



COUNTY OF PLACER
Community Development/Resource Agency

Michael J. Johnson, AICP
Agency Director

**ENGINEERING &
SURVEYING**

Wes Zicker, PE
Director

MEMORANDUM

TO: Honorable Board of Supervisors
FROM: Wes Zicker, Director of Engineering & Surveying
DATE: August 10, 2010
SUBJECT: Assignment Agreement for Timilick (Eaglewood) Subdivision Security

ACTION REQUESTED:

Approve an agreement, a copy of which is on file with the Clerk of the Board of Supervisors, between Placer County (County) and Placer County Water Agency (PCWA) assigning the County's right and interest in certain security to PCWA and authorize the Director of the Engineering and Surveying Department to execute the agreement after its execution by PCWA.

BACKGROUND:

Timilick (formerly Eaglewood), PSCP 20040186, is an approved 462 lot residential subdivision in the Truckee area of the County. Final Maps have been recorded for Phase 1A consisting of 47 residential lots, Phase 1B consisting of 40 residential lots and Phase 2 of 44 lots. 34 building permits have been issued for Phases 1A and 1B. None have been issued for Phase 2

The project is partially complete. Certain improvements in Phases 1A and 1B have been accepted by the County and some homes have been constructed. PCWA is the water purveyor for the project area. Sufficient water system infrastructure is in place to allow PCWA to issue a number of water meters, but the complete suite of water system improvements required by the conditions of approval and PCWA's Facilities Agreement remain to be done. As part of the acceptance of portions of the improvements, the County entered into a Deferred Improvement Agreement (DIA), dated April 24, 2008, a copy of which is on file with the Clerk of the Board of Supervisors, with the developer, Martis Valley Associates, LLC to secure the ultimate water supply system improvements. That agreement was secured by a bond in the current amount of \$2,490,000. The DIA required construction of the water system improvements by September 15, 2008. That date has passed and the water system improvements have not been constructed. PCWA has been in contact with Martis Valley Associates, LLC on several occasions since September 2008 and has advised them of the need to complete the improvements.

PCWA's position is that the entire suite of water system improvements is necessary for them to assure delivery of water service to the project. In a letter dated March 9, 2010 (Exhibit 1 attached), PCWA has requested that the County initiate action against the security to provide funding for completion of the water system. On March 16, 2010 PCWA notified the County (Exhibit 2 attached) that they would not allow any further water service connection within the project because of the failure of the developer to comply with the requirements to complete the improvements. As a result of discussions between

PCWA and County staff, PCWA has requested that the County assign its rights under the security to PCWA to allow that agency to seek recovery of the funds in order to complete the water system. Since all of the remaining secured improvements are water system facilities, staff agrees with PCWA's request and recommends that the agreement be approved by the Board of Supervisors.

ENVIRONMENTAL CLEARANCE: An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA. The final EIR was certified by the Planning Commission on November 24, 2004. Mitigation measures have been addressed by the Conditions of approval for this subdivision.

FISCAL IMPACT:

All costs associated with pursuing the security and completing the water system will be paid by PCWA and/or the developer. No general fund impact is anticipated.

Respectfully submitted,



WES ZICKER
Director of Engineering & Surveying

ATTACHMENTS:

- Exhibit 1: PCWA letter of March 9, 2010
- Exhibit 2: PCWA letter of March 16, 2010

cc: Brian Martin, Director of Technical Services, PCWA



EXHIBIT 1

PLACER COUNTY WATER AGENCY
SINCE 1957

BOARD OF DIRECTORS BUSINESS CENTER
Gray Allen, District 1 144 Ferguson Road
Alex Ferreira, District 2 MAIL
Lowell Jarvis, District 3 P.O. Box 6570
Mike Lee, District 4 Auburn, CA 95604
Ben Mavy, District 5 PHONE
530.823.4850
David Breninger, General Manager 800.464.0030
Ed Tiedemann, General Counsel WWW.PCWA.NET

March 9, 2010
File No. FA 2273

Mr. Wes Zicker, Director
Placer County
Engineering and Surveying Division
3091 County Center
Auburn CA 95603

Timilick
Asst. Dir.

SUBJECT: Timilick Subdivisions, Water System Performance Bonding

Dear Mr. Zicker:

The Placer County Water Agency (PCWA) requests that Placer County initiate formal action against the Timilick subdivisions performance bonds in order to complete the water system improvements. As you are no doubt aware, PCWA did not require separate bonding for the water system based upon the bonding held by Placer County for the overall subdivision improvements. The County Deferred Improvement Agreement and PCWA Facilities Agreement 2273 (Amendment #2) both required performance by September 15, 2008. In spite of the developer's commitments and a substantial time extension, little progress has been made in the last two years. Because some lots have been allowed water service and the structures are occupied, the Agency has been in the position of operating an incomplete water system not meeting Agency or State standards. We therefore have a sizeable stake in seeing that the water system is completed as soon as possible.

The projects are our Facilities Agreements 2273, unit 1 of the subdivision, and 2272, tank and water lines. If the improvements for unit two have been bonded and the lots are buildable, this unit should be included also. Please let us know what additional information you require to initiate action. You may contact me or Leslie Gault at (530) 823-4886.

Sincerely,

Brian C. Martin, P.E.
Director of Technical Services

pc: Dan Dottai, Placer County
Edward Tiedemann, KMT&G



EXHIBIT 2

PLACER COUNTY WATER AGENCY
SINCE 1957

BOARD OF DIRECTORS BUSINESS CENTER

Gray Allen, District 1 144 Ferguson Road

Alex Ferreira, District 2 MAIL

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Mike Lee, District 4 Auburn, CA 95604

Ben Mavy, District 5 PHONE

530.823.4850

800.464.0030

WWW.PCWA.NET

March 16, 2010
File No. FA 2273

Received

David Breninger, General Manager

Ed Tiedemann, General Counsel

MAR 18 2010

CDRA - Admin.

Mr. Wes Zicker, Director
Placer County
Engineering and Surveying Division
3091 County Center Drive
Auburn, CA 95603

SUBJECT: Suspension of Preset Meter Approvals for the Timilick Subdivisions

Dear Mr. Zicker:

The Agency has allowed meters to be set in the Timilick Subdivision based upon assurances from the developer, the Facilities Agreements, and performance bonding that the water system would be completed by September 15, 2008. The meters were released as 'presets', that is, discretionary meter sets granted prior to acceptance of the public water system. Because the developer has not completed the public water system and is making little progress, PCWA intends to act on the performance bond to complete the water system.

This is to let you know that beginning immediately, PCWA will not allow additional water service connections, including preset meters, until the water facilities for Unit 1 and the backbone water system (Our Facilities Agreements 2272 and 2273) are completed and accepted. In addition, we will not allow additional Facilities Agreements (e.g. Timilick Golf Club) to be presented to our Board of Directors for approval until the water system is accepted. These circumstances will be identified on any 'Intent to Serve' forms that may be presented to us prior to acceptance.

Should you have any questions, you may contact me at (530) 823-4886.

Sincerely,

Brian C. Martin, P.E.
Director of Technical Services

BCM:LG:ns

pc: David Breninger, PCWA
Edward Tiedemann, KMT&G
Peggy Spurrier, PCWA
Harley Lukenbill, PCWA
Darin Reintjes, PCWA
Paul Warmuth, PCWA
Mark Richardson, Martis Valley Associates
Dan Dottai, Placer County

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