

**REIMBURSEMENT AGREEMENT**  
**HABITAT FOR HUMANITY CALAVERAS**  
**FOR OFF-SITE WATERLINE IMPROVEMENTS FOR THE EUREKA OAKS**  
**SUBDIVISION**

This **REIMBURSEMENT AGREEMENT** ("Agreement") is entered into as of December 16, 2025 ("Effective Date"), by and between the City of Angels, a California municipal corporation ("City") and Habitat for Humanity Calaveras, a California nonprofit public benefit corporation ("Developer"). City and Developer may herein be referred to individually as a "Party" and collectively as the "Parties". There are no other parties to this Agreement.

**RECITALS**

A. The City of Angels City Council approved the Eureka Oaks Subdivision pursuant to:

- Resolution 21-05 Certifying an Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Plan on February 2, 2021,
- Ordinance 506 for a Development Agreement on February 16, 2021,
- Resolution 21-06 for a conditional use permit on February 2, 2021; and

The City of Angels Planning Commission approved the Eureka Oaks Subdivision pursuant to:

- Resolution 21-02 recommending to the City Council certification of the Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Plan on January 21, 2021
- Resolution 21-03 for a Tentative Subdivision Map, conditional use permit, and site plan review on January 21, 2021, and
- Resolution 21-04 recommending to the City Council approval of the Development Agreement

along with conditions of project approval for the following project.

B. The approved project includes:

107-unit affordable housing project on 16.9± acres including:

- i. 37 detached homes
- ii. 28 attached homes
- iii. 42 condominium units (in seven, 6-plexes)

Entitlements included:

- i. Tentative Subdivision Map creating 66 lots: 65 single-family lots plus one condominium lot
  - ii. Conditional Use Permit for multi-family housing in the Business Attraction and Expansion (BAE) zoning district and to allow more than three incentives per Section 17.09.160 of the Angels Municipal Code (AMC)
  - iii. Site Plan Review
  - iv. Development Agreement for affordable housing
- C. Pursuant to Development Agreement Condition #56, the Project requires the installation of an off-site waterline (the “Reimbursable Improvements”), which is reimbursable through the City’s Water Capital Improvement Mitigation Fees (“Impact Fee”) as follows:

*56. Water Delivery System Improvements*

*Prior to issuance of a certificate of occupancy for any structure on the site, the following water delivery system improvements shall be completed: Extension of the 10-inch pipeline 1,800 ft to Copello Drive and inter-connections to the 8-inch loop are necessary to mitigate deficiencies during emergency demand conditions. [Mitigation Measure UTILITY-2]*

***Mitigation Monitoring:*** *The required improvements shall occur prior to issuance of a certificate of occupancy for any structure on the project site. Should the Project Proponent be responsible for funding installation of water system delivery improvements due to Project timing, the City will enter into a reimbursement agreement with the Project Proponent as applicable.*

D. This Agreement sets forth Developer’s obligations in connection with the installation of Reimbursable Improvements pursuant to Developer’s Project approvals.

E. This Agreement sets forth City’s obligations to reimburse/credit Developer for Reimbursable Improvements under the City’s water capital impact mitigation fee

program. **Exhibit A**, attached and incorporated hereto, describes the Impact Fee credits allowed to Developer in connection with the Reimbursable Improvements.

**NOW, THEREFORE**, in exchange of the mutual promises and other valuable consideration contained herein, City and Developer agree as follows:

## **AGREEMENT**

**Section 1. Project Scope.** Developer agrees to perform all work in connection with the Reimbursable Improvements, as set forth in Section 3, below. Developer's obligations under this Agreement shall terminate once the Reimbursable Improvements have been dedicated to, and accepted by, City; provided that so long as the Reimbursable Improvements have been substantially completed to the construction drawings approved by the City, City must accept the Reimbursable Improvements. A representative for the City shall inspect all work in connection with the Reimbursable Improvements and determine whether such Reimbursable Improvements have been substantially completed. City's obligations under this Agreement shall terminate once all Impact Fee credits have been disbursed in accordance with Sections 2 and 3, below.

1.1. *Formal Acceptance by the City.* Formal acceptance of the work in connection with the Reimbursable Improvements shall be in the form of a written notice sent to the Developer.

