



PALMDALE WATER DISTRICT
A CENTURY OF SERVICE

March 11, 2026

BOARD OF DIRECTORS

W. SCOTT KELLERMAN
Division 1

DON WILSON
Division 2

CYNTHIA SANCHEZ
Division 3

KATHY MAC LAREN-GOMEZ
Division 4

DEBBIE DINO
Division 5

**AGENDA FOR A MEETING
OF THE FINANCE COMMITTEE
OF THE PALMDALE WATER DISTRICT
TO BE HELD AT 2029 EAST AVENUE Q, PALMDALE**
Committee Members: Don Wilson-Chair, Scott Kellerman

TUESDAY, MARCH 17, 2026

1:30 p.m.

DENNIS D. LaMOREAUX
General Manager

ALESHIRE & WYNDER LLP
Attorneys

NOTE: To comply with the Americans with Disabilities Act, to participate in any Board meeting please contact Danielle Henry at 661-947-4111 x1059 at least 48 hours prior to a Board meeting to inform us of your needs and to determine if accommodation is feasible.

Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the District’s office located at 2029 East Avenue Q, Palmdale or on the District’s website at <https://www.palmdalewater.org/governance/committee-activity/2026-committee-agendas-and-minutes/> (Government Code Section 54957.5). Please call Danielle Henry at 661-947-4111 x1059 for public review of materials.

PUBLIC COMMENT GUIDELINES: The prescribed time limit per speaker is three-minutes. Please refrain from public displays or outbursts such as unsolicited applause, comments, or cheering. Any disruptive activities that substantially interfere with the ability of the District to conduct its meeting will not be permitted, and offenders will be requested to leave the meeting. (PWD Rules and Regulations, Appendix DD, Sec. IV.A.)

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance to take action on any item.

- 1) Roll Call.
- 2) Adoption of Agenda.
- 3) Public Comments for Non-Agenda Items.
- 4) Action Items: (The public shall have an opportunity to comment on any action item as each item is considered by the Committee prior to action being taken.)



- 4.1) Consideration and Possible Action on Approval of Minutes of Meeting held February 17, 2026.
- 4.2) Discussion and Overview of Current Cash Balances and Investment Funds Report as of January 2026. (Financial Advisor Egan)
- 4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for January 2026. (Finance Manager Iguaran)
- 4.4) Discussion and Overview of Committed Contracts Issued. (Finance Manager Iguaran)
- 4.5) Consideration on a Recommendation to Approve and Authorize the General Manager or His Designee to Enter Into an Agreement with Workday and ERP Analysts for the Enterprise Resource Planning (ERP) System Implementation and Subscription. (\$2,000,000.00 – Not-to-Exceed – Non-Budgeted – Finance Manager Iguaran)
- 5) Reports.
 - 5.1) Finance Manager Iguaran:
 - a) Revenue Projections.
 - b) Monthly Billing Statistics.
 - 5.2) Financial Advisor Egan:
 - a) Debt Service Coverage Status.
 - 5.3) Other.
- 6) Board Members' Requests for Future Agenda Items.
- 7) Date of Next Committee Meeting.
- 8) Adjournment.



DENNIS D. LaMOREAUX,
General Manager

DDL/dh

**MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT,
FEBRUARY 17, 2026:**

A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, February 17, 2026, at 2029 East Avenue Q, Palmdale, CA 93550. Chair Wilson called the meeting to order at 1:30 p.m.

1) Roll Call.

Attendance:

Committee:
Don Wilson, Chair
Scott Kellerman,
Committee Member

Others Present:

Dennis LaMoreaux, General Manager
Viri Iguaran, Finance Manager
Bob Egan, Financial Advisor
Cynthia Sanchez, Alternate Committee Member
Debbie Dino, Board Member
Wendell Wall, Facilities Manager
Sarah Hernandez, Accounting Supervisor
Danielle Henry, Executive Assistant
Jessica Vasquez, Management Analyst
0 members of the public

2) Adoption of Agenda.

It was moved by Committee Member Kellerman, seconded by Chair Wilson, and unanimously carried by all members of the Committee present at the meeting to adopt the agenda, as written.

3) Public Comments for Non-Agenda Items.

There were no public comments for non-agenda items.

4) Action Items: (The Public Shall Have an Opportunity to Comment on Any Action Item as Each Item is Considered by the Committee Prior to Action Being Taken.)

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held November 25, 2025.

It was moved by Committee Member Kellerman, seconded by Chair Wilson, and unanimously carried by all members of the Committee present at the meeting to approve the minutes of the Finance Committee meeting held November 25, 2025, as written.

4.2) Consideration and Possible Action on Approval of Minutes of Special Meeting Held December 9, 2025.

It was moved by Committee Member Kellerman, seconded by Chair Wilson, and unanimously carried by all members of the Committee present at the meeting to approve the minutes of the Special Finance Committee meeting held December 9, 2025, as written.

4.3) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of December 2025. (Financial Advisor Egan)

Financial Advisor Egan provided an overview of the monthly and quarterly Major Account Activity Reports and the Investment Funds Report through December 2025, including account transfers, assessments received, scheduled payments, interest and market values, capital improvement fees, and future investment changes.

4.4) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for December 2025. (Finance Manager Iguaran)

Finance Manager Iguaran reviewed in detail the Balance Sheet, Income Statement, Income Statement Variance, and the Departmental Reports for the period ending December 2025, including assets and liabilities, retained earnings, operating and non-operating revenues, non-cash expenses, personnel and operational expenses, capital improvement fees, and anticipated state and federal grant reimbursements, and stated that operating revenues are at 116.3% of budget; that expenses are below the historical trend average at 90.34%; that LSL, LLP continues to assist with the District's bank reconciliations; and that two departments are slightly above the projected budget due to annual contract services and staff time dedicated to service orders for failing meters followed by a brief discussion regarding source of supply costs.

4.5) Discussion and Overview of Committed Contracts Issued. (Finance Manager Iguaran)

Finance Manager Iguaran provided an overview of the committed and uncommitted 2024A and 2023A Water Revenue Bond funds and reported that the District will soon begin drawing WIFIA loan funds followed by a brief discussion regarding projected interest earnings.

5) Reports.

5.1) Finance Manager Iguaran:

a) Revenue Projections.

Finance Manager Iguaran reported that based on selling 15,000 AF of water, 2025 revenue is ahead of projections by approximately \$3.9 million as of December 31.

b) Monthly Billing Statistics.

She then reported on December billing activity, including the number of billings, late fee notices, shut-off notices, and shutoffs and locks.

c) Rate Assistance Program.

She then reported that \$190,000 was budgeted for the 2026 Rate Assistance Program to support 633 customers with a \$25 monthly discount, and as of February 11, 2026, 629 customers are enrolled, including 162 Low-Income, 462 Senior, and 5 Veteran participants followed by a brief discussion regarding the annual application process.

5.2) Financial Advisor Egan:

a) Debt Service Coverage Status.

Financial Advisor Egan reported that the Debt Service Coverage for January 2025 to December 2025 is 3.61 and remains healthy.

5.3) Other.

General Manager LaMoreaux reported that staff is working to secure a new Enterprise Resource Planning (ERP) system package, which may require a special Finance Committee meeting before it is presented to the full Board.

6) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

7) Date of Next Committee Meeting.

It was determined that the next regular Finance Committee Meeting will be held on March 17, 2026 at 1:30 p.m.

8) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned at 2:07 p.m.

Chair



COMMITTEE MEMORANDUM

DATE: March 17, 2026
TO: FINANCE COMMITTEE
FROM: Financial Advisor Egan
VIA: General Manager LaMoreaux
RE: *DISCUSSION AND OVERVIEW OF CURRENT CASH BALANCES AND INVESTMENT FUNDS REPORT AS OF JANUARY 2026. (FINANCIAL ADVISOR EGAN)*

Attached are the Cash Notes and the Investment Funds Report as of January 2026. The reports will be reviewed in detail at the Finance Committee meeting.

