

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

15160 JACKSON ROAD
RANCHO MURIETA, CA. 95683



SPECIAL BOARD MEETING November 25, 2014 at 4:00 p.m. District Administration Building

NOTICE IS HEREBY GIVEN that the President of the Board of Directors of the Rancho Murieta Community Services District has called a Special Meeting of the Board to be held on November 25, 2014 at 4:00 p.m., at the Rancho Murieta Community Services District Board Room at 15160 Jackson Road, Rancho Murieta.

AGENDA

1. **CALL TO ORDER, ROLL CALL** - Determination of Quorum - President Pasek (**Roll Call**) 4:00
2. **ADOPT AGENDA** (**Motion**) 4:05
*The running times listed on this agenda are only estimates and may be discussed earlier or later than shown. At the discretion of the Board, an item may be moved on the agenda and or taken out of order. **TIMED ITEMS** as specifically noted, such as Hearings or Formal Presentations of community-wide interest, will not be taken up earlier than listed.*
3. **COMMENTS FROM THE PUBLIC** 4:10
*For this Special Meeting, members of the public may **ONLY** comment on items specifically agendized. Members of the public wishing to address a specific agendized item are encouraged to offer their public comment during consideration of that item. With certain exceptions, the Board may not discuss or take action on items that are not on the agenda.*
If you wish to address the Board at the time of the agendized item, as a courtesy, please state your name and address, and reserve your comments to no more than 3 minutes so that others may be allowed to speak. (5 min.)
4. **CONSIDER APPROVAL OF SECURITY AND FINANCIAL SUPPORT TO THE NEW NORTH GATE CONSTRUCTION EFFORT** (Discussion/Action) (**Motion**) (20 min.) 4:15
5. **CONSIDER APPROVAL OF LONG LEAD PROCUREMENT OF SECURITY EQUIPMENT SUPPORTING THE NORTH GATE** (Discussion/Action) (**Motion**) (20 min.) 4:35
6. **CONSIDER APPROVING RANCHO MURIETA NORTH SECURITY GATE PROJECT COOPERATION AND FUNDING AGREEMENT** (Discussion/Action) (**Motion**) (10 min.) 4:55
7. **DIRECTOR COMMENTS/SUGGESTIONS** 5:05
8. **ADJOURNMENT** (**Motion**) 5:10

Note: This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of this posting is November 24, 2014. Posting locations are: 1) District Office; 2) Plaza Foods; 3) Rancho Murieta Association; 4) Murieta Village Association.

MEMORANDUM

Date: October 29, 2014
To: Board of Directors
From: Greg Remson, Security Chief
Subject: Consider Approval of Security and Financial Support to the New North Gate Construction Effort

RECOMMENDED ACTION

Approval of security and financial support of the new North Gate construction effort.

BACKGROUND

The District is responsible for providing and installing surveillance cameras, intercoms, gate operators, barcode readers, DSX upgrades, mounting poles for cameras and intercoms, and furniture, computers and other miscellaneous items and equipment. This is the equipment that the District has been purchasing and replacing at both the North and South Gates. The total estimated cost of the equipment is \$250,000. In the November 6, 2014 Finance Committee meeting, the Committee was provided with an estimated cost list of the equipment (see attached).

The District provides surveillance cameras at the North and South Gates. These cameras are used to help record all vehicles, drivers, and license plates of incoming and outgoing vehicles. As part of the new North Gate plan, the District will provide new and upgraded surveillance cameras, recording equipment and monitors. Due to the large layout at the new entrance area, and two (2) gates that are not directly monitored by an officer, multiple cameras are needed to monitor vehicles, pedestrians, roadways, and walkways. Also included is an intercom system to view and speak to drivers who may try to enter through the wrong lanes.

The District will also provide six (6) new barrier gate operators and five (5) new barcode readers. This will provide gate arms at the main new North Gate- one (1) visitor lane and two (2) resident (barcode) lanes. Additionally, since the new gate will be located past the Lago Drive entrance, there will be a gate operator and barcode reader on Murieta Drive to Lago Drive and also on Lago Drive, along with an outbound gate on Lago Drive. Due to the large layout at the new entrance area, and two (2) gates that are not directly monitored by an officer, an intercom system will be used to view and speak to drivers who may try to enter through the wrong lanes.