**Section 2. Reimbursement/Credit.** The City Engineer shall provide to the City an engineer's estimate for the cost of the waterline improvements and its associated improvements prior to the issuance of building permit for the Project. The City shall reimburse Developer in the amount of the approved engineer's cost estimate for the Reimbursable Improvement by awarding impact mitigation fee credits for Eureka Oaks not to exceed **\$305,000 or \$545,000.**

2.2 *Limited Obligation.* City makes no warranty, express or implied, that Fee Credits will be sufficient to reimburse the costs of the Reimbursable Improvements. In no event shall City be required to reimburse Developer directly from the City's general fund for any overages related to the Reimbursable Improvements. Developer further acknowledges that any deficiency by the City in reimbursing the Developer for costs of the Reimbursable Improvements shall in no way diminish Developer's obligations with respect to any conditions related to any Project entitlement unless expressly agreed to in writing by the City.

2.4. *No Fee Credit Payments to Third Parties.* City will not use Fee Credits to reimburse any third party. The Parties represent that no general contractor, subcontractors, or any other parties are named as third-party beneficiaries to this Agreement. It is recognized in this agreement that Developer will hire a general contractor to construct off-site improvements.

2.5. *Conditions for Payment.* City shall allow Fee Credits to Developer provided that (a) City and Caltrans have given final approval to and has formally accepted as complete the Reimbursable Improvements for which the Fee Credit is sought by Developer; (b) Developer is not in default of any obligation under this Agreement; and (c) Developer is not in default of any monetary obligation to City related to the Project, including but not limited to the payment of plan check and inspection fees, ad valorem property taxes and special assessments.

**Section 3. Reimbursable Improvements Costs.** Developer agrees to perform the following work in connection with the Reimbursable Improvements:

Install an extension of the 10-inch pipeline 1,800 ft to Copello Drive and inter-connections to the 8-inch loop are necessary to mitigate deficiencies during emergency demand conditions as per the plans approved by the City Engineer (**Exhibit A**).

**Section 4. Termination.** This Agreement may be terminated only upon written agreement, signed by both Parties, notwithstanding the automatic termination provisions in Section 1, above.

**Section 5. Limited City Obligation.** The obligations arising from this Agreement are neither a debt of City nor a legal or equitable pledge, charge, lien, or encumbrance upon any of its property or upon any of its income, receipts, or revenues, except for the Fee Credits to be issued after the Reimbursable Improvement is complete and City has accepted such dedication. The City's General Fund shall in no event be used to pay any obligations arising from this Agreement. The credit or taxing power of City is not pledged for the payment of any obligation arising from this Agreement.

**Section 6. Compliance with Laws.** Developer shall ensure that all work performed on the Reimbursable Improvements is performed in a manner that complies with all applicable federal, state, county and local government laws, regulations and rules, including all rules and regulations of City, as these rules and regulations may be modified or changed from time to time.

**Section 7. Liens, Claims, and Encumbrances.** Prior to acceptance of the Reimbursable Improvements by City, Developer shall provide unconditional final releases from all contractors and material suppliers, with copies of invoices and corresponding checks issued by the Developer for all items for which reimbursement is requested under this Agreement for the Reimbursable Improvements. By delivering such releases and submitting for reimbursement, Developer guarantees and assures City that there are no liens, claims, or monetary encumbrances for labor and services for the Reimbursable Improvements. Notwithstanding any other provision or term of this Agreement, City shall have no obligation to make any reimbursement payments until Developer has cleared any and all liens, claims and monetary encumbrances from the

Reimbursable Improvements and provided the required documentation, in writing, to the reasonable satisfaction of the City.

**Section 8. Indemnity.** Developer, by execution of this Agreement, specifically agrees to assume the defense of, indemnify, and hold harmless the City and its officers, employees, consultants, and agents from and against all liabilities, actions, damages, claims, losses or expenses of every type and description, including attorneys' and consultants' fees and expenses (together, the "Liabilities"), to which they may be subjected or put, by reason of, or resulting from, Developer's, its contractors' and subcontractors' acts, errors and/or omissions in the acquisition, construction or installation of the Reimbursable Improvements, except Liabilities arising from the sole negligence, active negligence, or willful misconduct of the City. Notwithstanding the foregoing, this indemnification shall apply for any Reimbursable Improvements only to Liabilities occurring and accruing during the period commencing with the start of the work and ending upon the expiration of one-year warranty period for such Reimbursable Improvements (the one-year warranty period begins upon acceptance by the City of the Reimbursable Improvements), and solely for Liabilities for which City has notified Developer in writing on or before the date that is three (3) months after the expiration of the warranty period for such Reimbursable Improvements. Any action or claim received by the City in which the accrual of the cause of action did not occur prior to expiration of the warranty period, or for which City has not notified Developer on or before three (3) months after the expiration of the warranty period, will not be the responsibility of the Developer.