<u>2025</u>						
<u>December to January 2026</u>						
acct 11469						
Balance	1/31/2026	2,830,501.86				
Balance	12/31/2025	4,772,776.36				
Increase		(1,942,274.50)				
One month activity						
Interest/Mkt value received		2,471.62			Taxes	
Transfer to MBX at Mission bank		(1,500,000.00)			YTD expected	
Payment to Garney Holding		(1,954,018.48)			YTD received	1,509,272
Taxes received		1,509,272.36			Decrease	1,509,272
Increase		(1,942,274.50)				
Acct 11475						
Balance	1/31/2026	3,341,204.12				
Balance	12/31/2025	3,331,597.77				
Increase		9,606.35				
One month activity						
Interest/Mkt value received		9,606.35				
Laif	12/31/25 balance	14,358.55				
	Jan Qtrly Int	151.82				
		14,510.37				
					all accounts	
					FACE	10,380,000
Acct 11432					Value	10,305,191
Balance	1/31/2026	8,252,111.02			Future earnings	74,809
Balance	12/31/2025	8,231,987.42				
Decrease		20,123.60				
One month activity						
Interest/Mkt value received		20,123.60		Int/Mkt	Month	YTD
Decrease		20,123.60		Jan	37,365.81	37,365.81
				Feb		
				Mar		
				Apr		
				May		
				Jun		
				Jul		
Acct 24016.				Aug		
Balance	1/31/2026	2,141,627.05		Sep		
Balance	12/31/2025	2,136,614.63		Oct		
Increase		5,012.42		Nov		Excludes bond
One month activity				Dec		interest
Interest/Mkt value received		5,012.42				37,365.81
Increase		5,012.42			2025 interest	
					766,846	

**PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT
January 31, 2026**

		January 2026	December 2026				
CASH							
1-00-0103-100	Citizens - Checking	4,025,875.20	5,459,593.70				
1-00-0103-200	Citizens - Refund	10,615.81	15,002.74				
1-00-0103-300	Citizens - Merchant	107,378.46	324,104.25				
	Bank Total	4,143,869.47	5,798,700.69				
1-00-0110-000	PETTY CASH	300.00	300.00				
1-00-0115-000	CASH ON HAND	5,400.00	5,400.00				
	TOTAL CASH	4,149,569.47	5,804,400.69				
INVESTMENTS							
1-00-0135-000	Local Agency Investment Fund	14,510.37	14,358.55				
1-00-0120-000	UBS Money Market Account General (SS 11469)						
	Cash	0.00	0.00				
	UBS Select Government Preferred Fund current yield 3.63%	741,108.00	738,826.78				
	UBS Insured Sweep	2,089,393.86	4,033,949.58				
	Accrued interest	0.00	0.00				
		2,830,501.86	4,772,776.36				
	US Government Securities						
	CUSIP #	Issuer	Maturity Date	Rate	PAR	Market Value	Market Value
						0.00	0.00
					-	0.00	0.00
	Certificates of Deposit						
		Issuer	Maturity Date	Rate	Face Value		
		Cape Cod Cooperati	12/11/2025	4.200			
					-	0.00	0.00
						2,830,501.86	4,772,776.36
1-00-1110-000	UBS Money Market Account Capital (SS 11475)						
	UBS Select Government Preferred Fund current yield 3.63%					543,840.00	542,166.03
	UBS Insured Sweep					806.89	0.00
	Cash						
	Accrued interest					15,617.93	13,485.64
						560,264.82	555,651.67
	US Government Securities						
	CUSIP #	Issuer	Maturity Date	Rate	PAR	Market Value	Market Value
	91282CBQ3	US Treasury Note	2/28/2026	0.500	640,000	638,508.80	636,665.60
	91282CBT7	US Treasury Note	3/31/2026	0.75	1,650,000	1,642,360.50	1,639,143.00
					2,290,000	2,280,869.30	2,275,808.60
	Certificates of Depo	Issuer	Maturity Date	Rate	Face Value	Market Value	Market Value
		Merrick Bank	02/10/26	3.80	250,000	249,997.50	249,995.00
		Bank Of America	03/06/26	4.25	250,000	250,072.50	250,142.50
					500,000	500,070.00	500,137.50
						3,341,204.12	3,331,597.77
1-00-0125-000	UBS Access Account General (SS 11432)						
	Cash						
	UBS Select Government Preferred Fund yield 3.63%					544,778.63	543,101.74
	UBS Insured Sweep					1,240,140.89	1,240,035.58
	Accrued interest					29,166.50	22,755.10
						1,814,086.02	1,805,892.42
	US Government Securities						
	CUSIP #	Issuer	Maturity Date	Rate	PAR	Market Value	Market Value
	9128286F2	US Treasury Note	2/28/2026	2.50	1,000,000	999,080.00	998,050.00
	91282CBq3	US Treasury Note	2/28/2026	0.50	1,000,000	997,670.00	994,790.00
	91282CCf6	US Treasury Note	5/31/2026	0.75	1,000,000	990,520.00	988,490.00
	91282CCW9	US Treasury Note	8/31/2026	0.75	3,000,000	2,951,100.00	2,945,130.00
	91282CLP4	US Treasury Note	9/30/2026	3.50	500,000	499,655.00	499,635.00
					6,500,000.00	6,438,025.00	6,426,095.00
	Certificates of Deposit	Issuer	Maturity Date	Rate	Face Value		
					-	0.00	0.00
						8,252,111.02	8,231,987.42
	Total Managed Accounts					14,438,327.37	16,350,720.10
1-00-1121-000	UBS Rate Stabilization Fund (SS 24016) - District Restricted						
	Cash						
	UBS Select Government Preferred Fund yield 3.63%					542,710.45	541,039.94
	UBS Bank Insured Sweep					506,569.98	506,526.96
	Accrued interest					6,119.92	4,027.13
						1,055,400.35	1,051,594.03
	CUSIP #	Issuer	Maturity	Rate	PAR		
	9128285N6	US Treasury Note	11/30/2025	2.875			
	91282CBW0	US Treasury Note	4/30/2026	0.75	590,000	585,946.70	584,595.60
					590,000	585,946.70	584,595.60
	ificates of Deposit						
		CFG BK MD	4/30/2026	4.25	250,000	250,087.50	250,100.00
		Wings Finl Credit MN US	5/7/2026	4.15	250,000	250,192.50	250,325.00
					500,000.00	500,280.00	500,425.00
						2,141,627.05	2,136,614.63
	GRAND TOTAL CASH AND INVESTMENTS					20,729,523.89	24,291,735.42
	Increase (Decrease) in Funds					(3,562,211.53)	



COMMITTEE MEMORANDUM

DATE: March 17, 2026
TO: FINANCE COMMITTEE
FROM: Finance Manager/CFO Iguaran
VIA: General Manager LaMoreaux
RE: *DISCUSSION AND OVERVIEW OF FINANCIAL STATEMENTS, REVENUE, AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR JANUARY 2026. (FINANCE MANAGER IGUARAN)*

Discussion:

Presented here are the Balance Sheet and Profit and Loss Statement for the period ending January 31, 2026.

This represents the first month of the District's 2026 Budget and Fiscal Year.

The financial statements are unaudited. The audit is scheduled to begin in late March, and the amounts presented may change as the District continues to record accruals for revenues and expenses and finalize account reconciliations.

We do not anticipate significant changes to operating revenues, as accounts receivable are recorded when water bills are issued. However, we do expect some adjustments to be made to non-operating revenue such as grants due to timing of expenses.

Operating Revenues through December ended at 116.3% of the budget compared to 90.4% for Operating Expenses. This trend was shown in prior months, and we anticipate ending the year with revenues well above projections and expenses below the costs that were projected for 2025.

Balance Sheet:

Balance Sheet – The balance sheet as of January 31, 2026. Including expected balances for 2025; however, these remain subject to final audit adjustments and reconciliation.

The Balance Sheet compares the District's ending balances through Period 1 of the current year to both the prior month and the same period in the prior year.

- **Receivables:**
 - Receivable balances are lower than the prior year due to several factors.
 - Accrued revenues represent revenue earned in 2025 but received in 2026.
 - Grant reimbursements totaling \$1,416,873 were received in March 2026 for expenses incurred in 2025. These amounts were accrued at year-end and will clear in March.
 - Tax receivables are reconciled annually to ensure that revenue received from Los Angeles County aligns with the amounts initially anticipated based on assessed property values. The reconciliation for 2025 is currently pending.

- Accounts Receivable – General balance decreased substantially compared to the prior year, indicating that at this time last year the District had a higher volume of revenue pending collection.
- **Prepays**
 - Prepaid expenses increased compared to the prior year, reflecting additional upfront payments for goods and services. Late last year, staff identified several items that had previously been expensed in incorrect periods. Under the updated accounting process, these costs are now properly recorded as prepaid expenses and recognized in the period in which they are earned.
- **Non-current Assets:**
 - Restricted cash represents funds held by the bank from bond proceeds and is designated for construction-related expenditures. As construction payments continue, the restricted cash balance will decrease accordingly.
 - Correspondingly, the District’s Work in Progress balance will increase as project costs are incurred. Once projects are completed, these balances will be transferred to capital assets and begin depreciating.
- **Current Liabilities:**
 - Accounts Payable and Accrued liabilities increased substantially compared to the prior period, primarily due to the timing of payments at the end of the reporting period.
- **Retained Earnings:**
 - Retained earnings as of December 31 totaled \$134 million, compared to \$120 million in the prior year.

