifications submitted to the District;
- (c) All real property, easements required to provide service through the Project, rights-of-way, permits, licenses, and other approvals to be obtained and delivered to the District have been so obtained and delivered to the District;
- (d) The record drawings (reproducible as-builts), specifications, accounting, operation manuals and instructions, CAD disk and warranties have been provided to the District;
- (e) Applicant has paid the District all applicable fees and charges of the District, all in accordance with the rules and regulations for the District;
- (f) A detailed accounting of amounts expended for improvements; and
- (g) A list of assessor parcel numbers and service addresses to be served by the Project.
- (h) Applicant provides the District with a "Maintenance Guarantee" as provided in Section 12(b) below.

#### **Transfer of the Project**

Upon receipt of the notice of acceptance from the District, the Applicant shall deliver conveyance documents satisfactory in form and content to the District, transferring absolute and unencumbered ownership of the completed Project to the District (Offer of Dedication). The transfer shall not be completed until the conveyance documents transferring the Project have been formally accepted by the District Board of Directors.

#### **Risk of Loss/Ownership**

- (a) Upon transfer pursuant to Paragraph 8, above, the Project shall become the property of the District. The District shall own and be free in every respect to operate, manage, expand, and improve the Project as it deems appropriate.
- (b) Prior to the date of the transfer of the Project pursuant to paragraph 8, above, all risk of loss or injury or destruction to the Project and related facilities shall be solely upon the Applicant.

#### **District Service**

The District shall not provide service through the Project until the transfer has been completed in accordance with Paragraph 8, above. All such service shall be supplied in accordance with the District's rates, ordinances, rules and regulations as the same may be amended from time-to-time. The applicant shall not allow any person

to use or commence operation of any part of the Project prior to District's acceptance of the transfer without the express written consent of the District.

**Maintenance of Facilities**

The District assumes no obligation as to maintenance and operation of the Project until such time as the transfer has been completed pursuant to Paragraph 8, above.

**Applicant's Guaranty**

- (a) Maintenance: Applicant warrants and guaranties all materials and workmanship furnished pursuant to this Agreement for a one (1) year period from the date of the transfer of the Project, as provided in Paragraph 8, above. This guarantee does not excuse the Applicant or Applicant's agents from breaches of contract causing defects that occur or are discovered more than one year after the transfer of the Project.
- (b) Maintenance Guarantee: Prior to the notice of acceptance of the Project, Applicant shall provide the District with a letter of credit or other financial security satisfactory to the District ("Maintenance Guarantee") in a sum equal to ten percent (10%) of the cost of the Project, or such agreement satisfactory to the District whereby the Contractor's one-year warranty for all material and workmanship in the Project is assigned to the District and fully binding between the Contractor and the District, for the purpose of warranting all materials and workmanship furnished pursuant to this Agreement for one (1) year from the date of the District notice of acceptance of the Project. This guarantee does not excuse the Applicant from breaches of contract causing defects that occur or are discovered more than one year after the notice of acceptance.

We have been working with the applicant for the past year to receive the required documentation as detailed above. The item will be submitted to the Board for action once all agreement requirements are met.

**ATTACHMENTS:**

Resolution 30-2021