**Section 9. Notice.** Any notice, payment, or instrument required or permitted by this Agreement to either party shall be deemed to have been received when personally delivered to that party or seventy-two (72) hours following deposit of the same in any United States Post Office, first class, postage prepaid, addressed as follows:

City:

City of Angels  
P.O. Box 667  
Angels Camp, CA  
Attention: City Administrator

And to:

Churchwell White LLP  
1414 K Street, 3<sup>rd</sup> Floor  
Sacramento, California 95814  
Attention: Douglas L. White, Esq.

Developer:

Morgan Gace, Executive Director  
Habitat for Humanity

PO Box 1469  
Angels Camp, CA 95222

Either Party may give notice hereunder to designate a different address to which subsequent notices, payments or instruments shall be delivered.

#### **Section 10. General Provisions.**

10.1. *Term.* The term of this Agreement shall start on the Effective Date and shall remain in effect until all the terms and conditions contained in this Agreement have been satisfied.

10.2. *Default.* In the event Developer defaults in the performance of any of its obligations under this Agreement or materially breaches any of the provisions of this Agreement, and such default or breach is not cured by Developer within 30 calendar days (or such longer period as may be necessary) of written notice from City specifying such default, City shall have the option to seek all legal and equitable remedies in connection with this Agreement and the performance thereof.

10.3. *Captions.* Captions to each Section of this Agreement are for convenience purposes only, and are not part of this Agreement.

10.4. *Severability.* If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, such portion shall be deemed severed from this Agreement and the remaining parts shall remain in full effect as though such invalid or unenforceable provision had not been a part of this Agreement.

10.5. *Governing Law; Venue.* This Agreement is made under, and shall in all respects be interpreted, enforced, and governed by, the laws of the State of California. In the event of a dispute concerning the terms of this Agreement, the venue for any legal action shall be with the appropriate court in the County of Calaveras, State of California.

10.6. *Entire Agreement.* This Agreement contains the entire agreement between the parties with respect to the reimbursement of Fee Credits for Developer's water impact mitigation fees for an offsite waterline, as may be modified by City Council Resolution 25-99. This Agreement does not supersede any other Improvement Agreement entered into between Developer and City.

10.7. *Modification.* This Agreement may be amended only by a written instrument signed by the Parties.

10.8. *Counterparts.* This Agreement may be executed in counterparts, each of which shall be deemed an original (including copies sent to a party by electronic transmission)

as against the party signing such counterpart, but which together shall constitute one and the same instrument.

10.9. *Interpretation.* Each Party acknowledges it has reviewed this Agreement with its own legal counsel and based upon the advice of that counsel, freely entered into this Agreement.

10.10. *Attorneys' Fees.* In the event one of the Parties commences litigation for specific performance or damages for the breach of this Agreement, the prevailing Party shall be entitled to an award of reasonable attorneys' fees and court costs incurred.

10.11. *Authority.* Both Parties warrant and represent that they have the power and authority to enter into this Agreement and that all former requirements necessary or required by the state or federal law in order to enter into this Agreement had been fully complied with.

*[Signatures continue on the following page]*

**IN WITNESS WHEREOF**, the parties have executed this Agreement the day and the year first written above.

**CITY:**

City of Angels, a California municipal corporation

By: \_\_\_\_\_  
Steve Williams, Interim City  
Administrator  
City of Angels

**DEVELOPER:**

Habitat for Humanity Calaveras, a  
California nonprofit public benefit  
corporation

By: \_\_\_\_\_  
Morgan Gace, Executive Director  
Habitat for Humanity Calaveras

Attest:

By: \_\_\_\_\_  
Michelle Gonzalez, City Clerk  
City of Angels

Approved as to form:

By: \_\_\_\_\_  
Douglas White, City Attorney

Approved as to Form (Habitat for  
Humanity Calaveras Legal)

By: \_\_\_\_\_

Name:  
Title:

Date: \_\_\_\_\_



**EXHIBIT A**  
**IMPACT FEE REIMBURSEMENT**



Dewberry Engineers Inc. | 209.707.3330  
903 West Center Street, Suite 1 | www.dewberry.com  
Manteca, CA 95337-7315

## MEMORANDUM

**DATE:** August 19, 2024  
**TO:** Amy Augustine, Contract City Planner  
**FROM:** Dave Richard, PE, Water/Wastewater Engineer  
**SUBJECT:** Reimbursement for Construction of Offsite Water System Improvements by Habitat for Humanity

