



July 28, 2015

TO: LOCSD Board of Directors
FROM: Kari Wagner, PE, Director of Water Resources, Wallace Group
SUBJECT: Agenda Item 12B – 8/6/2015 Board Meeting
Approve Reimbursement Agreement between Los Osos Community Services District and Monarch Grove Homeowners Association

President
R. Michael Wright

Vice President
Marshall E. Ochylski

Directors
Charles L. Cesena
Jon-Erik G. Storm
Louis G. Tornatzky

General Manager
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District Accountant
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Fire Chief
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Battalion Chief
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DESCRIPTION

This item is requesting approval by your Board for a reimbursement agreement between the Los Osos Community Services District (District) and the Monarch Grove Homeowners Association (HOA) The Reimbursement Agreement will provide a mechanism for Monarch Grove HOA to reimburse the District for all costs incurred by Wallace Group, who will be providing engineering services for the connection of the Monarch Grove HOA sewer collection system to the Los Osos Wastewater Project (LOWWP).

STAFF RECOMMENDATION

Staff recommends that the Board adopt the following motion:

Motion: I move that the Board approve the Reimbursement Agreement with Monarch Grove Homeowners Association and authorize staff to sign the proposal from Wallace Group for work associated with the Monarch Grove Homeowners Association sewer project that has received prior approval of the HOA.

DISCUSSION

HOA is proposing to connect to the LOWWP. The HOA is requesting to have Wallace Group complete the engineering study to determine the options for making the connection to the LOWWP and the decommissioning of the HOA wastewater treatment plant. Wallace Group may also provide additional services in the future, at the request of the HOA, such as design and construction support.

Since the Monarch Grove HOA is within the District's service area and Wallace Group is the District's Engineer, Wallace Group is requesting to complete this work effort under contract directly with the District. The District would in turn sign a Reimbursement Agreement (attached) with the HOA for all expenses incurred for this work effort. The District will have no financial liabilities for this work effort.

FINANCIAL IMPACT

There is no financial impact for this item

Attachments

RECORDING REQUESTED BY AND

WHEN RECORDED RETURN TO:

**GENERAL MANAGER
LOS OSOS COMMUNITY SERVICES DISTRICT
2122 9TH STREET, SUITE 102
LOS OSOS, CA 93402**

REIMBURSEMENT AGREEMENT

THIS REIMBURSEMENT AGREEMENT (the "**Agreement**") is entered into this _____ day of _____, 2015, by and between the **LOS OSOS COMMUNITY SERVICES DISTRICT**, ("**District**"), and **MONARCH GROVE HOMEOWNERS ASSOCIATION** ("**ASSOCIATION**").

Recitals

- A. **ASSOCIATION** is a homeowners association, whose members are 83 single family owners in the subdivision known as Monarch Grove, within the limits of the **Los Osos, CA**.
- B. The **ASSOCIATION** is proposing to connect said property to the Los Osos Wastewater Collection System, owned and operated by the County of San Luis Obispo.
- C. The **ASSOCIATION** will reimburse the **District** for all costs associated with the planning, design, and construction of the connection to the Los Osos Wastewater Sewer Collection System.

Agreements

NOW, THEREFORE, THE **DISTRICT AND ASSOCIATION** HEREBY AGREE AS FOLLOWS:

Section 1. Sanitary Sewer Line.

ASSOCIATION has requested to be designed, constructed and installed the sanitary sewer connection to the Los Osos Wastewater Collection System and demolition/demobilizing of its Monarch Grove wastewater treatment plant. The Project is specifically described in Exhibit A, incorporated herein by reference, and is generally described as a sanitary sewer line that serves Monarch Grove HOA. Those properties which are served by the sanitary sewer line (the "Served Properties") are shown generally on the map attached hereto as Exhibit A.

Planning, Design, and Construction of the sanitary sewer line will be undertaken and completed by Wallace Group, the District Engineer.

Section 2. Plans; Permits.

Prior to the commencement of construction and installation of the sanitary sewer line, **ASSOCIATION** will cause to be prepared plans and specifications to the **District and the County of San Luis Obispo** for its approval. In addition, **ASSOCIATION** will secure any and all permits as required by the **County of San Luis Obispo** or any other governmental agency affected by such construction prior to commencement of construction activities.

