

AGENDA STAFF REPORT

MEETING NAME: REGULAR BOARD MEETING

MEETING DATE(S): JANUARY 15 & 20, 2026

FROM: ERIC WECK, P.E., ENGINEERING MANAGER

FOR: ACTION X DIRECTION _____ INFORMATION _____



PUBLIC WATER SYSTEM CONSTRUCTION AGREEMENT AND WATER BONDING AGREEMENT FOR THE DESERT GROW DEVELOPMENT

STAFF RECOMMENDATION

Board approval of the Public Water System Construction Agreement and the Water Bonding Agreement for the Desert Grow Development (Project) and authorize the General Manager to do all things necessary to complete and execute the agreements.

SUMMARY

The acceptance of the Water System Construction Agreement ensures that the systems will be constructed to the standards of the District, and that the Developer is responsible for all costs associated with the design and construction of the system. Additionally, the District has determined in conjunction with the City of Desert Hot Springs, that it is necessary to obtain separate Performance/Warranty and Payment bonds in favor of the District for the Project. Subsequently, approved water facilities will be transferred to the District upon successful completion of all the work, and the one-year warranty period will begin.

ANALYSIS

The Performance/Warranty Bond assures the work will be completed i.e., paid for through the bond if the developer defaults. It will also continue to cover the warranty period for the first year after final acceptance to correct any operational problems attributable to the original construction. The Payment Bond (which includes labor & materials for the project) covers claims by others for materials or labor supplied but not paid for in part or in full for the project if it defaults. This bond is exonerated upon final acceptance.

FISCAL IMPACT

There is no fiscal impact to the District as this is a developer driven project and all costs associated with it will be paid for by the developer. This agenda item reflects the District’s Smart Goal Number 4.3: Maintain and renew assets while facilitating strategic Capital Improvements.

ATTACHMENTS

- Water System Construction Agreement
- Water Bonding Agreement

FINANCIAL DATA		
Cost Associated with this action:	\$0	
Current FY cost:	\$0	
Future FY cost:	-0-	
Is it covered in current year budget:	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Budget adjustment needed:	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If yes, year needed:	NA	
All previous contracts including dates, amounts and board approvals are attached or have been made available. N/A		
FUNDING SOURCES		
Source of funds:	Developer	
BID/Job#	11512	
Current BID/Job balance	\$1,447.00	
Balance remaining if approved:	\$1,447.00	