

San Geronio Pass Water Agency

Revised

DATE: December 19, 2022

TO: Board of Directors

FROM: Lance Eckhart, General Manager

BY: Lance Eckhart, General Manager

SUBJECT: ENTER INTO A CONTRACT WITH ZANJERO FOR THE DEVELOPMENT OF A WATER SUPPLY PORTFOLIO PLAN AND VARIOUS WATER SUPPLY SUPPORT SERVICES

RECOMMENDATION

Staff requests the Board authorize the General Manager to enter into a contract with Zanjero to develop a Water Supply Portfolio Plan and also provide various supply support services.

PREVIOUS CONSIDERATION

- Board of Directors - 2020-2022: The Agency has utilized Zanjero (formally Tully & Young) since 2020. Work Zanjero has performed for the Agency since 2020 is as follows:
 - Preparation of the Regional 2020 Urban Water Management Plan (UWMP).
 - 2022 Annual Water Assessment reported to the Department of Water Resources and assistance with implementing the Agency's Drought Contingency Plan.
 - *All work above was regional and involved a significant amount of retailer collaboration.*
 - Help with the preparation of the Negative Declaration as part of the Ventura Long-Term water transfer.
- Board of Directors – November. 14, 2022: A presentation discussing the need for [Water Supply Strategic Planning](#) was introduced by Staff to the Board.
- December 12, 2022: Staff presented a proposal for a Water Supply Portfolio Plan to the Board for input and consideration.

BACKGROUND/ANALYSIS

Over the last several years, the Agency has focused on expanding its water supply portfolio. The portfolio consists of the Agency's Table A, long-term transfer Table A, Nickel Water, Yuba Water, and return water from water sales. In addition, the Agency is looking for measured opportunities to purchase "spot-market" water depending on price, availability, and timing. The portfolio is encumbered with some existing water debt/obligations that will need to be managed.

The availability of water in the portfolio is expected to be dynamic (year-to-year higher highs, lower lows), and long-term supply success likely resides in maximizing securing water imports during intermittent average to wet periods. Therefore, adequate planning to maximize local recharge ability, understanding infrastructure constraints, and developing banking partnerships will all likely be necessary and are considered elements of the portfolio.

The Agency continues to invest in major projects such as the Delta Conveyance Project (i.e., Delta Tunnel) and Sites Reservoir, which are expected to be completed in the 2030s. Understanding and anticipating how these projects work in conjunction with the Agency portfolio will be critically necessary to accomplish two primary goals 1) meet the current and future water needs of local stakeholders and 2) attempt to leverage the use of the Agency's portfolio/investments to maintain imported water affordability.

Staff recommends developing a Water Supply Portfolio Plan (Plan) to address the issues discussed above. Work associated with the Plan will address various issues related to the region's long-term supply objectives. A Plan proposal by Zanjero was developed (attached) to help the Agency with planning activities in a step-by-step fashion with deliberate built-in flexibility to adjust priorities as necessary. An important element of the planning process will be collaborating with our local retail agencies and achieving regional alignment of our collective near and long-term water supply actions. It should be noted that this effort should bring more planning clarity to the region as a whole, collectively strengthen our respective UWMPs, and bring holistic cohesion to the region's resource management efforts.

PROCUREMENT METHOD

Staff recommends that the Board award the Agreement to Zanjero under the Limited Availability/Sole Source exception set forth in Section 4 of the SGPWA Procurement Policy. Section 4 provides that occasionally services are specifically desired for purposes of maintaining cost effective system consistency, as to be available from only one source. The policy provides that after reasonable efforts to find alternative suppliers, the General Manager may recommend entering into an agreement from a sole source.

