

# RANCHO MURIETA COMMUNITY SERVICES DISTRICT

<b>Category:</b>	Finance	<b>Policy #</b> 2009-02
<b>Title:</b>	Developer Deposits	

## PURPOSE

It is the policy of the Rancho Murieta Community Services District (District) that parties (developer or owner) undertaking development projects within the District boundaries and requesting services from the District, pay any and all costs and expenses associated with providing service to the development project, including (1) reviewing, evaluating, processing and approving requests for service; (2) evaluating and analyzing water/sewer system changes or additions; and (3) other related studies, evaluations, reports or plans ("Development Related Services"). Cost and expenses shall include, but not limited to, costs of consultant services, legal counsel and District administrative staff. Existing customers of the District shall not be required to pay for or subsidize the provision of District services to new development projects. In order to implement this policy, the following procedures are hereby established:

## BASIC POLICY AND OBJECTIVES

- 1) A copy of this policy is to be provided to each developer at the time of the initial request for service from the District. Prior to providing any Development Related Services on development projects, District staff shall review the scope of the development project and develop an estimate of the District's cost to provide Development Related Services.
- 2) District Staff shall then notify the developer, in writing, of the estimated cost of providing the necessary Development Related Services, supported by reasonable and available documentation, and request that the developer approve the scope of services
- 3) The District and the developer or owner shall enter into a Developer Deposit Agreement (Exhibit A) for deposit of funds for Development Related Services that requires the developer to deposit the full amount of the estimated cost of Development Related Services and to pay any actual costs incurred beyond the amount of the initial deposit.
- 4) Upon execution of the deposit agreement by the District's General Manager and the developer or owner, and receipt of the developer's initial deposit, the District may proceed to provide the needed Development Related Services. In the event that the developer's initial deposit is expended to below an agreed minimum balance and additional funds are not deposited in the manner provided in the reimbursement agreement, the District shall stop all Development Related Services, until such time as adequate funds are on deposit with the District. The District will provide to the developer or owner a quarterly Project Status Cost Accounting Report that indicates a balance of funds on deposit, a detailed list of all deposits to the developer's account, and a detailed list of all payments made from the developer's account.

- 5) Should a change in scope of services be required or requested for any cause, the District will notify the developer in writing of the extent of the change, supported by a revised budget estimate and a request for additional funds, if required. No work shall be performed until this process is completed, agreed to by the developer in writing as an amendment to the Deposit Agreement, and the necessary funds received by the District.
  
- 6) Upon completion of Development Related Services, the District will refund all remaining funds to the developer or owner, after first verifying that all outstanding liabilities have been paid.
  
- 7) If the District incurs costs on developer initiated projects in the absence of developer deposits adequate to cover such costs, e.g. construction inspection, the developer shall be required to bring the account current prior to the District providing any authorization for extension of services or providing any additional water or sewer service on the developers project. No work shall be performed until this process is completed, agreed to by the developer in writing, and the necessary funds received by the District.

**Any exception to this policy requires Board action.**

<b>Approved by CSD Board of Directors</b>	February 28, 2009
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