



## Staff Report

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Robert L. Vestal, City Engineer | Public Works Director  
**BY:** Hugo Escobedo, Senior Engineer  
**DATE:** May 5, 2026  
**SUBJECT:** Performance Bond Exoneration for Olivewood Street and Storm Drain Improvements

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**Description:** Performance Bond Exoneration for Street and Storm Drain Improvements associated with Olivewood Tract Map No. 27971.

### **Background and Analysis:**

The City requires all developers to provide construction security for public improvements consisting of, but not limited to, street improvements, sewer improvements, storm drain improvements, and survey monumentation. After the improvements are constructed, City staff verifies that no liens have been filed, that the improvements are completed in accordance with the project's conditions of approval, design standards, and City requirements, and that all punch list items have been addressed. Once verified, the City Council may exonerate the construction security and accept a one-year maintenance security.

During the one-year maintenance period, the developer maintains all associated improvements. After the one-year term has elapsed, the developer may petition the City Council to accept the improvements into the publicly maintained system and exonerate the maintenance security.

The principals are requesting that the performance and payment bonds listed in Table No. 1 be exonerated and that the City Council accept the corresponding maintenance bond for a period not less than one year.

City staff has verified that the improvements were constructed in accordance with the project's conditions of approval, design standards, and City requirements and that all punch list items have been addressed.

**Table No. 1 – Bond Summary**

<b>Project</b>	<b>Performance Bond Number</b>	<b>Improvement Type</b>	<b>File Number</b>	<b>Maintenance Bond Number</b>	<b>Principal</b>
Tract Map No. 27971	1001054050	Street, Storm Drain	3121, 3122, 3130	1001054050-M	RSI Communities – California LLC

Therefore, City staff recommends that the City Council accept the maintenance security and authorize City staff to issue a bond exoneration letter for the performance and payment bonds.

**Fiscal Impact:**

The cost of preparing the staff report is estimated to be \$350.

The principal maintains all associated improvements during the maintenance period. The City is not liable for public improvement maintenance until the public improvements are accepted into the City’s publicly maintained system.

**Recommended Action:**

Authorize City staff to issue a Bond Exoneration Letter for Performance and Payment Bonds and Accept Maintenance Bonds for (Project / Performance Bond Number / Improvement / Maintenance Bond Number):

- Tract Map No. 27971 / 1001054050 / Street, Storm Drain / 1001054050-M

**Attachments:**

- A. PW2023-1029 – TR 27971 Bond-x Package