

DRAFT

**SECTION I
INTRODUCTION
AND
PLAN APPROVAL PROCESS**

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A. PURPOSE

This handbook was developed to guide Developers and their Engineers through the process of design and construction of new water (potable and recycled) and sewer facilities. Staff has included information pertinent to tract development and small commercial development. If, after using this handbook, you have any questions or comments regarding the contents, please contact Yucaipa Valley Water District at (909) 797-5118.

B. BACKGROUND

The Yucaipa Valley Water District provides water, wastewater, and recycled water service to customers in the City of Calimesa, the City of Yucaipa, and portions of Riverside and San Bernardino Counties. The Yucaipa Valley Water District is a public agency governed by an elected five-member Board of Directors. The District is directed by its General Manager.

C. GENERAL SERVICE CRITERIA

Within this handbook, the term "District" means Yucaipa Valley Water District, and "Developer's Engineer" means a currently licensed registered civil engineer retained by the Owner or Developer to perform engineering for water and sewer systems in conjunction with land division development.

Water facilities include potable and non-potable water pipelines, related appurtenances, and may include offsite facilities such as pump stations, storage reservoirs, and pressure regulating stations that are necessary to deliver sufficient water at adequate volume and pressure to the development.

Sewer facilities include sewer pipelines, manholes, and lift stations necessary to deliver wastewater to a treatment facility.

If water or sewer service is desired within the District's Service Area, service can normally be provided if the Developer meets the following conditions:

1. Pays all applicable fees and charges. Fees may include: Plan Check Fees, Connection Charges, Inspection Fees, Added Facilities Charges, Zone of Benefit Fees, Front Footage Charges, Sustainability Charges, Participation Charges, Service Connection Fees, and Meter Charges or other charges authorized by the District's Board of Directors. The District should be consulted for current and applicable fees. Tables for calculating certain fees and deposits are provided as Exhibit I-2. Spreadsheets are available as electronic files from the District.
2. Designs, constructs, and dedicates to the District the necessary facilities. The District will review all plans, and may revise, modify, or request the redesign of any concepts, plans, or details submitted. All plans must be approved and signed by the District prior to construction of the facilities.
3. Grants fee title parcels or easements to the District on the District's grant forms for all facilities not located within public right-of-way. Fee title parcels and easements shall be a minimum of 20 feet in width with a drivable access and covered with an all weather surface.

Pays current applicable charges in addition to completing the requirements listed above.

The procedures for the design and construction of water and/or sewer systems for Tract Map development, Parcel Map development, and Single Lot development differ only slightly. The design standards contained herein are primarily prepared for Tract Map development, but can be used for all three types. The applicable minimum requirements are as follows:

- Design required facilities to the District's standards.
- Prepare water and/or sewer plans. The District has the authority to waive this requirement for Single Lot developments.
- District staff reviews and approves plans.

- Dedicate right-of-way for all facilities to be owned and operated by the District.
- Provide detailed cost estimate of all improvements.
- Post all necessary fees.
- Execute a water and/or sewer system Development Agreement with the District; post bonds with the District; retain a qualified licensed Contractor, and provide proof of insurance.
- Fund and obtain inspection services by the District.
- Have an Engineer certify that the proposed final road grade (as shown on the Plans and approved by the County of San Bernardino, the County of Riverside, the City of Yucaipa, or the City of Calimesa) over the pipeline alignment has been achieved. If the existing surface of the alignment is not to be changed, it will be necessary to so certify.
- Construct facilities to the District's standards.
- District staff provides final approval of facilities constructed.
- Complete "as-built" plans (field changes recorded on the original mylars) for the District.
- Transfer title (Grant Deed) for the constructed water and/or sewer facilities to the District.
- Provide as-built digital files.

The above steps are illustrated as a flow chart in Exhibit I-1.

Developer shall make necessary financial arrangements with the District to accomplish the above.

D. SUSTAINABILITY REQUIREMENTS

In August, 2008, the District adopted Resolution No. 11-2008, "Resolution of the Board of Directors of the Yucaipa Valley Water District Adopting a Long-Term Water Resource Sustainability Strategy Policy for the Area Served by the Yucaipa Valley Water District". Said Resolution contains certain requirements for all new Developments, and is incorporated by reference into these Guidelines. A copy of the Resolution and the Report entitled A Strategic Plan for a Sustainable Future, The Integration and Preservation of Resources referenced therein is available at the District. Following is a brief summary of the requirements for new Developments contained in the Resolution and Report.

1. Bundled Services

Potable water, non-potable water, recycled water, and wastewater service as provided by the Yucaipa Valley Water District shall be bundled and supplied to each parcel within all new developments.

2. Dual Plumbed Community

Non-Potable water shall be used to irrigate all greenbelt areas, commercial landscape areas, roadway medians, front yards of individual homes and rear yards of individual homes prior to occupancy.

3. Dual Plumbing for New Developments

Each new residential, commercial, industrial and institutional development shall design and construct infrastructure sufficient to provide potable drinking water and non-potable irrigation water to each lot.

- a. At a minimum, each new home shall be constructed with the necessary on-site improvements to receive potable water and non-potable water from two separate water meters. These two water service connections shall be installed per District standards and regulations to allow for non-potable irrigation service and potable water service to each property. In cases where non-potable water is unavailable, the non-potable irrigation meter shall be supplied potable water in the interim.
- b. For developments of ten units or more, the District shall require on-site improvements as provided above, in addition to in tract non-potable infrastructure to support the non-potable irrigation system.
- c. The District staff shall consider the size of the development, the proximity to existing non-potable infrastructure, and other pertinent information when off-site non-potable water infrastructure is required as part of a development agreement.

4. Groundwater Deposits for New Development

The District provides potable water based on a long-term average of approximately 50% groundwater and 50% imported supplemental water to its existing customers. This average will fluctuate based on the water resource management strategies of the District.

Any supplemental imported water provided during the entitlement process shall become the property of the District at the time building permits are issued.

a. All New Developments

For all building permits issued after July 1, 2009, new development shall be required to appropriately fund the purchase of seven (7) acre feet of imported supplemental water prior to the issuance of a grading or building permit. The rate for this supplemental imported water shall be based on the anticipated imported water delivery rate charged by the State Water Project Contractor providing service to the location of the new development. The District shall accommodate the early payment of this fee for any parcel proposed to be developed.

In response to water shortage conditions, the Board of Directors may at any time cease the authorization of grading or building permits based on the implementation of certain Water Shortage Response Stages (defined in Section D.4.d. below). Based on information at the time the Resolution was prepared, the District staff anticipates recommending that the Board of Directors cease the authorization of grading and building permits for Standard Developments during Water Shortage Response Stages 3, 4 and 5, except as provided below.

b. Achieving a Crystal Status Development

Any new development may achieve the status of a Crystal Development by securing the physical delivery of 15.68 acre feet of imported supplemental water per Equivalent Dwelling Unit (EDU). The rate for this supplemental imported water shall be based on the charges to the District by the respective State Water Project Contractor.

In response to water shortage conditions, the Board of Directors may at any time cease the authorization of grading or building permits based on the implementation of certain Water Shortage Response Stages. Based on information at the time the Resolution was prepared, the District staff anticipates recommending that the Board of Directors cease the authorization of grading and building permits for Crystal Developments during Water Shortage Response Stage 5 with possible restrictions impacting development during Water Shortage Response Stage 4.

