



DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS, LOS ANGELES DISTRICT
915 WILSHIRE BOULEVARD, SUITE 930
LOS ANGELES, CALIFORNIA 90017-3489

CESPL-ZA

25 JANUARY 2019

MEMORANDUM FOR RECORD

SUBJECT: Amendment No. 8 of the Design Agreement between the Department of the Army and Mission Springs Water District for Design Assistance for the City of Desert Hot Springs Wastewater Collecting System Design, in Riverside, California.

1. Reference

a. Water Resources Development Act of 1992, Public Law 102-580, Section 219, as amended.

b. CESPD Memorandum dated October 21, 2010, Subject: Approval of Model Agreements and Delegation of Approval and Execution Authority for Agreements for the Section 219 of the Water Resources Development Act of 1992, as amended, Environmental Assistance Program.

c. Design Agreement between the Department of the Army and Mission Springs Water District for the City of Desert Hot Springs Wastewater Collecting System, dated 13 June 2003.

- d. Amendment No. 1 to Design Agreement, dated 11 April 2004.
Amendment No. 2 to Design Agreement, dated 20 April 2005.
Amendment No. 3 to Design Agreement, dated 10 July 2006.
Amendment No. 4 to Design Agreement, dated 23 July 2007
Amendment No. 5 to Design Agreement, dated 8 September 2008.
Amendment No. 6 to Design Agreement, dated 11 August 2009.
Amendment No. 7 to Design Agreement, dated 21 July 2010.

CESPL-DE

SUBJECT: Amendment No. 8 of the Design Agreement between the Department of the Army and Mission Springs Water District for Design Assistance for the City of Desert Hot Springs Wastewater Collecting System Design, in Riverside, California.

2. I have reviewed the attached Amendment No. 8 of the Design Agreement (reference d). Office of Counsel has certified that the Design Agreement and Amendments No. 1,2,3,4,5,6,7, and 8 to the Design Agreement have been prepared in accordance with reference c. Approval of Section 219 Design Agreements which conform to the model is delegated to the District level, as indicated in reference b. Amendment No. 8 is approved for the review and signature of Eastern Municipal Water District (the non-federal sponsor).

Encls



AARON C. BARTA
Colonel, EN
Commanding



DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS, LOS ANGELES DISTRICT
915 WILSHIRE BOULEVARD, SUITE 930
LOS ANGELES, CALIFORNIA 90017-3489

January 25, 2019

Mr. Arden Wallum
General Manager
Mission Springs Water District
66575 Second Street
Desert Hot Springs, CA 92240

Dear Mr. Wallum:

Enclosed with this letter are three unsigned copies of Amendment No. 8 to the Design Agreement for Wastewater Collection System Project, Desert Hot Springs, California and Certification of Authority and Certification Regarding Lobbying forms for your agency's signature. Also enclosed is a copy of the original Design Agreement signed in 2003 with Amendments 1, 2, 3, 4, 5, 6 and 7. Please return the signed copies of Amendment No. 8 and certificates. Upon our receipt, Amendment No. 8 will be executed by our Commander, and a signed copy will be mailed to you.

The Federal allocation of funds in Federal Fiscal Year 2018 is \$1,200,000, which brings the total Federal funds for the design of the project to \$3,040,000. The additional Non-Federal cash contribution that will be required per the enclosed Design Agreement Amendment will be \$400,000. We will request Non-Federal Funding under a separate letter, subsequent to execution of the Amendment.

Should you have any questions, please feel free to contact Mr. Se-Yao Hsu, Project Manager, at (213) 452-4016, or via email at se-yao.hsu@usace.army.mil.

Sincerely,

A large black rectangular box redacting the signature of David M. Van Dorpe.

Encls

David M. Van Dorpe, P.E., PMP
Deputy District Engineer
for Project Management

[REDACTED]

VAN DORPE
CESPL-PM

[REDACTED]

FORD
CESPL-PM

1/29/19

[REDACTED]

[REDACTED]

MINCH
CESPL-OC

1/24/19

[REDACTED]

EGGERS
CESPL-OC

1/24/19

[REDACTED]

BUXTON
CESPL-PM-C

FOR 8/30/18

[REDACTED]

HSU
CESPL-PM-C

8/30

CERTIFICATION OF LEGAL REVIEW

The USACE Los Angeles District Office of Counsel has fully reviewed the Amendment No. 8 of the Design Agreement between the Department of the Army and Mission Springs Water District for the Design of the Wastewater Collection System of the City of Desert Hot Springs, California (Design Agreement). The Design Agreement was executed on June 13, 2003. Amendment No. 8 to the Design Agreement documents additional design work, a design cost increase, and extension of the design period.



Lawrence N. Minch
District Counsel

1/24/2019
Date

**NON-FEDERAL SPONSOR'S
SELF-CERTIFICATION OF FINANCIAL CAPABILITY
FOR AGREEMENTS**

I, Matthew McCue, do hereby certify that I am the Chief Financial Officer of the Mission Springs Water District (the "Non-Federal Sponsor"); that I am aware of the financial obligations of the Non-Federal Sponsor for the City of Desert Hot Springs Wastewater Collecting System Project; and that the Non-Federal Sponsor has the financial capability to satisfy the Non-Federal Sponsor's obligations under the City of Desert Hot Springs Wastewater Collecting System Design Agreement, as amended by Amendment No. 8.

IN WITNESS WHEREOF, I have made and executed this certification this 23rd day of January, 2019.

BY:



Matthew McCue

TITLE:

Director of Administrative Services,
Mission Springs Water District

DATE:

1/23/19

**AMENDMENT NO. 8
TO
AGREEMENT
BETWEEN THE DEPARTMENT OF THE ARMY
AND
MISSION SPRINGS WATER DISTRICT
FOR THE
CITY OF DESERT HOT SPRINGS
WASTEWATER COLLECTING SYSTEM DESIGN**

THIS AMENDMENT NO. 8 is entered into this 26th day of February, 2019, by and between the Department of the Army (hereinafter the "Government"), represented by the District Engineer, U.S. Army Corps of Engineers, Los Angeles District (hereinafter the "District Engineer"), and the Mission Springs Water District (hereinafter the "Sponsor"), represented by its General Manager.

WITNESSETH, THAT:

WHEREAS, the Government and the Sponsor entered into a Design Agreement (hereinafter the "Agreement") on the 13th day of June, 2003, for the design of the City of Desert Hot Springs Wastewater Collecting System (hereinafter the "Project"), pursuant to the authority of Section 219(c) of the Water Resources Development Act of 1992, as amended;

WHEREAS, the Government and the Sponsor amended the Agreement on April 11, 2004 (Amendment No. 1), to increase the scope of work and increase the estimated design cost by \$173,333;

WHEREAS, the Government and the Sponsor amended the Agreement on April 20, 2005 (Amendment No. 2), to increase the scope of work and increase the estimated design cost by \$210,666;

WHEREAS, the Government and the Sponsor amended the Agreement on July 10, 2006 (Amendment No. 3), to increase the scope of work and increase the estimated design cost by \$264,000;

WHEREAS, the Government and the Sponsor amended the Agreement on July 23, 2007 (Amendment No. 4), to increase the scope of work and increase the estimated design cost by \$67,000;

WHEREAS, the Government and the Sponsor amended the Agreement on September 8, 2008 (Amendment No. 5), to increase the scope of work and increase the estimated design cost by \$780,000;

WHEREAS, the Government and the Sponsor amended the Agreement on August 11, 2009 (Amendment No. 6), to increase the scope of work and increase the estimated design cost by \$637,333;

WHEREAS, the Government and the Sponsor amended the Agreement on July 21, 2010 (Amendment No. 7), to increase the scope of work and increase the estimated design cost by \$133,333; and

WHEREAS, the Project received an additional \$1,200,000 in Federal funding under the Fiscal Year 2018 work plan; and

WHEREAS, the Government and the Sponsor desire to amend the Agreement to include design and environmental compliance processing of the Groundwater Quality Protection Program Areas A and G Wastewater Collection Systems, additional design elements of the Project;

NOW, THEREFORE, the parties hereby agree to amend the Agreement as follows:

1. The second sentence of Paragraph a. of ARTICLE II – OBLIGATIONS OF THE PARTIES, is amended to read as follows:

“The design is currently estimated to be completed in twelve (12) months from the effective date of this Amendment No. 8 to the Agreement, substantially in compliance with Article III herein, and in conformity with applicable Federal and State laws and regulations.”

2. Paragraph b. of ARTICLE II – OBLIGATIONS OF THE PARTIES shall be replaced entirely with the following paragraph:

“b. As of the effective date of this Amendment No. 8 to the Agreement, the total Design Cost is projected to be \$4,047,000. The Government shall contribute seventy-five (75) percent of the total Design Cost and the Sponsor shall contribute, in cash, twenty-five (25) percent of the total Design Cost.”