Presently, there is approximately \$100,000 in the Security Replacement Reserves. The Murieta Gardens hotel project is the closest to beginning construction and the Security Impact Fees would total about \$16,500. Additional construction of other subdivisions could be a few years away. Additional funding needs to come from borrowing about \$150,000 from Capital Improvement Fees,

with a payback timeline of 5-10 years from future Security Impact Fee payments and/or net income from the Security Operating Budget.

November 4, 2014

New North Gate Project Summary

CSD Estimated Costs

North Gate Camera System	\$ 50,000 - <i>on agenda</i>
Gate Operator (6)/Barcode Readers (5)	\$100,000 - <i>on agenda</i>
DSX Upgrade	\$ 14,000 - approved October 15, 2014
Mounting poles	\$ 5,000 - <i>December approval</i>
Wiring Intercoms/microphones/cameras/gate operators/bc readers	\$ 5,000 - <i>December approval</i>
Furniture/desk/chairs/computers/refrigerator/misc	\$ 5,000 - <i>December approval</i>
Generator	\$ 37,000 - <i>on agenda</i>
Conduit	\$ 28,000 - <i>on agenda</i>

Combined Total est. \$250,000

MEMORANDUM

Date: October 29, 2014
To: Board of Directors
From: Greg Remson, Security Chief
Subject: Consider Approval of Long Lead Procurement of Security Equipment Supporting the North Gate

RECOMMENDED ACTION

Approve the long lead procurement of security equipment supporting the new North gate, as follows:

- A. Approve the proposal from Watchdogs Surveillance for the new North Gate Surveillance Camera system, in an amount not to exceed \$50,000. Funding to come from Security Replacement Reserves and Security Impact Fees from the Murieta Gardens Project, the Residences and Retreats, and the 670 Group.
- B. Approve the proposal from The Door Company, Gate Automation & Access Systems Division, in the amount of \$83,546.00. Funding to come from Security Replacement Reserves and Security Impact Fees from the Murieta Gardens Project, the Residences and Retreats, and the 670 Group.

BACKGROUND

The District is responsible for providing and installing surveillance cameras, intercoms, gate operators, barcode readers, DSX upgrades, mounting poles for cameras and intercoms, and furniture, computers and other miscellaneous items and equipment. This is the equipment that the District has been purchasing and replacing at both the North and South Gates. The total estimated cost of the equipment is \$250,000. In the November 6, 2014 Finance Committee meeting, the Committee was provided with an estimated cost list of the equipment (see attached).

The District provides surveillance cameras at the North and South Gates. These cameras are used to help record all vehicles, drivers, and license plates of incoming and outgoing vehicles. As part of the new North Gate plan, the District will provide new and upgraded surveillance cameras, recording equipment and monitors. Due to the large layout at the new entrance area, and two (2) gates that are not directly monitored by an officer, multiple cameras are needed to monitor vehicles, pedestrians, roadways, and walkways. Also included is an intercom system to view and speak to drivers who may try to enter through the wrong lanes.

The District will also provide six (6) new barrier gate operators and five (5) new barcode readers. This will provide gate arms at the main new North Gate- one (1) visitor lane and two (2) resident

(barcode) lanes. Additionally, since the new gate will be located past the Lago Drive entrance, there will be a gate operator and barcode reader on Murieta Drive to Lago Drive and also on Lago Drive, along with an outbound gate on Lago Drive. Due to the large layout at the new entrance area, and two (2) gates that are not directly monitored by an officer, an intercom system will be used to view and speak to drivers who may try to enter through the wrong lanes.

Schedule

January 15, 2015 is the tentative date for operation of the new North Gate. This is when demolition of the old North Gate and construction of the left turn onto Lago Drive will begin. We are looking at January 7, 2015 to have our equipment installed to ensure that everything works and to allow for any problems to be worked out.

The gate operators have a delivery time of 5-6 weeks. This timeline makes approval at the December Board meeting too late. The equipment needs to be available and ready as construction windows open to allow work to begin. As an example, there is an immediate need to pour foundation pads and install our electrical sweeps during the next two (2) weeks while the electrician is installing conduit and the concrete contractor is forming and preparing to pour islands, sidewalks and the building foundation.

Funding

Presently, there is approximately \$100,000 in the Security Replacement Reserves. The Murieta Gardens hotel project is the closest to beginning construction and the Security Impact Fees would total about \$16,500. Additional construction of other subdivisions could be a few years away. Additional funding needs to come from borrowing about \$150,000 from Capital Improvement Fees, with a payback timeline of 5-10 years from future Security Impact Fee payments and/or net income from the Security Operating Budget.