Income Statement:

- **Operating Revenues:** Total Operating revenues earned in January were \$3,246,956, which were only about \$250,00 more than January 2025. We saw increase in the Meter Fee revenue but not so much in Water Sales (about \$1,000 more than 2025).
- **Operating Expenses:** Our operating expenses for January were \$2,447,346, which is average for the month, which resulted in a positive operating income.
- **Non-Operating Revenue:** Non-operating revenue totals were impacted by the accrual of revenue recorded in January that was not received until March. The balance will clear in March upon approval and processing of the related cash receipt.

Department Indicators

The graphical representation shows several departments appearing “over budget” for the month of January. However, when compared to their full-year budgets, the departments remain within their total authorized budget amounts.

- **Facilities**
 - Contracted Services: Pest control, Janitorial, Landscape services, supplies

- **Human Resources**
 - Education Reimbursement, Department Work Boots,
- **Customer Care**
 - Personnel Expense

Definitions:

Accruals: recognition of financial activity based on timing of economic activity rather than cash movement. (earned vs paid)

Depreciation: This is the spreading of the total expense of a capital asset over the expected life of that asset.

OPEB Accrual Expense: Other Post-Employment Benefits (OPEB) is the recognized annual required contribution to the benefit. The amount is actuarially determined in accordance with the parameters of GASB 45. The amount represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year.

Bad Debt: The uncollectible accounts receivable that has been written off.

Service Cost Construction: The value of material, parts & supplies from inventory used to construct, repair, and maintain our asset infrastructure.

Capitalized Construction: The value of our labor force used to construct our asset infrastructure.

Balance Sheet

PWD (Palmdale Water District)

Last Closed Period: Jan FY_2026

in currency

in Whole Dollars

	Ending Balances		Variance vs. PY		Ending Balances		Variance vs. PM	
	Jan '26	Jan '25	\$ Var	% Var	Jan '26	Dec '25	\$ Var	% Var
	Actual	PY Actual			Actual	PM Actual		
Current Assets								
[+] Cash & Equivalents	20,268,544	18,696,403	1,572,141	8.4%	20,268,544	23,341,999	(3,073,455)	-13.2%
[-] Receivables	6,934,040	11,412,865	(4,478,825)	-39.2%	6,934,040	10,527,070	(3,593,030)	-34.1%
[-] Accounts Receivable	2,395,802	3,146,556	(750,755)	-23.9%	2,395,802	4,932,400	(2,536,598)	-51.4%
0200-000 (Accounts Receivable - Water)	3,818,900	3,140,606	678,294	21.6%	3,818,900	3,517,458	301,442	8.6%
0203-000 (Accounts Receivable - Customer Deposits)	16,632	28,807	(12,175)	-42.3%	16,632	20,925	(4,294)	-20.5%
0220-000 (Allowance for Uncollected Accounts)	(22,856)	(22,856)	-	0.0%	(22,856)	(22,856)	-	0.0%
0250-000 (Accounts Receivable - Accrued)	(1,416,873)	-	(1,416,873)	0.0%	(1,416,873)	1,416,873	(2,833,746)	-200.0%
[+] Tax Receivable	4,274,489	5,986,949	(1,712,460)	-28.6%	4,274,489	5,330,921	(1,056,432)	-19.8%
[+] Lease Receivable	126,287	126,287	-	0.0%	126,287	126,287	-	0.0%
[-] Other Receivable	137,462	2,153,072	(2,015,611)	-93.6%	137,462	137,462	-	0.0%
0205-000 (Accounts Receivable - General)	(1,492)	2,014,118	(2,015,611)	-100.1%	(1,492)	(1,492)	-	0.0%
0210-000 (Accounts Receivable - Construction)	138,954	138,954	-	0.0%	138,954	138,954	-	0.0%
[+] Inventory	1,404,617	1,859,628	(455,011)	-24.5%	1,404,617	1,411,055	(6,438)	-0.5%
[+] Prepaid Expenses	974,113	578,716	395,398	68.3%	974,113	974,113	-	0.0%
Total Current Assets	29,581,314	32,547,611	(2,966,298)	-9.1%	29,581,314	36,254,236	(6,672,923)	-18.4%
Non Current Assets								
[+] Restricted Cash	10,862,409	26,544,044	(15,681,635)	-59.1%	10,862,409	10,834,628	27,781	0.3%
[+] Lease Receivables	140,441	140,441	-	0.0%	140,441	140,441	-	0.0%
[+] Investment	2,255,347	2,255,347	-	0.0%	2,255,347	2,255,347	-	0.0%
[+] Right-To-Use Assets	405,701	405,701	-	0.0%	405,701	405,701	-	0.0%
[-] Capital Assets not Depreciated	62,114,258	35,807,708	26,306,550	73.5%	62,114,258	58,604,052	3,510,207	6.0%
[+] Water Rights	2,127,355	2,127,355	-	0.0%	2,127,355	2,127,355	-	0.0%
[+] Land	2,978,261	2,978,261	-	0.0%	2,978,261	2,978,261	-	0.0%
[-] Construction	57,008,642	30,702,092	26,306,550	85.7%	57,008,642	53,498,436	3,510,207	6.6%
1200-000 (Work in Process)	57,008,642	30,702,092	26,306,550	85.7%	57,008,642	53,498,436	3,510,207	6.6%
[+] Capital Assets Depreciated	171,772,296	164,548,070	7,224,226	4.4%	171,772,296	169,549,475	2,222,821	1.3%
Total Non Current Assets	247,550,452	229,701,312	17,849,140	7.8%	247,550,452	241,789,643	5,760,809	2.4%
Deferred Outflows of Resources								
1400-000 (DOR - Contributions Pension)	1,033,933	1,033,933	-	0.0%	1,033,933	1,033,933	-	0.0%
1400-001 (DOR - Pension Related)	2,798,294	2,798,294	-	0.0%	2,798,294	2,798,294	-	0.0%
1400-010 (DOR - OPEB Contributions)	556,021	556,021	-	0.0%	556,021	556,021	-	0.0%
1400-011 (DOR - OPEB Related)	2,729,464	2,729,464	-	0.0%	2,729,464	2,729,464	-	0.0%
2501-400 (2023A Bonds - Loss of Defeasance)	1,108,800	1,135,200	(26,400)	-2.3%	1,108,800	1,108,800	-	0.0%
Total Deferred Outflows of Resources	8,226,512	8,252,912	(26,400)	-0.3%	8,226,512	8,226,512	-	0.0%
Total Assets	285,358,278	270,501,835	14,856,443	5.5%	285,358,278	286,270,392	(912,114)	-0.3%
Current Liabilities								
[+] Accounts Payable & Accrued Exp	5,627,150	1,624,866	4,002,283	246.3%	5,627,150	4,764,041	863,109	18.1%
[+] Customer Deposits	2,974,454	3,051,304	(76,851)	-2.5%	2,974,454	2,972,261	2,193	0.1%
[+] Construction Deposits	1,794,095	1,728,011	66,084	3.8%	1,794,095	1,794,095	-	0.0%
Current Compensated Absences	407,236	411,133	(3,897)	-0.9%	407,236	396,858	10,378	2.6%
[+] Accrued Interest Payable	(57,931)	1,212,572	(1,270,503)	-104.8%	(57,931)	(57,931)	-	0.0%
[+] Long-term liabilities - due in one year	3,942,657	4,422,079	(479,423)	-10.8%	3,942,657	3,942,657	-	0.0%
[+] Payables	-	-	-	0.0%	-	-	-	0.0%
Total Current Liabilities	14,687,661	12,449,966	2,237,694	18.0%	14,687,661	13,811,980	875,680	6.3%
Non-Current Liabilities								
Non Current Compensated Absences	1,221,709	1,233,399	(11,690)	-0.9%	1,221,709	1,190,575	31,134	2.6%
[+] Lease Payable	256,512	256,512	-	0.0%	256,512	256,512	-	0.0%
[+] Current Portion of Capital Lease Payable	1,010,223	1,010,223	-	0.0%	1,010,223	1,010,223	-	0.0%
[+] Bond Premiums and Discount	2,625,337	2,693,507	(68,170)	-2.5%	2,625,337	2,625,337	-	0.0%
[+] Long term Portion of Bond Payable	91,243,770	94,144,139	(2,900,369)	-3.1%	91,243,770	91,243,770	-	0.0%
[+] Other Non Current Liabilities	29,546,798	28,538,131	1,008,666	3.5%	29,546,798	29,546,798	-	0.0%
Total Non-Current Liabilities	125,904,348	127,875,911	(1,971,563)	-1.5%	125,904,348	125,873,214	31,134	0.0%
Deferred Inflows of Resources								
2300-000 (Deferred Assessments)	6,750,000	4,000,000	2,750,000	68.8%	6,750,000	6,750,000	-	0.0%
2065-001 (DIR - Pension Related)	273,549	273,549	-	0.0%	273,549	273,549	-	0.0%
2065-010 (DIR - OPEB Related)	4,795,498	4,795,498	-	0.0%	4,795,498	4,795,498	-	0.0%
2065-011 (DIR - Leases)	230,288	230,288	-	0.0%	230,288	230,288	-	0.0%
Total Deferred Inflows of Resources	12,049,335	9,299,335	2,750,000	29.6%	12,049,335	12,049,335	-	0.0%
Total Liabilities	152,641,344	149,625,213	3,016,131	2.0%	152,641,344	151,734,529	906,815	0.6%
Equity								
[+] Retained Earnings	134,133,807	120,876,623	13,257,185	11.0%	134,133,807	134,535,863	(402,055)	-0.3%
Total Equity	134,133,807	120,876,623	13,257,185	11.0%	134,133,807	134,535,863	(402,055)	-0.3%
Total Liabilities Equity	286,775,151	270,501,835	16,273,316	6.0%	286,775,151	286,270,392	504,759	0.2%