3. The first paragraph of ARTICLE III – SCOPE OF WORK, shall be replaced entirely with the following paragraph:

“The following tasks are required to complete the City of Desert Hot Springs Wastewater Collecting System Design: design and environmental compliance processing of the Groundwater Quality Protection Program Areas A and G Wastewater Collection Systems, as included in the general scope of work provided in Appendix A.”

4. Paragraph a. of ARTICLE IV – METHOD OF PAYMENT, shall be replaced entirely with the following paragraph:

“The Sponsor shall provide, during the design period, cash payments required to meet the Sponsor’s obligations under Article II of this Agreement. The total Design Cost is currently estimated to be \$4,047,000 and the Sponsor’s share of the Design Cost is currently estimated to be \$1,007,000. In order to meet the Sponsor’s cash payment requirements, the Sponsor must provide a cash contribution estimated to be \$400,000. The dollar amounts set forth in this Article are based upon the Government’s best estimates, which will reflect projected costs, price level changes, and anticipated inflation. Such cost estimates are subject to adjustments based on costs actually incurred and are not to be construed as the total financial responsibilities of the Government and the Sponsor.”

5. All other terms and conditions of the Agreement remain unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 8, which shall become effective upon the date it is signed by the District Engineer.

DEPARTMENT OF THE ARMY

BY: 

Aaron C. Barta, PMP
Colonel, U.S. Army
Commander and District Engineer

DATE: 2/26/19

MISSION SPRINGS WATER DISTRICT

BY: 

Arden Wallum
General Manager
Mission Springs Water District

DATE: 2/11/19

Attachment:
Appendix A – Scope of Work

CERTIFICATE OF AUTHORITY

I, John Pinkney, do hereby certify that I am the principal legal officer for the Mission Springs Water District, that the Mission Springs Water District is a legally constituted public body with full authority and legal capability to perform the terms of the Amendment No. 8 to the Design Agreement between the Department of the Army and the Mission Springs Water District in connection with the City of Desert Hot Springs Wastewater Collecting System Project, and to pay damages, if necessary, in the event of the failure to perform in accordance with the terms of this Amendment, as required by Section 221 of Public Law 91-611, as amended (42 U.S.C. 1962d-5b), and that the person who executed this Amendment on behalf of the Mission Springs Water District acted within his statutory authority.

IN WITNESS WHEREOF, I have made and executed this certification this

11th day of Feb. 2019.


John Pinkney
District Legal Counsel
Mission Springs Water District

CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.


Arden Wallum
General Manager
Mission Springs Water District

DATE: _____

2/11/19

**Mission Springs Water District
Groundwater Quality Protection Program
Areas A and G Wastewater Collection System Project**

**Request for Funding Amendment to Army Civil Works Program FY 2018 Work Plan
for
Desert Hot Springs, California**

Mission Springs Water District's (MSWD) mission is to provide, protect and preserve our most valuable resource, water. This focus includes identifying and addressing threats to water quality. In a 1996 study, MSWD determined that the migration of wastewater discharged from high densities of septic tanks continues to threaten regional groundwater quality.¹ Additionally, the study recommends the abatement of these individual wastewater disposal systems.

In response, the MSWD initiated the Groundwater Quality Protection Program (GQPP). The program involves constructing municipal wastewater collection and treatment systems that will eliminate individual septic systems that overlie the Mission Creek and Desert Hot Springs aquifers.

Since 2002, MSWD has completed collection systems for GQPP Sub-areas B, C, E, L, M1, F, D1, D2, and J1. This GQPP has made centralized wastewater treatment available to nearly 5,000 parcels. MSWD is in the process of forming new financing districts to continue to provide local match funding for state and federal funding programs to complete construction of the collection system for the remaining GQPP Sub-areas: D3, J2, M2, A, H, I, G, and K. These remaining GQPP Areas will provide sewer service to over 3,200 parcels. The GQPP will:

1. **Abate septic systems that overlie the sole-source of domestic water for the region.** – MSWD's domestic groundwater basin has received recognition for its water quality in international tasting competition. Studies of our water supply indicate that the high quality water is at risk. Threats associated with septic systems impact both drinking water supplies and the hot mineral water that is the foundation of the local economy.
2. **Enhance water conservation through reuse in response to current drought conditions** – California, in particular the Coachella Valley, continues to experience historic drought conditions. In response, enhanced reuse is a vital component to continue to deliver reliable water supplies. The elimination of septic tanks over the Desert Hot Springs Subbasin will generate additional reuse water supplies reducing the region's dependence on imported water.
3. **Secure a severely disadvantaged community against negative economic impact** – The GQPP will provide wastewater service to severely disadvantage communities. Continued degradation of groundwater quality will soon require

¹ Transport of Contaminates from Wastewater Disposal Systems near Mission Creek Sub Basin, Desert Hot Springs, CA, United States Geological Survey (USGS) and Michigan Technological University, 1996

advanced water supply treatment. If that occurs, both capital and operational costs are anticipated to be substantial. According to the US EPA, the cost of preventing contamination is as much as 100 times less than the cost to cleanup contamination. The project will redirect septic wastewater for treatment in an environmentally friendly manner for beneficial uses.

4. **Improve regional collaboration by creating reuse opportunities** – The Mission Creek/Garnet Hill Water Management Plan (WMP), dated January 2013, was a multi-agency collaboration between the region's water agencies: MSWD, Coachella Valley Water District, and Desert Water Agency. The WMP identifies septic remediation as an essential component to water supply sustainability and water quality protection in the Mission Creek and Garnet Hill Subbasins.

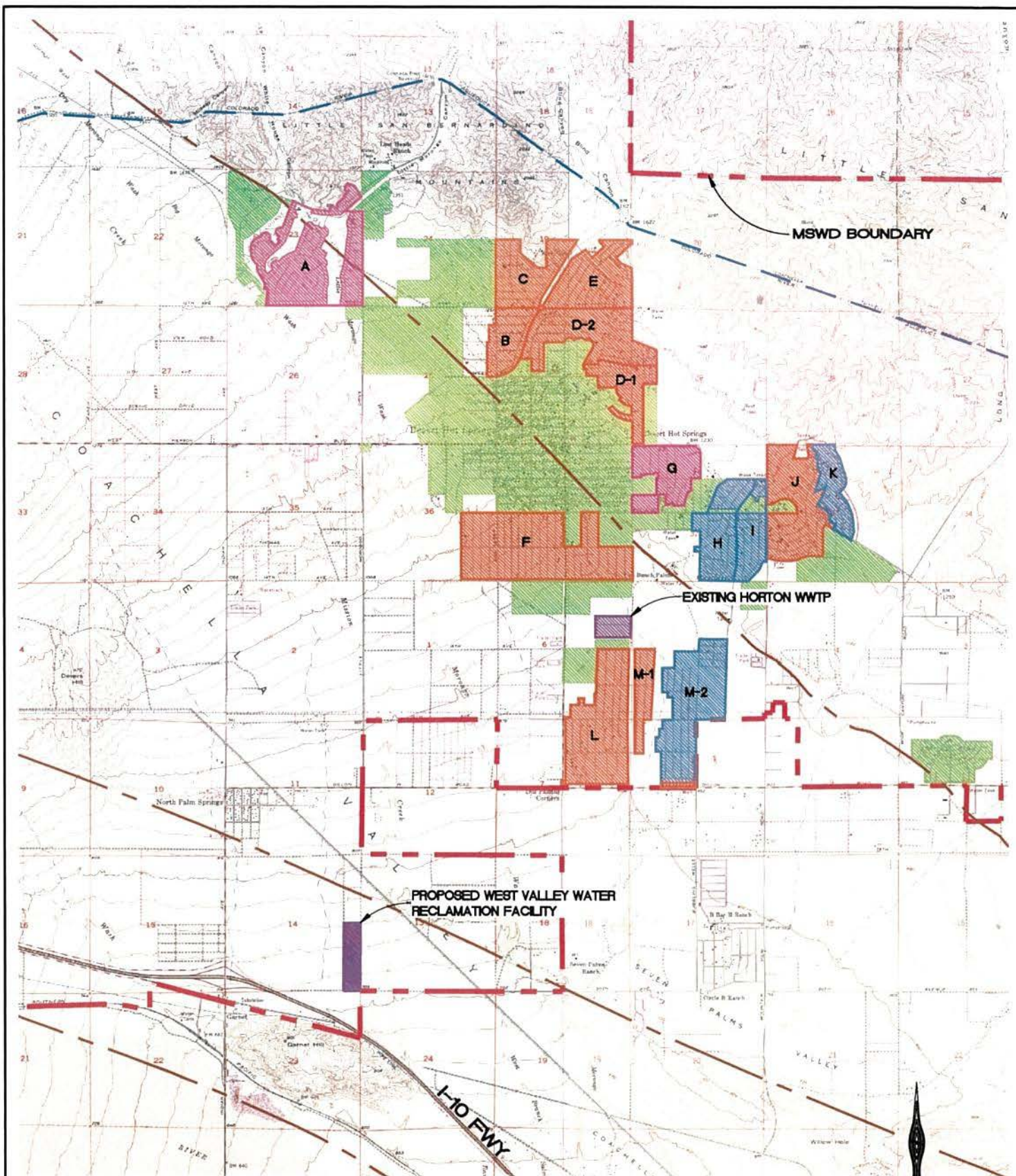
MSWD has successfully worked with the US Army Corps of Engineers over the past decade to implement its GQPP. For the 2018 Section 219 Workplan, MSWD received \$1.2 million allocation for construction of the wastewater collection system in Area D3. However, MSWD has revisited its GQPP strategy and determined that the above-named project does not meet an essential and time sensitive priority objective that is needed to move the overall project, as authorized in the 2007 WRDA, advantageously forward. Therefore, MSWD hereby requests a funding amendment for its 2018 appropriation for design and environmental compliance processing of GQPP Areas A and G Wastewater Collection Systems. The project cost is approximately \$1.6 million and local match funding of \$0.4 million is in place. The completion of GQPP Areas A and G design will enable MSWD that have a "shovel-ready" project in place and better compete for construction funding through forthcoming state grant opportunities and subsequent Section 219 Work Plans.

