



8:00 A.M. OPERATIONS CENTER - 1200 SOUTH GENE AUTRY TRAIL – PALM SPRINGS – CALIFORNIA

This meeting will be held virtually and in person. The link and the telephone option provided is for the convenience of the public.

Toll Free: (253) 215-8782
Meeting ID: 826 3577 2070
Passcode: 335012
or Via Computer:
<https://dwa-org.zoom.us/j/82635772070?pwd=RE5MUHJ4K1R1T01IQ2U0ekd1MXh3dz09>
Meeting ID: 826 3577 2070

Members of the public who wish to comment on any item within the jurisdiction of the Agency or any item on the agenda may submit comments by emailing sbaca@dwa.org or may do so during the meeting. Comments will become part of the Board meeting record.

****In order to reduce feedback, please mute your audio when you are not speaking.***

Esta reunión se llevará a cabo virtualmente y en persona. El enlace y la opción telefónica proporcionada es para la comodidad del público.

Número gratuito: (253) 215-8782
ID de reunión: 826 3577 2070
código de acceso: 335012
o a través de la computadora:
<https://dwa-org.zoom.us/j/82635772070?pwd=RE5MUHJ4K1R1T01IQ2U0ekd1MXh3dz09>
ID de reunión: 826 3577 2070

Los miembros del público que deseen comentar sobre cualquier tema dentro de la jurisdicción de la Agencia o cualquier tema en la agenda pueden enviar comentarios por correo electrónico a sbaca@dwa.org o pueden hacerlo durante la reunión. Los comentarios pasarán a formar parte del registro de la reunión de la Junta.

****Para reducir los comentarios, silencia el audio cuando no estés hablando.***

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE ORTEGA
2. ROLL CALL BACA
3. **PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA:** Members of the public may comment on any item not listed on the agenda, but within the jurisdiction of the Agency. Speakers are requested to keep their comments to no more than three (3) minutes. As provided in the Brown Act, the Board is prohibited from acting on items not listed on the agenda.
4. **PUBLIC COMMENT ON ITEMS LISTED ON THE AGENDA:** Members of the public may also comment on items listed on the agenda that are not the subject of a public hearing at this time. Again, speakers are requested to keep their comments to no more than three (3) minutes.

5. **CONSENT CALENDAR ITEMS:** Items listed under the Consent Calendar are considered to be routine and will be acted upon by one motion of the Board without discussion. There will be no separate discussion on these items unless a Board Member requests a specific item to be discussed and/or removed from the Consent Calendar for separate action.

- A. Approve Minutes of the June 28, 2023 Special Board Meeting
- B. Receive and File Minutes of the July 13, 2023 Executive Committee Meeting
- C. Receive and File June 2023 Outreach & Conservation Activities & Events

6. **ACTION ITEMS:**

- A. Request Adoption of Revenue Stabilization Rate Policy
- B. Request Adoption of Drought Rate Policy
- C. Request Board Authorization for General Manager to Execute Agreement with A&N Technical Services Inc.

SAENZ
SAENZ
WEINRICH

7. **GENERAL MANAGER'S REPORT**

KRAUSE

8. **DIRECTORS REPORTS ON MEETINGS/EVENTS ATTENDED ON BEHALF OF THE AGENCY**

9. **DIRECTORS COMMENTS/REQUESTS**

10. **CLOSED SESSION**

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Agua Caliente Band of Cahuilla Indians vs. Coachella Valley Water District, et al
Two Cases
- B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: Mission Springs Water District vs. Desert Water Agency
- C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9 (d) (1)
Name of Case: AT&T vs. County of Riverside

11. **RECONVENE INTO OPEN SESSION – REPORT FROM CLOSED SESSION**

12. **ADJOURN**

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting is asked to contact Desert Water Agency's Assistant Secretary of the Board, at (760) 323-4971, at least 48 working hours prior to the meeting to enable the Agency to make reasonable arrangements. Copies of records provided to Board members that relate to any agenda item to be discussed in open session may be obtained from the Agency at the address indicated on the agenda.

DECLARATION OF POSTING

Pursuant to Government Code Section 54954.2, I certify that this agenda has been posted at least 72 hours prior to the meeting on the Agency's website at www.dwa.org and at the Agency's office located at 1200 South Gene Autry Trail, Palm Springs, CA.

Sylvia Baca, MMC, Assistant Secretary of the Board

**MINUTES OF THE SPECIAL MEETING
OF THE
DESERT WATER AGENCY
BOARD OF DIRECTORS**

5-A

June 28, 2023

DWA Board: Paul Ortega, President)
 Jeff Bowman, Vice President)
 Gerald McKenna, Secretary-Treasurer)
 Kristin Bloomer, Director)
 Steve Grasha, Director)

DWA Staff: Mark Krause, General Manager)
 Steve Johnson, Assistant General Manager)
 Esther Saenz, Finance Director)
 Sylvia Baca, Asst. Secretary of the Board)
 Kris Hopping, Human Resources Director)
 Jamie Hoffman, Senior Admin. Asst.)
 Melinda Weinrich, O & C Manager)
 Eddie Gonzalez, Facilities & Safety Officer)

Consultants: Michael T. Riddell, Best Best & Krieger)
 Ashley Metzger, Regional Government Svcs.)

Public: Anita Comeau, Palm Springs Resident)
 Mary Comeau, Palm Springs Resident)

President Ortega opened the meeting at 8:00 a.m. and asked everyone to join him in the Pledge of Allegiance. **Pledge of Allegiance**

President Ortega called upon Assistant Secretary of the Board Baca to conduct the roll call: **Roll Call**

Present: Grasha, Bloomer, McKenna, Bowman, Ortega

Senior Advisor Ashley Metzger provided a presentation on the Agency's various expenses and costs. She discussed the recommendations and proposed rate adjustments. She then noted the various community outreach efforts, customer assistance programs, and the Proposition 218 process. **DWA Rate Study/Proposition 218 Hearing**

In response to Director Grasha, Senior Advisor Metzger stated that the Agency has not implemented the drought rate surcharge to date.

Legal Counsel Riddell explained the hearing process and stated proper notice was given and that the Agency has met all of the necessary requirements. He indicated that protests must be in writing showing the parcel, what charge it is regarding and signed by the property owner. These protests must be submitted by the end of today's public hearing. If there are less than 50 percent protests received of the affected parcels, the Board can legally proceed with the recommended action on the rate adjustments.

President Ortega opened the public hearing at 8:32 a.m.

Public Hearing - Open

The following individual spoke in opposition to the proposed rate adjustments: Anita Comeau.

There being no one else wishing to address the Board, President Ortega closed the public hearing at 8:35 a.m.

Public Hearing - Close

Senior Advisor Metzger noted that the recycled water rate graph in her presentation was incorrect and that the correct rate is in the resolution being voted on at today's hearing. The new base rate charge for all metered and unmetered recycled water used for all purposes shall be \$0.65 per 100 cubic feet.

Legal Counsel Riddell noted for clarification that the adjustments to rates, fees and charges for water and wastewater services will become effective January 1, 2024 and recycled water services will become effective July 1, 2023.

President Ortega asked Assistant Board Secretary Baca to report on the protests that were received both before today's hearing and at the hearing.

Ms. Baca reported that assuming all protests received both prior and during the hearing are valid, there were 13 total protests received

Mr. Riddell acknowledged there were not sufficient protests received; therefore, the Board may take action and consider adoption of the proposed rates.

Finance Director Saenz presented the staff report. She stated that after a comprehensive rate study process with financial expert NBS, staff is asking for the Board of Directors to take action on three resolutions to update the domestic water, sewer (wastewater) and recycled water rates; Resolution No. 1307 Establishing Rates, Fees and Charges for Domestic Water Service, Resolution No. 1308 Establishing Rates, Fees and Charges for Recycled Water; and Resolution No. 1309 Establishing Rates, Fees and Charges for Sewer Service. Staff is also asking to augment the 2023/2024 Operating Fund and the 2023/2024 Wastewater Fund budgets.

Action Items:
Request Adoption of
Reso. No's. 1307, 1308
& 1309 Establishing
Rates & Fees for
Domestic Water,
Recycled Water &
Sewer Service &
Budget Augmentation

Director Grasha made a motion to 1) Adopt Resolution No. 1307 for domestic water rates, fees, and charges effective January 1, 2024, 2) Adopt Resolution No. 1308 for recycled water rates, fees and charges effective July 1, 2023, 3) Adopt Resolution No. 1309 for sewer rates, fees and charges with the CVWD pass through rate effective July 1, 2023 and DWA's monthly service rate effective January 1, 2024, 4) Augment the 2023/2024 Operating Fund Budget adding \$1,450,000 to Water Sales Revenue, \$28,200 to Fire Protection Revenue and \$1,478,200 to the Reserve for Operations and 5) Augment the 2023/2024 Wastewater Fund Budget adding \$24,000 to Wastewater Service Revenue. After a second from Director Bloomer the motion was carried by the following roll call vote:

AYES: Grasha, Bloomer, Bowman, Ortega
 NOES: None
 ABSENT: None
 ABSTAIN: McKenna

Action Items:

(Cont.)

Request Adoption of
 Reso. No's. 1307, 1308
 & 1309 Establishing
 Rates & Fees for
 Domestic Water,
 Recycled Water &
 Sewer Service &
 Budget Augmentation

In the absence of any further business, President Ortega adjourned the meeting at 8:58 a.m.