Income Statement

Last Closed Period: Jan FY_2026

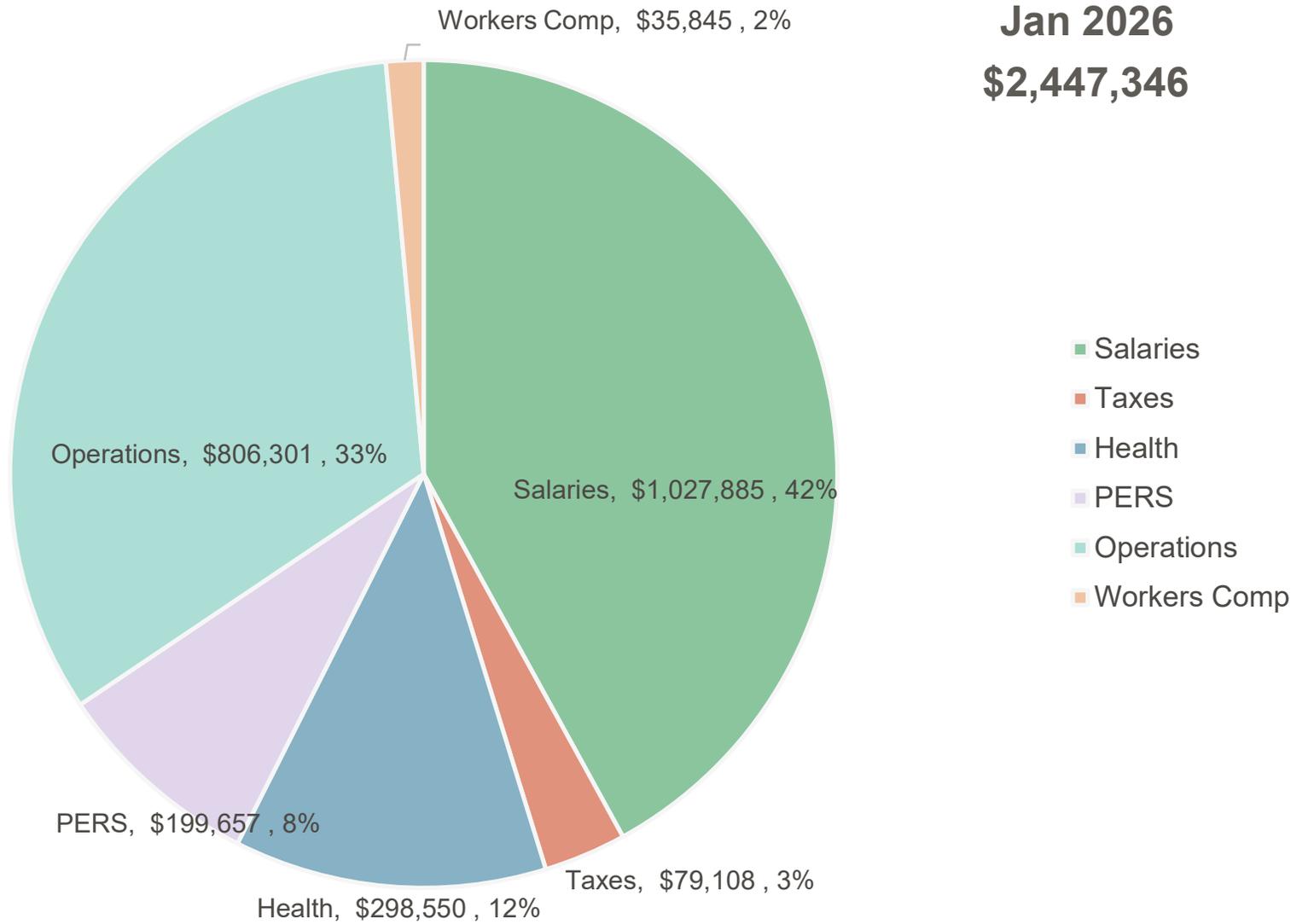
PWD (Palmdale Water District)