The GQPP Areas A and G Wastewater Collection System Project consists of the following:

1. **Sewer Conversion for 1,075 Parcels** – Convert 1,075 parcels from Septic to Sewer. Each single-family residence property will be connected to the sewer system via 4" diameter VCP.
2. **Sewer Collection System** – Install a sewer collection system consisting of approximately 12.2 miles of sewers. The sewer collection system will be comprised of 8" diameter and greater VCP.
3. **Connect to Existing Sewer Collection System** – Connect Areas A and G to the existing sewer collection system for treatment at the Horton Wastewater Treatment Plant.

MSWD will complete the design of GQPP Areas A and G within 12-months of USACE authorization to begin work.

Attachments: Project area map (PDF)



LEGEND:

- MSWD SERVICE AREA
- FAULT LINES
- SEWERED AREAS (3,546 ACRES)
- PROPOSED GQPP PROJECTS
- GQPP PROJECTS AWAITING DESIGN AND/OR CONSTRUCTION
- COMPLETED GQPP PROJECTS



TKE ENGINEERING, INC.
2305 CHICAGO AVENUE
RIVERSIDE, CA 92507
(951) 680-0440
FAX: (951) 680-0490

MISSION SPRINGS WATER DISTRICT

ATTACHMENT 1
GQPP OVERVIEW

DESIGN AGREEMENT CHECKLIST

I. GENERAL INFORMATION:

a. Name of Project: CITY OF DESERT HOT SPRINGS
WASTEWATER COLLECTING SYSTEM

b. Name of Separable Element: Design and environmental compliance processing of the Groundwater Quality Protection Program Areas A and G Wastewater Collection Systems

c. Project/Separable Element Purpose(s): Design and Environmental Compliance in support of Upgrade to Wastewater Collection System.

d. Non-Federal Sponsor(s): Mission Springs Water District

e. Agreement addresses design for (check all that apply):

- ☒ Authorized Project or Separable Element of an authorized project
- ☐ Unauthorized Project or Separable Element of an unauthorized project
- ☐ NED Plan recommended in Feasibility Report
- ☐ Federally Supportable Plan recommended in Feasibility Report (NED Plan exception)
- ☐ Locally Preferred Plan
- ☐ Betterments
- ☐ Other (Describe)

f. Initial funding for design: Budgeted \$1,200,000 Congressional Add

g. Scheduled or actual date for Division Engineer's Public Notice: N/A

h. Scheduled date for execution of Design Agreement Amendment #8: 28 Feb 2019

I. Scheduled FY of Construction Start (budgeted projects only): N/A

j. Project Management Plan (PMP) and, if applicable, Project Study Plan (PSP) approval date(s): N/A

II. COST SHARING SUMMARY:

Total Design Cost	Non-Federal (25%) Share	Federal (75%) Share
<u>\$1,600,000</u>	<u>\$400,000</u>	<u>\$1,200,000</u>

a. Describe source of Sponsor's funds: State Grant

b. Does the Sponsor have the funds in hand? x Yes ___ No. If no, describe the status of the Sponsor's efforts to obtain the funds: _____

c. Source, amount, and date of authorizing statute to use other Federal Agency funds (Attach verifying letter from granting Agency) : N/A

d. Attach current Federal/Non-Federal Allocation of Funds Table using format attached.

e. Attach letter of intent from Sponsor indicating capability and willingness to provide funds for design work in a timely manner.

III. FUNDING HISTORY

General Investigations (PED) or Construction, General (CG) Funds History for Project/Separable Element:

Fiscal Year	Federal Allocation	Non-Federal Contribution	Total
	\$3,040,000	\$1,006,666	4,046,666
2003	\$136,000	\$45,333	\$181,333
2004	\$130,000	\$43,000	\$173,333
2005	\$158,000	\$52,666	\$210,666
2006	\$198,000	\$66,000	\$264,000
2007	\$50,000	\$17,000	\$67,000
2008	\$590,000	\$190,001	\$780,001
2009	\$478,000	\$159,333	\$637,333
2010	\$100,000	\$33,333	\$133,333
2018	\$1,200,000	\$400,000	\$1,600,000
Percentage:	75.00%	25.00%	

IV. SPECIAL CONDITIONS

a. Is a sub-agreement required for Sponsor to perform: ___ Yes x No. If yes, describe the sub-agreement and how it relates to the Sponsor's requirements under

the Design Agreement.

b. If applicable, describe the allocation of costs among the multiple Sponsors.

c. If applicable, list and provide cost estimates for design of betterments to be funded by the Sponsor.

V. REVIEW BY NON-FEDERAL SPONSOR AND THE SPONSOR'S COUNSEL:

a. Does the Sponsor concur in the Design Agreement, as submitted? ☒ Yes ☐ No

b. Has the Design Agreement, as submitted, including the Certificate of Authority, been reviewed by the Sponsor's counsel? ☒ Yes ☐ No

VI. REVIEW BY DISTRICT COUNSEL:

Has the District Counsel reviewed and approved the Design Agreement for legal sufficiency? ☒ Yes (Certification attached) ☐ No

VII. CERTIFICATION FOR DELEGATED DESIGN AGREEMENTS: YOU MUST ANSWER "YES" OR "N/A" TO ALL OF THE FOLLOWING TO SIGN THE DESIGN AGREEMENT UNDER DELEGATED AUTHORITY.

a. DESIGN PHASE

If there were any instances in the Project Guidance Memorandum or Documentation of Review Findings for the Feasibility Report that recommended certain tasks, normally completed during the feasibility phase, be accomplished during the design phase, have these deferred tasks been included in the PMP and cost estimate shown in the Design Agreement? ☐ Yes ☐ No ☒ N/A

If the feasibility report did not contain sufficient engineering detail in the engineering appendix to proceed directly to plans and specifications, has preparation of a Design Memorandum been included in the PMP and costs estimate shown in the Design Agreement? ☐ Yes ☐ No ☒ N/A

If the feasibility report did contain sufficient engineering detail in the engineering appendix to proceed directly to plans and specifications, has the MSC Engineering Division approval been given? ☐ Yes ☐ No ☒ N/A

If a decision document, sufficient to support a PCA, has not been prepared, is preparation of such a decision document included in the PMP as the first major output and have the costs of preparing this decision document been included in the

cost estimate shown in the Design Agreement? ☐ Yes ☐ No ☒ N/A

Are all tasks necessary to be performed during the design of the Project, (i.e. value engineering studies, ship simulation, coastal processes modeling, geotechnical investigations, HTRW investigations, identification, survey, and evaluation of historic properties, environmental compliance, economic updates, and finalization of real estate requirements) addressed in the PMP and cost estimate shown in the Design Agreement? ☒ Yes ☐ No

b. FUNDING

If PED or CG funds were added by Congress, has guidance been furnished by HQUSACE regarding the scope of the design effort? ☐ Yes ☒ No ☐ N/A

Does the Design Agreement comply with HQUSACE Congressional Add guidance, if any? ☐ Yes ☐ No ☒ N/A. If no, explain why proposed agreement is being processed. No Congressional Add guidance exists for the project.

c. FINANCING PLAN

Has the Project Manager certified that the Sponsor has the funds to pay the non-Federal share of total design costs as required by the Design Agreement? ☒ Yes ☐ No

d. DESIGN AGREEMENT

Is the Design Agreement in accordance with the model Design Agreement? ☒ Yes ☐ No If No, see Section VIII.

VIII. DESIGN AGREEMENT NOT DELEGATED FOR APPROVAL: DESIGN AGREEMENT MUST BE SUBMITTED TO HQUSACE FOR ASA(CW) APPROVAL WHEN ANY OF THE FOLLOWING APPLY:

- a. The Design Agreement includes deviations from the model Design Agreement. A list of deviations and an explanation of why each is required will be provided with the submittal.
- b. The Design Agreement includes design of any deviation from the authorized project or the project recommended in the Feasibility Report, other than betterments. A description of the deviations and an explanation of why each is required will be provided with the submittal.