Watchdogs Surveillance

1544 Manasco Cir.
 Folsom, CA 95630
 Lic. #890079
 916-296-6523

Estimate

Date	Estimate #
10/12/2014	14101209

WatchdogsSurveillance.com

or e z link
 WhyCCTV.com

Customer
Rancho Murieta Association 7191 Murieta Parkway Rancho Murieta, Ca 95683

Please note that the State of California requires a State Contractors License to install surveillance equipment. Licensed contractors always carry liability insurance.

Qty	U/M	Description	Rate	Total
		Estimate for North Gate Surveillance system.		
1	ea	NVR, GeoVision 32 Channel Video, 20 Bay Hot Swap	3,470.00	3,470.00T
11	ea	Hard Drive, Internal, Western Digital - 4TB	220.00	2,420.00T
1	ea	UPS (Uninterrupted Power Supply) with Voltage Regulation	200.00	200.00T
1	ea	Wireless Keyboard and Mouse Combo	60.00	60.00T
1	ea	Monitor, Samsung SMT-4030 - 40"	1,650.00	1,650.00T
		eWaste Recycling Fee for Monitor (>35")	5.00	5.00T
1	ea	Cable - HDMI	40.00	40.00T
1	ea	Bracket, Monitor Wall Mount	58.00	58.00T
1	ea	Switch, PoE, 24-Port 802.3 PoE Switch, GeoVision	590.00	590.00T
12	ea	Camera, IP, Bullet, GV-BL3410, H.264, 3MP, D/N, 3X Zoom	620.00	7,440.00T
5	ea	Camera, IP, Mini Fixed Dome Rugged, GV-MDR320, 3MP	420.00	2,100.00T
5	ea	GV-Mount913 Power Box Mount Bracket		0.00T
2	ea	Camera, IP, PTZ (Pan Tilt Zoom), GV-SD220-S, 2MP, 20x optical zoom	1,400.00	2,800.00T
2	ea	Power Supply, 24VDC for PTZ	60.00	120.00T
2	ea	Wall Pendent and Pole mount	160.00	320.00T
4,000	ft	Cable Bulk, CAT5E, Outdoor/Direct Burial	0.46	1,840.00T
1	ea	Miscellaneous Hardware, Connectors, etc.	400.00	400.00T
2	ea	Extenders, PoE - Transmitter/Receiver Set	250.00	500.00T
2	ea	Enclosure, Outdoor, For PoE Extender	30.00	60.00T
1	ea	Labor	4,000.00	4,000.00
		Subtotal:		28,073.00
		- Breakdown for LPR system - Loop for read trigger by others.		
1	ea	DVR PC-Based, GeoVision 8 Channel Analog Video	1,200.00	1,200.00T
1	ea	LPR decoding software license - 8 Lane.	2,000.00	2,000.00T
1	ea	12 Input Module - GeoVision	70.00	70.00T
1	ea	UPS (Uninterrupted Power Supply) with Voltage Regulation	200.00	200.00T
1	ea	Wireless Keyboard and Mouse Combo	60.00	60.00T
1	ea	Monitor, Samsung SMT-4030 - 40"	1,650.00	1,650.00T
		eWaste Recycling Fee for Monitor (>35")	5.00	5.00T
1	ea	Cable, HDMI	40.00	40.00T
1	ea	Bracket, Monitor Wall Mount	58.00	58.00T
1	ea	Power Supply, 24VAC 9 Channel for Cameras	90.00	90.00T
7	ea	Camera, LPR(License Plate Recognition)	650.00	4,550.00T
1,500	ft	Cable Bulk, CAT5E, Outdoor/Direct Burial	0.46	690.00T
14	ea	Balun, Passive for Video over Twisted Pair Transmission	12.00	168.00T
1	ea	Miscellaneous Hardware, Connectors, etc.	100.00	100.00T
1	ea	Labor	3,000.00	3,000.00
		Subtotal:		13,881.00

Please Read: This estimate assumes that no additional requirements other than what is required by the California State License Board are required. If additional memberships, certifications or resulting insurance is needed, it is to be paid for by the requesting party. Payment Terms: Net 45 days from date of invoice. Any late payment and/or held payment due to undisclosed requirements is subject to an interest charge of 1.5% per month.