in Whole Dollars

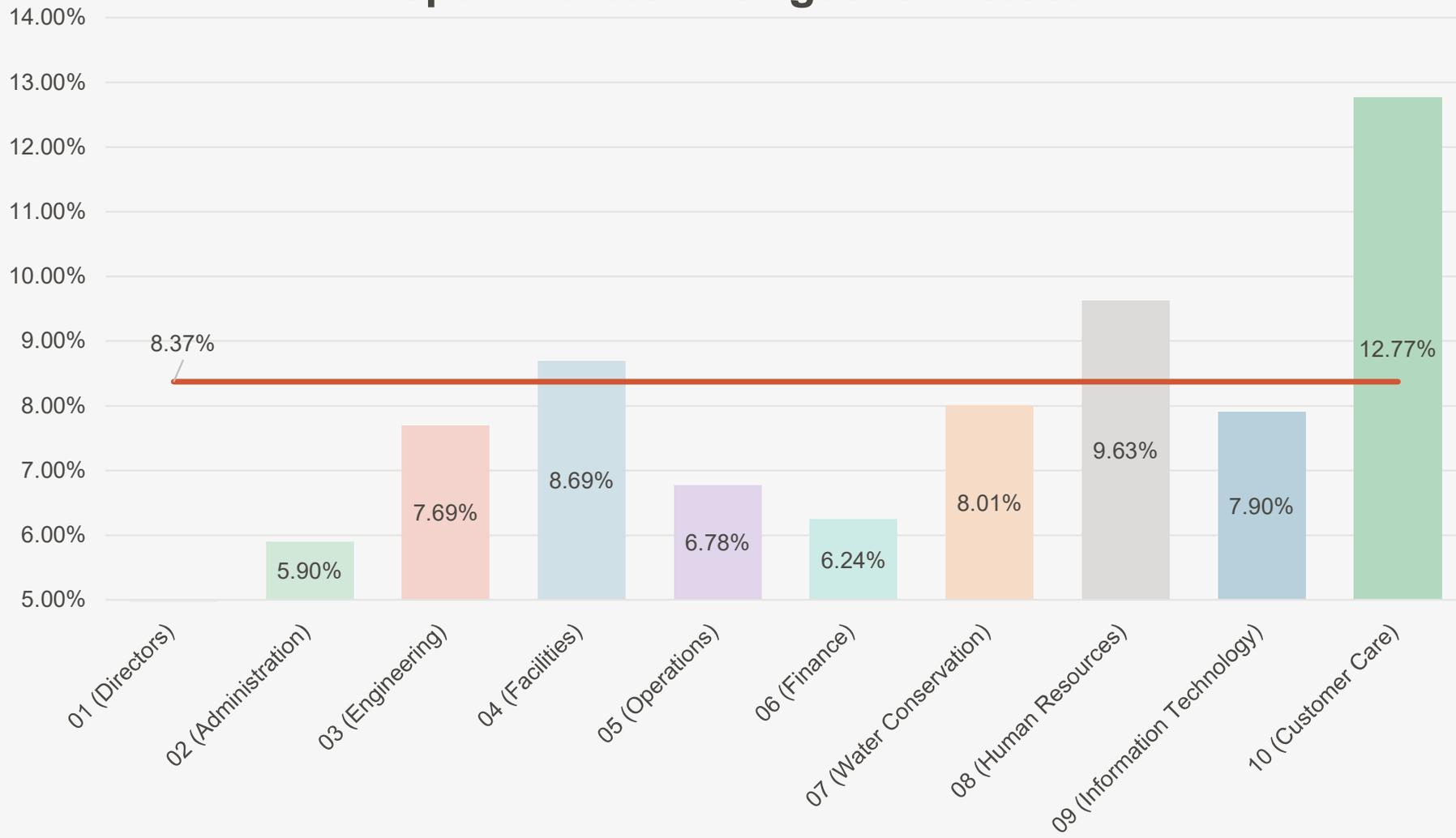
		2024	2025	Jan '26	Feb '26	Mar '26	Apr '26	May '26	Jun '26	Jul '26	Aug '26	Sep '26	Oct '26	Nov '26	Dec '26	2026	2026	% of exec.
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget
Program Revenue																		
[+] Wholesale water	All Departments	273,056	538,952	-	-	-	-	-	-	-	-	-	-	-	-	-	355,000	0.0%
[+] Water Sales	All Departments	12,956,621	15,639,718	1,004,375	856,219	-	-	-	-	-	-	-	-	-	-	1,004,375	17,316,021	5.8%
[+] Meter Fees	All Departments	20,340,155	22,685,338	2,083,338	2,083,080	-	-	-	-	-	-	-	-	-	-	2,083,338	24,840,957	8.4%
[+] Water Quality Fees	All Departments	416,112	345,752	25,944	21,972	-	-	-	-	-	-	-	-	-	-	25,944	250,000	10.4%
[+] Elevation Fees	All Departments	382,474	306,799	24,838	21,568	-	-	-	-	-	-	-	-	-	-	24,838	250,000	9.9%
[+] Other Service Charges	All Departments	1,237,352	1,553,142	108,460	138,785	(161)	-	-	-	-	-	-	-	-	-	108,460	1,108,300	9.8%
[+] Drought Surcharge	All Departments	41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Total Program Revenue		35,605,811	41,069,701	3,246,956	3,121,624	(161)	-	-	-	-	-	-	-	-	-	3,246,956	44,120,278	7.36%
Total Revenue		35,605,811	41,069,701	3,246,956	3,121,624	(161)	-	-	-	-	-	-	-	-	-	3,246,956	44,120,278	7.36%
Operating Expenses																		
[+] Operating Expenses	01 (Directors)	169,544	163,540	11,534	8,790	-	-	-	-	-	-	-	-	-	-	11,534	195,500	5.9%
[+] Operating Expenses	02 (Administration)	5,763,853	5,889,821	490,144	407,810	8,344	-	-	-	-	-	-	-	-	-	490,144	6,373,024	7.7%
[+] Operating Expenses	03 (Engineering)	1,964,943	2,082,056	199,706	138,952	-	-	-	-	-	-	-	-	-	-	199,706	2,298,059	8.7%
[+] Operating Expenses	04 (Facilities)	7,571,777	7,406,423	615,582	453,038	13,419	-	-	-	-	-	-	-	-	-	615,582	9,084,762	6.8%
[+] Operating Expenses	05 (Operations)	5,124,140	4,920,196	344,435	268,240	63,107	-	-	-	-	-	-	-	-	-	344,435	5,518,929	6.2%
[+] Operating Expenses	06 (Finance)	2,043,371	1,931,573	173,316	138,436	454	-	-	-	-	-	-	-	-	-	173,316	2,164,237	8.0%
[+] Operating Expenses	07 (Water Conservation)	287,595	353,075	34,945	21,508	-	-	-	-	-	-	-	-	-	-	34,945	363,015	9.6%
[+] Operating Expenses	08 (Human Resources)	748,518	759,278	65,450	45,789	-	-	-	-	-	-	-	-	-	-	65,450	828,257	7.9%
[+] Operating Expenses	09 (Information Technology)	2,240,149	2,346,670	304,071	122,378	1,707	-	-	-	-	-	-	-	-	-	304,071	2,381,400	12.8%
[+] Operating Expenses	10 (Customer Care)	1,960,613	1,955,315	189,843	129,398	-	-	-	-	-	-	-	-	-	-	189,843	1,999,956	9.5%
[+] Source of Supply	All Departments	1,886,457	3,718,804	18,321	29,487	767	-	-	-	-	-	-	-	-	-	18,321	3,150,000	0.6%
[+] Plant Expenditures	All Departments	145,951	214,799	-	-	-	-	-	-	-	-	-	-	-	-	-	250,000	0.0%
[+] Sediment Removal Project	All Departments	54,349	139,450	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500,000	0.0%
[+] GAC Filter Media Replacement	All Departments	668,000	1,055,012	-	(491,589)	-	-	-	-	-	-	-	-	-	-	-	750,000	0.0%
Total Operating Expenses		30,629,258	32,936,011	2,447,346	1,272,237	87,798	-	-	-	-	-	-	-	-	-	2,447,346	36,857,139	6.64%
Net Cash Operating Profit/(Loss)		4,976,553	8,133,690	799,610	1,849,387	(87,959)	-	-	-	-	-	-	-	-	-	799,610	7,263,139	11.0%
Cash Operating Margin %		14.0%	19.8%	24.6%	59.2%	54561.7%	n/a	24.6%	16.5%	149.6%								
Non-Cash Operating Expense																		
[+] Depreciation	All Departments	5,748,358	5,822,055	468,348	468,348	-	-	-	-	-	-	-	-	-	-	468,348	5,700,000	8.2%
[+] OPEB P&L	All Departments	434,362	1,532,521	-	-	-	-	-	-	-	-	-	-	-	-	-	1,600,000	0.0%
[+] Bad Debts	All Departments	42,061	85,305	(2,495)	(104)	-	-	-	-	-	-	-	-	-	-	(2,495)	80,000	-3.1%
[+] Service Cost Construction	All Departments	294,903	(189,398)	32,878	16,544	2,838	-	-	-	-	-	-	-	-	-	32,878	540,000	6.1%
[+] Capitalized Construction	All Departments	(1,565,775)	(2,362,102)	(187,535)	(160,818)	-	-	-	-	-	-	-	-	-	-	(187,535)	(1,600,000)	-11.7%
Total Non-Cash Operating Expense		4,953,909	4,888,381	311,197	323,971	2,838	-	-	-	-	-	-	-	-	-	311,197	6,320,000	4.9%
Operating (Loss) Income		22,644	3,245,309	488,412	1,525,416	(90,797)	-	-	-	-	-	-	-	-	-	488,412	943,139	51.8%
Operating Margin %		0.1%	7.9%	15.0%	48.9%	56322.1%	n/a	15.0%	2.1%	703.7%								
Non Operating Revenues																		
[+] Assessments - Debt Service	All Departments	7,268,052	3,838,484	-	-	-	-	-	-	-	-	-	-	-	-	-	7,000,000	0.0%
[+] Assessments - 1% Ad Valorem	All Departments	4,508,584	2,937,906	452,841	-	-	-	-	-	-	-	-	-	-	-	452,841	3,412,980	13.3%
[+] DWR Fixed Charge Recovery	All Departments	443,653	425,798	-	-	-	-	-	-	-	-	-	-	-	-	-	250,000	0.0%
[+] Interest	All Departments	987,740	1,381,923	65,172	-	-	-	-	-	-	-	-	-	-	-	65,172	250,000	26.1%
[+] Capital Improvement Fees (CIF)	All Departments	209,462	2,676,331	-	2,311,450	-	-	-	-	-	-	-	-	-	-	-	600,000	0.0%
[+] State Water Project - Table A Water Sale	All Departments	1,662,500	1,800,000	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000	0.0%
[+] State & Federal Grants	All Departments	2,078,941	4,278,209	(1,413,548)	-	-	-	-	-	-	-	-	-	-	-	(1,413,548)	2,500,000	-56.5%
[+] Other Non-Operating Revenue	All Departments	1,440,786	276,894	9,310	66,143	-	-	-	-	-	-	-	-	-	-	9,310	238,423	3.9%
Total Non Operating Revenues		18,599,717	17,615,545	(886,226)	2,377,593	-	-	-	-	-	-	-	-	-	-	(886,226)	15,251,403	-5.81%
[+] Interest Long Term Debt	All Departments	3,307,446	2,627,224	-	-	-	-	-	-	-	-	-	-	-	-	-	3,143,117	0.0%
[+] Deferred Charges - Cost Issuance	All Departments	292,810	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
[+] Amortization of SWP	All Departments	4,985,344	3,738,972	-	-	-	-	-	-	-	-	-	-	-	-	-	4,838,220	0.0%
[+] Water Conservation Programs	All Departments	66,667	82,608	4,242	-	-	-	-	-	-	-	-	-	-	-	4,242	100,000	4.2%
PRWA	00 (General)	(6,930)	20,918	-	-	-	-	-	-	-	-	-	-	-	-	-	20,000	0.0%
		8,645,337	6,469,722	4,242	-	-	-	-	-	-	-	-	-	-	-	4,242	8,101,337	0.1%
Net Income		-	14,391,132	(402,055)	3,903,009	(90,797)	-	-	-	-	-	-	-	-	-	3,410,157	8,093,205	42.1%
NIBT %		0.0%	35.0%	-12.4%	125.0%	56322.1%	n/a	105.0%	18.3%	572.6%								