IX. AUTHENTICATION:

[Redacted Signature]

**Dr. Se-Yao Hsu, P.E., P.M.P.
Project Manager**

Date: 1/24/19

[Redacted Signature]

**David Van Dorpe, P.E., P.M.P.
Deputy District Engineer**

Date: 1/29/19

[Redacted Signature]

**Aaron C. Barta, P.M.P.
Colonel, US Army
Commander and District Engineer**

Date: 1/27/19

FEDERAL/NON-FEDERAL ALLOCATION OF FUNDS

<u>Fiscal Year</u>	<u>Total Design Cost</u>	<u>%</u>	<u>Non- Federal Cash</u>	<u>Federal Cash</u>
2003	\$181,333	4	\$45,333	\$136,000
2004	\$173,333	4	\$43,000	\$130,000
2005	\$210,666	5	\$52,666	\$158,000
2006	\$264,000	7	\$66,000	\$198,000
2007	\$67,000	2	\$17,000	\$50,000
2008	\$780,001	19	\$190,001	\$590,000
2009	\$637,333	16	\$159,333	\$478,000
2010	\$133,333	3	\$33,333	\$100,000
2018	\$1,600,000	40	\$400,000	\$1,200,000
Total:	4,046,666	100%	\$1,006,666	\$3,040,000

**AGREEMENT
BETWEEN THE DEPARTMENT OF THE ARMY
AND
MISSION SPRINGS WATER DISTRICT
FOR THE
CITY OF DESERT HOT SPRINGS
WASTEWATER COLLECTING SYSTEM DESIGN**

THIS AGREEMENT entered into this 13th day of June 2003, by and between the Department of the Army, U.S. Army Corps of Engineers, Los Angeles District (hereinafter the "Government"), represented by the District Commander executing this Agreement and Mission Springs Water District (hereinafter the "Sponsor").

WITNESSETH, that

WHEREAS, Section 219 of the Water Resources Development Act of 1992 (Public Law 102-580) authorizes the Corps of Engineers to provide assistance to non-Federal interests for carrying out water-related environmental infrastructure and resource protection for the 18 projects described in subsection (c) of that section; and

WHEREAS, the Sponsor has the authority and capability to furnish the cooperation hereinafter set forth and is willing to participate in design cost sharing and financing in accordance with the terms of this agreement; and

WHEREAS, the Water Resources Development Act of 1992 specifies the cost sharing requirements applicable to the design;

NOW THEREFORE, the parties agree as follows:

ARTICLE I - DEFINITIONS

For the purpose of this Agreement:

- a. The term "Design Cost" shall mean all disbursements by the Government pursuant to this Agreement, whether from Federal appropriations or from funds made available to the Government by the Sponsor. Such costs shall include, but not be limited to, labor charges; direct costs; overhead expenses; supervision and administration costs; and contracts with third parties, including termination or suspension charges; and any termination or suspension costs (ordinarily defined as those costs necessary to terminate ongoing contracts or obligations and to properly safeguard the work already accomplished) associated with this Agreement.

- b. The term "Design Period" shall mean the time from the date of execution of this Agreement to the date of submittal of the final design documents to the Sponsor.
- c. The term "Contracting Officer" shall mean a representative of the Government with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings.

ARTICLE II - OBLIGATIONS OF PARTIES

- a. The Sponsor and the Government, using funds appropriated by the Congress and contributed by the Sponsor, shall expeditiously prosecute and complete plans and design for the City of Desert Hot Springs, County of Riverside wastewater collecting system and abatement of septic systems that threaten the high-quality groundwater aquifer. The design is currently estimated to be completed in twelve (12) months from the date of the execution of this Agreement, substantially in compliance with Article III herein, and in conformity with applicable Federal and State laws and regulations.
- b. The Sponsor shall contribute, in cash, twenty-five (25) percent of all Design Costs, which total cost is currently estimated to be \$181,333.00
- c. No Federal funds may be used to meet the Sponsor's share of design costs under this Agreement unless the expenditure of such funds is expressly authorized by statute as verified by the granting agency.
- d. The award of any contract with a third party for services in furtherance of this Agreement that obligates Federal appropriations shall be exclusively within the control of the Government. The award of any contract by the Sponsor with a third party for services in furtherance of this Agreement which obligates funds of the Sponsor and does not obligate Federal appropriations shall be exclusively within the control of the Sponsor, but shall be subject to applicable Federal statutes and regulations.
- e. The Government and the Sponsor shall each endeavor to assign the necessary resources to provide for the prompt and proper execution of the Design and shall, within the limits of law and regulation, conduct the Design with maximum flexibility as directed by the Executive Committee established by Article V, herein.

ARTICLE III - SCOPE OF WORK

Appendix A, Design - Scope of Work; and Appendix B, Design Cost Estimate are hereby incorporated into this Agreement. The parties to this Agreement shall substantially comply with the Scope of Work in prosecuting this work. The following modifications,

to be approved by the Executive Committee, shall require an amendment to this Agreement:

- a. any modification which increases the total Design Cost (see Appendix B);
- b. any extension of the design completion date of more than thirty (30) days;
- or
- c. any reassignment of work items between the Sponsor and the Government (see Appendices A and B).

ARTICLE IV - METHOD OF PAYMENT

- a. The Sponsor shall provide, during the design period, cash payments required to meet the Sponsor's obligations under Article II of this Agreement. Total design costs for are currently estimated to be \$181,333.00 and the Sponsor's share of total design costs is currently estimated to be \$45,333.00. In order to meet the Sponsor's cash payment requirements, the Sponsor must provide a cash contribution estimated to be \$45,333.00. The dollar amounts set forth in this Article are based upon the Government's best estimates, which will reflect projected costs, price level changes, and anticipated inflation. Such cost estimates are subject to adjustments based on costs actually incurred and are not to be construed as the total financial responsibilities of the Government and the Sponsor.
- b. The required cash contribution shall be provided as follows: At least thirty (30) calendar days prior to the initiation of the design, the Government shall notify the Sponsor of the Sponsor's estimated share of total study costs. Within fifteen (15) calendar days thereafter, the Sponsor shall provide the Government the full amount of the required contribution by delivering a check payable to "FAO, USAED," to the Contracting Officer representing the Government. The Government will draw on the funds provided by the Sponsor such sums as the Government deems necessary to cover contractual and in-house fiscal obligations attributable to the Design as they are incurred, as well as Design costs incurred by the Government. In the event that total Design costs are expected to exceed the estimate given at the outset of the Design, the Government shall immediately notify the Sponsor of the additional contribution the Sponsor will be required to make to meet the Sponsor's share of the revised estimate within sixty (60) calendar days thereafter, the Sponsor shall provide the Government the full amount of the additional required contribution. If the Sponsor does not provide the requested funds within sixty (60) calendar days the Government may terminate this design in accordance with Article XII of this Agreement.

- c. The Government will draw on the funds provided by the Sponsor such sums as the Government deems necessary to cover contractual and in-house fiscal obligations attributable to the design as they are incurred.
- d. During the design period, the Government shall provide quarterly financial reports on the status of total design cost and the status of contributions made by the Sponsor. Upon completion of the design and resolution of all relevant contract claims and appeals; the Government shall compute the total design costs and tender to the Sponsor a final accounting of the Sponsor's share of total design costs.
 - 1. In the event the total contribution by the Sponsor is less than the Sponsor's required share of total design costs, the Sponsor shall, no later than ninety (90) calendar days after receipt of written notice, make a cash payment to the Government of whatever sum is required to meet the Sponsor's required share of the total design costs.
 - 2. In the event the total contribution by the Sponsor is more than the Sponsor's required share of total design costs, the Government shall, no later than ninety (90) calendar days after the final accounting is complete, subject to the availability of funds, return the excess to the Sponsor. In the event existing funds are not available to repay the Sponsor for excess contributions provided, the Government shall seek such appropriations as are necessary to repay the Sponsor for excess contributions.

ARTICLE V - MANAGEMENT AND COORDINATION

- a. Overall design management shall be the responsibility of the Executive Committee consisting of Ruth B. Villalobos, Chief, Planning Division, Los Angeles District (LAD); and Refugio Bocanegra, General Manager and Chief Engineer, Mission Springs Water District.
- b. To provide for consistent and effective communication and prosecution of the items in the Scope of Work, the Executive Committee shall appoint a Design Manager.
- c. The Design Manager will coordinate on all matters relating to prosecution of the Design and compliance with this Agreement, including cost estimates, schedules, prosecution of work elements, financial transactions and recommendations to the Executive Committee for termination, suspension, or amendment of this Agreement.
- d. The Design Manager will prepare periodic reports on the progress of all work items for the Executive Committee.