- i. The developer shall submit an application for each parcel within the proposed development (by Assessor's Parcel Number) and deposit sufficient funds for the purchase and delivery of imported supplemental water.
- ii. The District staff will assign a completed application to the appropriate processing bin for supplemental imported water deliveries based on the availability of supply and facilities required to deposit (by recharge or injection) the supplemental water into the Groundwater Bank.
- iii. The availability of supplemental imported water to fulfill the requests associated with the Crystal Status Development Program shall be based on the priorities provided in the *Allocation of Supplemental Water Resources* provisions contained in the above referenced reports.
- iv. Based on the total size of the tract, parcel map, or planning area (not including phased portions of developments), the District staff shall deposit (by recharge or injection) imported supplemental water into the

Water Bank equally from each of the following categories based on the completed applications:

- a) Residential Development - 1 lot development
 - b) Residential Development - 2-10 lot development
 - c) Residential Development - 11-50 lot development
 - d) Residential Development - 51-100 lot development
 - e) Residential Development - 101-150 lot development
 - f) Residential Development - 151-200 lot development
 - g) Residential Development - 200 or more lot development
 - h) Commercial Development
 - i) Institutional Development
- v. The District shall charge the developer for any additional costs related to the deposit (by recharge or injection) of supplemental water into the Water Bank and payment shall be received prior to issuing the Crystal Status Achievement for the project.
- vi. Upon completing the deposit (by recharge or injection) of imported supplemental water into the Groundwater Bank, the District shall issue a Notice of Crystal Status Development. This Notice provides documentation of achieving one component of the development process by the District and does not relieve the developer from completing any other requirements established by the District.
- vii. The Board of Directors may elect to consider other creative conservation measures to be used to achieve the status of a Crystal Development. Upon adoption of a subsequent resolution that provides quantifiable comparable benefits this program may be expanded to include automatic meter reading, existing home retrofits, landscape retrofits, etc.

c. Parcel Boundary Changes (Splits and Divisions)

Imported supplemental water previously paid and delivered as part of the standard development process or a Crystal Status Development shall be allocated equally to all new parcels in the event of a realignment of the parcel boundary or a division of the parcel. This may change the compliance of properties, whereby additional funds will be needed for compliance with this section. In the event new parcels results in an excess of groundwater supply, the property owner shall provide a written request for reimbursement at the cost previously paid to secure the imported supplemental water.

d. Water Shortage Response Stages

The 2005 Urban Water Management Plan provides for voluntary and mandatory levels of progressively more aggressive water demand reduction requirements. The triggers for these stages will likely be those affecting imported water sources, provided the Yucaipa, Beaumont and San Timoteo Management Zones continues to be managed in a safe yield condition over the long-term. The response stages may also be invoked during an emergency to handle short-term events, such as earthquake damage, pipeline ruptures, and water quality issues.

The Board of Directors will determine the appropriate state of implementation, with authority delegated to the General Manager for the implementation of Stage 1 and Stage 2 Water Shortage Response Stages.

The following Water Use Restrictions have been modified from the 2005 Urban Water Management Plan to more accurately incorporate the operation of the filtration facility and include anticipated impacts on new development based upon consideration and implementation of Water Shortage Response Stages 3, 4 and 5 by the Board of Directors. The implementation of Water Shortage Response Stages 3, 4 and 5 shall explicitly state the allowable uses of water and impacts on new developments. The Board reserves the right to modify and implement any number of water curtailment activities based on the actual conditions at the time.

	Program Type	Water Use Restrictions	Overall Goal	Anticipated Impact on New Development
Stage 1	Voluntary	Up to a 10% Reduction from Selected Areas	--	No anticipated impacts to new development.
Stage 2	Voluntary	Up to 10% District-wide	10% Reduction	New applicants for the Crystal Development Program may not be accepted under Stage 2.
Stage 3	Mandatory	Up to 20% District-wide	20% Reduction	Previously secured Crystal developments may proceed. New applicants for the Crystal Development Program may not be accepted under Stage 3.
Stage 4	Mandatory	Up to 35% District-wide	35% Reduction	Crystal Standard developments may be restricted. New applicants for the Crystal Development Program may not be accepted.
Stage 5	Mandatory	Up to 50% District-wide	50% Reduction	No new standard developments of Crystal development projects.

5. Construction of Surface Water Detention Basins

The District will require the construction of soft bottom channels throughout the development to maintain the percolation rates currently experienced onsite and provide flood control consistent with the authority of the respective agency. All surface water detention basins will require design approval by the District to ensure subsurface facilities are not impacted by the recharge of surface water.

6. Fixed Base Automatic Meter Reading

Each new development will be required to install the necessary infrastructure and facilities to provide a fixed base automatic water meter reading system for potable and non-potable water meters within the development.

7. Temporary Facilities

The District recognizes that temporary facilities may be constructed to allow for initial phasing of development projects. The District will provide time dependent limitations on all temporary facilities and unit count dependencies, regardless of economic conditions and phasing schedules.

8. Agricultural Use Conversion to Non-Potable Water

Any current agricultural practices on-site that relies upon groundwater sources shall be converted to non-potable use.

9. Elimination of Septic Systems

The stringent water quality objectives established by the Regional Water Quality Control Board requires the Yucaipa Valley Water District to minimize the salinity impacts to the groundwater supplies in the Yucaipa Management Zone, the San Timoteo Management Zone and the Beaumont Management Zone. Following are the pollution prevention requirements associated with new development.

a. Requirement to Connect to the Sewer System

In order to protect the Yucaipa and Beaumont Groundwater Management Zones, new developments consisting of five or more Equivalent Dwelling Units within 1,000 feet of any existing or previously agreed upon sewage collection facility must extend the public sewer line to serve said development.

b. Dry Sewer Collection System

In order to protect the groundwater quality as required by the Basin Plan adopted by the Santa Ana Regional Water Quality Control Board, new developments shall install dry sewer collection systems if existing active sewer collection facilities are not available.

i. Construction of One to Four Units or Development on Five Acres or More

Developments consisting of one to four Equivalent Dwelling Units, or a development on more than five acres (average gross) per lot shall not be required to install dry sewers or connect to the sewer collection system unless any portion of the property being developed is within 500 feet

from the sewer system which could serve the parcel.

ii. Installation of Dry Sewer Collection Infrastructure

The installation of a dry sewer collection system shall extend the full length of the property to the property boundary generally upstream of the parcel/development. The dry sewer collection system shall also be extended downstream offsite of the subject property a distance of 100 feet per Equivalent Dwelling Unit (EDU) after the first EDU. For example, a development of five EDUs shall extend the dry sewer collection system 400 feet downstream toward the existing sewer collection system.

c. Sewer Septic System Offset Program

Any new development not connected to an active sewer collection system shall be required to participate in a Sewer Septic System Offset Program to mitigate the pollution created by the addition of a new septic system. This Program requires the conversion/connection of existing septic systems to the sewer in the service area of the Yucaipa Valley Water District. Participation in this program does not relieve the property owner from future participation in the construction of sewer infrastructure when available or paying current fees for the property receiving the septic system offset.

E. OTHER PUBLIC AGENCY REQUIREMENTS

The requirements for the design of water and sewer plans and systems specified herein do not waive, nor are they intended to contradict, any requirements of other legal governing public agencies.

Engineers designing water and sewer plans and systems for inclusion in the District's system must be knowledgeable of and comply with the regulations of the State of California, the County of San Bernardino, the County of Riverside, the City of Yucaipa, the City of Calimesa, or any other

local agency having jurisdiction. These shall include Administrative Codes, Civil Codes, and Health Regulations.

F. WATER AND SEWER PLAN APPROVAL PROCESS

The Developer's engineer shall design the facilities and prepare the water and/or sewer construction drawings to the District's requirements (see Sections II through V). Developer's engineer shall submit to District staff all water and sewer construction drawings for review. The District may revise, modify, or require redesign of any concepts, drawings, or details submitted. Construction must begin within one year of approval of the water and/or sewer construction drawings; if more than one year has elapsed, the project must go through plan check procedure again before starting construction, including depositing additional plan check fees. The steps required to obtain plan or project site map approval are as follows:

1. Attend Preliminary Planning Meeting

Arrange a preliminary planning meeting with the District's Engineering Department to discuss the proposed project. At the preliminary planning meeting, submit a tentative tract map or project site map with the preliminary water and/or sewer facilities shown. Upon review of the project, the District may require a preliminary report and/or hydraulic network analysis.

The District will discuss the general location and size of required facilities as well as provide information on known existing District facilities in the area. If available, District staff will provide "record" plans for existing facilities.

The District provides water and/or sewer service to customers when the customer's property is located within the District's Service Area. If customers are outside an existing Service Area, they may obtain service by 1) annexing into the District's Service Area or 2) seeking service from another nearby Public or Private Utility. The District should be consulted for advice regarding service in either of the above circumstances.

In order for a property to be served by the District, the property boundary must front or be common to a public right-of-way or a District easement where District mainline

facilities reside (i.e. no water services or sewer laterals shall be constructed through a privately owned parcel in an easement). If necessary and when allowed by the District, the Developer shall construct a mainline extension (water and/or sewer pipeline) to the property and provide easements for said extensions.

2. Submit Deposit for Preliminary Engineering Review by District Staff (if Necessary)

Depending on the extent of preliminary engineering required, District staff may require a deposit to cover staff time before plan checking begins. In any case, the Engineering and Plan Check Deposit must be submitted prior to District staff reviewing any preliminary reports, hydraulic network analyses, or plan checks.