Offsite water system improvements, including the extension of water distribution pipelines and inter-connections to the existing supply network, are required to support the Eureka Oaks subdivision. While these improvements will benefit Habitat for Humanity (Habitat), the City of Angels (COA) may also benefit from the infrastructure construction in facilitating future capital improvement projects while improving service and reliability. Should the COA benefit from the offsite improvements, reimbursement of Habitat in proportion to the benefit would then be appropriate. Benefits to the COA could include the following:

1. Pipeline/valving connections to streamline future connections to water supply pipelines. As an example, construction of Foundry Lane extension will include a new water supply pipeline to serve the SR-49 area. A connection to the proposed offsite water system improvements would create an area-wide benefit.
2. Installation of fire hydrants along the offsite pipeline route to improve firefighting capabilities for residences and businesses. Service connections from the proposed pipeline would also allow for future connections from existing and future property owners.
3. Pipeline/valving connections to the existing distribution network to provide a secondary source of water during an emergency.

An analysis of potential benefits to the COA and subsequent cost sharing is presented below. The methodology used is described as follows.

1. Offsite water system improvements were divided into four components: a) 8-inch connection at 8-inch crossing of SR-49; b) 8-inch waterline within Caltrans right of way; c) 8-inch waterline in Copello; and d) 8-inch connection to existing 8-inch pipeline near church and baseball field in Copello.
2. Probable construction costs for each component were estimated considering unit prices for water system improvements from the Mark Twain Water Distribution System Improvements Project.
3. Potential benefits to the COA from construction of each component were identified.
4. Costs for each component were allocated between the COA and Habitat considering the specific benefit to the COA and the associated cost to achieve the benefit.

Reimbursement for Construction of Offsite Water System Improvements by Habitat for Humanity  
August 19, 2024

The results of the analysis are summarized in the table below.

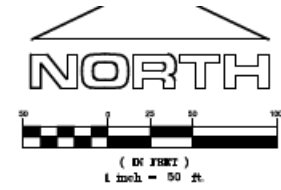
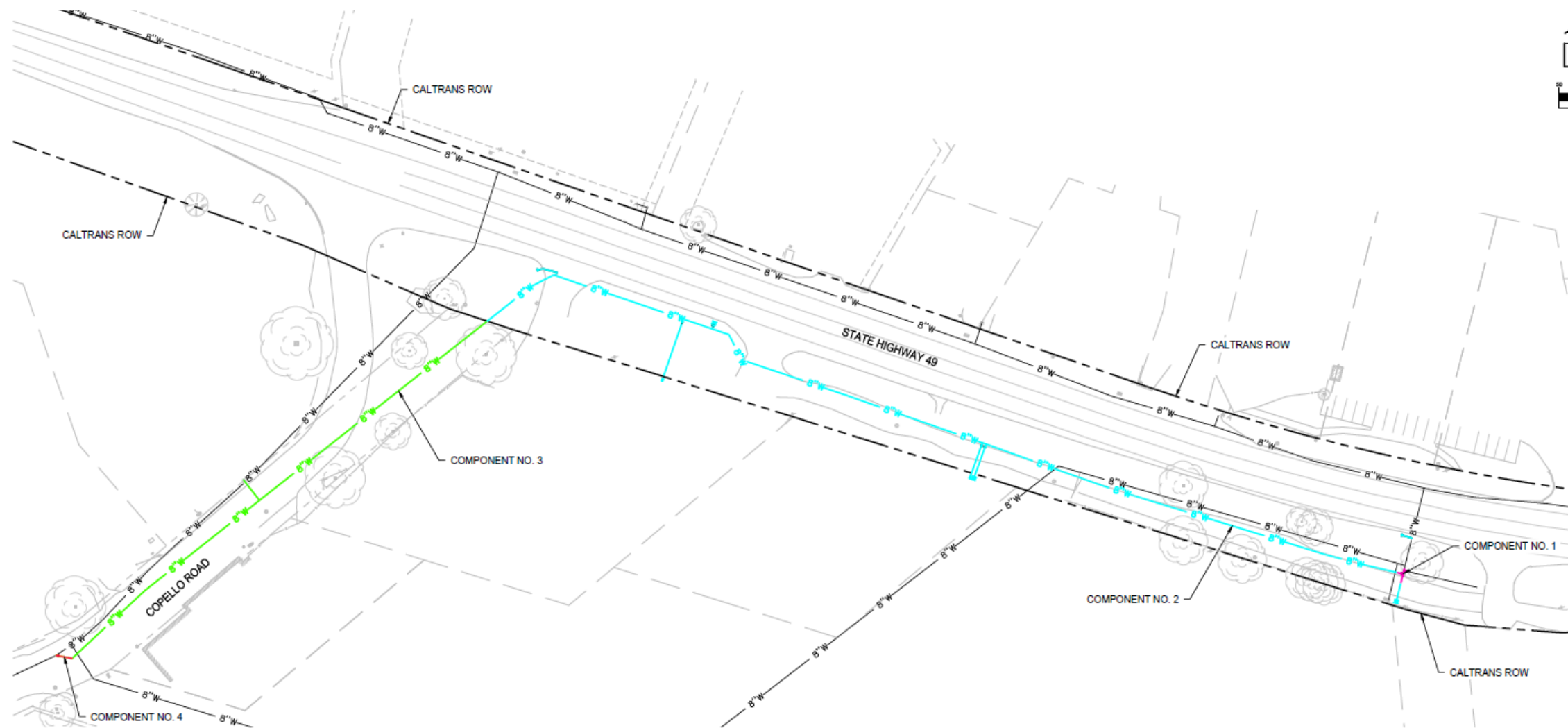
**PROBABLE CONSTRUCTION COSTS FOR  
EUREKA OAKS OFFSITE WATER SYSTEM IMPROVEMENTS  
SUGGESTED ALLOCATION OF COSTS  
HABITAT FOR HUMANITY AND CITY OF ANGELS  
August 2025**