Personnel vs Operational Expenses

Jan 2026
\$2,447,346



Departmental - Budget vs. Actual



Departmental Reporting

01 (Directors)

in Whole Dollars

	Jan '26 Actual	Jan '26 Budget	Full year Budget	% Used
Personnel				
[+] Payroll	-	12,917	155,000	0.0%
[+] Payroll Benefits	722	3,375	40,500	1.8%
Total Personnel	722	16,292	195,500	0.4%
Directors				
[+] xxxx-008 Director Mac Laren-Gomez	3,647	-	-	0.0%
[+] xxxx-012 Director Wilson	765	-	-	0.0%
[+] xxxx-014 Director Kellerman	2,040	-	-	0.0%
[+] xxxx-015 Director Sanchez	1,530	-	-	0.0%
[+] xxxx-016 Director D. Dino	2,830	-	-	0.0%
Total Directors	10,812	-	-	0.0%
Total Department Expenses	11,534	16,292	195,500	5.9%

Departmental Reporting

02 (Administration)

in Whole Dollars

	Jan '26 Actual	Jan '26 Budget	Full year Budget	% Used
Personnel				
[+] Payroll	159,475	147,960	1,775,517	9.0%
[+] Payroll Benefits	59,393	39,082	468,983	12.7%
Total Personnel	218,868	187,042	2,244,500	9.8%
Operational Expenses				
[+] Computer Software	-	12	148	0.0%
[+] Groundwater Adjudication	27,736	6,375	76,500	36.3%
[+] Others	26,206	28,975	347,700	7.5%
[+] Permits	1,400	833	10,000	14.0%
[+] Public Affairs	800	1,138	13,658	5.9%
[+] Public Relations	6,017	6,250	75,000	8.0%
Total Operational Expenses	62,160	43,584	523,006	11.9%
Total Department Expenses	281,028	230,625	2,767,506	10.2%
District Administration				
District-Wide Salaries & Benefits				
5070-001 (Salaries-On-Call/Stand By Time)	7,000	7,917	95,000	7.4%
5070-002 (PERS-Unfunded Liability)	114,602	128,902	1,546,820	7.4%
5070-003 (Worker's Compensation)	-	29,192	350,308	0.0%
5070-004 (Vacation Benefit Expense)	35,505	7,917	95,000	37.4%
5070-005 (Life Insurance/EAP)	340	616	7,390	4.6%
Total District-Wide Salaries & Benefits	157,448	174,543	2,094,518	7.5%
District-Wide Operating Expenses				
5070-006 (Other Operating)	3,819	4,750	57,000	6.7%
5070-007 (Consultants)	47,200	41,667	500,000	9.4%
5070-008 (Insurance)	-	45,833	550,000	0.0%
5070-010 (Legal Services)	-	15,083	181,000	0.0%
5070-011 (Memberships)	650	13,750	165,000	0.4%
5070-012 (Elections)	-	4,833	58,000	0.0%
Total District-Wide Operating Expenses	51,669	125,917	1,511,000	3.4%
Total Department Expenses	209,116	300,460	3,605,518	5.8%

Departmental Reporting

03 (Engineering)

in Whole Dollars

	Jan '26 Actual	Jan '26 Budget	Full year Budget	% Used
Personnel				
[+] Payroll	133,272	138,070	1,656,844	8.0%
[+] Payroll Benefits	65,685	47,416	568,995	11.5%
Total Personnel	198,957	185,487	2,225,839	8.9%
Operational Expenses				
[+] Computer Software	-	1,458	17,500	0.0%
[+] Contracted Services	-	417	5,000	0.0%
[+] Others	707	3,227	38,720	1.8%
[+] Supplies	42	917	11,000	0.4%
Total Operational Expenses	749	6,018	72,220	1.0%
Total Department Expenses	199,706	191,505	2,298,059	8.7%

Departmental Reporting

04 (Facilities)

in Whole Dollars

	Jan '26 Actual	Jan '26 Budget	Full year Budget	% Used
Personnel				
[+] Payroll	225,954	237,686	2,852,230	7.9%
[+] Payroll Benefits	115,838	86,729	1,040,746	11.1%
Total Personnel	341,791	324,415	3,892,976	8.8%
Operational Expenses				
[+] Contracted Services	22,105	26,860	322,322	6.9%
[+] Electricity	113,931	221,466	2,657,594	4.3%
[+] Lease Expense	17,286	19,967	239,603	7.2%
[+] Mtce & Rep Operations	94,557	90,131	1,081,577	8.7%
[+] Natural Gas	2,069	24,726	296,716	0.7%
[+] Others	4,056	27,289	327,474	1.2%
[+] Permits	961	6,250	75,000	1.3%
[+] Supplies	11,059	8,042	96,500	11.5%
[+] Testing	-	4,250	51,000	0.0%
[+] Tools	7,768	3,667	44,000	17.7%
Total Operational Expenses	273,791	432,649	5,191,786	5.3%
Total Department Expenses	615,582	757,064	9,084,762	6.8%

Departmental Reporting

05 (Operations)

in Whole Dollars

	Jan '26 Actual	Jan '26 Budget	Full year Budget	% Used
Personnel				
[+] Payroll	151,785	138,349	1,660,193	9.1%
[+] Payroll Benefits	61,710	48,824	585,892	10.5%
Total Personnel	213,495	187,174	2,246,085	9.5%
Operational Expenses				
[+] Contracted Services	11,092	12,204	146,444	7.6%
[+] Electricity	35,077	51,195	614,334	5.7%
[+] Mtce & Rep Operations	11,784	11,891	142,687	8.3%
[+] Natural Gas	-	270	3,235	0.0%
[+] Others	51,409	177,486	2,129,835	2.4%
[+] Permits	7,091	9,089	109,065	6.5%
[+] Supplies	12,132	10,050	120,598	10.1%
[+] Tools	2,354	554	6,646	35.4%
Total Operational Expenses	130,940	272,737	3,272,844	4.0%
Total Department Expenses	344,435	459,911	5,518,929	6.2%

Departmental Reporting

06 (Finance)

in Whole Dollars

	Jan '26 Actual	Jan '26 Budget	Full year Budget	% Used
Personnel				
[+] Payroll	99,952	103,434	1,241,211	8.1%
[+] Payroll Benefits	41,048	36,886	442,626	9.3%
Total Personnel	141,000	140,320	1,683,837	8.4%
Operational Expenses				
[+] Contracted Services	27,896	28,254	339,050	8.2%
[+] Lease Expense	726	250	3,000	24.2%
[+] Others	-	672	8,058	0.0%
[+] Telecommunication	3,694	10,858	130,292	2.8%
Total Operational Expenses	32,315	40,033	480,400	6.7%
Total Department Expenses	173,316	180,353	2,164,237	8.0%

Departmental Reporting

07 (Water Conservation)

in Whole Dollars

	Jan '26 Actual	Jan '26 Budget	Full year Budget	% Used
Personnel				
[+] Payroll	23,843	19,281	231,366	10.3%
[+] Payroll Benefits	4,115	8,854	106,249	3.9%
Total Personnel	27,958	28,135	337,615	8.3%
Operational Expenses				
[+] Others	-	316	3,795	0.0%
[+] Public Relations	6,987	1,021	12,257	57.0%
[+] Supplies	-	779	9,348	0.0%
Total Operational Expenses	6,987	2,117	25,400	27.5%
Total Department Expenses	34,945	30,251	363,015	9.6%

Departmental Reporting

08 (Human Resources)

in Whole Dollars

	Jan '26 Actual	Jan '26 Budget	Full year Budget	% Used
Personnel				
[+] Payroll	36,492	38,662	463,948	7.9%
[+] Payroll Benefits	16,710	11,644	139,722	12.0%
Total Personnel	53,201	50,306	603,670	8.8%
Operational Expenses				
[+] Employee Expense	8,085	11,382	136,587	5.9%
[+] HR/Safety	-	173	2,078	0.0%
[+] Others	709	875	10,500	6.7%
[+] Supplies	600	3,753	45,035	1.3%
[+] Training	2,855	2,532	30,387	9.4%
Total Operational Expenses	12,249	18,716	224,587	5.5%
Total Department Expenses	65,450	69,021	828,257	7.9%

Departmental Reporting

09 (Information Technology)

in Whole Dollars

	Jan '26 Actual	Jan '26 Budget	Full year Budget	% Used
Personnel				
[+] Payroll	66,400	71,202	854,428	7.8%
[+] Payroll Benefits	32,317	24,139	289,673	11.2%
Total Personnel	98,717	95,342	1,144,101	8.6%
Operational Expenses				
[+] Cloud Services	12,300	21,542	258,509	4.8%
[+] Computer Equipment	21,409	7,917	95,000	22.5%
[+] Computer Software	3,700	3,333	40,000	9.3%
[+] Contracted Services	22,770	12,409	148,913	15.3%
[+] Lease Expense	2,481	4,833	58,000	4.3%
[+] Mtce & Rep Operations	-	83	1,000	0.0%
[+] Others	31	1,097	13,160	0.2%
[+] Software M&S	127,541	38,817	465,804	27.4%
[+] Supplies	47	417	5,000	0.9%
[+] Telecommunication	15,074	12,659	151,913	9.9%
Total Operational Expenses	205,354	103,108	1,237,299	16.6%
Total Department Expenses	304,071	198,450	2,381,400	12.8%

