

# AGENDA STAFF REPORT



**MEETING NAME:** REGULAR BOARD MEETINGS

**MEETING DATE(S):** JANUARY 11 & 16, 2024

**FROM:** ERIC WECK, ENGINEERING MANAGER

**FOR:** ACTION  X  DIRECTION \_\_\_\_\_ INFORMATION \_\_\_\_\_

## PUBLIC WATER AND SEWER SYSTEMS CONSTRUCTION AGREEMENTS AND WATER AND SEWER BONDING AGREEMENT FOR TRACT NO. 38200 – RANCHO DESCANSO

**STAFF RECOMMENDATION**

Board approval of the Public Water and Sewer Systems Construction Agreements and Water and Sewer Bonding Agreement for the Rancho Descanso - Tract No. 38200 residential development project (Project) and authorize the Interim General Manager to do all things necessary to complete the agreements.

**SUMMARY**

In November 2023, the Board of Directors approved the Water and Sewer Systems Construction and Bonding Agreements alongside GHA Rancho Descanso, LLC. Presently, due to insurance limitations, GHA Enterprises, Inc., the parent entity of GHA Rancho Descanso, LLC, is requesting to be listed as the Developer to fulfill the insurance requirements of these Agreements.

**ANALYSIS**

The Performance/Warranty Bond assures the work will be completed i.e., paid for through the bond if the developer defaults, and continues to cover the warranty period for the first year after final acceptance to correct any operational problems attributable to the original construction. The Payment Bond (labor & materials bond) covers claims by others against materials or labor supplied but not ever paid for in part or full for the project if it defaults. This bond is exonerated upon final acceptance. These bonds will reflect the new agreement with the parent entity, GHA Enterprises, Inc., as opposed to GHA Rancho Descanso, LLC.

**FISCAL IMPACT**

There is no fiscal impact to the District as this is a developer driven project and all costs associated with be paid for by the developer.

**ATTACHMENTS**

- Water Systems Construction Agreement
- Sewer Systems Construction Agreement
- Water and Sewer Bonding Agreement

FINANCIAL DATA		
Cost Associated with this action:	\$0	
Current FY cost:	\$0	
Future FY cost:	-0-	
Is it covered in current year budget:	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Budget adjustment needed:	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If yes, year needed:	NA	
All previous contracts including dates, amounts and board approvals are attached or have been made available. N/A		
FUNDING SOURCES		
Source of funds:	Developer	
BID/Job#	#11747	
Current BID/Job balance	\$14,000	
Balance remaining if approved:	\$14,000	