In the present case, Staff determined that soliciting alternative suppliers of such consulting services would not be feasible or cost effective since alternative sources would be difficult to obtain or evaluate for professional services, as opposed to projects where the Agency is seeking alternative suppliers of equipment or materials. Pursuant to Section 4, Zanjero's professional services are specifically desired for the purpose of maintaining cost effective system consistency and are available from only one source based on the following reasons:

1. Zanjero has been involved with the Agency's major planning efforts over the last two years. As a result, Zanjero has an in-depth understanding of the Agency's and retailers' UWMP documents, Water Shortage Contingency Plans, the local adjudication, and two newly formed Groundwater Sustainability Plans;

2. Zanjero has a unique understanding of the region's supply challenges, has worked with stakeholders for the past two years, and is well qualified to assist Staff in their planning efforts; and
3. The services provided by Zanjero to date have been regional in nature and have involved a significant amount of retailer collaboration. It would not be cost effective to contract with a new consultant who would have to develop the retailer and regional connections that have already been developed by Zanjero.

FISCAL IMPACT

Staff has worked with Zanjero to develop a supply planning strategy and intends to focus efforts on eight of the 11 tasks outlined in the attached proposal. A copy of a project budget along with a Professional Services Agreement (including a schedule), is attached.

Task 1 - SGPWA Water Supply Portfolio Objectives

Task 2 - Inventory and Assess Portfolio

Task 3 - Portfolio Opportunities and Constraints

Task 4 - New Water Asset Opportunities

Task 5 - Water Supply Portfolio Plan

Task 6 - Develop Implementation Guidelines

**Task 7 - Project Implementation Documents - HOLD*

**Task 8 - Water Asset Acquisition and Storage Opportunities - HOLD*

**Task 9 - Secure Opportunities - HOLD*

Task 10 - Prepare SGPWA Annual Assessments

Task 11 - Regional Planning and Coordination

Costs to complete Tasks 1 through 6, Task 10, and Task 11 are anticipated to cost approximately \$200,000 on a time and material basis. Funds exist to cover costs in the current year budget, and work is expected to extend into the 2022-23 fiscal year.

**Tasks 7 through 9 are on "HOLD," and any work associated with these tasks will be re-evaluated if a viable opportunity is identified and subsequently brought to the Board for consideration.*

ACTION

Motion to authorize Staff to enter into a contract for consulting services with Zanjero to prepare a Water Supply Portfolio Plan.

ATTACHMENTS

- December 1, 2022 – San Geronio Pass Water Agency Water Portfolio Strategy
- Professional Services Agreement – Zanjero Water Supply Portfolio Plan
- Water Supply Portfolio Plan Budget

SAN GORGONIO PASS WATER AGENCY PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of December 19, 2022 by and between the San Gorgonio Pass Water Agency, a public agency organized and operating under the laws of the State of California with its principal place of business at 1210 Beaumont Avenue, Beaumont, CA 92223 ("Agency"), and Zanjero, Inc. a registered S-Corporation, with its principal place of business at 965 University Avenue, Ste 222 Sacramento, CA 95825 (hereinafter referred to as "Consultant"). Agency and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

A. Agency is a public agency of the State of California and is in need of professional services for the following project: development of a Water Supply Portfolio Plan and various water supply support services (hereinafter referred to as "the Project").

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for Agency to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide Agency with the services described in the Scope of Services attached hereto as Exhibit "A."

2. Compensation.

a. Subject to paragraph 2(b) below, Agency shall pay for such services in accordance with the Schedule of Charges attached hereto as Exhibit "B."

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of \$200,000.00. Agency will not pay or reimburse any costs or expenses except as may be otherwise provided for in Exhibit "B. Periodic payments shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or Agency, and informal consultations with the other Party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to Agency by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by Agency and executed by both Parties before performance of such services. Agency will not be required to pay for any changes in the Scope of Services, Schedule of Charges

or the Schedule of Activities, as defined below, unless or until an amendment is executed by both Parties. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under this Agreement.

5. Time of Performance.

The term of this Agreement shall be from January 1, 2023 to December 31, 2024, unless earlier terminated as provided herein. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Project. Consultant shall perform its services in a prompt and timely manner within the term of this Agreement and within the time periods set forth in the Schedule of Activities attached as Exhibit "C."