All Networking configurations to be done in-house and verified by customers IT department or Consultant. Watchdogs Surveillance is not an IT consultant and is not liable for any Networking	Subtotal
Any required permits responsibility of owner. Estimate valid for 30 days. All prices are subject to change without notice.	Sales Tax (8.0%)
Accepted By:	Total

Accepted Date:



Watchdogs Surveillance

1544 Manasco Cir.
 Folsom, CA 95630
 Lic. #890079
 916-296-6523

Estimate

Date	Estimate #
10/12/2014	14101209

WatchdogsSurveillance.com

or e z link
 WhyCCTV.com

Customer
Rancho Murieta Association 7191 Murieta Parkway Rancho Murieta, Ca 95683

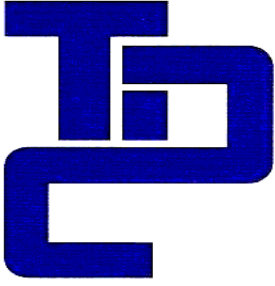
Please note that the State of California requires a State Contractors License to install surveillance equipment. Licensed contractors always carry liability insurance.

Qty	U/M	Description	Rate	Total
		- Breakdown for intercom system.		
1	ea	AIPhone - Master Station, Video 7" color touchscreen LCD - JM-4MED	1,200.00	1,200.00T
4	ea	AIPhone - Door Station Vandal Resistant, Surface Mount - JK-DV	309.00	1,236.00T
2	ea	AIPhone - Long distance adaptor >160 Feet - JMW-BA	250.00	500.00T
900	ft	Cable, Twisted Pair, 16AWG 2 Conductors	0.68	612.00T
1	ea	Miscellaneous Hardware, Connectors, etc.	150.00	150.00T
1	ea	Labor	1,000.00	1,000.00T
		Subtotal:		4,698.00
		Items to be confirmed that may affect price:		
		1 - Exact conduit run length (Under 328 feet If > min of \$250/Camera)		
		2 - Camera mount locations and conduit/electrical box in pillars to be run by electrical contractor. (perhaps use different camera models)		
		3 - Type if bollards to be used and how cameras are to be mounted (LPR Cam etc)		
		4 - Interface to gate loop for License Plate Capture trigger.		

Please Read: This estimate assumes that no additional requirements other than what is required by the California State License Board are required. If additional memberships, certifications or resulting insurance is needed, it is to be paid for by the requesting party. Payment Terms: Net 45 days from date of invoice. Any late payment and/or held payment due to undisclosed requirements is subject to an interest charge of 1.5% per month.

All Networking configurations to be done in-house and verified by customers IT department or Consultant. Watchdogs Surveillance is not an IT consultant and is not liable for any Networking	Subtotal	\$46,652.00
Any required permits responsibility of owner. Estimate valid for 30 days. All prices are subject to change without notice.	Sales Tax (8.0%)	\$3,092.16
Accepted By: _____	Total	\$49,744.16

Accepted Date: _____



The Door Company

GATE AUTOMATION & ACCESS SYSTEMS DIVISION

11-24-2014

Rev. Proposal No. 141124A

Bay Area & Central
Valley Office
Gate and Access Div.
CA License #496225

Sales Contact:
Larry A. Abrey
P. 916-212-1490
F. 209-825-1161

Rancho Murieta Community Services District
15160 Jackson Road
Rancho Murieta, CA 95683
P. 916-354-3700
F. 916-354-2080
Attn: Greg Remson

Re: New North Gate Entry Project.

- Automatic Gate Systems
- Access Controls & Telephone Entry Systems
- Folding Gate & Door Systems
- Crash Rated Barriers and Gates
- Commercial Coiling & Sectional Doors
- Rubber Doors
- Dock Equipment
- Residential Garage Doors
- Turnstiles

Quality Door and
Gate Systems
since 1986

Design
Installation
Service
Sales

Industrial
Commercial
Residential

www.thedoorco.net

The Door Company is pleased to have the opportunity to submit our revised proposal for your review and consideration. TDC is proposing to furnish and install the following:

A-Barrier gates

- (6) Magnetic Toll-RCS1241 Barrier with 12' Octagonal Swing-away Flange and Boom that will be installed onto concrete motor pads that others will furnish and install.
- (6) Reflective photo beams to be installed as specified.
- (6) Red/Green LED signal lights to be installed on each barrier as specified.
- (1) Wire barriers to power and control wire that others will furnish and install.
- (1) Perform system tests and demonstration.