Departmental Reporting

10 (Customer Care)

in Whole Dollars

	Jan '26 Actual	Jan '26 Budget	Full year Budget	% Used
Personnel				
[+] Payroll	123,711	117,759	1,413,110	8.8%
[+] Payroll Benefits	65,176	42,384	508,612	12.8%
Total Personnel	188,887	160,144	1,921,722	9.8%
Operational Expenses				
[+] Contracted Services	956	5,527	66,324	1.4%
[+] Others	-	560	6,716	0.0%
[+] Supplies	-	433	5,194	0.0%
Total Operational Expenses	956	6,520	78,234	1.2%
Total Department Expenses	189,843	166,663	1,999,956	9.5%

AGENDA ITEM NO. 4.4

Water Revenue Bond - Series 2023A

Project	Project #	Description	Bond Allocation	Contractual Commitment	Payout to Date	Contract Remaining	Uncommitted Bond \$
		2023A WRB Issue - Construction Funds	\$ 13,520,000		\$ -	\$ -	\$ 13,520,000
3M-Power	20-610	3M Booster Station -Power Plan Design (P2S)	-	130,317	13,589	116,728	(13,589)
3M-Const	20-610	3M Booster Station Replacement Project (Metro Builders)	-	6,645,182	4,425,855	2,219,327	(4,425,855)
		Original Contract Amt: \$5,794,042, A2: \$657,606.48, A3: \$35,753.33, A4: \$4,393.50, A5: \$13,829.98, A6: \$39,509.67, A7: \$5,713.76, A8: \$2,684.93, A9: \$9,485.26, A10: \$24,253.66, A11: \$662.81, A12: \$24,880.28					
3M-Review	20-610	3M Booster Station Replacement Project (Hazen & Sawyer)	-	41,890	43,518	(1,628)	(43,518)
3M-Mgmt	20-610	3M Booster Station - Project Inspection (Ardurra Group)	-	345,818	25,661	320,157	(25,661)
W36-Design	20-622	Well 36 - Design & Construction (Hazen and Sawyer)	-	815,133	256,262	558,871	(256,262)
		Original Contract Amt: \$612,656, A1: \$34,180, A2: \$45,140, A3: \$27,265, A5: \$95,892					
W36-Equip	20-622	Well 36 - Equipping (Caliagua, Inc)	-	4,321,512	4,163,662	157,850	(4,163,662)
		Original Contract Amt: \$4,258,230, A1: \$42,980, A2: \$4,984, A3: \$12,029, A4: \$1,541, A5: \$1,748					
Q-Recycled	22-605	Avenue Q Recycled Water Pipeline (American Pipeline Svcs)	-	2,196,744	2,196,744	-	(2,196,744)
		Original Contract Amt: \$2,094,670, A1: \$1,575, A2: \$1,410, A3: \$10,037.67, A4: \$9,753.53, A5: \$9,753.53, A7: \$2,192.45, A8: \$5,250, A9: \$1,880.94, A10: \$974.25, A12: 80,747.27, A13: \$(6,562.70)					
WRB		Bond Issuance Costs	327,759	327,759	327,759	-	
ISS		Issuance Funds	(13,329)	(13,329)	(13,329)		
Totals:			\$ 13,834,430	\$ 14,811,026	\$ 11,439,721	\$ 3,254,577	\$ 2,394,709
2023A Water Revenue Bonds - Unallocated Funds:				\$ (976,595)			
2023A Water Revenue Bonds - Remaining Funds to payout:				\$ 2,394,709			

Requisition No.	Payee	Date Approved	Invoice No.	Project	Payment Amount
43	Hazen and Sawyer - Design Engineers	Dec 16, 2025	20182-000-52	W36-Design	1,997.50
43	Hazen and Sawyer - Design Engineers	Dec 16, 2025	20182-000-53	W36-Design	4,429.50
43	Pacific Premier Bank	Dec 16, 2025	PB14-RET	W36-Equip	4,562.50
43	Caliagua, Inc	Dec 16, 2025	PB14	W36-Equip	86,687.50
43	Metro Builders & Engineers Group	Dec 16, 2025	PP#27	3M-Const	155,422.09
42	Metro Builders & Engineers Group	Nov 19, 2025	PP#26	3M-Const	433,897.85
42	Caliagua, Inc	Nov 19, 2025	PB13	W36-Equip	346,037.03
42	Pacific Premier Bank	Nov 19, 2025	PB13-RET	W36-Equip	18,212.48
41	Hazen and Sawyer - Design Engineers	Oct 29, 2025	20182-000-49	W36-Design	4,010.00
41	Hazen and Sawyer - Design Engineers	Oct 29, 2025	20182-000-51	W36-Design	325.00
41	Metro Builders & Engineers Group	Oct 29, 2025	PP#25	3M-Const	155,830.35
39	American Pipeline Services	Oct 8, 2025	PWD-RET	Q-Recycled	105,098.60
39	Hazen and Sawyer - Design Engineers	Oct 8, 2025	20182-000-50	W36-Design	14,402.00
40	Pacific Premier Bank	Oct 8, 2025	PB12-RET	W36-Equip	5,407.50
40	Caliagua, Inc	Oct 8, 2025	PB12	W36-Equip	102,742.50
38	Pacific Premier Bank	Oct 3, 2025	PB11-RET	W36-Equip	3,614.15
37	Metro Builders & Engineers Group	Sep 29, 2025	PP#24	3M-Const	140,502.59
37	Caliagua, Inc	Sep 29, 2025	PB11	W36-Equip	68,668.85
	Hazen and Sawyer - Design Engineers	Aug 26, 2025		W36-Design	77,028.68
36	Metro Builders & Engineers Group	Aug 21, 2025	PP#23	3M-Const	166,063.80