Adjournment

Sylvia Baca
 Assistant Secretary of the Board

Minutes
Executive Committee Meeting
July 13, 2023

Directors Present: Jeff Bowman, Gerald McKenna
Staff Present: Mark Krause, Steve Johnson, Esther Saenz, Sylvia Baca,
Jamie Hoffman, Melinda Weinrich
Consultant Present: Ashley Metzger

Call to Order

1. Public Comments - None

2. Discussion Items

A. Review Agenda for July 18, 2023 Regular Board Meeting

The proposed agenda for the July 18, 2023 meeting was reviewed.

B. Review Agenda for July 25, 2023 Special Board Meeting

The proposed agenda for the July 25, 2023 special meeting was reviewed.

C. Expense Reports

The June expense reports were reviewed.

Adjourn

**DESERT WATER AGENCY
OUTREACH & CONSERVATION
ACTIVITIES**

JUNE 2023

Activities

- 6/1 Ashley Metzger was on a live segment with KESQ.
- 6/6 Staff attended a DWA/CPS call on grass removal funding.
- 6/7 Ernye Valenciano was on a live segment with KESQ.
- 6/12 Staff attended the Prop 218 Workshop at the Desert Hot Springs Library.
- 6/13 Xochitl Peña attended the ONE-PS monthly meeting.
- 6/14 Ashley attended an ACWA/WUE coordination meeting.
- 6/15 Ashley Metzger was on a live segment with KESQ.
- 6/15 Staff attended a Facility tour meeting
- 6/15 Melinda Weinrich attended a 2023 WCS CA's Water Supply Strategy, Innovative Architecture for Efficient Water use and New Frontiers of the Water Energy Nexus Webinars.
- 6/16 Ashley Metzger attended a Sites Joint Reservoir Committee Authority Board meeting.
- 6/17 Staff attended a meeting at O'Donnell Golf Club on Reducing Turf Irrigation Research project.
- 6/19 Ashley Metzger attended a Desert/Coachella/ Metropolitan Coordination Call.
- 6/20 Staff attended a CV Water Counts monthly meeting.
- 6/21 Staff attended a CVRWGMG meeting on Conservation study request for proposal from Eagle Aerial.
- 6/22 Ashley Metzger was on a live segment with KESQ.
- 6/22 Staff attended a CVRWGMG Business meeting.
- 6/26 Staff attended a Conservation and Public Affairs Committee meeting.
- 6/26 Ashley met with Lobbyist Bob Reeb.
- 6/28 Staff attended the Prop 218 Hearing in the DWA Board Room.
- 6/28 Ashley Metzger attended a CV-SNMP monthly meeting.
- 6/28 Ashley Metzger attended an ACWA Recurring WUE WG meeting.
- 6/29 Ashley Metzger was on a live segment with KESQ.
- 6/29 Xochitl Peña and Melinda Weinrich recorded a radio interview with Joey English.

Public Information Releases/eblasts/Customer Notifications

6/7 Nextdoor – Water Construction near Escena Golf Lounge & Grill
6/12 Nextdoor – Desert Water Agency Service line improvements near Avenida Amor & Avenida Contento
6/26 Latest News on the website – Water Quality Report available online
6/26 Nextdoor – Desert Water Agency Construction on 1700 E Tahquitz Canyon Way
6/28 Latest News on website – DWA Board of Directors approves rate increase

Conservation Programs

Grass Removal:

49 Inspections
23 Projects pre-approved
29 Projects given final approval

Devices:

7 Washing machine rebates requested
8 Washing machine rebates approved

25 Smart controller rebates requested
9 Smart controller rebates approved

985 Nozzles requested for rebate
35 Nozzles approved for rebate

0 Toilet rebates requested (commercial only)
0 Toilet rebates approved (commercial only)

Water waste:

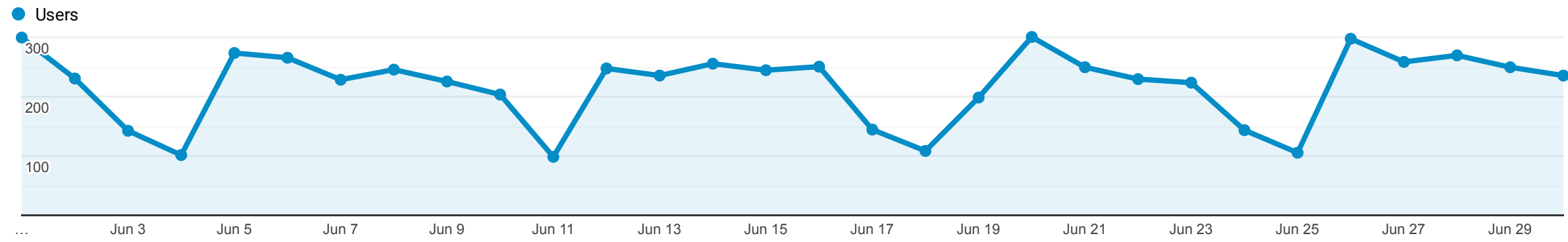
Total complaints submitted 38
Contacts to customers 9
Site inspections scheduled 21
Citations 2
Citation waived 0

Audience Overview

All Users
100.00% Users

Jun 1, 2023 - Jun 30, 2023

Overview



Users
5,456

New Users
4,721

Sessions
7,247

Number of Sessions per User
1.33

Pageviews
15,277

Pages / Session
2.11

Avg. Session Duration
00:01:50

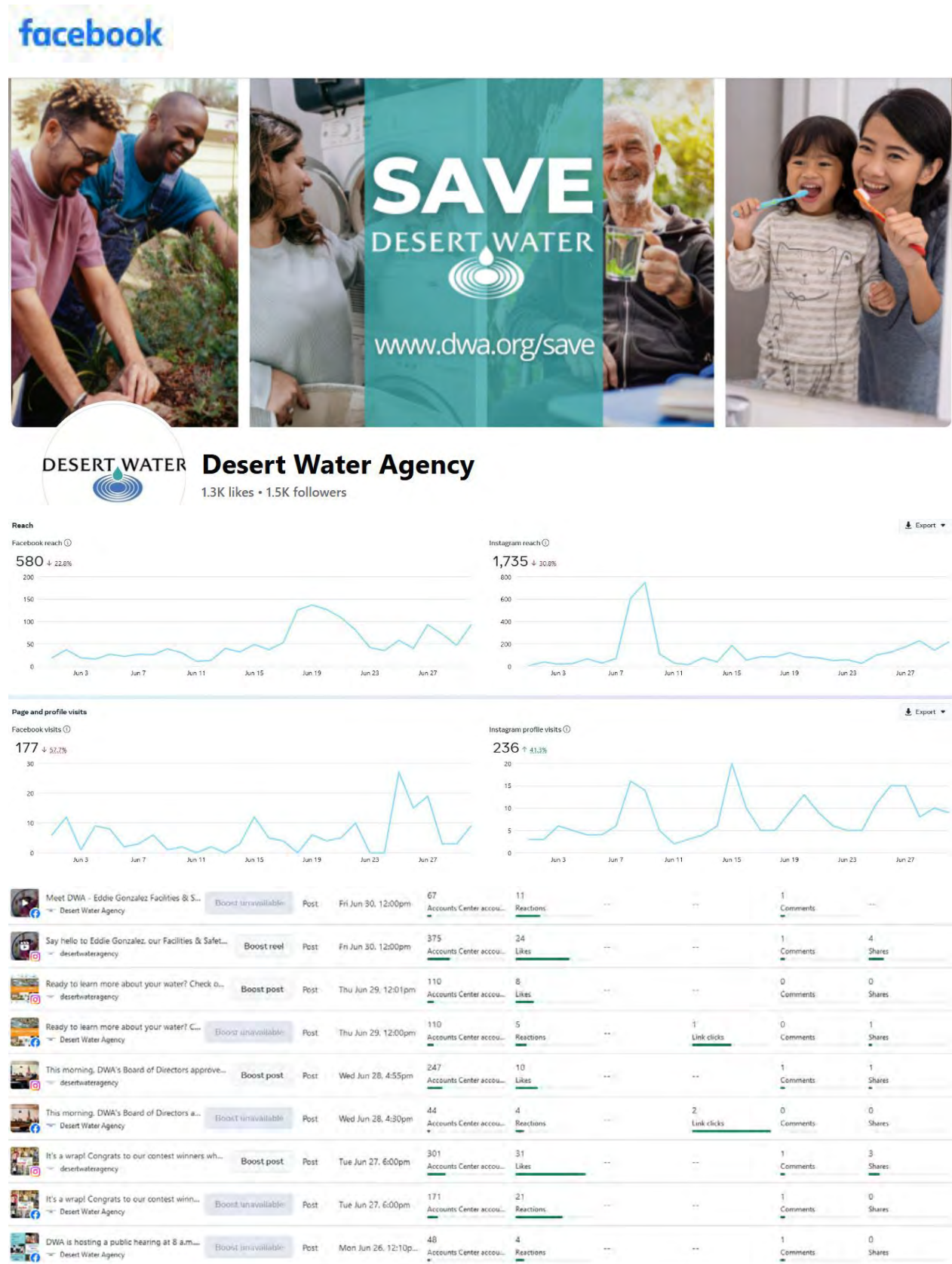
Bounce Rate
53.40%

New Visitor
78%






























Returning Visitor
22%

Language		Users	% Users
1.	en-us	5,218	95.60%
2.	en-gb	57	1.04%
3.	en	56	1.03%
4.	en-ca	43	0.79%
5.	zh-cn	27	0.49%
6.	en-au	8	0.15%
7.	es-us	7	0.13%
8.	es-419	6	0.11%
9.	th-th	5	0.09%
10.	de-de	4	0.07%