Component	Probable Construction Cost, \$	Suggested Cost Allocation				Benefit to COA
		Habitat		COA		
		Cost, \$	%	Cost, \$	%	
8-inch connection to 8-inch waterline crossing at SR-49	45,000	15,000	30	30,000	70	Future connection to water supply pipeline
8-inch waterline in CALTRANS right-of-way	280,000	125,000	45	155,000	55	Improved fire protection
8-inch waterline in Copello	180,000	90,000	50	90,000	50	Increased water supply deliveries
8-inch connection to 8-inch waterline near church/baseball field	40,000	10,000	20	30,000	80	Secondary supply source
TOTALS	545,000	240,000	45	305,000	55	

As shown in the referenced table, benefits to the COA include the following:

1. A valved piping configuration at the proposed 8-inch connection to the 8-inch waterline crossing at SR-49 can be used by the future supply line to be built as part of the Foundry Lane extension.
2. Fire hydrants and water services installed along the 8-inch waterline within the Caltrans right of way will improve fire protection for the area and allow for future connection of existing businesses and residences.
3. The 8-inch pipeline extension along Copello will further strengthen the existing water distribution network and allow for greater supply deliveries.
4. A valved piping configuration at the proposed connection to the existing 8-inch waterline near the existing terminus of Copello would provide a secondary source of water to apartments in the area.

Using the estimate of probable construction costs for the various components of the offsite improvements, approximately 55% of the overall infrastructure costs would create benefits to the COA. Based on this evaluation, reimbursement to Habitat of 55% of the offsite water system improvement costs by the COA is recommended.



**LEGEND**

- COMPONENT NO. 1: CONNECTION TO WATERLINE CROSSING AT SR-49
- COMPONENT NO. 2: WATERLINE IN CALTRANS RIGHT-OF-WAY
- COMPONENT NO. 3: WATERLINE IN COPELLO ROAD
- COMPONENT NO. 4: CONNECTION TO WATERLINE NEAR CHURCH/BASEBALL FIELD

COMPONENT		DESCRIPTION
NO. 1	8" CONNECTION TO 8" WATERLINE CROSSING AT SR-49	1. CONNECTION TO EXISTING 8" WATERLINE.
NO. 2	8" WATERLINE IN CALTRANS RIGHT-OF-WAY	1. INSTALL FIRE HYDRANT (3). 2. INSTALL WATER SERVICE STUB OUT (2). 3. INSTALL AIR RELEASE VALVE (2).
NO. 3	8" WATERLINE IN COPELLO ROAD	1. FIRE HYDRANT RECONNECTION (1).
NO. 4	8" CONNECTION TO 8" WATERLINE NEAR CHURCH/BASEBALL FIELD	1. CONNECTION TO EXISTING 8" WATERLINE.



CITY OF ANGELS  
OFFSITE WATER SYSTEM IMPROVEMENTS  
HABITAT FOR HUMANITY CALAVERAS  
SUGGESTED ALLOCATIONS OF COSTS

08/19/2025