ARTICLE VI - DISPUTES

- a. The Design Manager shall endeavor in good faith to negotiate the resolution of conflicts. Any dispute arising under this Agreement which is not disposed of by mutual consent shall be referred to an objective third party mutually agreed upon by the parties. The third party shall resolve such conflicts or determine a mutually agreeable process for reaching resolution or for termination under Article XII herein.
- b. Pending final decision of a dispute hereunder, or pending suspension or termination of this agreement under Article XII herein, the parties hereto shall proceed diligently with the performance of this Agreement.

ARTICLE VII - MAINTENANCE OF RECORDS

The Government shall keep books, records, documents and other evidence pertaining to design costs and expenses incurred pursuant to this Agreement to the extent and in such detail as will properly reflect total design costs. The Government shall maintain such books, records, documents and other evidence for inspection and audit by authorized representatives of the parties to this Agreement. Such material shall remain available for review for a period of three (3) years following the termination of this Agreement.

ARTICLE VIII - RELATIONSHIP OF PARTIES

The parties to this Agreement act in an independent capacity in the performance of their respective functions under this Agreement and neither party is to be considered the officer, agent, or employer of the other.

ARTICLE IX - OFFICIALS NOT TO BENEFIT

No member of or delegate to the Congress, or other elected official, shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom.

ARTICLE X - FEDERAL AND STATE LAWS

In the exercise of the Sponsor's rights and obligations hereunder, the Sponsor agrees to comply with all applicable Federal and State laws and regulations, including Section 601 of the Civil Rights Act of 1964, Public Law 88-352, and the Department of defense Directive 5500.11 issued pursuant thereto, as well as Army Regulations 600-7, entitled "Nondiscrimination on the Basis of Handicap in Programs and Activities Assisted or Conducted by the Department of the Army."

ARTICLE XI - COVENANT AGAINST CONTINGENT FEES

The Sponsor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Sponsor for the purpose of securing business. For breach or violation of this warranty, the Government shall have the right to annul this agreement without liability, or, in its discretion, to add to the Agreement or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

ARTICLE XII - TERMINATION OR SUSPENSION

- a. This Agreement shall be terminated at the completion of the Design Period; provided, that prior to such time and upon thirty (30) days written notice, either party may terminate or suspend this Agreement without penalty.
- b. Within ninety (90) days following termination of this Agreement the Government shall prepare a final accounting of Design Costs in accordance with Article IV. d. of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

MISSION SPRINGS WATER DISTRICT


Richard G. Thompson
Colonel, Corps of Engineers
District Engineer


Refugio Bocanegra
General Manager/Chief Engineer
Mission Springs Water District

DATE: 6-13-03

DATE: 6-9-03

ATTEST: 

Barbara Carr
Secretary to the Board
Mission Springs Water District

CERTIFICATE OF AUTHORITY

I, Marguerite P. Battersby do hereby certify that I am the Chief Legal Counsel for the Mission Springs Water District and that the Mission Springs Water District is a legally constituted public body with full authority and legal capability to perform the terms of the agreement between the United States of America and the Mission Springs Water District in connection with Wastewater Collection System Design and that the persons who have executed this Agreement on behalf of the Mission Springs Water District have acted within their statutory authority.

IN WITNESS WHEREOF, I have made and executed this certificate this 12th
day of June A.D., 2003.


Marguerite P. Battersby
District Legal Counsel

AGREEMENT
BETWEEN THE DEPARTMENT OF THE ARMY
AND
MISSION SPRINGS WATER DISTRICT
FOR THE
CITY OF DESERT HOT SPRINGS
WASTEWATER COLLECTING SYSTEM DESIGN

AMENDMENT NO. 1

WHEREAS, Mission Springs Water District and Department of the Army have entered into an Intergovernmental Agreement for the design of City of Desert Hot Springs Wastewater Collection System, as referenced above, dated June 13, 2003, and

WHEREAS, Mission Springs Water District and Department of the Army agree that the aforesaid Intergovernmental Agreement be modified to include additional design work;

NOW, THEREFORE, the parties hereby agree that the aforesaid Intergovernmental Agreement is amended as follows:

Article III – Scope of Work: Include the following additional tasks required to complete the District Comprehensive Water Master Plan (CWMP):

- **Water Supply Issues Overview.** Provide the identification of existing and future water supplies for the District; including groundwater resource enhancement and imported water supply options. A collaborative program workshop will be conducted with the District's Administrative, Technical and Operational staff and Program Manager to clearly ascertain the direction of the CWMP determination.
- **Water Quality Issues Overview.** Identify existing water quality issue facing District and their potential effect upon District operations.
- **System Hydraulic Analysis.** This work will entail the updating of the District's existing "H2O Net" hydraulic model to include the entire water system, including small diameter distribution pipelines.
- **Seismic Reliability Analysis.** This work effort will ascertain the potential damage, which may accrue from a Design Base Earthquake event on the San Andreas Fault, and identify mitigation actions to the District's water system element to minimize such damage.
- **System Deficiencies.** This work effort will catalogue operation, hydraulic and seismic reliability deficiencies of the District's Water System base upon the analyses conducted as described above.
- **System Improvement Program.** A multi-year (10 to 20) System Improvement Plan shall be prepared in a spreadsheet format which identifies as a minimum the following categories of programs and projects:

Water Supply Projects - Groundwater Recharge, Wells, Reservoir Projects, Imported Water Supply Interconnections.

Water Transmission and Distribution System Projects - Transmission Mains, Distribution Mains, Fire Hydrants, Service and Meter Replacement, Booster Pumps Stations, Pressure Regulators, Valve Replacement.

Water Quality Projects - Treatment Facilities

Please note that the System Improvement Plan should be prepared in a database to allow for the development of several "Packaged" improvement programs based on type of projects or geographic location, as identified in collaboration with the District.

- **Financial Plan.** A Financial Plan shall be prepared to provide to the identification of funding sources for the System Improvement Plan, over its multi-year period of planning, design, and construction of the proposed system improvements. Local, regional, state and federal funding sources shall be identified and alternative-funding options for the program presented.

- **Final Report.** The findings of the CWMP efforts shall be summarized in a Final Report document. Twenty (20) copies of the report along with an electronic file of the report and any programs associated with its preparation shall be presented to the District.

The above additional design work will be completed by September 2004.

Article II – Obligations of Parties: The cost of above additional design work is estimated at \$173,333 of which the Federal Government share will be \$130,000 and the Mission Springs Water District share will be \$43,333.

Effective date of Amendment: The effective date of this Amendment shall be 11 day of APRIL 2004.

IN WITNESS WHEREOF, the Parties have executed this Amendment on the dates written below.

THE UNITED STATES OF AMERICA


Richard G. Thompson
Colonel, U.S. Army
District Engineer

DATE: 4/11/04

MISSION SPRINGS WATER
DISTRICT


General Manager/Chief Engineer
Mission Springs Water District

DATE: 03/29/04

APPROVED AS TO FORM:



Marguerite P. Battersby
District Legal Counsel

ATTEST:



Barbara Carr
Secretary of the Board
Mission Springs Water District

**AGREEMENT
BETWEEN THE DEPARTMENT OF THE ARMY
AND
MISSION SPRINGS WATER DISTRICT
FOR THE
CITY OF DESERT HOT SPRINGS
WASTEWATER COLLECTING SYSTEM DESIGN**

AMENDMENT NO. 2

WHEREAS, Mission Springs Water District and Department of the Army have entered into a design agreement for the design of City of Desert Hot Springs Wastewater Collection System dated June 13, 2003, pursuant to the authority of Section 219(c) of the Water Resources Development Act of 1992 (WRDA 92) as amended by the Consolidated Appropriations Act, FY 2001, P.L. 106-554, December 21, 2000, 114 Stat. 2783, Section 108(c)(23), and

WHEREAS, Mission Springs Water District and Department of the Army have amended the original agreement on April 11, 2004 to increase the scope of work and increase the funding by an amount estimated to be \$173,333, and

WHEREAS, Congress has authorized additional funds for additional tasks to complete the Phase I Water Transmission main design for the Pierson Boulevard and Worsely Road Water Transmission Main project as identified in the Mission Springs Water District's (MSWD) 2005 Master Plan,

NOW, THEREFORE, the parties hereby agree that the aforesaid Design Agreement is amended as follows:

Article II – Obligations of Parties: (b) The cost of design work is estimated at \$210,666 of which the Federal Government share will be \$158,000 and the Mission Springs Water District share will be \$52,666. The total cost estimated in the original agreement is \$181,333 and Amendment No. 1 added \$173,333 to the total cost. The new estimated total cost is currently estimated to be \$565,332.

Article III – Scope of Work: Include in the general scope provided in Appendix A the following additional tasks required to complete the Phase I Water Transmission Main design for the Pierson Boulevard and Worsely Road project as identified in the Mission Springs Water District's 2005 Master Plan (CWMP.):

- **Project Overview:** The project consists of preparation of construction plans and specifications for approximately two (2) miles of Water Transmission Main along Pierson Boulevard and Worsely Road to provide domestic and fire suppression water supply to the community of Desert Hot Springs, in accordance with MSWD's Water Master Plan.