Desert Water Agency Facebook & Instagram Analytics June 2023



Desert Water Agency Facebook & Instagram Analytics June 2023

	DWA is hosting a public hearing at 8 a.m. on Jun...	desertwateragency	Boost post	Post	Mon Jun 26, 12:01p...	132 Accounts Center accou...	7 Likes	---	---	0 Comments	0 Shares
	It's true - we do love all things short - es...	Desert Water Agency	Boost unavailable	Post	Sun Jun 25, 11:28am	70 Accounts Center accou...	3 Reactions	---	---	0 Comments	0 Shares
	It's true - we do love all things short - especially ...	desertwateragency	Boost post	Post	Sun Jun 25, 11:28am	156 Accounts Center accou...	17 Likes	---	---	0 Comments	0 Shares
	It's National Hydration Day, and it's also hot out...	desertwateragency	Boost post	Post	Fri Jun 23, 6:00pm	87 Accounts Center accou...	6 Likes	---	---	1 Comments	0 Shares
	It's National Hydration Day, and it's also ...	Desert Water Agency	Boost unavailable	Post	Fri Jun 23, 6:00pm	66 Accounts Center accou...	6 Reactions	---	---	0 Comments	0 Shares
	Today marks the Summer Solstice, the official sta...	desertwateragency	Boost post	Post	Wed Jun 21, 6:00pm	102 Accounts Center accou...	8 Likes	---	---	0 Comments	0 Shares
	Today marks the Summer Solstice, the off...	Desert Water Agency	Boost unavailable	Post	Wed Jun 21, 6:00pm	90 Accounts Center accou...	4 Reactions	---	---	0 Comments	0 Shares
	Everyone agrees, it is time to replace that old toi...	desertwateragency	Boost post	Post	Tue Jun 20, 10:20am	104 Accounts Center accou...	11 Likes	---	---	0 Comments	0 Shares
	DWA is closed today in observance of Ju...	Desert Water Agency	Boost unavailable	Post	Mon Jun 19, 8:00am	173 Accounts Center accou...	12 Reactions	---	---	0 Comments	1 Shares
	DWA is closed today in observance of Juneteent...	desertwateragency	Boost post	Post	Mon Jun 19, 7:55am	144 Accounts Center accou...	14 Likes	---	---	0 Comments	0 Shares
	DWA wishes all the dads out there a wonderful ...	desertwateragency	Boost post	Post	Sun Jun 18, 8:20am	85 Accounts Center accou...	7 Likes	---	---	0 Comments	0 Shares
	DWA wishes all the dads out there a wor...	Desert Water Agency	Boost unavailable	Post	Sun Jun 18, 8:00am	84 Accounts Center accou...	4 Reactions	---	---	0 Comments	0 Shares
	We have smart controller incentives avail...	Desert Water Agency	Boost unavailable	Post	Sat Jun 17, 7:00pm	211 Accounts Center accou...	6 Reactions	---	1 Link clicks	0 Comments	1 Shares
	We have smart controller incentives available for...	desertwateragency	Boost post	Post	Sat Jun 17, 2:15pm	115 Accounts Center accou...	9 Likes	---	---	0 Comments	0 Shares
	GIVEAWAY! Desert Water Agency, the ...	Desert Water Agency	Boost unavailable	Post	Thu Jun 15, 10:00am	87 Accounts Center accou...	11 Reactions	---	---	4 Comments	0 Shares
	GIVEAWAY! Desert Water Agency, the Palm S...	desertwateragency	Boost post	Post	Thu Jun 15, 10:00am	235 Accounts Center accou...	26 Likes	---	---	16 Comments	4 Shares
	Sophisticated, beautiful, and purple... this plant is...	desertwateragency	Boost post	Post	Tue Jun 13, 6:00pm	115 Accounts Center accou...	9 Likes	---	---	0 Comments	0 Shares
	Sophisticated, beautiful, and purple... this ...	Desert Water Agency	Boost unavailable	Post	Tue Jun 13, 6:00pm	101 Accounts Center accou...	7 Reactions	---	---	0 Comments	0 Shares
	Splash House - Have fun out there! Even if you'r...	desertwateragency	Boost post	Post	Fri Jun 9, 6:00pm	113 Accounts Center accou...	3 Likes	---	---	0 Comments	0 Shares
	Splash House - Have fun out there! Even ...	Desert Water Agency	Boost unavailable	Post	Fri Jun 9, 6:00pm	80 Accounts Center accou...	5 Reactions	---	---	0 Comments	0 Shares
	This post has no text.	desertwateragency	Boost unavailable	Story	Thu Jun 8, 6:10pm	---	---	---	0 Link clicks	---	0 Shares
	National Safety Month at Desert Water A...	Desert Water Agency	Boost unavailable	Post	Thu Jun 8, 8:00pm	41 Accounts Center accou...	5 Reactions	---	---	---	---
	June is National Safety Month and safety is priorit...	desertwateragency	Boost reel	Post	Thu Jun 8, 6:00pm	1.3K Accounts Center accou...	35 Likes	---	---	1 Comments	21 Shares
	We have a rate increase workshop on June 10th ...	desertwateragency	Boost post	Post	Wed Jun 7, 6:00pm	138 Accounts Center accou...	5 Likes	---	---	0 Comments	0 Shares
	We have a rate increase workshop on Jun...	Desert Water Agency	Boost unavailable	Post	Wed Jun 7, 6:00pm	39 Accounts Center accou...	4 Reactions	---	2 Link clicks	0 Comments	0 Shares
	Today is World Environment Day. Let's protect o...	desertwateragency	Boost post	Post	Mon Jun 5, 6:00pm	106 Accounts Center accou...	3 Likes	---	---	0 Comments	0 Shares
	Today is World Environment Day. Let's pr...	Desert Water Agency	Boost unavailable	Post	Mon Jun 5, 6:00pm	57 Accounts Center accou...	8 Reactions	---	---	0 Comments	1 Shares
	Did you know that many fruits and vegetables a...	desertwateragency	Boost post	Post	Fri Jun 2, 6:00pm	86 Accounts Center accou...	4 Likes	---	---	0 Comments	0 Shares
	Did you know that many fruits and veget...	Desert Water Agency	Boost unavailable	Post	Fri Jun 2, 6:00pm	80 Accounts Center accou...	5 Reactions	---	---	0 Comments	0 Shares

Desert Water Agency Facebook & Instagram Analytics June 2023



nextdoor



Desert Water Agency

1200 S Gene Autry Trl, Palm Springs

Desert Water Agency is the water utility for the Palm Springs area including outlying county areas, Desert Hot Springs, part of Cathedral City and Palm Springs. It is our responsibility to provide a safe, reliable water supply to the area we serve while protecting See more...



Desert Water Agency

38,843 members
25,894 claimed households
144 neighborhoods

[Invite](#)



Desert Water Agency

Public Affairs & Water Planning Coordinator Ernye Valenciano • 27 Jun

Desert Water Agency - 1700 E. Tahquitz Canyon Way Water Construction

See more...



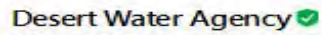
Posted to **Subscribers of Desert Water Agency** in 8 neighborhoods

Be the first to react

♡ Like

💬 Comment

➦ Share



Desert Water Agency - Service Line Improvements

Be the first to react

 Share

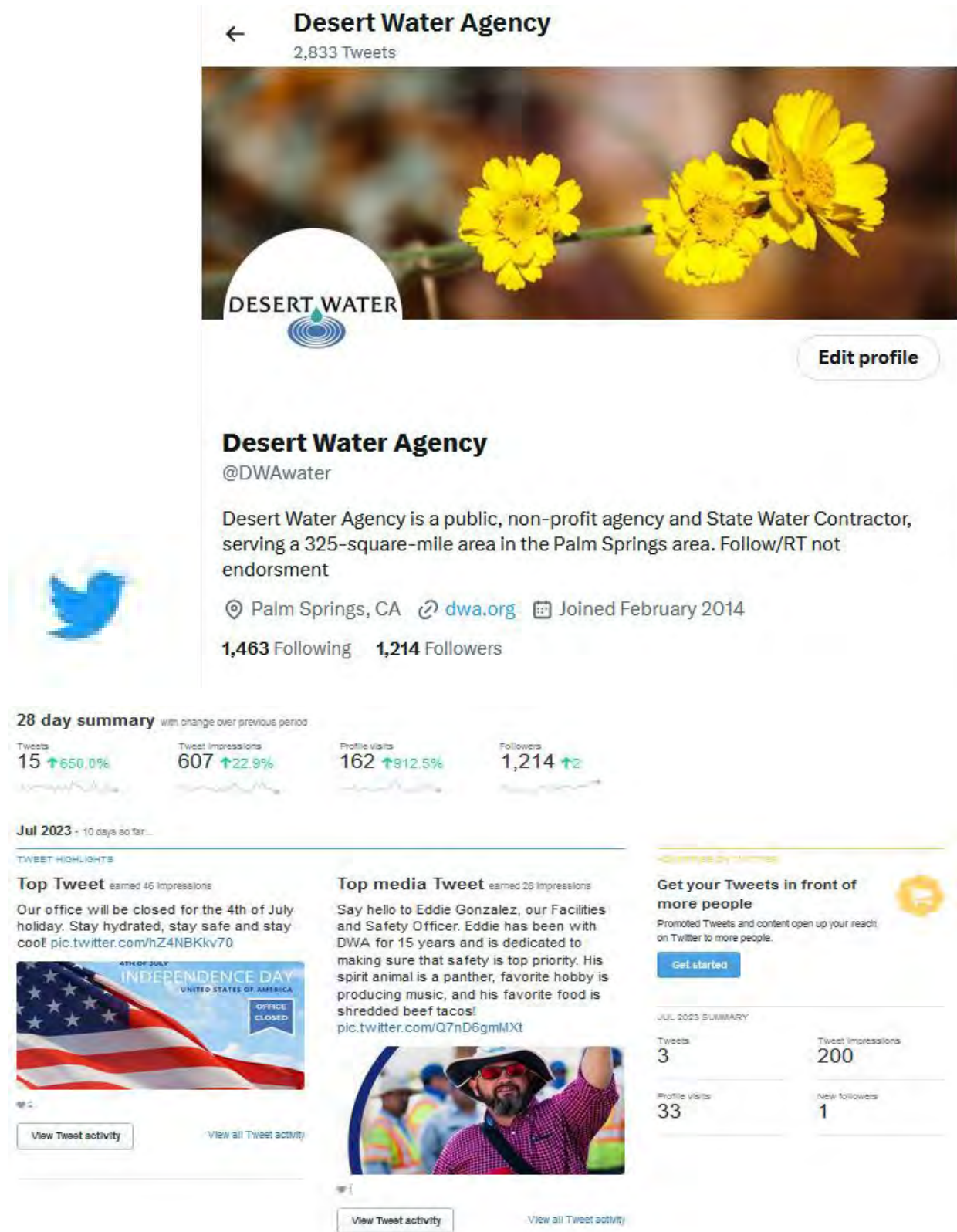
Edited 7 Jun

[illegible]