Total bid price for (A) including materials, labor and tax is \$32,899.00.

B-Barcode readers

- (5) BAI 440 barcode readers on mounting pedestals that will be installed onto concrete pads that others will furnish and install.
- (1) Wire readers to control wire that others will furnish and install.
- (1) Perform system tests and demonstration.

Total bid price for (B) including materials, labor and tax is \$46,095.00.

C-Vehicle detection loops

- (7) Vehicle detection loops configured as six for down loops and one for free exit as specified. Loops will be saw cut into the existing roadway surface, wired with 14 gauge XHHW wire and backer rod installed prior to installation of sealant.

Total bid price for (C) including materials, labor and tax is \$4,552.00.

Conditions

- Permits, plans and related fees to be obtained and paid for by others.
- Access controller is to be furnished and installed by others per specifications.
- Electrical conduit and wire are to be installed to operator locations by others.

- Low voltage conduits and wire are to be provided and installed to the required locations by others.
- Concrete operator and reader mounting pads are to be provided and installed by others.
- Should payment and performance bonds be required add 2.75% to total bid price.
- Some traffic interruptions should be anticipated during the performance of some aspects of our work.
- The Door Company is an open shop company and our bid for this project is not bid on the bases of TDC adhering to any prevailing wage requirements for this project. The Door Company will not be bound to the terms of any collective bargaining agreement executed on the behalf of a General Contractor, Owner or PLA.
- TDC will furnish submittal drawings and O&M manuals.

Warranty: Door System Design, Inc. dba The Door Company (Gate Division) certifies that all material and labor provided shall carry a one-year warranty. Service personnel will be provided for warranty items during normal business hours (**8 a.m. to 4 p.m., Monday thru Friday excluding holidays**). Warranty excludes damage to equipment or materials caused by negligence, misuse, vandalism, or acts of God. Please note that our warranty will not apply to any existing or relocated materials or equipment.

Terms: 10 % deposit with progressive invoicing. Bid prices are valid for 60 days from date of proposal.

Should you have any questions, please feel free to contact me directly at 916-212-1490.

Sincerely,

Larry A. Abrey
 The Door Company
larrya@thedorco.net



MEMORANDUM

Date: November 24, 2014
To: Board of Directors
From: Greg Remson, Security Chief
Subject: Consider Approving Rancho Murieta North Security Gate Project Cooperation and Funding Agreement

RECOMMENDED ACTION

Approve Rancho Murieta North Security Gate Project Cooperation and Funding Agreement, in an amount not to exceed \$65,000 towards the costs of the North Gate Security Project, specifically for the purchase and installation of a backup generator and electrical conduit. Funding to come from: \$37,000 from Replacement Reserves for the generator and \$28,000 from internal borrowing from Capital Improvement Fees with repayment from Security Impact Fees.

BACKGROUND

Rancho Murieta Association (RMA) owns the north security/guard station at Rancho Murieta (the “**North Gate**”) and related real property. RMA is redesigning and reconstructing the North Gate and making related improvements (the “**Project**”). RMA recently solicited bids for the construction of the Project and approved a construction contract with Diede Construction, Inc. in the amount of \$1,374,000.

Rancho Murieta Community Services District (District) Security Department staffs the North Gate with Security Gate Officers and is responsible for the North Gate backup generator and electrical conduit. The scope of work includes the replacement of the backup generator and electrical conduit. The price for this work under the Diede-Association contract is \$65,000.

The backup generator has a total cost of \$37,000, with the actual generator at a cost of about \$15,000. The additional costs are for a transfer switch, gas tank, miscellaneous connectors, and labor. The generator was sized by LP Consultants by a load calculation of equipment. This includes using the maximum possible load from all electrical equipment and outlets that may receive power from the service meter, including outside lighting, gate operators, etc. Reducing the generator size could be done by adding another service meter at the North Gate electrical panel specifically for District related equipment, cameras, gate operators, barcode readers, etc. The circuit panels would need to be redesigned to have District related equipment on one meter and Rancho Murieta Association (RMA) related equipment on a second panel. The load calculation would need to be recalculated along with having the plans redrawn and certified by an electrical engineer. This would be a costly undertaking and could potentially delay the project.

The conduit installation has a cost of \$28,000. The conduit is needed to run wiring for all of the security related equipment, i.e.-gate operators, barcode readers, intercoms, surveillance cameras.