- **Financial Plan.** Both parties shall work together to prepare a Financial Plan to identify funding sources for Phase I Design.
- **Final Report.** The Department of the Army shall present to the District five (5) copies of the final design document along with an electronic file.

The above additional design work will be completed by September 30, 2005.

Effective date of Amendment: The effective date of this Amendment shall be 20 day of April 2005.

IN WITNESS WHEREOF, the Parties have executed this Amendment on the dates written below.

THE UNITED STATES OF AMERICA

MISSION SPRINGS WATER
DISTRICT

[REDACTED]
[REDACTED] Alex C. Dornstauder
Colonel, US Army
District Engineer

[REDACTED]
[REDACTED] Renato Bocanegra
General Manager/Chief Engineer
Mission Springs Water District

DATE: 20 April 2005

DATE: 4-14-05

APPROVED AS TO FORM:

ATTEST:

[REDACTED]
Marguerite P. Battersby
District Legal Counsel

[REDACTED]
Barbara Carr
Secretary of the Board
Mission Springs Water District

**AGREEMENT
BETWEEN THE DEPARTMENT OF THE ARMY
AND
MISSION SPRINGS WATER DISTRICT
FOR THE
CITY OF DESERT HOT SPRINGS
WASTEWATER COLLECTING SYSTEM DESIGN**

AMENDMENT NO. 3

WHEREAS, Mission Springs Water District and Department of the Army have entered into an agreement for the design of City of Desert Hot Springs Wastewater Collection System dated June 13, 2003, pursuant to the authority of Section 219(c) of the Water Resources Development Act of 1992 (WRDA 92) as amended by the Consolidated Appropriations Act, FY 2001, P.L. 106-554, December 21, 2000, 114 Stat. 2783, Section 108(c)(23), and

WHEREAS, Mission Springs Water District and Department of the Army have amended (Amendment #1) the original agreement on April 11, 2004 to increase the scope of work and increase the funding by an amount estimated to be \$173,333, and

WHEREAS, Mission Springs Water District and Department of the Army have amended (Amendment #2) the original agreement on April 20, 2005 to increase the scope of work and increase the funding by an amount estimated to be \$210,666, and

WHEREAS, Congress, under Section 219 of the Water Resource Development Act of 1992 (Public Law 102-580) as amended by the Consolidated Appropriations Act, FY 2001, P.L. 106-554, December 21, 2000, 114 Stat. 2783, Section 108(c)(23), has authorized additional funds for additional tasks to complete the Mission Springs Water District Comprehensive Sewer Master Plan.

NOW, THEREFORE, the parties hereby agree that the aforesaid Design Agreement is amended as follows:

Article II – Obligations of Parties: The cost of additional work is estimated at \$264,000 of which the Federal Government share will be \$198,000 and the Mission Springs Water District share will be \$66,000. The total cost estimated in the original agreement is \$181,333 and Amendment No.1 added \$173,333 to the total cost, and Amendment No. 2 added \$210,666. The new estimated total cost is currently estimated to be \$829,332.

Article III – Scope of Work: Include in the general scope (provided in Appendix A), the following additional tasks required to complete the Mission Springs Water District Comprehensive Sewer Master Plan project:

- **Project Overview:** The project consists of preparation of a comprehensive sewer master plan for the Mission Springs Water District which includes the community of Desert Hot Springs.
- **Financial Plan.** Both parties shall work together to prepare a Financial Plan to identify funding sources for the Sewer Master Plan project.
- **Final Report.** The Department of the Army shall present to the District four (4) copies of the final design document along with an electronic file.

The above additional work is scheduled to be completed by November 30, 2006.

Effective date of Amendment: The effective date of this Amendment shall be 10th day of July 2006.

IN WITNESS WHEREOF, the Parties have executed this Amendment on the dates written below.

THE UNITED STATES OF AMERICA

Alex C. Dornstauber
Colonel, US Army
District Engineer

DATE: 7.10.06

MISSION SPRINGS WATER
DISTRICT

Arden Wallum
General Manager/District Engineer
Mission Springs Water District

DATE: 6/15/06

APPROVED AS TO FORM:

Marguerite P. Battersby
District Legal Counsel
Mission Springs Water District

ATTEST:

Barbara Carr
Secretary of the Board
Mission Springs Water District

**COST SHARING AGREEMENT
BETWEEN THE DEPARTMENT OF THE ARMY
AND
MISSION SPRINGS WATER DISTRICT
FOR THE
CITY OF DESERT HOT SPRINGS
WASTEWATER COLLECTING SYSTEM DESIGN**

AMENDMENT NO. 4

WHEREAS, Mission Springs Water District and Department of the Army have entered into an cost sharing agreement for the design of City of Desert Hot Springs Wastewater Collection System dated June 13, 2003, pursuant to the authority of Section 219(c) of the Water Resources Development Act of 1992 (WRDA 92) as amended by the Consolidated Appropriations Act, FY 2001, P.L. 106-554, December 21, 2000, 114 Stat. 2783, Section 108(c)(23), and

WHEREAS, Mission Springs Water District and Department of the Army have amended (Amendment #1) the original agreement on April 11, 2004 to increase the scope of work and increase the funding by an amount estimated to be \$173,333, and

WHEREAS, Mission Springs Water District and Department of the Army have amended (Amendment #2) the original agreement on April 20, 2005 to increase the scope of work and increase the funding by an amount estimated to be \$210,666, and

WHEREAS, Mission Springs Water District and Department of the Army have amended (Amendment #3) the original agreement on July 10, 2006 to increase the scope of work and increase the funding by an amount estimated to be \$264,000, and

WHEREAS, Additional funds have been made available for preparation of an implementation plan and timeline for design and construction of additional wastewater facilities for the Mission Springs Water District.

NOW, THEREFORE, the parties hereby agree that the aforesaid Cost Sharing Agreement is amended as follows:

Article II – Obligations of Parties: The cost of additional work is estimated at \$67,000 of which the Federal Government share will be \$50,000 and the Mission Springs Water District share will be \$17,000. The total cost estimated in the original agreement was \$161,333 and Amendment No.1 added \$173,333 to the total cost, Amendment No. 2 added \$211,666 and Amendment #3 added \$264,000. The new total cost is currently estimated to be \$877,332.

Article III – Scope of Work: Include in the general scope (provided in Appendix A), the following additional tasks required to complete the Mission Springs Water District Comprehensive Sewer Master Plan project:

161,333
173,333
210,666
264,000
809,332
67,000
876,332

- **Project Overview:** The project consists of preparation of a comprehensive facilities strategic plan to determine a precise timeline for implementation of wastewater facilities for the Mission Springs Water District which includes the community of Desert Hot Springs.
- **Financial Plan.** Both parties shall work together to prepare a Financial Plan to identify funding sources for the Sewer Master Plan project.
- **Final Report.** The Department of the Army shall present to the District one (1) copy of the final report along with an electronic file.

The above additional work is scheduled to be completed by March 30, 2008.

Effective date of Amendment: The effective date of this Amendment shall be 23 day of July 2007.

IN WITNESS WHEREOF, the Parties have executed this Amendment on the dates written below.

THE UNITED STATES OF AMERICA

MISSION SPRINGS WATER
DISTRICT


Thomas H. Magness
Colonel, US Army
District Engineer


Arden Wallum
General Manager/District Engineer
Mission Springs Water District

DATE: 23 July 2007

DATE: 12 July 2007

APPROVED AS TO FORM:

ATTEST:


Marguerite P. Battersby
District Legal Counsel
Mission Springs Water District


Arden Wallum
Secretary of the Board
Mission Springs Water District

**COST SHARING AGREEMENT
BETWEEN THE DEPARTMENT OF THE ARMY
AND
MISSION SPRINGS WATER DISTRICT
FOR THE
CITY OF DESERT HOT SPRINGS
WASTEWATER COLLECTING SYSTEM DESIGN**

AMENDMENT NO. 5

WHEREAS, Mission Spring Water District and Department of the Army have entered into an cost sharing agreement for the design of City of Desert Hot Springs Wastewater Collection System dated June 13, 2003, pursuant to the authority of Section 219(c) of the Water Resources Development Act of 1992 (WRDA 92) as amended by the Consolidated Appropriations Act, FY 2001, P.L. 106-554, December 21, 2000, 114 Stat. 2783, Section 108(c) (23), and

WHEREAS, Mission Springs Water District and Department of the Army have amended (Amendment #1) the original agreement on April 11, 2004 to increase the scope of work and increase the funding by an amount estimated to be \$173,333, and

WHEREAS, Mission Springs Water District and Department of the Army have amended (Amendment #2) the agreement on April 20, 2005 to increase the scope of work and increase the funding by an amount estimated to be \$210,666, and

WHEREAS, Mission Springs Water District and Department of the Army have amended (Amendment #3) the agreement on July 10, 2006 to increase the scope of work and increase the funding by an amount estimated to be \$264,000, and

WHEREAS, Mission Springs Water District and Department of the Army have amended (Amendment #4) the agreement on July 23, 2007 to increase the scope of work and increase the funding by an amount estimated to be \$67,000, and

WHEREAS, Additional Federal funding has been made available in Fiscal Year 2008 in the amount of \$590,000 for the Desert Hot Springs, California project.