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Desert Water Agency Twitter Analytics June 2023



**STAFF REPORT
TO
DESERT WATER AGENCY
BOARD OF DIRECTORS**

JULY 18, 2023

**RE: REQUEST ADOPTION OF A REVENUE STABILIZATION RATE
POLICY**

In 2022, the Agency contracted with a water rate consulting firm, NBS, to conduct a review of the Agency's water rates. In their *Final Cost of Service Study*, dated May 2023, NBS proposed and recommended the Agency approve a Revenue Stabilization Rate in addition to the Agency's already established Drought Rate. This rate is intended to mitigate revenue shortages that may arise due to fluctuations in water demand resulting from circumstances other than drought or other mandated conservation measures which could threaten the ability of the Agency to continue to provide clean, safe, and reliable water to its customers. On June 28, 2023, the Board of Directors adopted the Revenue Stabilization Rate.

Revenue Stabilization Rate Policy Highlights

1. Projected water sales will be developed in conjunction with the annual budget and presented to the Finance Committee which will provide the baseline against which the fiscal year-to-date water sales will be compared.
2. If water sales are more than 10% below the expected levels, the General Manager will notify the Board at a public meeting and they may take the following actions:
 - a. Direct the General Manager to implement all or part of any proposed expense reduction measures
 - b. Direct the General Manager to utilize reserves to meet all or part of the revenue gap and/or
 - c. Approve a Revenue Stabilization Rate at a level that does not exceed the cumulative year-to-date volumetric water sales deficit (10%, 15%, 20%, 25%, or 30%)
3. If a Revenue Stabilization Rate is implemented, customers will be provided a 30-day notice prior to the rate taking effect.
4. The Board may rescind the Revenue Stabilization Rate at any time.
5. When water sales have returned to expected fiscal year-to-date levels, the General Manager will notify the Board and the Revenue Stabilization Rate will automatically be rescinded.

The Executive Committee has reviewed the draft Revenue Stabilization Rate Policy. This policy is substantially the same as the proposed Drought Rate policy with minor differences regarding how the rates are implemented.

Legal Review:

Legal Counsel has reviewed the Revenue Stabilization Rate Policy.

Fiscal Impact:

There is no current fiscal impact. If a Revenue Stabilization rate is implemented by the Board according to this policy, it will allow the Agency to mitigate future fiscal impacts due to revenue shortages that may arise due to fluctuations in water demand resulting from circumstances other than drought or other mandated conservation measures.

Recommendation:

Staff recommends the Board adopt the Revenue Stabilization Rate Policy to govern how the Agency's Revenue Stabilization Rate will be implemented, and rescinded.

Attachments:

Attachment #1 - Draft Revenue Stabilization Rate Policy



DESERT WATER AGENCY

Revenue Stabilization Rate Policy

Adopted: [July XX, 2023]

Table of Contents

1. Purpose	2
2. Scope.....	2
3. Background	2
4. Revenue Stabilization Rate Description.....	2
5. Implementation	2
A. Revenue Stabilization Rate Trigger	2
B. Board Action	3
C. Effective Date.....	3
D. Rescission	4

1. Purpose

The purpose of this policy is to prescribe how the Desert Water Agency (Agency) Revenue Stabilization Rate may be implemented by the Board of Directors.

2. Scope

This policy applies to the Agency's Domestic Water Service Quantitative Water Rate.

3. Background

The Agency contracted with a water rate consulting firm, NBS, to conduct a review of the Agency's water rates. In the *Final Cost of Service Study*, dated May 2023, NBS proposed and recommended the Agency implement a Revenue Stabilization Rate in addition to the Agency's already established Drought Rate. This rate is intended to mitigate revenue shortages that may arise due to fluctuations in water demand resulting from circumstances other than drought or other mandated conservation measures which could threaten the ability of the Agency to continue to provide clean, safe, and reliable water service to its customers.

4. Revenue Stabilization Rate Description

The Revenue Stabilization Rate is in addition to the Quantitative Rate Charge. It may be applied when the monthly volumetric rate revenue falls 10% or more below the projected monthly volumetric revenue and increases by 5% increments to a maximum of 30%.

Revenue Stabilization Rates will be considered a tool available for the Board's use should they decide the rate is necessary and advisable.

The Revenue Stabilization Rate is in addition to the Agency's existing Drought Rate. In instances where revenue has decreased for reasons other than drought or other mandatory conservation according to the Agency's Water Shortage Contingency Plan, the Revenue Stabilization Rate may be implemented. The Agency's Drought Rate will remain the primary means of addressing revenue shortfalls during times of declared water shortage in conjunction with the Agency's Water Shortage Contingency Plan. The Agency's Drought Rate and Revenue Stabilization Rate may not be in effect at the same time.

5. Implementation

A. Revenue Stabilization Rate Trigger

- i. During the preparation of the Agency's annual budget, the General Manager shall provide the Finance Committee with the water sales in units (by month) utilized in preparing the Operating Fund Water Sales Revenue projections incorporated into the Agency's annual budget. This projection will serve as the baseline against which the fiscal year-to-date water sales will be compared.

- ii. If the General Manager determines that water sales (in units) and corresponding revenue is more than 10% below the expected fiscal year-to-date levels, the General Manager shall notify the Board of Directors of this determination at the next regularly scheduled Board Meeting or at another public meeting. When notifying the Board of Directors, the General Manager shall:
 - a. Provide staff analysis of why the water sales gap is occurring and a six-month projection of anticipated water sales; and
 - b. Present a calculation of the year-to-date revenue gap resulting from the water sales gap, along with the projected revenue gap based on a six-month projection of anticipated water sales; and
 - c. Present expense reduction measures that match the revenue gap for consideration by the Board of Directors; and
 - d. Provide an update on the Agency's current reserve levels.
- iii. The General Manager may delegate duties within this section to the Finance Director.

B. Board Action

- i. Revenue Stabilization Rate shall only be implemented through Board action at a public meeting.
- ii. Once notified of the General Manager's determination under Section 5(A), the Board of Directors may, in its discretion, take any of the follow actions:
 - a. Direct the General Manager to implement all or part of the proposed expense reduction measures; and/or
 - b. Direct the General Manager to utilize reserves to meet all or part of the revenue gap; and/or
 - c. Approve a Revenue Stabilization Rate that does not exceed the cumulative year-to-date volumetric water sales deficit (10%, 15%, 20%, 25% or 30%).

C. Effective Date

- i. The applicable Revenue Stabilization Rate adopted by the Board of Directors under Section 5(B)(ii)(c), shall take effect after the Agency provides customers with 30 days' notice.
- ii. If adopted by the Board under Section 5(B)(ii)(c) of this policy, the Revenue Stabilization Rate will be applied the first full billing cycle to occur after the rate takes effect (1st of the month).

D. Rescission

- i. If the General Manager determines that water sales (in units) have returned to expected fiscal year-to-date levels, the General Manager shall notify the Board of Directors of this determination at the next regularly scheduled Board meeting or another public meeting. After Board notification, the Revenue Stabilization Rate shall be automatically rescinded, and the quantitative water rate will revert to the standard quantitative rate for the current fiscal year. The rescission and the standard quantitative rate shall take effect and shall be implemented by the Agency starting with the next full billing cycle to occur after the Board meeting described in this section (1st of the month).
- ii. The Board may rescind the Revenue Stabilization Rate by Board action at any time prior to water sales revenues returning to expected fiscal year-to-date levels. Once rescinded by Board action, the quantitative water rate will revert to the standard quantitative rate for the current fiscal year. The rescission and the standard quantitative rate shall take effect and shall be implemented by the Agency starting with the next full billing cycle to occur after the Board takes action to rescind the Revenue Stabilization Rate (1st of the month).
- iii. The General Manager may delegate duties within this section to the Finance Director.

**STAFF REPORT
TO
DESERT WATER AGENCY
BOARD OF DIRECTORS**

JULY 18, 2023

RE: REQUEST ADOPTION OF A DROUGHT RATE POLICY

In 2016, the Agency contracted with a water rate consulting firm, NBS, to conduct a review of the Agency's water rates. In their *Final Cost of Service Study*, dated October 2016, NBS proposed and recommended the Agency approve Drought Rates. These rates are intended to mitigate revenue shortages that may arise due to drought or other unexpected mandatory water conservation events which could threaten the Agency's ability to provide clean, safe, and reliable drinking water to its customers. On December 15, 2016, the Board of Directors adopted the proposed Drought Rates.