3. Submit Preliminary Report and/or Hydraulic Network Analyses (if Required)

If required, the preliminary report and hydraulic network analyses must be submitted to District staff for review and comments. The preliminary report and/or hydraulic network analyses must be approved prior to submittal of any drawings for plan checking. Once District staff and the Developer's engineer have agreed on a conceptual design, detailed plans may be prepared and submitted.

4. Submit First Plan Check with Plan Check Deposit

The normal plan check deposit is 3% of construction costs or a District determined minimum for small projects. Any unused plan check funds will be refunded to the payee or applied to inspection fees, at Developer's option. After review and approval of the preliminary report and/or hydraulic network analyses, the Developer's engineer must submit the following for the first plan check:

- Three copies of the water construction drawings.
- Three copies of the sewer construction drawings.
- One copy of the street improvement drawings.

- One copy of the grading plans.
- One copy of the storm drain plans.
- Two copies of tentative Tract/Parcel Map.
- Two copies of Tract Phasing Map (including lot numbers and street names).
- Fire flow requirements for each phase.
- Certification letter from engineer whose stamp appears on the plans stating that he has reviewed the plans and they are complete, accurate, and ready for review by the District.

Submittals must be complete or they will be rejected. Each submittal shall include a transmittal listing all items submitted. Details regarding preparation of plans and grant deed documents are included in Section II. Details regarding design criteria are included in Section III for water, Section IV for recycled water, and Section V for sewer.

After District staff reviews the first plan check submittal for completeness, the plans will be sent to District's consultant for a detailed review. District staff will provide comments on one set of the water and sewer construction drawings and return them to the Developer's engineer for revisions. All subsequent plan checks shall be sent to the District's consultant. District staff's goal is to complete the first plan check within 20 working days of receipt of a complete submittal. Plan check review time varies depending on the number of plans in the review process, size of the project, complexity of the plans, and completeness of the plans.

After the first set of check prints are returned, no changes except those requested or approved by the District shall be made by the Developer's engineer. If the Developer's engineer wishes to make a change other than that requested by the District, a print marked with the proposed change in red pencil shall be submitted for approval. Only after written approval shall the original be changed. The authorized change shall be highlighted on the next recheck submittal. Drawings that do not follow the requirements contained in this handbook and/or that are unclear, misleading, or confusing will be subject to rejection without review.

5. Submit Subsequent Plan Checks

For each subsequent plan check, the Developer's engineer must submit the following:

- Previous District plan check set.
- Two copies of the revised construction drawings.
- Any additional material requested.

Submittals must be complete or they will be rejected. If drawings are not yet satisfactory, the District will make comments on one set of the drawings and return same to the Developer's engineer for revisions. This procedure will be repeated as necessary until the drawings are complete. If the Developer's engineer does not return previous District plan check sets, the plan check procedure will start from the beginning.

District staff's goal is to complete the second plan check within 10 to 15 working days of receipt of a complete submittal and the third plan check within 5 to 7 working days of the receipt of a complete submittal. Plan review time varies depending on the number of plans in the review process, size of the project, complexity of the plans, and completeness of the plans.

6. Submit Final Plans for Approval

After all plan checks are completed and the plans are acceptable to District staff, the original mylars must be submitted to District staff for signature along with the digital files. Prior to final approval of the construction drawings, the Developer must pay the outstanding balance for the plan check work order, execute a Development Agreement, and provide executed Grant Deeds or Grants of Easement. A sample Development Agreement and Grant of Easement form are provided at the end of this section as Exhibits I-3 and I-4.

7. District Signs Plans

Once all submittals have been completed to District staff's satisfaction, the mylars will be signed. The Developer's engineer is required to obtain signatures from all other agencies

and provide District staff with the original mylars and three blue-line prints. Original water and sewer plan mylars become the property of the District.

Once signed, the originals cannot be modified without written permission from the District's engineer. Any modification after signing shall be noted in the revision block and the cover sheet revision block.

Plan checks resubmitted after one year, regardless of the number of previous submittals, will be deemed "expired". "Expired" plan checks resubmitted will be subject to the District's current design requirements and considered a "first plan check submittal".

G. PRECEDENCE OF DOCUMENTS

The Developer's Handbook shall apply to performance of the Work; provided, however, that in resolving conflicts, errors, omissions, or discrepancies, the order of precedence shall be as follows:

1. Construction Plans
2. District Standard Drawings
3. Technical Specifications
4. Greenbook
5. Referenced Standard Specifications and Drawings

H. GRANTS OF EASEMENT

All proposed easements shall be approved by the District prior to plan approval. Where allowed, the Grant of Easement shall be on the District's form and shall consist of three parts: the Grant of Easement form, the legal description, and the plat map.

The legal description shall be designated as Exhibit "A" and, if appropriate, shall have the assessor's parcel number indicated on the upper right corner of the exhibits. The legal description shall be prepared by a California Registered Land Surveyor and signed and stamped by said surveyor.

The plat shall be designated as Exhibit "B" and shall be prepared by a California Registered Land Surveyor and signed and stamped by said surveyor.

A copy of the Grant of Easement form is attached as Exhibit I-4.

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**EXHIBIT I-1
YUCAIPA VALLEY WATER DISTRICT
WATER AND SEWER PLAN APPROVAL PROCESS**

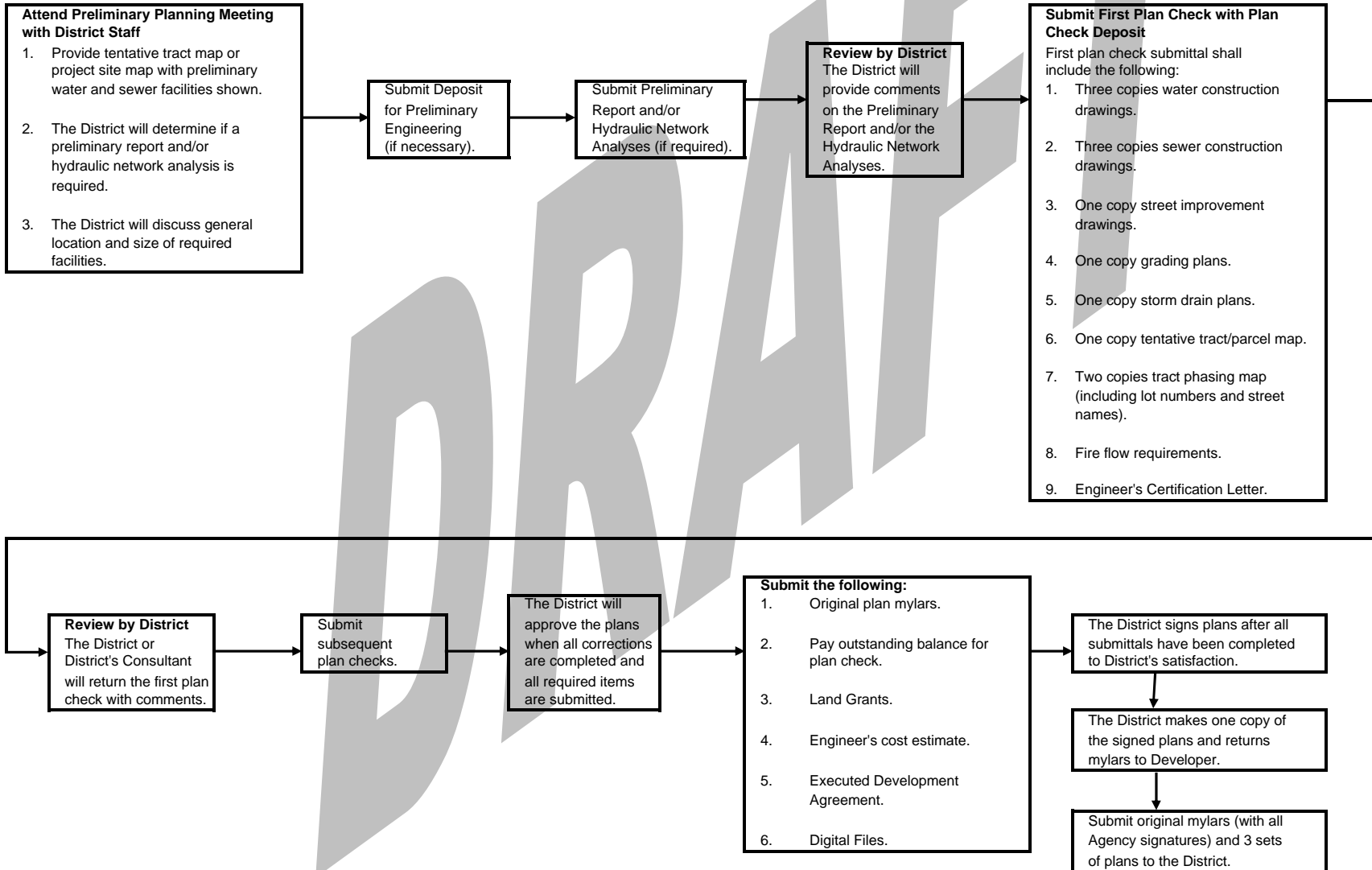


EXHIBIT I-2
WATER AND SEWER UNIT COSTS FOR CONSTRUCTION COST ESTIMATE

YUCAIPA VALLEY WATER DISTRICT

To Be Used For Calculating Fees For Plan Checking, Inspection, and Bonding.
January 2008