6. Delays in Performance.

a. Neither Agency nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing Party shall, within a reasonable time of being prevented from performing, give written notice to the other Party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Agency shall assist Consultant, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies for the performance of this Agreement.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of Agency, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Contractor

Consultant is retained as an independent contractor and is not an employee of Agency. No employee or agent of Consultant shall become an employee of Agency. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from Agency as herein provided.

11. Insurance. Consultant shall not commence work until it has provided evidence satisfactory to Agency that Consultant has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(I) Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the Agency.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Agreement

- (8) Property Damage
- (9) Independent Contractors Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give Agency, its officials, officers, employees, agents and Agency designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by Agency, and provided that such deductibles shall not apply to Agency as an additional insured.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the Agency.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give Agency, its officials, officers, employees, agents and Agency designated volunteers additional insured status.

(iv) Subject to written approval by Agency, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to Agency as an additional insured, but not a self-insured retention.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to Agency and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

Combined Single Limit

Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 combined single limit
Employer's Liability	\$1,000,000 per accident or disease
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required

Prior to execution of the Agreement, Consultant shall file with Agency evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

(i) Consultant shall provide Agency at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to Agency at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by Agency or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three (3) years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to provide a waiver of subrogation in favor of the Agency, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against Agency, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve Consultant from liability in excess of such coverage, nor shall it limit Consultant's indemnification obligations to Agency and shall not preclude Agency from taking such other actions available to Agency under other provisions of the Agreement or law.

h. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by Agency, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by Agency, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Agency has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Agency will be promptly reimbursed by Consultant or Agency will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Agency may cancel this Agreement.

(iii) Agency may require Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither Agency nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to Agency that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name Agency as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, Agency may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

12. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel of Agency's choosing), indemnify and hold Agency, its 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, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, Agency, its officials, officers, employees, agents, or volunteers.

b. If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance of "design professional" services (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent

jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). 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. Consultant shall defend, indemnify and hold the Agency, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

b. If the services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

c. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the Agency. Consultant shall defend, indemnify and hold the Agency, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

14. Verification of Employment Eligibility.

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, and shall require all subconsultants and sub-subconsultants to comply with the same.

15. Reserved.

16. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Riverside, State of California.

17 Termination or Abandonment

a. Agency has the right to terminate this Agreement, or abandon any portion or all of the work under this Agreement, by giving ten (10) calendar days written notice to Consultant. In such event, Agency shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. Agency shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by Agency and Consultant of the portion of such task completed but not paid prior to said termination. Agency shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to Agency only in the event of substantial failure by Agency to perform in accordance with the terms of this Agreement through no fault of Consultant.

18 Documents. Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the Agency.

19. Organization

Consultant shall assign Gwyn-Mohr Tully as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the Agency.

20. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

21. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by email or depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

AGENCY:

San Geronio Pass Water Agency
1210 Beaumont Avenue
Beaumont, CA 92223
Attn: Lance Eckhart
Email: leckhart@sgpwa.com

CONSULTANT:

Zanjero, Inc.
965 University Ave, Ste 222
Sacramento, CA. 95825
Attn: Gwyn-Mohr Tully
gtully@zanjeroams.com

and shall be effective upon receipt thereof.

22. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than Agency and Consultant.

23. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. 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.

24. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of Agency and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each Party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

25. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the remaining provisions unenforceable, invalid or illegal.

26. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each Party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of Agency. Any attempted assignment without such consent shall be invalid and void.

27. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either Party, unless such waiver is specifically specified in writing.

28. Time of Essence

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

29. Agency's Right to Employ Other Consultants

Agency reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

30. 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. 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 director, official, 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.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN SAN GORGONIO PASS WATER AGENCY
AND ZANJERO, INC.**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

SAN GORGONIO PASS WATER
AGENCY

Zanjero, Inc.