The conduit runs from the rear of the gate building (cameras) to outbound Murieta Parkway (cameras/barcode readers/gate operators/intercom) to Lago Drive (cameras/gate operators).

At the same time, the contractors are also working on Lago Drive. They are in the process of installing the main conduit lines to bring wire for the gate operators, barcode readers, intercom, surveillance cameras and lighting. The cement contractors should be here this week. They will be forming gutter, curb and sidewalks. We have provided the contractor with foundation plans for the gate operators, barcode readers, and intercoms. When the forms are installed, the electrical contractor can install conduit "sweeps", which allows wiring from the conduits into the foundation for eventual connection.

Funding will come from the Security Replacement Reserves, and Security Impact Fees from the Murieta Gardens Project, the Residences and Retreats, and the 670 Group.

Presently, there is approximately \$100,000 in the Security Replacement Reserves. The Murieta Gardens hotel project is the closest to beginning construction and the Security Impact Fees would total about \$16,500. Additional construction of other subdivisions could be a few years away. Additional funding needs to come from borrowing about \$150,000 from Capital Improvement Fees, with a payback timeline of 5-10 years from future Security Impact Fee payments and/or net income from the Security Operating Budget. The Finance Committee recommends approval.

October 9, 2014 at the request of the RMA North Gate Committee former District General Manager Joe Blake, gave RMA General Manager Greg Vorster, the Rancho Murieta North Security Gate Improvement Project Cooperation and Funding Agreement. This agreement specifically addressed and put into writing the District's contribution for a backup generator and electrical conduit.

At the October 15, 2014 District Board meeting, Director Ferraro requested this item be referred to the Finance Committee for discussion and recommendation before the Board takes any action on it. By consensus, this item will go to the Finance Committee meeting in November for review. At the November 6, 2014 Finance Committee meeting, the Committee recommended approval.

At the November 19, 2014 District Board meeting, Director Ferraro commented on her concerns regarding the District paying for equipment when there is no contract or Board approval stating the District would pay for any equipment. The Rancho Murieta Association (RMA) MBA states that RMA is responsible for the new North Gate. This matter was tabled due to a lack of a motion.

**RANCHO MURIETA NORTH SECURITY GATE IMPROVEMENT PROJECT
COOPERATION AND FUNDING AGREEMENT**

This Agreement is made this _____, 2014, by and between Rancho Murieta Association, a California nonprofit corporation (“Association”), and Rancho Murieta Community Services District, a local government agency (“District”), who agree as follows:

1. Recitals. This Agreement is made with reference to the following background recitals:

1.1. Association owns the North security guard station at Rancho Murieta (the “North Gate”) and related real property. Association is redesigning and reconstructing the North Gate and making related improvements (the “Project”). Association recently solicited bids for the construction of the Project and approved a construction contract with Diede Construction, Inc. in the amount of \$1,374,000.

1.2. District staffs the North Gate with District security guard employees and it is responsible for the North Gate backup generator and conduit. The Project scope of work includes the replacement of the backup generator and conduit (the “District Portion”). The price for this work under the Association/Diede contract is \$65,000.

1.3. Association agrees to proceed with the construction of the Project, and District agrees to fund the District Portion of the Project work, on and subject to the terms of this Agreement.

2. Construction Work by Association. Association, at its sole cost and expense (except for the District cost share funding provided below), agrees to construct and install the Project through its contract with Diede Construction, furnish all necessary materials, and, where necessary, pay the cost of acquiring land or rights-of-way necessary for the construction and installation of the work. The Project work will include the District Portion. Construction will be in accordance with the approved plans, specifications and drawings and County building permit requirements. During the course of construction, Association periodically will update District regarding the status, progress and costs of the Project construction work. Upon request by District, the parties will meet to review the status, progress and costs of the work.

3. Record Keeping. Association will keep and maintain accurate accounting and bookkeeping records relating to the Project construction work, invoices from and payments to Diede Construction, and the calculation of invoices to District under section 4. District and its employees, accountants, attorneys and agents, may review, inspect, copy and audit these records, including all source documents.

4. Cost Sharing by District. District agrees to pay \$65,000 toward the costs of the Project work. On a quarterly basis during the course of Project construction, Association will invoice District for the District Portion of the Project costs that Association reasonably estimates will be needed to be paid during the next quarter. District will pay the invoice within 15 days of its receipt. However, if District objects to any invoice, the parties will meet to review the objection and attempt to resolve any District concerns, in which case payment will be due within five days after the meeting (which may be paid under protest) or as otherwise agreed at the meeting. District’s payment obligation will not exceed

\$65,000, except as provided in section 5. Association will use the funding from District solely to pay the District Portion of Project costs.