WATER SYSTEM UNIT COSTS

4" DIP (includes fittings/valves) @ \$36.00/LF
6" DIP (includes fittings/valves) @ \$45.00/LF
8" DIP (includes fittings/valves) @ \$60.00/LF
12" DIP (includes fittings/valves) @ \$75.00/LF
16" DIP (includes fittings/valves) @ \$100.00/LF
20" DIP (includes fittings/valves) @ \$125.00/LF
24" DIP (includes fittings/valves) @ \$150.00/LF
6" Fire Hydrant Assembly @ \$4,000.00/EA
4" Blow-Off Assembly @ \$1,000.00/EA
1" Air and Vacuum Valve Assembly @ \$1,000.00/EA
2" Air and Vacuum Valve Assembly @ \$2,000.00/EA
3/4" or 1" Copper Service @ \$1,000.00/EA

SEWER SYSTEM UNIT COSTS

8" VCP Main @ \$45.00/LF
10" VCP Main @ \$55.00/LF
12" VCP Main @ \$65.00/LF
15" VCP Main @ \$80.00/LF
4" VCP Laterals @ \$30.00/LF
Manholes @ \$2,500.00/EA

EXAMPLE WATER FEE COST WORKSHEET

YUCAIPA VALLEY WATER DISTRICT CONSTRUCTION COST ESTIMATE & FEE SCHEDULE

TRACT NO.

APN:

Date: _____ LOTS

Material:

8" DIP	0	LF @	\$60.00 PER LF		\$0.00
1" Copper Service Lateral	0	EA @	\$1,000.00 EA		\$0.00
Std. Fire Hydrant Assembly	0	EA @	\$4,000.00 EA		\$0.00
4" Blow-off Assembly	0	EA @	\$1,000.00 EA		\$0.00
1" Air/Vac Assembly	0	EA @	\$1,000.00 EA		\$0.00

Construction Cost Estimate **\$0.00**

Plan Check Deposit: 3% of Construction Cost \$0.00
(\$1,500 minimum)

DUE PRIOR TO RECORDING:

100% Performance Bond* \$0.00

100% Material/Labor Bond \$0.00

*Rollover to one-year 100% Maintenance Bond upon acceptance of tract

Prelim. Account Establishment Charge: 0 LOTS @ \$25.00 PER LOT \$0.00

TOTAL DUE PRIOR TO RECORDING **\$0.00**

DUE PRIOR TO RENDERING SERVICE:

Inspection Deposit: 7% of Construction Cost Estimate \$0.00

NOTE: 7% minimum deposit to include remaining balance of plan check deposit

Actual cost shall be invoiced monthly on a time & material basis

Meter Sets: 0 LOTS @ \$325.00 PER LOT \$0.00

**Tie-In/Hot Tap Deposit: 0 EA @ estimate EA \$0.00

**Fire Hydrant/Meter Abandonments: 0 EA @ estimate EA \$0.00

(**Allow 4 to 6 weeks for scheduling)

TOTAL DUE PRIOR TO RENDERING SERVICE **\$0.00**

DUE PRIOR TO BUILDING PERMIT:

Water Development Impact Fee: 0 LOTS @ \$12,339.00 PER LOT \$0.00

(Credit for existing service) (\$)

TOTAL DUE PRIOR TO BUILDING PERMIT **\$0.00**

*****FEES IN EFFECT AT TIME OF PAYMENT SHALL PREVAIL*****

Calc. _____

Chk. _____

Appr. _____

EXAMPLE RECYCLED WATER FEE COST WORKSHEET

YUCAIPA VALLEY WATER DISTRICT CONSTRUCTION COST ESTIMATE & FEE SCHEDULE

TRACT NO.

APN:

Date: _____ LOTS

Material:

8" DIP	0	LF @	\$60.00 PER LF		\$0.00
1" Copper Service Lateral	0	EA @	\$1,000.00 EA		\$0.00
Std. Fire Hydrant Assembly	0	EA @	\$4,000.00 EA		\$0.00
4" Blow-off Assembly	0	EA @	\$1,000.00 EA		\$0.00
1" Air/Vac Assembly	0	EA @	\$1,000.00 EA		\$0.00

Construction Cost Estimate \$0.00

Plan Check Deposit: 3% of Construction Cost \$0.00
(\$1,500 minimum)

DUE PRIOR TO RECORDING:

100% Performance Bond* \$0.00

100% Material/Labor Bond \$0.00

*Rollover to one-year 100% Maintenance Bond upon acceptance of tract

Prelim. Account Establishment Charge: 0 LOTS @ \$25.00 PER LOT \$0.00

TOTAL DUE PRIOR TO RECORDING \$0.00

DUE PRIOR TO RENDERING SERVICE:

Inspection Deposit: 7% of Construction Cost Estimate \$0.00

NOTE: 7% minimum deposit to include remaining balance of plan check deposit

Actual cost shall be invoiced monthly on a time & material basis

Meter Sets: 0 LOTS @ \$325.00 PER LOT \$0.00

**Tie-In/Hot Tap Deposit: 0 EA @ estimate EA \$0.00

**Fire Hydrant/Meter Abandonments: 0 EA @ estimate EA \$0.00

(**Allow 4 to 6 weeks for scheduling)

TOTAL DUE PRIOR TO RENDERING SERVICE \$0.00

DUE PRIOR TO BUILDING PERMIT:

Water Development Impact Fee: 0 LOTS @ \$12,339.00 PER LOT \$0.00

(Credit for existing service) (\$)

TOTAL DUE PRIOR TO BUILDING PERMIT \$0.00

*****FEES IN EFFECT AT TIME OF PAYMENT SHALL PREVAIL*****

Calc. _____

Chk. _____

Appr. _____

EXAMPLE SEWER FEE COST WORKSHEET

YUCAIPA VALLEY WATER DISTRICT CONSTRUCTION COST ESTIMATE & FEE SCHEDULE

TRACT NO.

APN:

Date: _____ LOTS

Material:

8" VCP Sewer Main	0	LF @	\$45.00 PER LF		\$0.00
4" VCP Sewer Lateral	0	LF @	\$30.00 PER LF		\$0.00
Standard Manhole	0	EA @	\$2,500.00 EA		\$0.00
Terminus Manhole	0	EA @	\$2,500.00 EA		\$0.00
Backwater Valve	0	EA @	\$500.00 EA		\$0.00

Construction Cost Estimate \$0.00

Plan Check Deposit: 3% of Construction Cost
(\$1,500 minimum) \$0.00

DUE PRIOR TO RECORDING:

100% Performance Bond* \$0.00
 100% Material/Labor Bond \$0.00

*Rollover to one-year 100% Maintenance Bond upon acceptance of tract

Prelim. Account Establishment Charge: 0 LOTS @ \$25.00 PER LOT \$0.00

TOTAL DUE PRIOR TO RECORDING \$0.00

DUE PRIOR TO RENDERING SERVICE:

Inspection Deposit: 7% of Construction Cost Estimate \$0.00

NOTE: 7% minimum deposit to include remaining balance of plan check deposit

Actual cost shall be invoiced monthly on a time & material basis

TOTAL DUE PRIOR TO RENDERING SERVICE \$0.00

DUE PRIOR TO BUILDING PERMIT:

Wastewater Development Impact Fee: 0 LOTS @ \$7,578.00 PER LOT \$0.00
 (Credit for existing capacity)

Sewer Buy-in Fee: 0 ACRES @ \$1,059.00 PER ACRE \$0.00
 (if applicable)

TOTAL DUE PRIOR TO BUILDING PERMIT \$0.00

*****FEES IN EFFECT AT TIME OF PAYMENT SHALL PREVAIL*****

Calc. _____
 Chk. _____
 Appr. _____

Exhibit I-3
SAMPLE AGREEMENT

AGREEMENT TO PROVIDE WATER, SEWER AND RECYCLED WATER
FACILITIES AND SERVICE TO THE PRIVATE DEVELOPMENT OF _____

This Agreement is made and effective this ____ day of _____, by and between the YUCAIPA VALLEY WATER DISTRICT, a public agency ("DISTRICT") and _____, a California Corporation ("DEVELOPER"). Each is sometimes referred to herein as a "Party" and jointly as the "PARTIES".