NOW, THEREFORE, the parties hereby agree that the aforesaid cost sharing agreement for the design of City of Desert Hot Springs Wastewater Collection System is amended as follows:

Article II – OBLIGATION OF PARTIES

Article II, paragraph b., as amended, shall be replaced entirely with the following paragraph:

“b. The Sponsor shall contribute, in cash, twenty-five (25) percent of all Design Costs, which total cost is currently estimated as shown in the following table:

Fiscal Year	Federal Funds	Sponsor Contribution	Total
2003	\$ 116,000.00	\$ 45,333.00	\$ 161,333.00
2004	\$ 130,000.00	\$ 43,333.00	\$ 173,333.00
2005	\$ 159,000.00	\$ 52,666.00	\$ 211,666.00
2006	\$ 198,000.00	\$ 66,000.00	\$ 264,000.00
2007	\$ 50,000.00	\$ 17,000.00	\$ 67,000.00
<u>2008</u>	<u>\$ 590,000.00</u>	<u>\$190,001.00</u>	<u>\$ 780,001.00</u>
Total	\$1,243,000.00	\$414,333.00	\$1,657,333.00

Article III – SCOPE OF WORK

Article III - Scope of Work, as amended, shall be replaced entirely with the following paragraphs:

“Article III – SCOPE OF WORK

a. Appendix A, Design – Scope of Work; and Appendix B, Design Cost Estimate are hereby incorporated into this Agreement. The parties to this agreement shall substantially comply with the Scope of Work in prosecuting this work. The following modifications, to be approved by the Executive Committee, shall require an amendment to this Agreement:

1. any modification which increases the total Design Cost (see Appendix B);
2. any extension of the design completion date of more than thirty (30) days; or
3. any reassignment of work items between the Sponsor and the Government (see Appendices A and B).

b. **Amendment No. 1.** Include the following additional tasks required to complete the District Comprehensive Water Master Plan (CWMP):

1. **Water Supply Issues Overview.** Provide the identification of existing and future water supplies for the District; including groundwater resource enhancement and imported water supply options. A collaborative program workshop will be conducted with the District's Administrative, Technical and Operational staff and Program Manager to clearly ascertain the direction of the CWMP determination.

2. **Water Quality Issues Overview.** Identify existing water quality issue facing District and their potential effect upon District operations.

3. **System Hydraulic Analysis.** This work will entail the updating of the District's existing "H2O Net" hydraulic model to include the entire water system, including small diameter distribution pipelines.

4. Seismic Reliability Analysis. This work effort will ascertain the potential damage, which may accrue for a Design Base Earthquake event on the San Andreas Fault, and identify mitigation actions to the District's water system element to minimize such damage.

5. System Deficiencies. This work effort will catalogue operation, hydraulic and seismic reliability deficiencies of the District's Water System base upon the analysis conducted as described above.

6. System Improvement Program. A multi-year (10 to 20) System Improvement Plan shall be prepared in a spreadsheet format which identifies as a minimum the following categories of programs and projects:

a) **Water Supply Projects** – Groundwater Recharge, Wells, Reservoir Projects, Imported Water Supply Interconnections. Water Transmission and Distribution System Projects – Transmission Mains, Distribution Mains, Fire hydrants, Service and Meter Replacement, Booster Pumps Stations, Pressure Regulators, Valve replacement.

b) **Water Quality Projects** – Treatment Facilities

c) Please note that the system improvement plan should be prepared in a database to allow for the development of several "Packaged" improvement programs based on type of projects or geographic location, as identified in collaboration with the District.

7. Financial Plan. A Financial Plan shall be prepared to provide to the identification of funding sources for the System Improvement Plan, over its multi-year period of planning, design, and construction of the proposed system improvements, local, regional, state and federal funding sources shall be identified and alternative-funding options for the program presented.

8. Final Report. The findings of the CWMP efforts shall be summarized in a Final Report document. Twenty (20) copies of the report along with an electronic file of the report and any programs associated with its preparation shall be presented to the District.

9. The above additional design work will be completed by September 2004

c. **Amendment No.2.** Include in the general scope provided in Appendix A the following additional tasks required to complete the Phase I Water Transmission Main design for the Pierson Boulevard and Wisely Road project as identified in the Mission Springs Water District's 2005 Master Plan (CWMP).

1. **Project Overview:** The project consists of preparation of construction plans and specifications for approximately two (2) miles of Water Transmission Main along Pierson Boulevard and Worsely Road to provide domestic and fire suppression water supply to the community of Desert Hot Springs, in accordance with MSWD's Water Master Plan.

2. **Financial Plan.** Both parties shall work together to prepare a Financial Plan to identify funding sources for Phase I Design.

3. **Final Report.** The Department of the Army shall present to the District five (5) copies of the final design document along with an electronic file.

4. The above additional design work will be completed by September 30, 2005.

d. **Amendment No. 3.** Include in the general scope (provided in Appendix A), the following additional tasks required to complete the Mission Springs Water District Comprehensive Sewer Master Plan project:

1. **Project Overview:** The project consists of preparation of a comprehensive sewer master plan for the Mission Springs Water District which includes the community of Desert Hot Springs.

2. **Financial Plan.** Both parties shall work together to prepare a Financial Plan to identify funding sources for the Sewer Master Plan project.

3. **Final Report.** The Department of the Army shall present to the District four (4) copies of the final design document along with an electronic file.

4. The above additional work is scheduled to be completed by November 30, 2006.

e. **Amendment No. 4.** Include in the general scope (provided in Appendix A), the following additional tasks required to complete the Mission Springs Water District Comprehensive Sewer Master Plan project:

1. **Project Overview:** The project consists of preparation of a comprehensive facilities strategic plan to determine a precise timeline for implementation of wastewater facilities for the Mission Springs Water District which includes the community of Desert Hot Springs.

2. **Financial Plan.** Both parties shall work together to prepare a Financial Plan to identify funding sources for the Sewer Master Plan project.

3. **Final Report.** The Department of the Army shall present to the District one (1) copy of the final report along with an electronic file.

4. The above additional work is scheduled to be completed by March 30, 2008.

f. **Amendment No. 5.** Include in the general scope provided in Appendix A, the following additional tasks required to complete the Mission Springs Water District Comprehensive Integrated Reservoir Management Plan, Project Areas M, F and D-Phase 1 project:

1. **Project Overview:** This work effort will entail the completion of design for integrated reservoir management includes sewer improvements, sewer laterals at areas M, F, and D-Phase 1 as indicated within the Community of Mission Springs Water District.

2. **Financial Plan:** Both parties shall work together to prepare a Financial Plan to identify funding sources for the Wastewater Collecting System Design.

3. **Final report:** The Department of the Army shall present to the District one (1) copy of the final report along with an electronic file.

4. The above additional design work is scheduled to be completed by 30 June 2009."

Effective date of Amendment: The effective date of this Amendment shall be 8th day of September 2008.

IN WITNESS WHEREOF, the Parties have executed this Amendment on the dates written below.

THE UNITED STATES OF AMERICA

[REDACTED]
Thomas H. Magness
Colonel, Corps of Engineers
District Engineer

DATE: _____

APPROVED AS TO FORM:

[REDACTED]
James L. Markman
District Legal Counsel
Mission Springs Water District

MISSION SPRINGS WATER DISTRICT

[REDACTED]
Arden Wallum
General Manager/District Engineer
Mission Spring Water District

DATE: 9/5/08

ATTEST:

[REDACTED]
Arden Wallum
Secretary of the Board
Mission Springs Water District

AMENDMENT NO. 6
TO THE
AGREEMENT
BETWEEN THE DEPARTMENT OF THE ARMY
AND
MISSION SPRINGS WATER DISTRICT
FOR THE
CITY OF DESERT HOT SPRINGS
WASTEWATER COLLECTING SYSTEM DESIGN

THIS AMENDMENT NO. 6 to the above referenced cost sharing agreement is entered into this 11 day of Aug, 2009, by and between the Department of the Army (hereinafter the "Government"), represented by the U.S. Army Engineer, Los Angeles District (hereinafter the "District Engineer"), and the Mission Springs Water District (hereinafter the "Sponsor"), represented by its General Manager.

