

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: May 8, 2012

Report

Date: May 2, 2012

Subject: Amendment to Water Service Agreement for Ailanto Properties'
Pacific Ridge Subdivision

Recommendation:

Approve the attached Amendment to the Water Service Agreement for Ailanto Properties' Pacific Ridge Subdivision

Background:

The Water Service Agreement for Ailanto Properties' Pacific Ridge Subdivision, approved by the Board on September 8, 2009, requires that Ailanto begin construction of the Subdivision Utility System by September 8, 2012. Factors including the recession and the poor housing market have delayed construction, and Ailanto has requested that the Agreement be amended to extend the September 2012 deadline. They have also submitted a Phasing Plan for constructing the subdivision in one to three phases. District staff has reviewed and approved the Phasing Plan.

Staff recommends approval of the attached amendment to the Ailanto Water Service Agreement extending the deadline for beginning construction to September 8, 2014 and approving the Phasing Plan.

Fiscal Impact:

None.

AMENDMENT TO WATER SERVICE AGREEMENT
AILANTO PROPERTIES PACIFIC RIDGE SUBDIVISION

THIS AMENDMENT is entered into this ____ day of _____, 2012, by and between **Coastside County Water District** ("District") and **Ailanto Properties, Inc.** ("Applicant").

WHEREAS, on September 8, 2009, District and Applicant entered into a Water Service Agreement in connection with the development of certain property located in the City of Half Moon Bay;

WHEREAS, the Water Service Agreement requires the Applicant to commence the installation of the Subdivision Utility System (as defined in the Water Service Agreement) no later than September 8, 2012;

WHEREAS, the Applicant has requested that the District extend the time frame that the Applicant must commence installation of the Subdivision Utility System, and the District is willing to extend that time frame in accordance with the conditions in this Amendment.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

A. Approval of Subdivision Utility System. The first sentence of Section 2, "Approval of Subdivision Utility System," of the Water Service Agreement is amended to state as follows:

"The Subdivision Utility System, as defined below, shown on and described in (a) the Ailanto Properties Pacific Ridge Improvement Plans, consisting of 18 sheets, dated August 2009, prepared by DK Consulting, (b) the Joint Trench Plans, consisting of 6 sheets, dated August 2009, prepared by DK consulting, (c) the Final Map, consisting of 9 sheets, dated August 2009, prepared by DK Consulting, (d) the Water Service Phasing Plan, consisting of 3 sheets, dated March 26, 2012, prepared by DK Consulting, and (e) the Water System Specifications for Pacific Ridge, dated September 2, 2009, prepared by District Engineer James Teter (hereinafter collectively, the "reviewed submittal documents"), are approved.

B. Installation. The first sentence of paragraph A of Section 3, "Installation," of the Water Service Agreement is amended to state as follows:

"The Applicant shall commencement installation of the Subdivision Utility System no later than September 8, 2014, subject to extension for force majeure events not the fault of Applicant, and shall complete the installation within twelve (12) months after the commencement of said construction."

C. Acceptance by District. The second paragraph of Section 12, "Acceptance By District," of the Water Service Agreement is amended to state as follows:

"Upon acceptance, and payment for the cost of meter installation, District shall provide water utility service to the Project. Notwithstanding the above, the installation of the meters, the use of the water service connections, and the provision of water service are all subject to District rules, regulations, orders, and policies in effect at the time Applicant requests water service, including but not limited to restrictions that the District may impose due to a water shortage emergency."

D. Effect. Except for the modifications to the Water Service Agreement expressly set forth in this Amendment, the terms and conditions of the Water Service Agreement remain in full force and effect.

IT WITNESS WHEREOF the parties hereto have executed this Amendment by their duly authorized representatives as of the day and year first above written.

COASTSIDE COUNTY WATER DISTRICT

By: _____
President, Board of Directors

By: _____
Secretary

AILANTO PROPERTIES, INC.

By: _____
Name: _____
Its: _____