Contact information for the PARTIES is as follows:

DISTRICT:
Yucaipa Valley Water District
Post Office Box 730
Yucaipa, California 92399-0730
Attn: Joseph B. Zoba, General Manager
Telephone: (909) 797-5119
Facsimile (909) 797-6381

DEVELOPER:

PROJECT OVERVIEW

Provide Project Description.

RECITALS

WHEREAS, DEVELOPER desires to develop its property situated within the Service Area of the DISTRICT, and

WHEREAS, DEVELOPER proposes to develop the DEVELOPER's Property in the manner generally proposed and in accordance with approved maps and construction drawings reviewed by the Yucaipa Valley Water District at this time.

WHEREAS, DEVELOPER desires to obtain potable water and recycled water (as used herein, "water" includes recycled water where applicable) and sewer service from the DISTRICT for its development in accordance with the DISTRICT's Rules, Regulations and Policies; and

WHEREAS, it is the purpose of this Agreement to set forth the terms and conditions by which the DISTRICT will provide water and sewer service to the DEVELOPER's Property.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the DEVELOPER and the DISTRICT agree as follows:

PART A: THE FACILITIES

1. General Description.

A. The DEVELOPER proposes to develop its Property as provided on the approved development construction drawings approved by the District which includes potable water, sewer, and recycled water facilities necessary to serve the development.

B. Ownership; Operation and Maintenance: Once constructed and accepted by the DISTRICT, title to the facilities (and associated right-of-way) shall be conveyed by the DEVELOPER to the DISTRICT, and the DISTRICT shall operate and maintain the facilities and shall provide water, recycled water, and sewer service to the DEVELOPER's Property in accordance with the DISTRICT's rules and regulations and the provisions of this Agreement.

PART B: DESIGN AND CONSTRUCTION

2. Licensed Professionals. All work, labor and services performed and provided in connection with (for example) the preparation of real property and right-of-way surveys and descriptions, the preparation of construction specifications, plans and drawings, and the construction of all facilities, shall be performed by, or under the direction of, professionals appropriately licensed by the State of California and in good standing. In the event the DISTRICT reasonably determines, in its sole discretion, that additional licensed professionals are required in order to satisfy the obligations of the DEVELOPER hereunder, the DEVELOPER shall promptly retain such professionals at its sole cost and expense.

3. Plan Acceptance; Facility Acceptance.

A. The DISTRICT shall promptly review and respond to all plans and specifications ("Plans") related to the construction of the facilities. Upon its final review and approval of the plans, the DISTRICT shall sign the construction drawings ("Plan Acceptance") indicating such approval. Plans are subject to an annual review by the District and modifications may be made by the DISTRICT to conform to revised and/or improved construction standards.

B. The DEVELOPER shall not permit, or suffer to permit, the construction of any Facility without having first obtained Plan Acceptance. In the event the DEVELOPER fails or refuses to obtain the DISTRICT's Plan Acceptance, the DISTRICT may refuse, in its sole discretion and without liability, to issue its Facility Acceptance as to such Facility when completed.

C. The DEVELOPER shall not deviate from any approved plans and/or specifications without the DISTRICT's prior written approval.

D. All construction work shall be inspected on a timely basis by DISTRICT personnel and/or by DISTRICT's consultants at the sole cost of the DEVELOPER. The DEVELOPER acknowledges that the inspector(s) shall have the authority to require that any and all unacceptable materials, workmanship, construction and/or installation not in conformance with either (i) the Plans subject to a Plan Acceptance (as modified by any later Plan Acceptances), or (ii) standard practices, qualities and standards in the industry, as reasonably determined by the DISTRICT, shall be replaced, repaired or corrected at DEVELOPER's sole cost and expense.

E. In the event the DEVELOPER's contractor proposes to work overtime and beyond normal business hours, the DEVELOPER shall obtain the DISTRICT's approval at least 48 hours in advance so that inspection services may be appropriately scheduled. The DEVELOPER shall be solely responsible for paying all costs and expenses associated with such inspection services.

F. The DISTRICT shall promptly upon request of DEVELOPER, cause the final inspection of a Facility which DEVELOPER indicates is completed. If the DISTRICT finds such Facilities to have been completed in conformance with the Plans for which a Plan Acceptance has been issued, then DISTRICT shall promptly issue to DEVELOPER its letter ("Facility Acceptance") indicating satisfactory completion of the Facility and DISTRICT's acceptance thereof. Neither inspection nor issuance of the Facility Acceptance shall constitute a waiver by DISTRICT of any claims it might have against DEVELOPER for any defects in the work performed, the materials provided, or the Facility constructed, to the extent such represents a deviation from the Plans approved by the DISTRICT pursuant to the Plan Acceptance.

4. Project Coordination and Designation of DEVELOPER's Representative.

A. The DEVELOPER shall be solely responsible for coordinating the provision of all work, labor, material and services associated with the planning, design and construction of the water and sewer Facilities required for the DEVELOPER's project. The DEVELOPER shall be solely responsible for compliance with all applicable federal, state and local safety rules and regulations, and shall conduct periodic safety conferences as required by law and common sense.

B. Prior to proceeding with any Facility construction, the DEVELOPER shall schedule and conduct a preconstruction conference with the DISTRICT's General Manager and the DISTRICT Engineer and/or their designees or agents. In the event the DEVELOPER fails or refuses to conduct any such conference, the DISTRICT may refuse, in its sole discretion, to accept the Facilities constructed by the DEVELOPER.

C. The DISTRICT and the DEVELOPER hereby designate the individual identified on page 1 of this Agreement as the person who shall have the authority to represent the DISTRICT and DEVELOPER in matters concerning this Agreement. In order to ensure maximum continuity and coordination, the DISTRICT and DEVELOPER agree not to arbitrarily remove or replace the authorized representative, but in the event of a substitution, the substituting Party shall promptly advise the other Party of such substitution, in writing.

5. DISTRICT's Right to Complete Facilities. The DISTRICT is hereby granted the unqualified right to complete, at DEVELOPER's sole cost and expense, all or any portion of any potable water, recycled water or wastewater Facilities constructed hereunder in the event the work is abandoned or the incomplete facilities constitute a threat to the public's health, safety or welfare at the sole discretion of the DISTRICT.

6. Construction of Connections to DISTRICT Facilities. Unless otherwise agreed to in writing by the DISTRICT, the DISTRICT shall furnish all labor, materials and equipment necessary to construct and install connections between the DEVELOPER's Facilities and the DISTRICT's potable water, recycled water, and sewer systems. All costs and expenses associated therewith shall be paid by the DEVELOPER.

7. Compliance With Law and DISTRICT Regulations. The DEVELOPER hereby agrees that all Facilities shall be constructed in accordance with all applicable laws, rules, regulations and policies in effect at the time of construction. The DEVELOPER shall strictly comply with all applicable law, rules and regulations, concerning the provision of services, materials and the payment of wages. The DEVELOPER shall keep fully informed of and obey all laws, rules and regulations, and shall indemnify the DISTRICT against any liability arising from DEVELOPER's violation of any such law, rule or regulation.

8. DEVELOPER's Warranties. The DEVELOPER shall unconditionally guaranty, for a period of one year following the DISTRICT's Facility Acceptance thereof, any and all materials and workmanship, at the DEVELOPER's sole cost and expense. The provision of temporary water or wastewater service through any of the DEVELOPER's Facilities, prior to DISTRICT's acceptance of same, shall not nullify nor diminish the DEVELOPER's warranty obligation, nor shall the DEVELOPER's warranty obligation be voided if the DISTRICT determines, in its sole discretion, to make any emergency repairs necessary to protect the public's health, safety or welfare or to ensure continuity of water or sewer service.

9. Testing and Disinfection. Upon approval by the DISTRICT, the DEVELOPER, at its sole cost and expense, shall undertake and satisfactorily complete a testing program for all Facilities prior to acceptance by the DISTRICT, and to disinfect all water Facilities in accordance with the DISTRICT's procedures and other applicable laws, rules and regulations.