In 2023, the Agency again contracted with NBS to perform a comprehensive rate study. As part of that study, the Drought Rates were updated and aligned with the Agency's Water Shortage Contingency Plan that was adopted in June 2021. To date, Drought Rates have never been implemented by the Board of Directors.

The Executive Committee requested staff develop a Drought Rate Policy after their review of a proposed Revenue Stabilization Policy. The Drought Rate Policy is substantially the same as the proposed Revenue Stabilization Rate Policy with minor differences regarding how the rates are implemented.

Drought Rate Policy Highlights

1. Aligns with the Agency's Water Shortage Contingency Plan
2. Projected water sales will be developed in conjunction with the annual budget and presented to the Finance Committee which will serve as the baseline against which the current annual sales to date will be compared.
3. If the Board has declared a mandatory conservation level in accordance with the Agency's Water Shortage Contingency Plan and revenues are more than 10% below the expected revenues, the General Manager will notify the Board at a public meeting and the Board may take the following actions:
 - a. Direct the General Manager to implement all or part of any proposed expense reduction measures
 - b. Direct the General Manager to utilize reserves to meet all or part of the revenue gap and/or
 - c. Approve a Drought Rate at a level that does not exceed the Drought Rate that corresponds with the Shortage Level in effect

4. If a Drought Rate is implemented, customers will be provided a 30-day notice prior to the rate taking effect.
5. While a Drought Rate is in effect, the Board will review the Drought Rate at least once every six months to determine if it is still necessary.
6. The Board may rescind the Drought Rate at any time.
7. When water sales have returned to expected fiscal year-to-date levels, the General Manager will notify the Board and the Drought Rate will automatically be rescinded.

Legal Review:

Legal Counsel has reviewed the Drought Rate Policy.

Fiscal Impact:

There is no current fiscal impact. If a Drought Rate is implemented by the Board according to this policy, it will allow the Agency to mitigate future fiscal impacts due to drought or other conditions mandating water conservation.

Recommendation:

Staff recommends the Board adopt the Drought Rate Policy to govern how the Agency's Drought Rate will be implemented, monitored, and rescinded.

Attachments:

1. Draft Drought Rate Policy



DESERT WATER AGENCY

Drought Rate Policy

Adopted: [July XX, 2023]

Table of Contents

1. Purpose	2
2. Scope.....	2
3. Background	2
4. Drought Rate Description	2
5. Implementation	2
A. Drought Rate Trigger.....	2
B. Board Action	3
C. Effective Date	3
D. Monitoring	3
E. Rescission	4

1. Purpose

The purpose of this policy is to prescribe how the Desert Water Agency (Agency) Drought Rate may be implemented by the Board of Directors.

2. Scope

This policy applies to the Agency's Domestic Water Service Quantitative Water Rate.

3. Background

The Agency contracted with a water rate consulting firm, NBS, to conduct a review of the Agency's water rates. In the *Final Cost of Service Study*, dated October 2016, NBS proposed and recommended the Agency implement a Drought Rate. This rate is intended to mitigate revenue shortages that may arise in times where mandatory water conservation is necessary. Conservation may be necessary due to drought or other unexpected events requiring the Agency to implement its Water Shortage Contingency Plan which could threaten the Agency's ability to continue providing clean, safe, and reliable water service to its customers.

4. Drought Rate Description

The Drought Rate is a quantitative rate in addition to the current adopted Quantitative Rate Charge. It may be applied when Shortage Level 2 through 6 of the Agency's Water Shortage Contingency Plan is declared by the Board of Directors.

The Drought Rate will be considered a tool available for the Board's use should they decide the rate is necessary and advisable to mitigate revenue reductions resulting from drought or the application of water shortage conservation measures.

The Drought Rate is a separate and distinct rate from the Agency's Revenue Stabilization Rate. In instances where revenue has decreased for reasons other than drought or other mandatory conservation according to the Agency's Water Shortage Contingency Plan, the Revenue Stabilization Rate may be implemented. The Agency's Drought Rate will remain the primary means of addressing revenue shortfalls during times of declared water shortage in conjunction with the Agency's Water Shortage Contingency Plan. The Agency's Drought Rate and Revenue Stabilization Rate may not be implemented at the same time.

5. Implementation

A. Drought Rate Trigger

- i. During the preparation of the Agency's annual budget, the General Manager shall provide to the Finance Committee the projected water sales in units (by month) utilized in preparing the Operating Fund Water Sales Revenue projections incorporated into the Agency's annual budget. This projection will serve as the baseline against which the current fiscal year-to-date sales to date will be compared.

- ii. The General Manager shall notify the Board of Directors at a public Board meeting when actual water sales (in units) are more than 10% below the expected fiscal year-to-date levels after a Mandatory Conservation Level (Levels 2-6) has been declared by the Board, in accordance with the Agency's Water Shortage Contingency Plan. When notifying the Board of Directors, the General Manager shall:
 - a. Provide an update on which Shortage Level is currently in place and current outlook regarding the conditions requiring the Shortage Level;
 - b. Provide staff analysis of why the water sales gap is occurring and a six-month projection of anticipated water sales;
 - c. Present a calculation of the fiscal year-to-date revenue gap resulting from the water sales gap, along with the projected revenue gap based on a six-month projection of anticipated water sales;
 - d. Present proposed expense reduction measures to help address the revenue gap for consideration by the Board of Directors; and
 - e. Provide an update on the Agency's current reserve levels.
- iii. The General Manager may delegate duties within this section to the Finance Director.

B. Board Action

- i. A Drought Rate shall only be implemented through Board action at a public meeting.
- ii. Once notified of the information provided by the General Manager under Section 5(A), the Board of Directors may, in its discretion, take any of the follow actions:
 - a. Direct the General Manager to implement all or part of any proposed expense reduction measures; and/or
 - b. Direct the General Manager to utilize reserves to meet all or part of the revenue gap; and/or
 - c. Approve a Drought Rate at a level that does not exceed the Drought Rate that corresponds with the Shortage Level in effect (Shortage Level 2-6).

C. Effective Date

- i. The applicable Drought Rate, adopted by the Board of Directors under Section 5(B)(ii)(c), shall take effect after the Agency provides customers with 30 days' notice.
- ii. If adopted by the Board, under Section 5(B)(ii)(c) of this policy, the Drought Rate will be applied the first full billing cycle to occur after the rate takes effect (1st of the month).

D. Monitoring

- i. While the Drought Rate is in effect, the Board of Directors shall review the Drought Rate at least once every six (6) months to determine whether the Drought Rate shall continue to remain in place.

E. Rescission

- i. If the General Manager determines that water sales (in units) have returned to expected fiscal year-to-date levels, the General Manager shall notify the Board of Directors of this determination at the next ensuing Board meeting. After Board notification, the Drought Rate shall be automatically rescinded, and the quantitative water rate will revert to the standard quantitative rate for the current fiscal year. The rescission and the standard quantitative rate shall take effect and shall be implemented by the Agency starting with the next full billing cycle to occur after the Board meeting described in this section (1st of the month).
- ii. The Board may rescind a Drought Rate, by Board action, at any time prior to water sales returning to expected fiscal year-to-date levels. Once rescinded by Board action, the quantitative water rate will revert to the standard quantitative rate for the remainder of the fiscal year. The rescission and the standard quantitative rate shall take effect and shall be implemented by the Agency starting with the next full billing cycle to occur after the Board takes action to rescind the Drought Rate (1st of the month).
- iii. The General Manager may delegate duties within this section to the Finance Director.

**STAFF REPORT
TO
DESERT WATER AGENCY
BOARD OF DIRECTORS**

JULY 18, 2023

**RE: REQUEST AUTHORIZATION FOR GENERAL MANAGER TO
EXECUTE AGREEMENT WITH A&N TECHNICAL SERVICES INC.**

A&N Technical Services Inc. (A&N) is a consulting firm that provides financial expertise applied to water resources and water efficiency programs. A&N will provide a decision-support tool that characterizes the current grass removal programs and opportunities for improvement.

Staff would like to enter into a Professional Services Agreement with A&N for a Regional Water Conservation Study (Study). This Study will be completed for the five water agency members of the Coachella Valley Regional Water Management Group (CVRWMG). The five water agency members are Desert Water Agency, Coachella Valley Water District, Coachella Water Authority, Indio Water Authority, and Mission Springs Water District.

The agreement has a not-to-exceed amount of \$150,000 funded through a Prop 1, Round 2 grant. The contract anticipates roughly 20 hours a week of support for 13 months, July 2023 through July 2024. The contract can be terminated with 7 days written notice. Upon termination, A&N will be entitled to no further compensation.

Fiscal Impact:

Finance Director Saenz has reviewed this staff report. The contract amount is \$150,000 but the Agency will be utilizing grant funds for the project. The net financial impact will be approximately \$2,200 split between the five participating CVRWMG agencies to cover costs of travel not acceptable for grant funding. The travel expenses will occur in the Fiscal Year 2023-2024. The Agency's share will be \$440, which has already been included in the 2023-2024 budget.

Legal Review:

Legal Counsel has reviewed this report.

Recommendation:

Staff recommends that the Board of Directors authorize the General Manager to execute the A&N agreement for services provided through July 2024.

Attachments:

Attachment #1: A&N Professional Services Agreement

**DESERT WATER AGENCY
PROFESSIONAL SERVICES AGREEMENT**

1. PARTIES AND DATE.

This Agreement is made and entered into this 29th day of June, by and between the Desert Water Agency, an independent special Agency of the State of California with its principal place of business at 1200 Gene Autry Trail South, Palm Springs, California 92263 (“**Agency**”) and A&N Technical Services Inc. with a place of business at 839 Second St Suite 5, Encinitas, CA 92024. (“**Consultant**”). Agency and Consultant are sometimes individually referred to as “**Party**” and collectively as “**Parties**” in this Agreement.