Section 3. Insurance; Indemnification

Prior to the commencement of construction of the sanitary sewer line, **ASSOCIATION** will furnish, or cause to be furnished, to the **District** duplicate originals or appropriate certificates of bodily injury and property damage insurance policies in the amounts specified by the **District**, naming the **District** as an additional insured. The policy limits of such policies may be in lesser amounts if **ASSOCIATION** shall provide the **District** with duplicate originals or

appropriate certificates of a binder (approved by the **District**) which indemnifies and holds the **District** harmless from and against all liability, loss, damage, costs or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of the death of any person or any accident, injury, loss or damage whatsoever caused to any person, or to the property of any person, which shall occur on or adjacent to the construction site and which shall be directly or indirectly caused by any acts done thereon, or by any errors or omissions of **ASSOCIATION** and its agents, servants, employees and contractors, and which provides for the defense of the **District** against all claims or causes of action arising therefrom. Such insurance policies have been maintained and kept in force, and such obligation to indemnify was continuous, during periods of construction of the sanitary sewer line, and until **County of San Luis Obispo** has approved and accepted the sanitary sewer line.

Section 4. Nondiscrimination

ASSOCIATION, for itself and its successors and assigns, agrees that in the construction of the sanitary sewer line, **ASSOCIATION** did not and will not discriminate, and will not permit its contractors and subcontractors to discriminate, against any employee or applicant for employment because of race, color, creed, religion, sex, marital status, ancestry or national origin.

Section 5. Reimbursement for the Sanitary Sewer Line.

In consideration of the undertakings of **ASSOCIATION** under Section 1 of this **Agreement**, **ASSOCIATION** agrees to reimburse, or cause to be reimbursed, to **District** the costs actually incurred by **District** for the planning, design and construction of the Sanitary Sewer Line (the "Reimbursement Amount"). The Reimbursement amount shall be determined as set forth below.

The costs actually incurred by **District** for planning, design and construction of the Sanitary Sewer Line (the **District's Costs**) shall be determined based upon evidence submitted by the **District**. Upon completion of the Sanitary Sewer Line, **District** shall submit to the **ASSOCIATION** documentation reasonably satisfactory to the **ASSOCIATION** evidencing the cost of the Sanitary Sewer Line.

Following a determination of the **District's** Costs, the **District** and **ASSOCIATION** shall meet and confer in order for the **ASSOCIATION** to determine the Reimbursement Amount to be paid to **District**. The Reimbursement Amount shall be based on all costs associated with the planning, design and construction of the Sanitary Sewer Line.

Section 6. Compliance with Law.

ASSOCIATION states that it will comply with all laws applicable to the construction of the improvements and work to be completed as described in this **Agreement**.

Section 7. Termination of this Agreement.

This **Agreement** and the obligations of **ASSOCIATION** and the **District** hereunder shall terminate upon the payment by the **ASSOCIATION** of the full Reimbursement Amount or within ten (10) years from the date of this Agreement.

Section 8. Applicable Law.

This **Agreement** shall be construed and enforced in accordance with the laws of the State of California. Should any legal action be brought by any party for a breach of this **Agreement** or to enforce any provision herein, the prevailing party in such action shall be entitled to reasonable attorneys' fees and such other costs as may be determined by a court of competent jurisdiction.

IN WITNESS WHEREOF, **ASSOCIATION** and the **District** have executed this **Agreement** as of the date first above written.