10. Bond Requirements. The DEVELOPER shall provide to the DISTRICT, in a form satisfactory to the DISTRICT, the following bonds:

A. A Performance and Warranty Bond. A performance bond issued by a corporate surety or sureties licensed and permitted to do business by and within the State of California in an amount not less than one hundred percent (100%) of any and all construction work to be conducted or performed under this Agreement. A warranty bond issued by a corporate surety or sureties licensed and permitted to do business by and within the State of California in an amount not less than one hundred percent (100%) of the total cost of any and all construction performed hereunder, insuring against any and all defects in the Facilities constructed hereunder, for a period of not less than one full year after the date of acceptance thereof by the DISTRICT.

B. A Labor and Materials Payment Bond issued by a corporate surety or sureties licensed and permitted to do business by and within the State of California in an amount not less than one hundred percent (100%) of the total cost of any and all construction performed hereunder per California Civil Code Sections 3247 and 3248(a).

C. Miscellaneous Bond Requirements. All bonds required by this Section 10 shall be provided to the DISTRICT within sixty (60) days of the date that this Agreement was approved by the DISTRICT's Board of Directors. All bonds required by this section are subject to the approval as to form and content by the General Manager and DISTRICT's Legal Counsel. All bonds required by this section shall be provided by a surety that is an "admitted" surety insurer authorized to transact surety insurance in California, with assets exceeding its liabilities in the amount equal to or in excess of the amount of the bonds, and each bond shall not be in excess of ten percent (10%) of the surety insurer's assets. The bond shall be duly executed and shall meet all of the requirements of Section 995.660 of the Code of Civil Procedure.

PART C: TITLE TO FACILITIES; OPERATION

11. Title to Facilities and Right-of-Way.

A. Provided that the DEVELOPER's Facilities are designed and constructed as required hereunder and the DISTRICT proposes to issue its Facility Acceptance, the DEVELOPER shall, concurrently with the DISTRICT's Facility Acceptance, convey ownership title to all Facilities (and right-of-way, if applicable) to the DISTRICT, free and clear of any and all liens and encumbrances except those that are expressly agreed to by the DISTRICT. The DISTRICT may require fee title or an easement, depending upon the location of the Facility through action by the Board of Directors. Upon conveyance of title, the DISTRICT shall assume the responsibility of operating and maintaining the Facilities, subject to the DEVELOPER's warranty as provided herein. The DEVELOPER acknowledges and agrees that the DISTRICT shall not be obligated to operate and maintain the Facilities and to provide service to and through them until all applicable conditions hereunder are satisfied and title to the Facilities has been conveyed and delivered to the DISTRICT in recordable form.

B. A form for the *Grant of Easement and Rights-of-Way* and *Bill of Sale of the Facilities* is available from the District upon request.

12. Risk of Loss. Until such time as Facility Acceptance by the DISTRICT and until good and marketable title to the easements, rights-of-way and Facilities are conveyed and delivered to the DISTRICT in recordable form, the DEVELOPER shall be solely and completely responsible for any and all losses and/or damage of every kind or nature to the easements, rights-of-way and Facilities.

13. Conditions Precedent to the Provision of Water and Sewer Service. Unless the DISTRICT otherwise agrees in writing, the DISTRICT shall not be obligated to provide any water and/or wastewater service to the DEVELOPER's Project or any part thereof, including model homes, until all of the appropriate obligations imposed upon the DEVELOPER have been fulfilled including, without limitation, Facility Acceptance by the DISTRICT, and conveyance to the DISTRICT of the right-of-way and Facilities associated with the requested service. Upon acceptance of the right-of-way and appurtenant Facilities and upon such other terms and conditions as may be reasonable, the DISTRICT shall provide the service requested and assume the responsibility for operating and maintaining the affected Facilities. Service provided by the DISTRICT shall be in accordance with its rules and regulations and shall be comparable in quality of service to that provided all similarly situated customers.

PART D: DEPOSITS, FEES AND CREDITS

14. DEVELOPER's Fees, Charges, Costs and Expenses. The DEVELOPER shall be solely responsible for the payment to the DISTRICT of all current fees, charges, costs and expenses related to this development.

A. DEVELOPER Development Trust Account Deposit: The DEVELOPER shall deposit with the DISTRICT, to be held in a trust account administered by the DISTRICT, the sum of \$_____ as an initial deposit prior to receiving grading/building permits for the Project with a minimum deposit of \$_____ at any time. The DEVELOPER acknowledges and hereby agrees that the DISTRICT is authorized, from time-to-time, to reimburse itself from the funds on deposit. The DISTRICT shall provide a monthly accounting of the disbursement of funds based on the standard accounting practices of the DISTRICT. The DEVELOPER further agrees to replenish within 30 calendar days upon issuance of a billing statement issued by the DISTRICT, the trust fund in order to maintain a minimum amount as specified by the District. Delinquent receipt of replenishment funding of this account may, at the sole discretion of the DISTRICT, result in withholding of occupancy of individual homes throughout the Project. Should any unexpended funds remain in the trust account upon termination of this Agreement, then such funds shall be reimbursed to the DEVELOPER.

B. Current Fees and Charges: In the event of a change in the DISTRICT's schedule of fees and charges, such change shall automatically be incorporated into this Agreement as though set forth in full. Unless otherwise agreed to in writing by the DISTRICT, the DEVELOPER shall pay, when due, the then-current amount of the applicable fee or charge.

15. DISTRICT Financial Participation; Credits. The DISTRICT may agree to participate in certain facilities for this Project. Any participation or financial contribution to construct the water and wastewater infrastructure associated with this project is contained in Part G - Special Conditions of this Agreement.

PART E: PERMITS AND DOCUMENTATION

16. Permits, Licenses and CEQA Documentation. The DEVELOPER shall be solely responsible for securing and paying for all permits and licenses necessary to develop its project. The DEVELOPER shall be solely responsible for complying with the California Environmental Quality Act under the auspices of the City and/or County within which the Property is situated. Within 90 days of executing this Agreement, the DEVELOPER shall furnish to the DISTRICT copies of all relevant environmental documentation and information. The DEVELOPER, at its sole cost and expense, shall be solely responsible for defending the DISTRICT against any and all legal challenges associated with the environmental entitlements including permits, licenses, CEQA and NEPA documents.

17. Documents Furnished by the DEVELOPER. The DEVELOPER shall furnish to the DISTRICT project documentation as required by the District specified below, within the time

periods specified. Each and every document submittal shall consist of a fully executed original or certified copy (in recordable form, if applicable) and four copies.

Document(s)	Due Date
Declaration of Restrictions Regarding Residential Use of Recycled Water	Within 120 days following execution of this Agreement or 60 days prior to Construction, whichever occurs first.
Certification of Streets to Rough Grade	Prior to Construction
Field Engineering Surveys ("Cut Sheets")	Prior to Construction
Liability Insurance Certificate(s)	Prior to Construction
Performance Bond	Prior to Construction
Labor and Materials Bond	Prior to Construction
Warranty Bond	Prior to Acceptance
City/County Encroachment Permits and Conditions	Prior to Construction
Soil Compaction Tests	Prior to Acceptance
Grant of Easements and Rights-of-Way	Prior to Plan Approval
Bill of Sale	Prior to Acceptance
List of Approved Street Addresses and Assessor Parcel Numbers	Prior to Setting Meter
Notice of High/Low Water Pressure	Prior to Setting Meter
Notice of Water Pumping Facility	Prior to Construction
Mechanic's Lien Releases	Upon Request of District

NOTE: The DEVELOPER hereby acknowledges and agrees that the foregoing list is not intended to be exclusive; therefore, the DISTRICT reserves the right to request, from time-to-time, additional documents or documentation.

PART F: INSURANCE AND INDEMNIFICATION

18. Indemnification and Hold Harmless. The DEVELOPER and the DISTRICT agree that the DISTRICT should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance by DEVELOPER of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to the DISTRICT, except for liability attributable to the DISTRICT's active negligence. DEVELOPER acknowledges that the DISTRICT would not enter into this Agreement in the absence of this commitment from the DEVELOPER to indemnify and protect the DISTRICT as set forth herein.

Therefore, the DEVELOPER shall defend, indemnify and hold harmless the DISTRICT, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by the DISTRICT, court costs, interest, defense costs including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of or in any way attributable actually, allegedly or impliedly, in whole or in part in the performance by DEVELOPER of this Agreement. All obligations under this provision are to be paid by the DEVELOPER as incurred by the DISTRICT.

19. Insurance. The DEVELOPER agrees to provide insurance in accordance with the requirements set forth here throughout the term of this Agreement. If the DEVELOPER uses existing coverage to comply with these requirements and that coverage does not meet the requirements set forth herein, the DEVELOPER agrees to amend, supplement or endorse the

existing coverage to do so. The following coverages will be provided by the DEVELOPER and maintained on behalf of the DISTRICT and in accordance with the requirements set forth herein.