WITNESSETH, THAT:

WHEREAS, the Sponsor and the Government into a cost sharing agreement dated June 13, 2003 for the Mission Springs Water District's City of Desert Hot Springs Wastewater Collecting System Design pursuant to the authority of Section 219(c) of the Water Resources Development Act of 1992 as amended by the Consolidated Appropriations Act, FY 2001, Pub. L. 106-554, 114 Stat. 2763A-219, Section 108 (c)(23) (December 21, 2000);

WHEREAS, the Sponsor and the Government amended (Amendment No. 1) the original agreement on April 11, 2004 to increase the scope of work and increase the funding by \$173,333;

WHEREAS, the Sponsor and the Government amended (Amendment No. 2) the original agreement on April 20, 2005 to increase the scope of work and increase the funding by \$210,666;

WHEREAS, the Sponsor and the Government amended (Amendment No. 3) the original agreement on July 10, 2006 to increase the scope of work and increase the funding by \$264,000;

WHEREAS, the Sponsor and the Government amended (Amendment No. 4) the original agreement on July 23, 2007 to increase the scope of work and increase the funding by \$67,000;

WHEREAS, the Sponsor and the Government amended (Amendment No. 5) the original agreement on September 8, 2008 to increase the scope of work and increase the funding by \$780,000; and

WHEREAS, Congress has appropriated additional funds under the Omnibus Appropriations Act, 2009, Pub. L. 111-8, 123 Stat. 524 (March 11, 2009) for the City of Desert Hot Springs Wastewater Collecting System Design.

NOW, THEREFORE, the parties hereby agree that the aforesaid cost sharing agreement for the City of Desert Hot Springs Wastewater Collecting System Design is amended as follows:

Article II, paragraph b., shall be replaced entirely with the following paragraph:

"b. The cost for additional design work in FY09 is estimated at \$637,333. The Government shall contribute seventy-five (75) percent of the Design Costs and the Sponsor shall contribute, in cash, twenty-five (25) percent of the Design Costs."

Article III – Scope of Work, shall be replaced entirely with the following paragraphs:

The following additional tasks required to complete the City of Desert Hot Springs Wastewater Collecting System Design, including preparation of Sewer Plans for Area D – Phase 2 and Area J, based upon the Mission Springs Flow Model for sewers for Mission Springs Water District are also included in the general scope of work provided in Appendix A. The additional design work is estimated to be completed by July 30, 2010.

The parties to this agreement shall substantially comply with the Scope of Work in prosecuting this work. The following modifications, to be approved by the Executive Committee, shall require an amendment to this Agreement:

1. Any modification which increases the Design Cost.
2. Any extension of the design completion date of more than thirty (30) days.
3. Any reassignment of work items between the Sponsor and the Government (see Appendix A)."

Article IV, paragraph a., shall be replaced entirely with the following paragraph:

"The Sponsor shall provide, during the design period, cash payments required to meet the Sponsor's obligations under Article II of this Agreement. Design Costs are currently estimated to be \$2,294,666 and the Sponsor's share of Design Costs is currently estimated to be \$573,666. In order to meet the Sponsor's cash payment requirements, the Sponsor must provide a cash contribution estimated to be \$159,333. The dollar amounts set forth in this Article are based upon the Government's best estimates, which will reflect projected costs, price level changes, and anticipated inflation. Such cost estimates are subject to adjustments based on costs actually incurred and are not to be construed as the total financial responsibilities of the Government and the Sponsor. "

Article V, paragraph a., shall be replaced entirely with the following paragraph:

"Overall design management shall be the responsibility of the Executive Committee, consisting of the Chief of the Planning Division, Los Angeles District; and the General Manager, Mission Springs Water District."

IN WITNESS WHEREOF, the parties have executed this Amendment No. 6, which shall become effective upon the date it is signed by the District Engineer.

THE UNITED STATES OF AMERICA


Thomas H. Magness
Colonel, U.S. Army
District Engineer

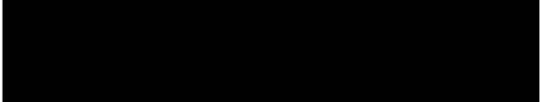
DATE: 8/11/09

MISSION SPRINGS WATER DISTRICT


Arden Wallum
General Manager

DATE: 8-10-09

APPROVED AS TO FORM:


James L. Markman
District Legal Counsel
Mission Springs Water District

ATTEST:


Tina Dodd
Executive Assistant
Mission Springs Water District

Attachment:
Appendix A - Scope of Work

Final copy

AMENDMENT NO. 7
TO THE
AGREEMENT
BETWEEN THE DEPARTMENT OF THE ARMY
AND
MISSION SPRINGS WATER DISTRICT
FOR THE
CITY OF DESERT HOT SPRINGS
WASTEWATER COLLECTING SYSTEM DESIGN

THIS AMENDMENT NO. 7 to the above referenced cost sharing agreement is entered into this 21 day of July, 2010, by and between the Department of the Army (hereinafter the "Government"), represented by the U.S. Army Engineer, Los Angeles District (hereinafter the "District Engineer"), and the Mission Springs Water District (hereinafter the "Sponsor"), represented by its General Manager.

WITNESSETH, THAT:

WHEREAS, the Sponsor and the Government into a cost sharing agreement dated June 13, 2003 for the Mission Springs Water District's City of Desert Hot Springs Wastewater Collecting System Design pursuant to the authority of Section 219(c) of the Water Resources Development Act of 1992 as amended by the Consolidated Appropriations Act, 2001, Pub. L. 106-554, 114 Stat. 2763A-219, Section 108(a)(23) (December 21, 2000);

WHEREAS, the Sponsor and the Government amended (Amendment No. 1) the original agreement on April 11, 2004 to increase the scope of work and increase the total funding by \$173,333.33;

WHEREAS, the Sponsor and the Government amended (Amendment No. 2) the original agreement on April 20, 2005 to increase the scope of work and increase the funding by \$210,666.00;

WHEREAS, the Sponsor and the Government amended (Amendment No. 3) the original agreement on July 10, 2006 to increase the scope of work and increase the total funding by \$264,000.00;

WHEREAS, the Sponsor and the Government amended (Amendment No. 4) the original agreement on July 23, 2007 to increase the scope of work and increase the total funding by \$67,000.00;

WHEREAS, the Sponsor and the Government amended (Amendment No. 5) the original agreement on September 8, 2008 to increase the scope of work and increase the total funding by \$780,001.00; and

WHEREAS, the Sponsor and the Government amended (Amendment No. 6) the original agreement on August 11, 2009 to increase the scope of work and increase the total funding by \$637,333.33; and

WHEREAS, Congress has appropriated additional funds pursuant to the Omnibus Appropriations Act, 2009, Pub. L. 111-8, 123 Stat. 524 (March 11, 2009) to complete the City of Desert Hot Springs Wastewater Collecting System Design.

NOW, THEREFORE, the parties hereby agree that the aforesaid cost sharing agreement for the City of Desert Hot Springs Wastewater Collecting System Design is amended as follows:

Article II, paragraph b., shall be replaced entirely with the following paragraph:

"b. The total cost for additional design work as amendment in FY2010 is estimated at \$133,333.33. The Government shall contribute seventy-five (75) percent of the total Design Costs, and the Sponsor shall contribute, in cash, twenty-five (25) percent of the Design Costs."

Article III - Scope of Work, the first paragraph shall be replaced with the following paragraphs:

The following additional tasks are required to complete the City of Desert Hot Springs Wastewater Collecting System Design: provide additional design items for preparation of the final design submittal of sewer plans for Area J - Phase I, based upon the Mission Springs Flow Model for sewers for Mission Springs Water District, and the preparation of environmental compliance documentation for the entire areas for construction. The additional tasks are included in the general Scope of Work and are provided in Appendix A."

Article IV, paragraph a., shall be replaced entirely with the following paragraph:

"a. The Sponsor shall provide, during the design period, cash payments required to meet the Sponsor's obligations under Article II of this Agreement. Total Design Costs are currently estimated to be \$2,427,999.66 and the Sponsor's share of the Design Costs is currently estimated to be \$606,999.66. In order to meet the Sponsor's cash payment requirements, the Sponsor must provide a cash contribution estimated to be \$33,333.33. The dollar amounts set forth in this Article are based upon the Government's best estimates, which will reflect projected costs, price level changes, and anticipated inflation. Such cost estimates are subject to adjustments based on cost actually incurred and are not to be construed as the total financial responsibilities of the Government and the Sponsor."

All other terms and conditions in the original agreement remain unchanged.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 7, which shall become effective upon the date it is signed by the District Engineer.

DEPARTMENT OF THE ARMY

[REDACTED]
R. Mark Toy, P.E.
Colonel, U.S. Army
Commander and District Engineer

DATE: 21 JUL 2010

APPROVED AS TO FORM:

[REDACTED]
James L. Markman
District Legal Counsel
Mission Springs Water District

MISSION SPRINGS WATER DISTRICT

[REDACTED]
Arden Wallum
General Manager

DATE: 6/20/10

ATTEST:

[REDACTED]
Arden Wallum
Secretary of the Board
Mission Springs Water District

Attachment:
Appendix A – Scope of Work