DISTRICT:

LOS OSOS COMMUNITY SERVICES
DISTRICT,

By _____
Kathy A. Kivley, General Manager

Attest:

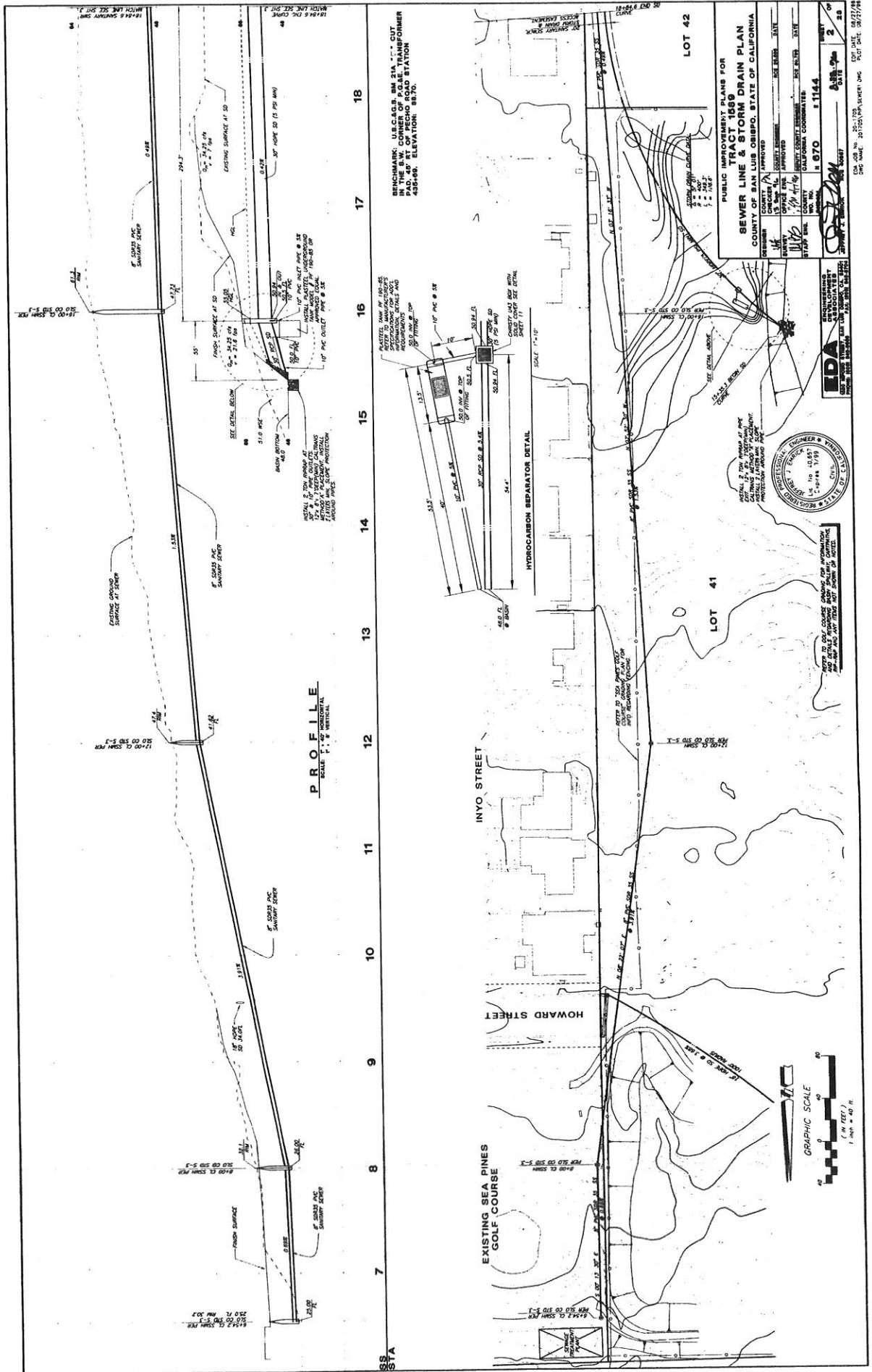
By: _____

ASSOCIATION:

MONARCH GROVE HOMEOWNERS
ASSOCIATION

By: _____
Tom Mullin, Board President

[Signatures Must be Notarized]



ACKNOWLEDGMENT

State of _____ }
County of _____ } ss.

On _____, before me, _____,
(here insert name and title of the officer)

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 _____ (Seal)

ACKNOWLEDGMENT

State of _____ }
County of _____ } ss.

On _____, before me, _____,
(here insert name and title of the officer)

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 _____ (Seal)

ACKNOWLEDGMENT

State of _____ }
County of _____ } ss.

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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 _____ (Seal)