A. Commercial General Liability Insurance (Primary) shall be provided on ISO-CGL Form No. CG 00 01 10 93. Policy limits shall be no less than \$1,000,000 per occurrence for all coverages and \$2,000,000 general aggregate. The DISTRICT and its officials, employees and agents shall be added as additional insureds using ISO Form CG 20 10 10 93. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to the DISTRICT or any employee or agent of the DISTRICT. Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall contain no contractors' limitation endorsement. There shall be no endorsement or modification limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

B. Umbrella Liability Insurance (over Primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum, and shall include a "drop down" provision providing primary coverage above a maximum \$25,000 self-insured retention for liability not covered by primary policies but covered by the umbrella policy. Coverage shall be following form to any underlying coverage. Coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. There shall be no cross-liability exclusion and no contractor's limitation endorsement. Policy limits shall be not less than \$2,000,000 per occurrence and in the aggregate, above any limits required in the underlying policies. The policy shall have starting and ending dates concurrent with the underlying coverages.

C. Workers' Compensation/Employer's Liability shall provide workers' compensation statutory benefits as required by law. Employer's liability limits shall be no less than \$1,000,000 per accident or disease. Employer's liability coverage shall be scheduled under any umbrella policy described above. Unless otherwise agreed, this policy shall be endorsed to waive any right of subrogation as respects the DISTRICT, its employees or agents.

D. The DEVELOPER and the DISTRICT further agree as follows:

i. All insurance coverage provided pursuant to this Agreement shall not prohibit the DEVELOPER, and the DEVELOPER's employees or agents, from waiving the right of subrogation prior to a loss. The DEVELOPER waives its right of subrogation against the DISTRICT.

ii. Unless otherwise approved by the DISTRICT in writing, the DEVELOPER's insurance shall be written by insurers authorized to do business in the State of California and with a minimum "Best's" Insurance Guide rating of "A:VII". Self-insurance will not be considered to comply with these insurance specifications.

iii. The DEVELOPER agrees to provide evidence of the insurance required herein, satisfactory to the DISTRICT, consisting of certificate(s) of insurance evidencing all of the coverages required and an additional insured endorsement to the DEVELOPER's general liability and umbrella liability policies. Certificate(s) are to reflect that the insurer will provide 30 days notice of any cancellation of coverage. The DEVELOPER agrees to require its insurer to modify such

certificate(s) to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions. The DEVELOPER agrees to provide complete certified copies of policies to the DISTRICT within 10 days of the DISTRICT's request for such copies.

iv. In the event of any loss that is not insured due to the failure of the DEVELOPER to comply with these requirements, the DEVELOPER agrees to be responsible for any all losses, claims, suits, damages, defense obligations and liability of any kind attributed to the DISTRICT, or the DISTRICT's officials, employees and agents as a result of such failure.

v. The DEVELOPER agrees not to attempt to avoid its defense and indemnity obligations to the DISTRICT and its employees, agents and officials by using as defense the DEVELOPER's statutory immunity under workers' compensation and similar statutes.

PART G: SPECIAL CONDITIONS

The following conditions, being contained herein, shall be satisfied by the DEVELOPER in order to receive water, recycled water (if applicable), and sewer service for the Project.

20. General Provisions

To Be Filled in by District

21. Funding Requirements for District Constructed Facilities. In the event that District accepts the obligation to construct a Facility related to the PROJECT and the funding is partially or entirely the responsibility of the DEVELOPER, the DISTRICT shall have no obligation to construct that Facility unless sufficient funds have been deposited with the DISTRICT.

A. Deposit of Funds. Prior to the DISTRICT'S approval of a construction contract for any of the Facilities for which DISTRICT agrees to construct, DEVELOPER shall provide to the DISTRICT sufficient funds equal to 1.25 times of the lowest responsible construction cost bid proposed to be awarded by the District. The District shall have no obligation to construct facilities for which the entire amount of funding is not available.

B. Addition and/or Replenishment of Funds. In the event the funds deposited by the DEVELOPER are insufficient to fully cover the total cost of the Facility, the DEVELOPER shall immediately deposit funds to ensure the DISTRICT does not use unappropriated funds to pay for the construction of DEVELOPER related facilities.

22. Oversized Facilities Construction; Participation by Parties. Where oversizing of facilities is required, DEVELOPER shall design and construct the larger facility, and District will

reimburse to DEVELOPER the incremental material cost to increase the facility size from that required by the PROJECT to the ultimate size facility required by the DISTRICT.

23. Development Impact Fees and Fee Credits. The DEVELOPER and/or merchant builders shall be required to pay the development impact fees in effect at the time building permits are issued. The DISTRICT anticipates regular updates to the Development Impact Fee Schedule and the DEVELOPER shall pay the current fee components based on the fee in effect at the time building permits are issued, and any other fee which is not shown as a credit to the Project.

PART H: MANDATORY USE OF RECYCLED WATER – DUAL PLUMBING

24. The DEVELOPER'S Property is subject to mandatory recycled water use for non-domestic purposes, pursuant to the DISTRICT's Rules and Regulations pertaining to recycled water. Specifically, it is feasible for the DISTRICT to provide recycled water of adequate quality and quantity, at a reasonable cost, in a manner not detrimental to public health and not injurious to plant life, fish, and wildlife.

Therefore, the DEVELOPER shall provide, and accept, recycled water to the boundary lines of the DEVELOPER'S Property pursuant to, and in accordance with, these terms and conditions:

- a. The DEVELOPER, its construction contractors and subcontractors, and any or all successors in interest to any of them shall construct on-site and off-site recycled water facilities sufficient to enable individual residences and lots to use recycled water in compliance with this Agreement and all applicable law, policies, and regulations, including:
 - i. The Engineer's Report, Facility Improvement Letter, and Facility Plan Report applicable to the Subject Property;
 - ii. The provisions of the attached Declaration of Restrictions Regarding Residential Use of Recycled Water ("Declaration of Restrictions");
 - iii. The District's Rules and Regulations governing the distribution and use of water, wastewater, and recycled water, as they may be amended from time to time ("Rules and Regulations"); and
 - iv. Any other terms and conditions imposed on the DEVELOPER'S Property, or any portion thereof, by other local, state, or federal permitting or regulatory agencies.

- b. Prior to the recording in the _____ County Official Records of any final parcel or subdivision map ("Map") that changes the number of legal parcels on the DEVELOPER'S Property or any portion thereof, the DEVELOPER and any and all successors in interest as property owner agree that they shall execute and record, on the Property, the attached Declaration of Restrictions as an encumbrance that will run with the land.
- c. The DEVELOPER and any and all successors in interest shall cause each person who contracts to purchase any new residential unit constructed on any part of the DEVELOPER'S Property to execute, simultaneously with the purchase contract, the attached "Homebuyer Notification Regarding Use of Recycled Water", and deliver the original signed document to the DISTRICT.
- d. The DISTRICT and its authorized agents have the right to enter the DEVELOPER'S Property, or any portion thereof, to inspect the recycled water system facilities and ensure compliance with this Agreement and all applicable law, policies, and regulations; and at any time in an emergency, such as a pipeline rupture, cross-connection, or other circumstances that may jeopardize individual or public health and safety.
- e. The DEVELOPER and any and all successors in interest shall continuously ensure that the DISTRICT has the current name, address and telephone number of a contact person who has authority and responsibility for acting upon or notifying the DISTRICT of all matters related to recycled water facilities or use on all portions of the DEVELOPER'S Property which have not been sold to a residential end user.
- f. The DEVELOPER and any and all successors in interest, jointly and severally, shall indemnify, defend and hold DISTRICT harmless from any and all claims, demands, actions, damages, including but not limited to attorneys' fees and reasonable costs, for any injury alleged to or actually arising out of or caused as well as negligence or failure to perform its obligations under this Agreement.
- g. Without limitation DEVELOPER and any and all successors in interest, jointly and severally expressly understands and agrees that full compliance with this Agreement is a precondition to the DISTRICT's provision of new or additional water and recycled water service to the DEVELOPER'S Project; that any noncompliance with this Agreement shall subject DEVELOPER to all applicable monetary fines or other penalties under DISTRICT's Rules and Regulations; and that the DISTRICT shall have no responsibility or liability for any delays in the development of the DEVELOPER'S Property caused by DEVELOPER's noncompliance.
- h. The recycled water requirements shall run with the land and be applicable to any and all successors in interest to the DEVELOPER. As a continuing obligation that shall survive transfer of the DEVELOPER'S Property, DEVELOPER shall notify any and all successors in interest of the terms and conditions of this Agreement, and shall require their consent to, and performance of, them.