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain professional services required by the Agency on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing the professional services described herein, is licensed in the State of California, and is familiar with the plans of the Agency.

2.2 Project

The Agency desires to engage Consultant to render such services for the Regional Water Conservation Study for the Coachella Valley (“**Project**”) as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to the Agency all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately perform the Regional Water Conservation Study for the Coachella Valley services necessary for the Project (“**Services**”). The Services are more particularly described in Exhibit “A” attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules, and regulations.

3.1.2 Term. The term of this Agreement shall be from July 2023 to July 2024, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Services.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. The Agency retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of the Agency and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, the Agency shall respond to Consultant's submittals in a timely manner. Upon request of the Agency, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of the Agency.

3.2.4 Substitution of Key Personnel. Consultant has represented to Agency that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of the Agency. In the event that the Agency and Consultant cannot agree as to the substitution of key personnel, Agency shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to the Agency, or who are determined by the Agency to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the Agency. Consultant's key personnel for performance of this Agreement are as follows: Thomas W. Chesnutt, David M. Pekelney, Dana Holt, Christopher Tull, Kim O'Cain, Maureen Erbeznik, and Mary Ann Dickinson.

3.2.5 Agency's Representative. The Agency hereby designates Melinda Weinrich, or his or her designee, to act as its representative for the performance of this Agreement ("**Agency's Representative**"). Agency's Representative shall have the power to act on behalf of

the Agency for all purposes under this Contract. Consultant shall not accept direction or orders from any person other than the Agency's Representative or his or her designee.

3.2.6 Consultant's Representative. Consultant hereby designates Thomas W. Chesnutt, or his or her designee, to act as its representative for the performance of this Agreement ("**Consultant's Representative**"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Consultant agrees to work closely with Agency staff in the performance of Services and shall be available to Agency's staff, consultants and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subconsultants shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subconsultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including an Agency Business License, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from the Agency, any services necessary to correct willful or negligent errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by the Agency to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the Agency, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.9 Period of Performance and Damages. Consultant shall perform and complete all Services under this Agreement within the term set forth in Section 3.1.2 above ("**Performance Time**"). Consultant shall also perform the Services in strict accordance with any completion schedule or Project milestones described in Exhibits "A" or "B" attached hereto, or which may be separately agreed upon in writing by the Agency and Consultant ("**Performance Milestones**"). Consultant agrees that if the Services are not completed within the aforementioned Performance Time and/or pursuant to any such Project Milestones developed pursuant to provisions of this Agreement due to Consultant's willful behavior or negligence, it is understood, acknowledged and agreed that the Agency will suffer damage.

3.2.10 Laws and Regulations; Employee/Labor Certifications. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all

Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the Agency, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold Agency, its officials, directors, officers, employees, and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10.1 Employment Eligibility; Consultant. By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time. Such requirements and restrictions include, but are not limited to, examination and retention of documentation confirming the identity and immigration status of each employee of the Consultant. Consultant also verifies that it has not committed a violation of any such law within the five (5) years immediately preceding the date of execution of this Agreement, and shall not violate any such law at any time during the term of the Agreement. Consultant shall avoid any violation of any such law during the term of this Agreement by participating in an electronic verification of work authorization program operated by the United States Department of Homeland Security, by participating in an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, or by some other legally acceptable method. Consultant shall maintain records of each such verification, and shall make them available to the Agency or its representatives for inspection and copy at any time during normal business hours. The Agency shall not be responsible for any costs or expenses related to Consultant's compliance with the requirements provided for in Section 3.2.10 or any of its sub-sections.

3.2.10.2 Employment Eligibility; Subcontractors, Consultants, Sub-subcontractors and Subconsultants. To the same extent and under the same conditions as Consultant, Consultant shall require all of its subcontractors, consultants, sub-subcontractors and subconsultants performing any work relating to the Project or this Agreement to make the same verifications and comply with all requirements and restrictions provided for in Section 3.2.10.1.

3.2.10.3 Employment Eligibility; Failure to Comply. The persons executing this Agreement on behalf of Consultant verify that they are duly authorized officers of Consultant, and understand that any of the following shall be grounds for the Agency to terminate the Agreement for cause: (1) failure of Consultant or its subcontractors, consultants, sub-subcontractors or subconsultants to meet any of the requirements provided for in Sections 3.2.10.1 or 3.2.10.2; (2) any misrepresentation or material omission concerning compliance with such requirements (including in those verifications provided to the Consultant under Section 3.2.10.2); or (3) failure to immediately remove from the Project any person found not to be in compliance with such requirements.

3.2.10.4 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake

self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.2.10.5 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of Agency's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.2.11 Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of Agency during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.2.12 Insurance.

3.2.12.1 Time for Compliance. Consultant shall not commence Work under this Agreement until it has provided evidence satisfactory to the Agency that it has secured all insurance required under this section. In addition, Consultant shall not allow any subconsultant to commence work on any subcontract until it has provided evidence satisfactory to the Agency that the subconsultant has secured all insurance required under this section. Failure to provide and maintain all required insurance shall be grounds for the Agency to terminate this Agreement for cause.

3.2.12.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subconsultants. Consultant shall also require all of its subconsultants to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: \$1,000,000 per occurrence for bodily injury, personal

injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used including, but not limited to, form CG 2503, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

3.2.12.3 Professional Liability. Errors and omissions coverage with limits of liability no less than \$1 million per occurrence.

3.2.12.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by the Agency to add the following provisions to the insurance policies:

(A) General Liability. The general liability policy shall include or be endorsed (amended) to state that: (1) the Agency, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insured with respect to the Work or operations performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work; and (2) the insurance coverage shall be primary insurance as respects the Agency, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the Agency, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(B) Automobile Liability. The automobile liability policy shall include or be endorsed (amended) to state that: (1) the Agency, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects the Agency, its directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the Agency, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the Agency, its directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by mail has been given to the Agency; and (B) any failure to comply with reporting or other provisions of the policies, including breaches

of warranties, shall not affect coverage provided to the Agency, its directors, officials, officers, employees, agents, and volunteers.

3.2.12.5 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the Agency, its directors, officials, officers, employees, agents, and volunteers.

3.2.12.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Agency. Consultant shall guarantee that, at the option of the Agency, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Agency, its directors, officials, officers, employees, agents, and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

3.2.12.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the Agency.

3.2.12.8 Verification of Coverage. Consultant shall furnish the Agency with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the Agency. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf and shall be on forms provided by the Agency if requested. All certificates and endorsements must be received and approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.12.9 Reporting of Claims. Consultant shall report to the Agency, in addition to Consultant's insurer, any and all insurance claims submitted by Consultant in connection with the Services under this Agreement.

3.2.13 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subconsultants, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in

Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed \$149,950 without written approval of the Agency. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to the Agency a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. The Agency shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by the Agency.

3.3.4 Extra Work. At any time during the term of this Agreement, the Agency may request that Consultant perform Extra Work. As used herein, **"Extra Work"** means any work which is determined by the Agency to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from Agency's Representative.

3.3.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., (**"Prevailing Wage Laws"**), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws, including the requirement to be registered with the Department of Industrial Relations and to file certified payroll records electronically with the Department. Agency shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft; classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify and hold the Agency, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.4 Termination of Agreement.

3.4.1 Grounds for Termination. The Agency may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to Agency, and

Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.4.2 Effect of Termination. If this Agreement is terminated as provided herein, The Agency may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.4.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, the Agency may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5 Ownership of Materials and Confidentiality.

3.5.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for the Agency to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement (“**Documents & Data**”). All Documents & Data shall be and remains the property of the Agency, and shall not be used in whole or in substantial part by Consultant on other projects without the Agency's express written permission. Within thirty (30) days following the completion, suspension, abandonment or termination of this Agreement, Consultant shall provide to the Agency reproducible copies of all Documents & Data, in a form and amount required by the Agency. The Agency reserves the right to select the method of document reproduction and to establish where the reproduction will be accomplished. The reproduction expense shall be borne by the Agency at the actual cost of duplication. In the event of a dispute regarding the amount of compensation to which the Consultant is entitled under the termination provisions of this Agreement, Consultant shall provide all Documents & Data to the Agency upon payment of the undisputed amount. Consultant shall have no right to retain or fail to provide to Agency any such documents pending resolution of the dispute. In addition, Consultant shall retain copies of all Documents & Data on file for a minimum of fifteen (15) years following completion of the Project, and shall make copies available to Agency upon the payment of actual reasonable duplication costs. Before destroying the Documents & Data following this retention period, Consultant shall make a reasonable effort to notify the Agency and provide the Agency with the opportunity to obtain the documents.

3.5.2 Subconsultants. Consultant shall require all subconsultants to agree in writing that Agency is granted a non-exclusive and perpetual license for any Documents & Data the subconsultant prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or its subconsultants, or those provided to Consultant by the Agency.

3.5.3 Right to Use. Agency shall not be limited in any way in its use or reuse of the Documents & Data or any part of them at any time for purposes of this Project or another project, provided that any such use not within the purposes intended by this Agreement or on a project other than this Project without employing the services of Consultant shall be at the Agency's sole risk. If the Agency uses or reuses the Documents & Data on any project other than this Project, it shall remove the Consultant's seal from the Documents & Data and indemnify and hold harmless Consultant and its officers, directors, agents and employees from claims arising out of the negligent use or re-use of the Documents & Data on such other project. Consultant shall be responsible and liable for its Documents & Data, pursuant to the terms of this Agreement, only with respect to the condition of the Documents & Data at the time they are provided to the Agency upon completion, suspension, abandonment or termination. Consultant shall not be responsible or liable for any revisions to the Documents & Data made by any party other than Consultant, a party for whom the Consultant is legally responsible or liable, or anyone approved by the Consultant.