By: _____
Lance Eckhart
General Manager

By: _____

Its: _____

Printed Name: _____

ATTEST:

By: _____

EXHIBIT A

Scope of Services

Task 1: Review SGPWA Water Supply Portfolio Objectives

- a. Review existing water asset management objectives materials
- b. Obtain Board and Management input on objectives
- c. Refine short-term and long-term water supply portfolio objectives
 - 1) Wet year water capture and storage
 - 2) Storage system flexibility
 - 3) Review of dry vs. wet year historical operations including policies
 - 4) Opportunistic water deliveries that meet regional needs
 - 5) Realistic budget allowance to achieve desired outcomes

Task 2: Inventory and Assess Existing Water Supply Portfolio

- a. Examine existing Water Asset Portfolio, including newly acquired assets
- b. Assess existing investments in Sites Reservoir by SGPWA and BCVWD
- c. Incorporate other retail water assets, where appropriate, to portfolio assessment
 - 1) Use retailers UWMP information
 - 2) Examine recycled water assets
 - 3) Clarify information with retailers, where appropriate
- d. Refine existing regional growth projections
- e. Analyze key issues related to existing wholesale/retail water asset portfolio like cost, timing, conjunctive use, banking opportunities, water in storage accounts, basin health and dry year sales
- f. Investigate key regulatory items that affect supplies (e.g. Reduced Delta reliance, SWP Article 21 water, and leveraging groundwater banking and conjunctive use rules and regulations)

Deliverables for Tasks 1-2: Zanjero will provide a brief memo (NTE 25 pages) and PowerPoint slides that summarize key findings.

Task 3: Examine Opportunities and Constraints with Existing Portfolio

- a. Assess unrealized opportunities with existing portfolio
- b. Analyze current and future constraints on portfolio
- c. Identify short-term and long-term actions to leverage portfolio
- d. Define specific augmentation opportunities applicable to existing portfolio
- e. Prioritize short-term and long-term actions to leverage existing portfolio
- f. Consider positioning for dry, wet and average years

Task 4: Analyze New Water Asset Opportunities

- a. Investigate options for new water assets including storage
- b. Assess pros and cons of identified water assets
- c. Characterize new asset opportunities with existing portfolio
- d. Evaluate costs and benefits of identified opportunities
- e. Outline regulatory criteria for identified opportunities
- f. Compare and rank opportunities based upon developed criteria
- g. Prepare integrated analysis of new asset opportunities, including timelines

Task 5: Prepare Water Supply Portfolio Plan

- a. Aggregate all information gathered in Tasks 1-4
- b. Refine information into initial digestible summary (NTE 10 pages)
- c. Obtain project team input on summarized findings
 - 1) SGPWA Board and Management Input
 - 2) Retail Agency Input
- d. Prepare Water Supply Portfolio Plan (NTE 50 pages)
- e. Prepare PowerPoint slides summarizing Plan (NTE 20 slides)
- f. Prepare real-time water portfolio tracking tool for portfolio management
 - 1) Supply management
 - 2) Groundwater banking and storage management
 - 3) Water purchase and sale tracking
 - 4) Agreement water debt and credits

Deliverables for Tasks 3-5: Final Water Supply Portfolio Plan, summarizing PowerPoint slides, and water portfolio tracking tool.

Task 6 – Develop Implementation Guidelines

- a. Organize projects for implementation actions which may include supply, storage, conjunctive use and portfolio leveraging
 - 1) Solicit SGPWA Board and Management regarding policy and procedural considerations
 - 2) Provide guidance on additional policy and procedural items
- b. Address project opportunity checklists with participating agencies
 - 1) Regulatory agency actions
 - 2) SGPWA actions
 - 3) Retail agency actions (if any)
- c. Outline key documents necessary for actions
 - 1) Agreement-related documents (e.g. MOU)
 - 2) Environmental compliance documents (e.g. initial Study/Negative Declaration)

Deliverables for Task 6: Checklist for preferred water asset acquisition and management activities. Relevant detailed documentation for each action as directed by SGPWA.