PART I: MISCELLANEOUS

25. Term and Termination of Agreement.

a. Unless extended by mutual agreement of the parties in writing, this Agreement shall terminate at 5:00 p.m., on the day before the sixth (6th) anniversary date of this Agreement; provided, however, that this Agreement shall automatically terminate, without further liability to either party, as follows:

i. Within 10 business days of the effective date of this Agreement if the DEVELOPER fails or refuses to make the trust account deposit; or

ii. Within 12 months of the effective date of this Agreement, if the initial construction contemplated hereunder has not commenced within such time; or

iii. Immediately, upon abandonment by the DEVELOPER of the DEVELOPER's project and/or the work hereunder; and/or

iv. Within 45 days of the date of the issuance of a Notice of Default by the DISTRICT to the DEVELOPER in the event the DEVELOPER fails or refuses to perform, keep or observe any of the terms, conditions or covenants set forth in this Agreement.

b. Any termination of this Agreement shall not be construed as a waiver of any claim the DISTRICT may have against the DEVELOPER or that the DEVELOPER may have against the DISTRICT.

c. In the event of termination, and in order to counteract any threat to the public's health, safety or welfare, the DISTRICT shall have the right, without liability to the DEVELOPER, to complete, at the DEVELOPER's non-reimbursable expense, all or a portion of the Facilities constructed pursuant to this Agreement.

d. Notwithstanding the foregoing, the Indemnification clauses contained herein shall survive the termination of this Agreement:

26. Status of the Parties. This Agreement is not intended to create, and nothing herein contained shall be construed to create, an association, a trust, a joint venture, a partnership or other entity of any kind, or to constitute either party as the agent, employee or partner of the other.

27. Amendment; Assignment.

a. Amendment. This Agreement may be amended, from time-to-time, by mutual agreement of the DISTRICT and the DEVELOPER, in writing signed by both parties. The DISTRICT and the DEVELOPER further agree that to the extent this Agreement does not address all aspects of the DEVELOPER's phased Project, the parties shall meet and confer and negotiate in good faith, and execute a written amendment or supplement to this Agreement.

b. Assignment. This Agreement shall not be assigned, whether in whole or in part, by the DEVELOPER without the prior written consent of the DISTRICT, which

consent may be withheld in the event that the DISTRICT determines, in its sole discretion, that the assignee is not financially capable of assuming the obligations of the assignor under this Agreement. This Agreement shall bind the parties hereto and their respective successors and assigns.

28. Force Majeure. If either the DISTRICT or the DEVELOPER is delayed, hindered or prevented from performing any term of this Agreement by any cause beyond either party's control including, without limitation, any strike, walkout, prohibitions imposed by law, rules or regulations, riot, war, act of God or the default of the other party, then such performance may be excused or the time of performance tolled during the period of delay.
29. Incorporation of Prior Agreements. This Agreement contains all of the agreements of the parties with respect to any matter covered or mentioned in this Agreement, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose.
30. Waiver. No waiver by either party of any provisions of this Agreement shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provisions.
31. Severance. If any provision of this Agreement is determined to be void by any court of competent jurisdiction then such determination shall not affect any other provision of this Agreement provided that the purpose of this Agreement is not frustrated.
32. DISTRICT's Disclaimer. Utilizing fees and Facilities provided to the DISTRICT by the DEVELOPER, the DISTRICT will supply potable water, recycled (non-potable) water, and wastewater collection and treatment services to the DEVELOPER's Property and development thereon. However, the DISTRICT shall not be obligated to utilize public funds to subsidize the DEVELOPER's Project. The DISTRICT shall not be obligated to provide water or recycled water service in the event supplies are inadequate or nonexistent, except in accordance with its Rules and Regulations. Thus, for example, in the event of a drought, the DISTRICT shall not be obligated to provide water service notwithstanding the payment of fees and provision of Facilities by the DEVELOPER.
33. Preparation of This Agreement. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared it.
34. Arbitration.
 - a. Any dispute as to the construction, interpretation or implementation of this Agreement, or any rights or obligations hereunder, shall be submitted to binding arbitration. Arbitration shall be conducted by the Judicial Arbitration and Mediation Services, Inc./Endispute, or its successor, or any other neutral, impartial arbitration service that the parties mutually agree upon in accordance with its rules in effect at the time of the commencement of the arbitration proceeding, and as set forth in this Paragraph. The arbitrator chosen must decide each and every dispute in accordance with the laws of the State of California, and all other applicable laws. The arbitrator's decision and award are subject to judicial review by a Superior Court of competent venue and jurisdiction for material errors of fact or law. Upon a showing of good cause the arbitrator

may permit limited discovery in the arbitration proceeding. Unless the parties enter into a written stipulation to the contrary, prior to the appointment of the arbitrator, all disputes shall first be submitted to non-binding mediation, conducted by the Judicial Arbitration and Mediation Services, Inc./Endispute, or its successor, or any other neutral, impartial mediation service that the parties mutually agree upon in accordance with its rules for such mediation.

- b. Provided, however, that after first commencing binding arbitration under subparagraph a., if a Party desires a temporary or permanent remedy which JAMS is not legally capable of providing and a state court of general jurisdiction is so capable, then that Party may elect to pursue such remedy through the state court system, but such election shall result in the entire matter being transferred to such court for all purposes and the arbitration action terminated.

IN WITNESS WHEREOF, the parties have executed is Agreement to be effective on the day and year first above written.

YUCAIPA VALLEY WATER DISTRICT

Dated: _____ By: _____

Print Name

Print Title

DEVELOPER

Dated: _____ By: _____

Print Name

Print Title

EXHIBIT I-4

Recording Requested by:
(INSERT NAME OF GRANTOR)

When Recorded Mail to:

YUCAIPA VALLEY WATER DISTRICT
P.O. Box 730
Yucaipa, CA 92399

Exempt from recording fee pursuant to Government Code Section 6603

YUCAIPA VALLEY WATER DISTRICT
GRANT OF EASEMENT

San Bernardino County

APN _____

(INSERT NAME OF GRANTOR), a **California Limited Partnership (REVISE FOR CORPORATION OR INDIVIDUAL)**, owners of record of the herein described parcel of land, hereinafter called GRANTOR, hereby grant and convey to THE YUCAIPA VALLEY WATER DISTRICT, its heirs, successors, and assigns, hereinafter called GRANTEE, an easement and right-of-way to construct, reconstruct, alter, replace, use, operate, inspect, maintain, repair, and remove a **water (REVISE FOR RECYCLED WATER OR SEWER)** pipeline and appurtenances, with all connections thereto, together with the right of ingress and egress, across, along, over, under, through, and within that certain real property in the County of San Bernardino, State of California, described as follows:

SEE ATTACHED EXHIBITS "A" & "B"

GRANTEE covenants to maintain the easement and right-of-way in good repair so that no unreasonable damage will result to the adjacent land of the GRANTOR, his heirs, successors, and assigns, from its use. GRANTEE reserves the right to clear all brush, plants, shrubs, trees, trash, and other obstructions from the easement and right-of-way. GRANTOR, his heirs, successors, and assigns, covenants that he will not erect, place, or maintain, or allow to be erected, placed, or maintained, any structure within the boundaries of said easement and right-of-way.

Any use hereinabove permitted to be made of the surface of said land by GRANTOR, his heirs, successors, and assigns, shall be exercised so as not to impair, endanger, or interfere with the present or prospective exercise of any of the rights herein granted.

It is further understood and agreed that no other easement or easements shall be granted across, along, over, under, through, or within this easement or right-of-way by GRANTOR, his heirs, successors, and assigns without the previous written consent of GRANTEE.

The terms and covenants of this easement and right-of-way shall bind and inure to the benefit of the heirs, successors, executors, administrators, and assigns of GRANTOR and the heirs, successors, and assigns of GRANTEE.

IN WITNESS WHEREOF, this instrument is executed on this, the ____ day of _____, 2007.

(INSERT NAME OF GRANTOR), A **California Limited Partnership**

Signed: _____
(GRANTOR) **(Type Name)**, Authorized Representative

Signed: _____
(GRANTOR) **(Type Name)**, Authorized Representative

STATE OF _____

COUNTY OF _____

On _____ before me, _____ personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS My Hand and Official Seal

Signature of Notary