3.5.4 Indemnification. Consultant shall defend, indemnify and hold the Agency, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by Agency of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.5.5 Confidentiality. All Documents & Data, either created by or provided to Consultant in connection with the performance of this Agreement, shall be held confidential by Consultant. All Documents & Data shall not, without the prior written consent of the Agency, be used or reproduced by the Consultant for any purposes other than the performance of the Services. Consultant shall not disclose, cause or facilitate the disclosure of the Documents & Data to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant that is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use the Agency's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of the Agency.

3.6 General Provisions.

3.6.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant:

A&N Technical Services, Inc.
Attn. T. Chesnutt, CEO
839 Second Street, Suite 5
Encinitas CA 92024-4452

Agency:

Desert Water Agency
1200 Gene Autry Trail South
Palm Springs, CA 92263
Attn: Melinda Weinrich

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.6.2 Indemnification.

3.6.2.1 Scope of Indemnity. To the fullest extent permitted by law, Consultant shall defend, indemnify and hold the Agency, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, to the extent caused by any willful or negligent acts, errors or omissions of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's Services, the Project or this Agreement, including without limitation the payment of expert witness fees and attorneys fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

3.6.2.2 Indemnity Obligations. Consultant shall defend, with Counsel of Agency's choosing and at Consultant's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section 3.6.2.1 that may be brought or instituted against Agency or its directors, officials, officers, employees, volunteers and agents to the extent such allegations are caused by Consultant's willful or negligent acts, errors or omissions. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against Agency or its directors, officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding. Consultant shall also reimburse the Agency for the cost of any settlement paid by Agency or its directors, officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. In the event the subject action alleges willful behavior or negligence on the part of Consultant and/or the Agency, or any third parties not under contract with Consultant, Consultant's obligations regarding the Agency's defense under this paragraph include only the reimbursement of the Agency's defense costs incurred to the extent of Consultant's negligence. Such reimbursement shall include payment for attorney's fees and costs, including expert witness fees. Consultant shall reimburse the Agency and its directors, officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the Agency, its directors, officials officers, employees, agents, or volunteers.

3.6.3 Governing Law; Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Consultant must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the Agency. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Consultant. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Consultant shall be barred from bringing and maintaining a valid lawsuit against the Agency.

3.6.4 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.6.5 Agency's Right to Employ Other Consultants. Agency reserves right to employ other consultants in connection with this Project.

3.6.6 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.6.7 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the Agency. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.6.8 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subconsultants of Consultant, except as otherwise specified in this Agreement. All references to Agency include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

3.6.9 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.6.10 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

3.6.11 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.6.12 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.6.13 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Consultant further agrees to file, or shall cause its employees or subconsultants to file, a Statement of Economic Interest with the Agency's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, Agency shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of Agency, during the term of his or her service with Agency, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.6.14 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.6.15 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.6.16 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.6.17 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6.18 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.


DESERT WATER AGENCY

By: _____
Mark Krause
General Manager

ATTEST:

Sylvia Baca
Executive Secretary

CONSULTANT

By: 

Signature

Thomas W. Chesnutt
Name (Print)

CEO
Title (Print)

By: _____
Signature

Name (Print)

Title (Print)

EXHIBIT “A” SCOPE OF SERVICES

1. Project Management
 - a. Coordination with implementing agency and CVRWMG staff
 - b. Monthly meeting or project management call
 - c. Schedule (periodic project status updates)
 - d. Monthly invoicing
 - i. Include monthly progress report when invoicing
2. Available Data
 - a. Rebate Participation
 - b. Water Billing and Consumption
 - c. Water Production
 - d. Water Purchase Costs
 - e. 2020 Coachella Valley Regional Urban Water Management Plan
3. Deliverables
 - a. Regional Water Conservation Study Decision-Support Tool
 - i. Quantify grass replacement water savings that accounts for local conditions and practices such as local evapotranspiration, soil types, and irrigation efficiency
 1. This water savings figure should not be influenced by other incentive program participation, weather, or general trends (drought restrictions, indoor conservation, passive conservation)
 - ii. For each CVRWMG agency, quantify the cost per acre-foot of water saved by grass replacement incentive programs with a matrix of incentive values ranging from \$1 to \$10 per square foot
 - iii. For each CVWRMG agency, calculate the return on investment for grass replacement incentive programs with a matrix of incentive values ranging from \$1 to \$10 per square foot
 - iv. Develop data on the rate at which grass replacement participants return to grass after installing a low water use landscape; identify any commonalities between properties that return to grass, if possible
 - v. For each CVRWMG agency, quantify the amount of grass remaining by sector (including golf) for future grass replacement conversions
 - vi. Compare and recommend technologies, program improvements, or approaches that could be integrated with or assist in monitoring the above
 - b. Optional tasks
 - i. Provide analysis on other variables that may inform water conservation program development

EXHIBIT “B”
SCHEDULE OF SERVICES



A & N Technical Services, Inc.

Schedule--CVRWMG Regional Water Conservation Study

	Aug				Sep				Oct				Nov				Dec				Jan				Feb				Mar				Apr				May				June				July			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Task 1. Project Management																																																
a. Meetings with CVRWMG staff and implementing agencies																																																
Kickoff Meeting, Draft Results, Draft Final																																																
b. Monthly project management/Scheduling/Invoicing w Monthly Report																																																
Task 2. Data Mining, Predictive Analytics, Visualization Tool																																																
a. Data Mining																																																
b. Predictive Analytics																																																
c. Visualization Tool																																																
Task 3. Report																																																
a. Implementation Plan																																																
b. Communications Plan																																																
c. CVRWMG Regional Water Conservation Study Draft, Final Reports																																																
Draft Report--In person CVRWMG meeting																																																
Draft Final Report--In person CVRWMG meeting																																																
Final Report																																																

**EXHIBIT “C”
COMPENSATION**

	CONSULTANT HOURS										Total Hours	Total Subtask \$	Total Part \$
	A&N Technical Services, Inc.					CADC	MEA	Dickinson Assoc.					
	Tom Chesnutt	David Pelethey	Dana Holt	Research Associate	Chris Tull/Kim O'Callin/Staff	Maureen Erbeznik	Mary Ann Dickinson						
Task 1. Project Management	Fee Schedule (Hourly Rates per individual)	\$250	\$190	\$150	\$55	\$150	\$150	\$150					
a. Meetings with CVRWG staff and implementing agencies		18	8	4	4	18	8	8	68	\$11,940			
b. Monthly project management/Scheduling/Invoicing w/ Monthly Report		22	-	30	24	12	4	4	96	\$14,320	\$26,260		
Task 2. Data Mining, Predictive Analytics, Visualization Tool													
a. Data Mining		17	44	16	52	72	44	8	253	\$36,470			
b. Predictive Analytics		44	12	8	32	32			128	\$21,040			
c. Visualization Tool		32	52	8	24	46			162	\$27,300	\$44,950		
Task 3. Report													
a. Implementation Plan		8	-	-		8	56		72	\$11,600			
b. Communications Plan		4	-	-		4		32	40	\$6,400			
c. CVRWG Regional Water Conservation Study Draft, Final Reports		32	16	24	8	16	4	4	104	\$18,680	\$36,680		
Study Expansion Opportunities)													
TBD													
Miscellaneous Costs: If applicable													
Direct Travel Costs (calculation below)													
Total Hours		177	132	90	144	208	116	56	923				
Billing Rate		\$250	\$190	\$150	\$55	\$150	\$150	\$150					
Labor Cost		\$44,250	\$25,080	\$13,500	\$7,920	\$31,200	\$17,400	\$8,400		\$147,750			
Expenses													
Travel: Number of Trips for In-Person Meetings		3				2	4	2					
Cost per Trip		\$200				\$200	\$200	\$200					
Travel expenses		\$600				\$400	\$800	\$400		\$2,200			
Total Budget											\$149,950		

GENERAL MANAGER'S REPORT July 18, 2023

DWR Funds Regional AMI Program with \$375,000 to DWA Fixed Network

The California Department of Water Resources (DWR) awarded \$2.375 million dollars to the Regional Meter Replacement Project under the Urban Community Drought Relief Grant Program. The Desert Water Agency (DWA) and Indio Water Authority (IWA) will be receiving funding for this regional project. DWA will be receiving \$375,000 in grant funding and will be responsible for \$125,000 in cost share.

Indio Water Authority (IWA) is the lead project sponsor on the regional meter replacement project. The local agencies expect to use CVRWMG's consultant, Woodard & Curran, to perform some or all of the grant administration.

DWA will use funds to construct the fixed network component of its Automated Metering Infrastructure (AMI) Conversion project.

The Coachella Valley agencies will begin contracting with DWR and ultimately submit requests for reimbursement.

Whitewater Hydro Generation Update

As part of the State Water Project (SWP) deliveries, water is being diverted through the Whitewater Hydro Plant. The following is a summary of the plant's electrical generation and Southern California Edison (SCE) settlement payments:

April – The plant generated approximately 310,000 kWh of electricity, with a Southern California Edison (SCE) settlement payment of \$27,415.

May - The plant generated approximately 492,230 kWh of electricity, with a Southern California Edison (SCE) settlement payment of \$43,446.

June - The plant generated approximately 672,300 kWh of electricity, with a Southern California Edison (SCE) settlement payment of \$62,788.

To date in 2023, the Southern California Edison (SCE) settlement total is \$133,649, split between Desert Water Agency (DWA) and Coachella Valley Water District (CVWD).

