

**WATER UTILITY COST SHARING AGREEMENT BETWEEN
SADDLE CREEK COMMUNITY SERVICES DISTRICT
AND
SADDLE CREEK II MAINTENANCE ASSOCIATION**

This Water Utility Cost Sharing Agreement (“Agreement”) is entered into on the 1st Day of January, 2017 by and between Saddle Creek Community Services District, a political subdivision of the State of California and a community services district formed pursuant to the provisions of California Government Code section 61000 et seq., hereinafter referred to as “District” and Saddle Creek II Maintenance Association, a nonprofit homeowners association located within the District boundaries, hereinafter referred to collectively as “SCII”.

RECITALS

1. SECTION 1- Tthe District is responsible for operation and maintenance of the Saddle Creek community roads and the adjacent common landscaped and improved areas; and
2. SECTION 2 - Certain common areas located in the SCII are watered by a common irrigation system shared with the Saddle Creek Community Services District (District); and
3. SECTION 3 - The District has historically paid the cost of electrical services which powers irrigation timers serving the above described common areas, and SCII has historically paid the cost of water utility service to the common area property; and
4. SECTION 4 - The cost of both water and electrical services have increased to the respective entities, and SCII and District (Parties) have agreed to develop an alternate method of accounting for water and electrical expenses serving the common areas; and
5. SECTION 5 - The Parties have conducted a site evaluation and negotiated the terms and conditions contained below regarding the payment of costs related to common area irrigation.

NOW, THEREFORE, in consideration of the authorities and responsibilities of the District as detailed above, the promises, mutual obligations and agreements herein contained, the parties hereby agree as follows:

1. Water Utility Costs. The water service account serving the common area irrigated by the Parties shall remain in the name of and maintained in good standing by the Saddle Creek II Maintenance Association. On a monthly basis, SCII shall submit to the District the water utility billing for the common area property, with evidence that the bill has been paid current. The District shall reimburse SCII for 12% of the cost of the monthly water bill for the common area property. Reimbursement will be made as quickly as possible in conjunction with the District's normal processing of payables.
2. Electricity Costs. The District shall continue to pay 100% of the cost of PG&E meter #1005391982 as billed for the common area irrigation timers.
3. Irrigation System Maintenance. The District and SCII shall maintain responsibility for operation and maintenance of their respective irrigation system components, and shall maintain such systems in good working order to ensure operating efficiency and compliance with water conservation and use requirements of the water provider. Irrigation system leak repairs and other water wasting system defects shall be repaired by the responsible party as quickly as possible but in no case in excess of seven days of written notification of the leak.
4. Irrigation System Modifications/Notifications. Either party proposing modifications to their respective common area irrigation system in a manner that may change water use shall notify the other party in advance. Either party may request an evaluation of respective water usage by the other party when irrigation system modifications are completed.
5. Billing Disputes. In the event there is disagreement regarding responsibility for excessively high water usage caused by leaks or improper operation, the parties

agree to meet and evaluate the cause of the overage, and apply the proportional share of the overage cost to the responsible party. If responsibility for the overage cannot be determined, the District shall reimburse the normal 12% of costs and the Parties shall closely monitor and adjust operations and maintenance to ensure that overages do not occur in the future.

6. Term of Agreement. This Agreement shall be effective for a period of one year from the date of its execution by both parties. It is the intent of the parties hereto to renew this agreement on an annual basis to reflect current operating conditions and expenses.
7. Termination. This agreement will terminate at the end of the Term unless extended by the parties.
8. Amendments. This Agreement may be amended only by a written amendment signed by both SCII and District.
9. Notices. All notices hereunder must be in writing and, unless otherwise provided herein, shall be deemed valid if sent by certified mail, return receipt requested, addressed as follows (or to any other mailing address which the party to be notified may designate to the other party by such notice.).

Should SCII or District have a change of address, the other party shall immediately be notified as provided in this paragraph of such change.

District: Saddle Creek Community Services District
Attention: General Manager
1000 Saddle Creek Dr
Copperopolis, California 95228

SCII: _____

10. Successors and assigns. This agreement shall inure to the benefit of future successors of SCII; who shall have the same rights and obligations under this agreement.

IN WITNESS WHEREOF, SCII and District have duly executed this Agreement on the day and year first above written.

SADDLE CREEK COMMUNITY SERVICES DISTRICT

Peter J. Kampa, General Manager

Saddle Creek II Maintenance Association

By: _____