

## **SURETY DEPOSIT AGREEMENT**

This Surety Deposit Agreement ("Agreement") is entered into as of December 8, 2009, by and between the County of Santa Barbara, California ("County"), and, the Goleta Water District ("District") as described further below.

### **RECITALS**

WHEREAS, the Santa Barbara County General Services' Department is constructing a new Emergency Operations Center at 4408 Cathedral Oaks; and

WHEREAS, the District requires that the County in order to serve the new Emergency Operations Center on the 4400 block of Cathedral Oaks make improvements including: a new 2" manifold with 2 services per GWD details 2-02 and 2-04, and extending an 8" fire line and double check detector assembly per GWD detail 4-03 (the "project"); and

WHEREAS, the District requires the County to place as a surety for the project a deposit of \$24,000 with the District to ensure completion of the project to District standards and specifications, including satisfactory operation for a one-year period following completion; and

WHEREAS, the County desires to enter into an agreement with the District to ensure the proper treatment and eventual return of the surety deposit;

NOW THEREFORE, in consideration of the foregoing premises and the mutual promises and covenants as set forth below, the parties agree as follows:

The County will deposit with the District a sum of \$24,000 as a surety in lieu of a Letter of Credit for the water service project on the 4400 block of Cathedral Oaks near the new Emergency Operations Center at 4408 Cathedral Oaks.

Within three days of receipt of the money, the District will invest the money with financial institutions as stipulated in California Government Code 53601, where the funds will remain unless the District determines that it may need to incur costs and use the surety deposit to complete the project or the District determines the project is complete, in which case the District will return the applicable portions of the surety deposit to the County including any interest earned to date according to the schedule described below.

If the District determines that it may need to incur costs and use the surety deposit to make the project meet the District's standards and specifications, as described in the District's standards and specifications manual, the District will provide reasonable notice to the County, the District will discuss the issues with the County, and the District will provide a reasonable opportunity for the County to resolve the issues prior to incurring costs or using the surety deposit. Following those steps, and as a last resort, if the project does not meet

the District's Standards and Specifications and the District must and does incur costs to make the project meet such Standards and Specifications, the District may use the security deposit to make the project meet such Standards and Specifications. The District may only make a claim to use the surety deposit for work directly related to the project.

#### Schedule for Return of Surety Deposit

One-Third ( $1/3^{\text{rd}}$ ) of the deposit (\$8,000) plus earned interest on the whole deposit at the Date of Acceptance of the project. "Date of Acceptance" is defined as the date the project is deemed complete by the District in respect to its Standards and Specifications. The District agrees to not unreasonably delay the Date of Acceptance and to promptly provide written evidence of the Date of Acceptance to the County.

One-Third ( $1/3^{\text{rd}}$ ) of the deposit (\$8,000) plus earned interest on the remaining deposit at 90 days after the Date of Acceptance, so long as the project continues to perform satisfactorily pursuant to District Standards and Specifications as of 90 days after the Date of Acceptance.

One-Third ( $1/3^{\text{rd}}$ ) of the deposit (\$8,000) plus all remaining earned interest at one year after the Date of Acceptance, so long as the project continues to perform satisfactorily pursuant to District Standards and Specifications as of one year after the Date of Acceptance. If the project does not perform satisfactorily pursuant to District Standards and Specifications as of that date, the District will return this portion of the deposit when the project performs satisfactorily pursuant to District Standards and Specifications.

If any provision in this Agreement is held invalid, the remaining provisions remain in effect. This Agreement may be executed in any number of counterparts, and all such counterparts shall together constitute one and the same instrument. This Agreement constitutes the entire agreement of the parties hereto in conjunction with the matters considered herein, and supersedes any previous agreement or understandings. It may not be modified except in writing executed by both parties.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of December 8, 2009.

**"District"**

Goleta Water District  
4699 Hollister Avenue  
Santa Barbara, CA 93110

By: 

**Eric E. Ford**

Administrative Manager/ CFO

**"COUNTY"**

County of Santa Barbara

**ATTEST:**

MICHAEL F. BROWN  
CLERK OF THE BOARD  
County of Santa Barbara

By: \_\_\_\_\_  
Deputy Clerk of the Board

APPROVED AS TO FORM:  
DENNIS A. MARSHALL,  
COUNTY COUNSEL

By:   
Deputy County Counsel

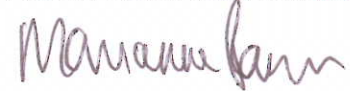
By: \_\_\_\_\_

CHAIR  
BOARD OF SUPERVISORS

APPROVED AS TO ACCOUNTING FORM:  
ROBERT W. GEIS, CPA  
AUDITOR-CONTROLLER

By:   
Deputy Auditor-Controller

APPROVED AS TO FORM:  
RAY AROMATORIO  
RISK PROGRAM ADMINISTRATOR



Dept 063

Fund 0030

Program 1930

Account 8700

Project 8666