We anticipate diverting water through the generate for most of the year.

July 25, 2023 Special Joint DWA & MSWD Board Meeting

The time and place for the Special Joint Meeting between Mission Springs Water District and Desert Water Agency has been agreed upon by the water agencies.

The meeting will start at 8 a.m. on July 25, 2023 at DWA's Mission Creek Recharge Facilities. Staff is currently planning the logistics for the meeting to accommodate the Board Members, staff, and the public.

The Board Meeting will include discussion of the facility construction, operation, and the historical and current water deliveries to the facility.

Desert Water Agency Awarded 2023 Wellness Grant

AWCA JPIA has awarded Desert Water Agency a Wellness Grant in the amount of \$2,000 to be spent in this fiscal year.

Human Resource's Meetings and Activities

Meetings:

06/20/2023	DWA Board Meeting	DWA Offices
06/26/2023	Engineering/Operations Staff Meeting	DWA Offices
06/28/2023	Prop 218 Meeting	DWA Offices
07/05/2023	DWA Board Meeting	DWA Offices
07/10/2023	DWA Staff Meeting	DWA Offices
07/17/2023	DWA Staff Meeting	DWA Offices

Activities:

06/20/2023	Conducted New Intern Orientation	DWA Offices
06/21/2023	Webinar: Building Bridges: Unleashing the Power of Diversity, Equity, Inclusion, Accessibility, and Belonging	Virtual Meeting
06/22/2023	Webinar: Authenticity at Work with Robin Roberts	Virtual Meeting
06/29/2023	DWA Safety Meetings	DWA Offices
06/29/2023	UCR Women in Leadership Advisory Meeting	Virtual Meeting
07/06/2023	CPR/First Aid Training	DWA Offices
07/12/2023	United Way Campaign Celebration for DWA Staff	DWA Offices
07/13/2023	CalPERS Training	Virtual Meeting
07/13/2023	Webinar: Grappling with Addiction Issues in the Workplace	Virtual Meeting

SYSTEM LEAK DATA					
(PERIOD BEGINNING JUNE 27, 2023 THRU JULY 10, 2023)					
STREET NAME	NUMBER OF LEAKS	PIPE DIAMETER (INCHES)	YEAR INSTALLED	PIPE MATERIAL	PIPE CONSTRUCTION
VIA VAQUERO RD	31	4	1958	10GA	UL
RAMON RD	6	12	1956	10GA	UL
CALLE MARCUS	3	4	1945	STL	UL
VIA MONTE VISTA	2	8	1953	STL	UL
ANDREAS RD	2	6	1958	10GA	UL
JACINTO ESTATES: ROSETA, GRACIA	2	4	1946	STL	UL
INDIAN CANYON DR	2	6	1951	10GA	UL
DESERT PARK AVE	1	6	1955	10GA	UL
SAHARA RD	1	4	1955	10GA	UL
SANDRA RD	1	4	1955	10GA	UL
SHARON RD	1	4	1955	10GA	UL
RACQUET CLUB RD	1	10	1962	12GA	CML
RACQUET CLUB RD	1	6	1958	10GA	UL
ARQUILLA RD	1	4	1950	10GA	UL
MCMANUS DR	1	4	1946	12GA	UL
PARK DR	1	4	1946	12GA	UL
COMPADRE RD	1	6	1958	10GA	UL
WARM SANDS DR	1	4	1946	12GA	UL
WARM SANDS PL	1	4	1946	12GA	UL
CAMINO PAROCOLA	1	6	1951	10GA	UL
PALM CANYON DR S	1	10	1938	10GA	UL
RIVERSIDE DR N	1	4	1948	11GA	UL
MANZANITA DR	1	4	1952	10GA	UL
LA VERNE WY	1	10	1964	10GA	CML
CAMINO SAN SIMEON	1	4	1946	10GA	UL
PALM CANYON DR E (SOUTH SIDE)	1	6	1955	10GA	UL
TOTAL LEAKS IN SYSTEM:		67			

Streets highlighted in green are included as part of the

2020/2021 Replacement Pipeline Project

Streets highlighted in blue are being proposed as part of the

2021/2022 Replacement Pipeline Project

Streets highlighted in salmon are being proposed as part of the

2022/2023 Replacement Pipeline Project

SYSTEM INFORMATION:	
OLDEST PIPE IN THE SYSTEM (YEAR OF INSTALLATION):	1935
AVERAGE YEAR OF INSTALLATION OF UNLINED STEEL PIPE (SYSTEMWIDE):	1952
AVERAGE AGE OF UNLINED STEEL PIPE (SYSTEMWIDE):	66 YEARS
AVERAGE AGE OF PIPELINE AT THE TIME OF REPLACEMENT:	68 YEARS
TOTAL LENGTH OF PIPE IN SYSTEM OLDER THAN 70 YEARS (LINEAR FEET):	117,721
TOTAL LENGTH OF UNLINED PIPE SYSTEMWIDE (LINEAR FEET):	297,672
*AVERAGE LENGTH OF PIPE REPLACED ANNUALLY (LINEAR FEET):	15,000
PROJECTED TIME FRAME FOR 100% REPLACEMENT OF UNLINED STEEL PIPE:	16 YEARS
PROJECTED TIME FRAME FOR 100% REPLACEMENT OF PIPE OLDER THAN 70 YEARS:	9 YEARS
YEAR AGENCY TRANSITIONED TO CEMENT LINED STEEL PIPE:	1960
<p>*PLEASE NOTE THIS FIGURE REPRESENTS THE AVERAGE LINEAR FOOTAGE OF PIPELINE REPLACED ANNUALLY GIVEN AN AVERAGE ANNUAL BUDGET OF \$3 MILLION.</p>	

SYSTEM LEAKS

(PERIOD BEGINNING JUNE 27,
2023 THRU JULY 10, 2023)

2021/2022 REPLACEMENT PIPELINES - ANDREAS RD

2021/2022 REPLACEMENT PIPELINES - COMPADRE RD, VIA VAQUERO RD

2021/2022 REPLACEMENT PIPELINES - CAMINO SAN SIMEÓN

Google Earth

2 mi



General Manager's Meetings and Activities

Meetings:

07/03/23	Vacation 07/03/-07/07	N.A.
07/03/23	DWA Bi-Monthly IT Status Update (Johnson)	DWA
07/04/23	DWA July 4 th Holiday	N.A.
07/05/23	DWA Bi-Monthly Board Meeting (Johnson)	DWA
07/05/23	Intro Meeting with VertexOne (Johnson)	Conf Call
07/05/23	Meeting With Snow Creek Security (Johnson)	DWA
07/06/23	SWC DCP Coordination Meeting (Johnson)	Conf Call
07/06/23	DWA/ESRI – Advanced Planning/Implementation Planning	DWA
07/10/23	DWA Legislative Update Meeting	Conf Call
07/10/23	DWA Weekly Staff Meetings	DWA
07/10/23	DWA/MWD Water Delivery Coordination	Conf Call
07/10/23	DWA Outreach Palm Spring Life Magazine	Conf Call
07/11/23	DWA/DCP Communications	Conf Call
07/11/23	DWA/Todd Groundwater Chom-6 Discussion	Conf Call
07/12/23	DWA CPR and First Aid Training	DWA
07/12/23	DWA/CPS Management Meeting	City Hall
07/13/23	DWA Executive Committee Meeting	DWA
07/13/23	DWA/MSWD Joint Meeting 7/25 Planning	DWA
07/13/23	DWA/Fox Whitewater Diversion Property Meeting	DWA
07/14/23	Sites Joint Budget & Finance Committee Meeting	Conf Call
07/17/23	SWC Class 8 Meeting	SBVMWD
07/17/23	DWA/CVWD/MWD Coordination Meeting	Conf Call
07/17/23	DWA Weekly Staff Meeting	DWA
07/17/23	DWA Weekly Legislative Update	Conf Call
07/18/23	Sites Project Meeting with Attorneys	Conf Call
07/18/23	Statewide Airborne Electromagnetic Survey Project	Conf Call
07/18/23	DWA Bi-Monthly Board Meeting	DWA

Activities:

- 1) DWA Rate Study
- 2) DWA Surface Water Rights
- 3) Water Supply Planning – DWA Area of Benefit
- 4) Sites Reservoir Finance
- 5) DCP Financing
- 6) Lake Perris Seepage Recovery Project Financing
- 7) Recycled Water Supply - Strategic Planning
- 8) AQMD Rule 1196
- 9) DWA Digital Transformation Project
- 10) DWA Organizational Restructuring
- 11) DWA Tax Rate Analysis
- 12) Palm Springs Aerial Tramway Water Supply 2023
- 13) SWP Contract Extension Amendment
- 14) DWA Remote Meter Reading Fixed Network
- 15) State and Federal Contractors Water Authority and Delta Specific Project Committee (Standing)

Activities

(Cont.)

- 16) Whitewater River Surface Water Recharge
- 17) Replacement Pipelines 2021-2022
- 18) DC Project – Finance JPA Committee (Standing)
- 19) DWA/CVWD/MWD Operations Coordination/Article 21/Pool A/Pool B/Yuba Water (Standing)
- 20) DWA/CVWD/MWD Exchange Agreement Coordination Committee (Standing)
- 21) SWP 2023 Water Supply
- 22) ACBCI Water Rights Lawsuit
- 23) Whitewater Hydro Operations Coordination with Recharge Basin O&M
- 24) Whitewater Spreading Basins – BLM Permits
- 25) Delta Conveyance Project Cost Allocation
- 26) MCSB Delivery Updates
- 27) Well 6 Meaders Cleaners RWQB Meetings
- 28) SWP East Branch Enlargement Cost Allocation
- 29) RWQCB Update to the SNMP