Tasks 7-9 [Reserved]**Task 10 – Prepare SGPWA Annual Assessments**

- a. Coordinate regional supply and demand information
- b. Integrate information and synthesize reporting platform
- c. Participate in regional meetings to coordinate findings
- d. Prepare and submit required Annual Assessment reporting information

Task 11 – Regional Planning

- a. Continue to use retail agency meetings to espouse regional planning benefits
- b. Use gathered information from Annual Assessments to develop options for further regional planning actions, like 2025 UWMP
- c. Prepare regional planning documents as directed by SGPWA (exact nature of these documents is TBD at this time and will have costs assessed independently)

Deliverables for Tasks 10-11: Prepare SGPWA Annual Assessment by due date of July 1, 2023. Prepare additional regional planning documents, like UWMP, as directed by SGPWA.

Task 12 – On-Call Services

- a. Address water supply and water management issues
- b. Provide project management for specific engineering activities
- c. Assess pre-feasibility engineering analyses
- d. Review legal or regulatory issues for SGPWA
- e. Provide additional services to support SGPWA's functions

Deliverables for Task 12: Each task will have specific deliverables assigned as directed by SGPWA with associated budget.

EXHIBIT B

Schedule of Charges/Payments

Consultant will invoice Agency on a monthly cycle. Consultant will include with each invoice a detailed progress report that indicates the amount of budget spent on each task. This is a time-and-materials contract. The hourly rates and time for each task are set forth in the SGPWA Budget Excel Spreadsheet attached behind this page.

EXHIBIT C

Schedule of Activities

Expected Timeline of Deliverables

	Deliverable	Expected Date
Task 1	SGPWA Water Supply Portfolio Objectives	February 28, 2023
	Update Additional Objectives	Throughout project
Task 2	Inventory and Assess Existing Water Supply Portfolio	April 2023
	Assess and Document Water Assets	
	Assess and Document Water Infrastructure	
	Summary Technical Memorandum and PowerPoint	May 2023
Task 3	Examine Existing Portfolio Opportunities and Constraints	June 2023
Task 4	Analyze New Water Asset Opportunities	June 2023
Task 5	Prepare Water Supply Portfolio Plan	July 2023
	Final Water Supply Portfolio Plan and PowerPoint	August 2023
Task 6	Develop Implementation Guidelines	September 2023
	Prepare Implementation Guideline TM and PowerPoint	September 2023
Task 7	Project Implementation Documents	Hold
Task 8	Water Asset Acquisition and Storage Opportunities	Hold
Task 9	Secure Opportunities	Hold
Task 10	Prepare SGPWA Annual Assessments	June 2023
Task 11	Regional Planning and Coordination	Ongoing through December 2023

Note: Staff may request modified timelines for specific tasks based on Agency needs.



SGPWA Water Portfolio Strategy
November 14, 2022

	Zanjero Hours						Zanjero Budget, \$
		Zanjero Principals	Managing Planner or Engineer	Senior Planner/Engineer	Planner/Engineer	Admin	
2022 Rate, \$/hr		295	250	220	200	120	
Task							
Task 1 - SGPWA Water Supply Portfolio Objectives		30		15	15	2	15,390
Task 2 - Inventory and Assess Portfolio		50		30	30	2	27,590
Task 3 - Portfolio Opportunities and Constraints		50	0	40	30	2	29,790
Task 4 - New Water Asset Opportunities		50	0	40	30	2	29,790
Task 5 - Water Supply Portfolio Plan		60	0	30	30	2	30,540
Task 6 - Develop Implementation Guidelines		40	0	20	20	2	20,440
Task 7 - Project Implementation Documents		40	0	40	40	2	28,840 HOLD
Task 8 - Water Asset Acquisition and Storage Opps		60	0	40	40	2	34,740 HOLD
Task 9 - Secure Opportunities		100	0	50	50	2	50,740 HOLD
Task 10 - Prepare SGPWA Annual Assessments		20	0	30	40	2	20,740
Task 11 - Regional Planning		40	0	30	20	2	22,640
Totals		540	-	365	345	22	196,920