

**MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER**

To: **BOARD OF SUPERVISORS**

Date: **MARCH 8, 2011**

From: **JD JAMES DURFEE / WILL DICKINSON**

Subject: **WARRANTY AND MONITORING AGREEMENT FOR ATWOOD RANCH III**

ACTION REQUESTED / RECOMMENDATION: Staff recommends that your Board adopt the attached Resolution authorizing the Chairman to execute a Warranty and Monitoring Agreement with the Insurance Company of the West Group (ICW Group), which includes a payment to the County of \$64,799 as compensation for deficiencies in sewer improvements constructed for the Atwood Ranch III Subdivision.

BACKGROUND: On August 7, 2007, your Board accepted the Atwood Ranch III project as complete. During the one year bond period it was discovered that an approximately 26 foot stretch of sewer pipe on Richardson Drive had a significant dip which was greater than allowed by the County General Specifications.

After lengthy negotiations with the Developer and the ICW Group, it was agreed to extend the warranty period an additional 3 years from the date of execution of the Agreement. Additionally, the ICW Group agreed to pay Sixty Four Thousand Seven Hundred Ninety Nine Dollars (\$64,799) to the County for the necessary additional maintenance of the sewer line deficiency, as well as the anticipated cost for monitoring the deficiency during the extended warranty period. If during that period the deficiency worsens beyond an agreed degree, then the ICW Group will repair and/or reconstruct the sewer line to County specifications.

ENVIRONMENTAL CLEARANCE: Approval of this Agreement is not a project as defined in the California Environmental Quality Act. Any work which may become necessary under the agreement is categorically exempt from environmental review pursuant to Section 15301(b) "Existing Facilities" of the California Environmental Quality Act Guidelines.

FISCAL IMPACT: The payment of \$64,799 should be sufficient to offset additional costs for monitoring the deficiency during the extended warranty period and cleaning the sewer line for twenty-five years; therefore, staff anticipates there should be minimal impact to the Sewer Maintenance District 1 budget under the terms of this Agreement. There will be no impact to the General Fund.

ATTACHMENT: RESOLUTION

AVAILABLE FOR REVIEW AT THE CLERK OF THE BOARD – WARRANTY AND MONITORING AGREEMENT

JD:WD:KK:LM

CC: COUNTY EXECUTIVE OFFICE

T:\F\BSMEMO2011\EE\ATWOOD RANCH III WARRANTY AND MONITORING AGREEMENT.DOCX

Before the Board of Supervisors County of Placer, State of California

In the matter of: A RESOLUTION AUTHORIZING
EXECUTION OF THE WARRANTY AND
MONITORING AGREEMENT

Resol. _____

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, on December 13, 2005, the County approved Improvement Plans (PN-8275) for Reynen and Bardis Construction ("Developer") to proceed with a project commonly referred to as Atwood Ranch Unit III (the "Project") located on the south side of the intersection of Richardson Drive and Atwood Road, and

WHEREAS, included in the infrastructure required to serve and/or as a mitigation for the construction of the Project was a lift station, gravity sewer lines, forcemain, manholes and other necessary sewer appurtenances, and

WHEREAS, on October 21, 2006, the Developer conducted a video inspection of the Project sewer system which the County determined was satisfactory, and

WHEREAS, on August 7, 2007, the Placer County Board of Supervisors accepted the Project as complete, and

WHEREAS, as required by the Subdivision Improvement Agreement dated December 13, 2005, upon acceptance of the Project as complete by the County, the Developer purchased a one year Maintenance Bond, #2171437M, from the ICW Group for the required infrastructure, including the sewer improvements, in the amount of One Million Three Hundred Fifty Four Thousand Forty Two Dollars (\$1,354,042.00), and

WHEREAS, on September 11, 2007, during routine maintenance, the County performed a video inspection of the Atwood Ranch III sewer improvements and discovered that an approximately 26 foot stretch of 8 inch sewer pipe from manhole R7 to manhole R7A held a significant amount of debris and standing water, and

WHEREAS, after further investigation and numerous meetings with Developer and the ICW Group it was determined that the dip in the sewer line is greater than 0.10 feet, which exceeds the allowable tolerance pursuant to the County General Specifications, and

WHEREAS, pursuant to negotiations between the Developer, the ICW Group and the County of Placer the parties have agreed to a settlement of the sewer line deficiency as specifically set forth in the Warranty and Maintenance Agreement,

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors, County of Placer, State of California, that the Chairman of the Board of Supervisors is authorized to execute the attached Warranty and Maintenance Agreement.