5. Changes; Cost Overruns. Association will not make any changes to the District Portion of the Project (other than minor construction field directives that will have no effect on the Project cost) without District's consent in writing, which consent will not be unreasonably withheld. If for any reason the District Portion of the Association/Diede contract exceeds \$65,000, the parties will meet and confer about how to pay the cost overrun. District will have no liability for costs exceeding \$65,000 unless later approved by District in writing. If the costs of the District Portion of the Association/Diede contract exceed \$65,000 for a reason beyond the reasonable control of Association, then District will not unreasonably withhold its approval of paying District's fair share of the cost overrun.

6. Time for Performance; Termination. Association will commence construction work within six months from the date of this Agreement, and will complete construction of the work within two years from the date of commencement. Upon a showing of good cause by Association, District may extend these deadlines in writing. If construction of the work has not been completed within these deadlines, and any extensions, then District may terminate this Agreement at any time thereafter by giving written notice of termination to Association. Association may terminate this Agreement at any time prior to commencement of construction by giving written notice to District.

7. Indemnification. Association bears all risk of loss, injury, damage or destruction concerning the Project construction work. Association will indemnify, protect, defend, and hold harmless District and its officers, employees, and agents, from any and all claims, demands or charges and from any loss or liability, including all costs, expenses, attorney's fees, litigation costs, penalties, and other fees arising out of or in any way connected with performance or failure to perform under this Agreement by Association or its officers, employees, contractors, subcontractors or agents, except such loss or damage that was caused by the sole negligence or willful misconduct of District.

8. General Provisions.

8.1. Entire Agreement. The parties intend this writing to be the sole, final, complete, exclusive and integrated expression and statement of the terms of their contract concerning the subject matter addressed in the Agreement. This Agreement supersedes all prior oral or written negotiations, representations, contracts or other documents that may be related to the subject matter of this Agreement, except those other documents that may be expressly referenced in this Agreement.

8.2. Construction and Interpretation. The parties agree and acknowledge that this Agreement has been arrived at through negotiation, and that each party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party will not apply in construing or interpreting this Agreement.

8.3. Waiver. The waiver at any time by any party of its rights with respect to a default or other matter arising in connection with this Agreement will not be deemed a waiver with respect to any subsequent default or matter.

8.4. Severability. If any part of this Agreement is held to be void, invalid, illegal or unenforceable, then the remaining parts will continue in full force and effect and be fully binding, so long as the rights and obligations of the parties are not materially and adversely affected.

8.5. Amendment. This Agreement may be modified or amended only by a subsequent written agreement approved and executed by both parties. Amendment by District requires approval by its Board of Directors at a noticed public meeting.

8.6. Governing Law and Venue. Except as otherwise required by law, this Agreement will be interpreted, governed by, and construed under the laws of the State of California. The County of Sacramento will be venue for any state court litigation and the Eastern District of California will be venue for any federal court litigation concerning the enforcement or construction of this Agreement.

8.7. Notices. Any notice, demand, invoice or other communication required or permitted to be given under this Agreement must be in writing and delivered either (a) in person, (b) by prepaid, first class U.S. mail, (c) by facsimile transmission with delivery to the other party confirmed by a successful delivery confirmation receipt if the document also is sent within two days by prepaid, first class U.S. mail, or (d) by a nationally recognized commercial overnight courier service that guarantees next day delivery and provides a receipt. Such notices, etc. will be addressed as follows:


District: General Manager Rancho Murieta Community Services District 15160 Jackson Road P.O. Box 1050 Rancho Murieta, CA 95683	Association: General Manager Rancho Murieta Association 7191 Murieta Parkway Rancho Murieta, CA 95683
--	---

Notice given as above will be deemed given (a) when delivered in person, (b) three days after deposited in prepaid, first class U.S. mail, (c) upon receipt of the facsimile machine successful delivery confirmation, or (d) on the date of delivery as shown on the overnight courier service receipt. Any party may change its contact information by notifying the other party of the change in the manner provided above.

RANCHO MURIETA COMMUNITY
SERVICES DISTRICT

RANCHO MURIETA ASSOCIATION

By: _____
Jerry Pasek
President

By:  _____
Jim Moore
President