Water Revenue Bond - Series 2023A

Requisition No.	Payee	Date Approved	Invoice No.	Project	Payment Amount
36	Caliaqua, Inc	Aug 21, 2025	PB10	W36-Equip	216,077.02
36	Pacific Premier Bank	Aug 21, 2025	PB10-RET	W36-Equip	11,372.48
35	Metro Builders & Engineers Group	Jul 31, 2025	PP#22	3M-Const	69,065.00
35	Hazen and Sawyer - Design Engineers	Jul 31, 2025	20182-000-48	W36-Design	3,152.50
35	American Pipeline Services	Jul 31, 2025	PWD11	Q-Recycled	117,048.54
35	Caliaqua, Inc	Jul 31, 2025	PB09	W36-Equip	298,571.70
35	Pacific Premier Bank	Jul 31, 2025	PB09-RET	W36-Equip	15,714.30
34	Metro Builders & Engineers Group	Jun 25, 2025	PP#21	3M-Const	206,981.25
34	American Pipeline Services	Jun 25, 2025	PWD10	Q-Recycled	190,207.54
34	Caliaqua, Inc	Jun 25, 2025	PB08	W36-Equip	625,337.50
34	Pacific Premier Bank	Jun 25, 2025	PB08-RET	W36-Equip	32,912.50
33	Metro Builders & Engineers Group	May 28, 2025	PP#20	3M-Const	116,406.14
33	Hazen and Sawyer - Design Engineers	May 28, 2025	20182-000-47	W36-Design	11,655.00
33	Caliaqua, Inc	May 28, 2025	PB07	W36-Equip	269,144.50
33	Pacific Premier Bank	May 28, 2025	PB07-RET	W36-Equip	14,165.50
32	Hazen and Sawyer - Design Engineers	Apr 24, 2025	20182-000-46	W36-Design	1,640.00
32	Ardurra Group, Inc.	Apr 24, 2025	163291	3M-Mgmt	800.00
31	Caliaqua, Inc	Apr 10, 2025	PB06	W36-Equip	422,826.48
31	Pacific Premier Bank	Apr 10, 2025	PB06-RET	W36-Equip	22,254.02
31	Metro Builders & Engineers Group	Apr 10, 2025	PP#19	3M-Const	7,671.56
30	Metro Builders & Engineers Group	Mar 20, 2025	PP#18	3M-Const	69,456.37
30	Hazen and Sawyer - Design Engineers	Mar 20, 2025	20182-000-45	W36-Design	5,025.00
30	Hazen and Sawyer - Design Engineers	Mar 20, 2025	20182-000-44	W36-Design	14,790.00
30	Ardurra Group, Inc.	Mar 20, 2025	162230	3M-Mgmt	800.00
30	Ardurra Group, Inc.	Mar 20, 2025	161202	3M-Mgmt	800.00
30	American Pipeline Services	Mar 20, 2025	PWD09	Q-Recycled	3,389.12
30	Caliaqua, Inc	Mar 20, 2025	PB05	W36-Equip	337,483.70
30	Pacific Premier Bank	Mar 20, 2025	PB05-RET	W36-Equip	17,762.30
29	Metro Builders & Engineers Group	Mar 6, 2025	PP#17	3M-Const	131,750.79
29	American Pipeline Services	Mar 6, 2025	PWD08	Q-Recycled	470,233.16
28	Caliaqua, Inc	Mar 1, 2025	PB04	W36-Equip	148,865.00
28	Pacific Premier Bank	Mar 1, 2025	PB04-RET	W36-Equip	7,835.00
27	Metro Builders & Engineers Group	Feb 5, 2025	PP#16	3M-Const	380,088.44
26	American Pipeline Services	Jan 23, 2025	PWD07	Q-Recycled	345,651.79
25	Metro Builders & Engineers Group	Dec 18, 2024	PP#15	3M-Const	204,367.20
25	American Pipeline Services	Dec 18, 2024	PWD06	Q-Recycled	432,778.91
24	Hazen and Sawyer - Design Engineers	Dec 11, 2024	20182-000-43	W36-Design	5,172.54
24	Hazen and Sawyer - Design Engineers	Dec 11, 2024	20182-000-42	W36-Design	22,104.00
24	Caliaqua, Inc	Dec 11, 2024	PB03	W36-Equip	373,547.12
24	Pacific Premier Bank	Dec 11, 2024	PB03-RET	W36-Equip	19,660.37
24	Caliaqua, Inc	Dec 11, 2024	PB02	W36-Equip	163,875.00
24	Pacific Premier Bank	Dec 11, 2024	PB02-RET	W36-Equip	8,625.00
23	Metro Builders & Engineers Group	Nov 27, 2024	PP#14	3M-Const	370,190.20
23	Hazen and Sawyer - Design Engineers	Nov 27, 2024	20182-000-41	W36-Design	24,305.00
23	Hazen and Sawyer - Design Engineers	Nov 27, 2024	20182-000-40	W36-Design	17,747.50
23	Ardurra Group, Inc.	Nov 27, 2024	156285	3M-Mgmt	624.00
23	American Pipeline Services	Nov 27, 2024	PWD05	Q-Recycled	319,906.71
22	Metro Builders & Engineers Group	Oct 24, 2024	PP#13	3M-Const	190,601.65
22	Metro Builders & Engineers Group	Oct 24, 2024	PP#12	3M-Const	142,920.57
22	American Pipeline Services	Oct 24, 2024	PWD04	Q-Recycled	97,019.77
21	Hazen and Sawyer - Design Engineers	Sep 17, 2024	20182-000-39	W36-Design	11,307.50
21	American Pipeline Services	Sep 17, 2024	PWD03	Q-Recycled	34,935.30
21	Caliaqua, Inc	Sep 17, 2024	PB01	W36-Equip	495,615.00
21	Pacific Premier Bank	Sep 17, 2024	PB01-RET	W36-Equip	26,085.00
20	Ardurra Group, Inc.	Aug 22, 2024	152509	3M-Mgmt	3,371.25

Water Revenue Bond - Series 2023A

Requisition No.	Payee	Date Approved	Invoice No.	Project	Payment Amount
20	American Pipeline Services	Aug 22, 2024	PWD02	Q-Recycled	31,724.50
19	Hazen and Sawyer - Design Engineers	Aug 8, 2024	20182-000-38	W36-Design	495.00
19	Metro Builders & Engineers Group	Aug 8, 2024	PP#11	3M-Const	550,302.42
18	P2S, Inc.	Jul 25, 2024	SIN043484	3M-Power	1,170.00
18	P2S, Inc.	Jul 25, 2024	SIN045244	3M-Power	699.75
18	Ardurra Group, Inc.	Jul 25, 2024	150829	3M-Mgmt	3,985.00
18	American Pipeline Services	Jul 25, 2024	PWD01	Q-Recycled	48,750.00
17	Hazen and Sawyer - Design Engineers	Jul 17, 2024	20182-006-5	3M-Review	4,722.50
16	Metro Builders & Engineers Group	Jul 11, 2024	PP#10	3M-Const	83,426.83
16	Hazen and Sawyer - Design Engineers	Jul 11, 2024	20182-000-37	W36-Design	1,180.00
16	Ardurra Group, Inc.	Jul 11, 2024	150060	3M-Mgmt	15,280.75
15	Hazen and Sawyer - Design Engineers	Jun 11, 2024	20182-000-36	W36-Design	695.00
15	Metro Builders & Engineers Group	Jun 11, 2024	PP#9	3M-Const	392,311.72
15	P2S, Inc.	Jun 11, 2024	SIN044000	3M-Power	260.50
14	Metro Builders & Engineers Group	May 23, 2024	PP#8	3M-Const	39,608.07
13	Hazen and Sawyer - Design Engineers	May 16, 2024	20182-007-1	3M-Review	5,812.50
13	Hazen and Sawyer - Design Engineers	May 16, 2024	20182-000-35	W36-Design	2,310.00
13	Hazen and Sawyer - Design Engineers	May 16, 2024	20182-006-4	3M-Review	7,845.00
12	Metro Builders & Engineers Group	May 1, 2024	PP#7	3M-Const	100,781.11
11	P2S, Inc.	Apr 25, 2024	SIN042663	3M-Power	608.00
11	Hazen and Sawyer - Design Engineers	Apr 25, 2024	20182-000-33	W36-Design	27,061.00
11	Hazen and Sawyer - Design Engineers	Apr 25, 2024	20182-000-34	W36-Design	5,429.50
10	P2S, Inc.	Apr 2, 2024	SIN042054	3M-Power	585.00
10	Metro Builders & Engineers Group	Apr 2, 2024	PP#6	3M-Const	17,243.49
10	Hazen and Sawyer - Design Engineers	Apr 2, 2024	20182-006-3	3M-Review	6,200.00
9	Hazen and Sawyer - Design Engineers	Feb 22, 2024	20182-006-2	3M-Review	15,390.00
9	Hazen and Sawyer - Design Engineers	Feb 22, 2024	20182-006-1	3M-Review	3,547.50
9	Metro Builders & Engineers Group	Feb 22, 2024	PP#5	3M-Const	13,680.99
8	P2S, Inc.	Feb 5, 2024	SIN040720	3M-Power	1,725.50
6	Metro Builders & Engineers Group	Jan 22, 2024	PP#4	3M-Const	50,781.25
5	Metro Builders & Engineers Group	Jan 9, 2024	PP#3	3M-Const	33,299.48
4	P2S, Inc.	Dec 7, 2023	SIN039934	3M-Power	1,305.25
4	Metro Builders & Engineers Group	Dec 7, 2023	PP#2	3M-Const	25,461.98
3	P2S, Inc.	Nov 13, 2023	SIN039156	3M-Power	2,568.75
2	Metro Builders & Engineers Group	Oct 30, 2023	PP#1	3M-Const	177,741.91
1	P2S, Inc.	Oct 19, 2023	SIN038546	3M-Power	4,666.25

Water Revenue Bond - Series 2024A

Project	Project #	Description	Bond Allocation	Contractual Commitment	Payout to Date	Contract Remaining	Uncommitted Bond \$
		2024A WRB Issue - Construction Funds	\$ 22,000,000		\$ -	\$ -	\$ 22,000,000
PRWAP-MGMT	20-65x	Palmdale Regional Water Augmentation Program (Stantec) <small>Original Contract Amt: The original contract was paid through the Series 2021A WRB Funds, A1: \$2,038,690, A2: \$3,541,952</small>	-	5,553,642	2,749,028	2,804,614	(2,749,028)
PRWAP-Prop		Property Purchase - APN 3022-011-002 (Production Facility)	-	456,466	456,466	-	(456,466)
PWAV-Demo	20-656	Pure Water AV - Demonstration Facility (W.M. Lyles) <small>Original Contract Amt: \$24,750,983, A1: \$9,324, A2: \$11,886.79, A3: \$13,998, A5: \$23,726, A6: \$1,476, A7: \$(7,145), A9: \$11,323, A10: \$49,689, A11: \$9,085, A14: \$10,927, A15: \$151,534, A16: \$12,028, A17: \$16,439, A20: \$(1,701), A21: \$10,193</small>	-	12,896,060	11,576,415	1,319,645	(11,576,415)
PWAV-MCC	20-656	Pure Water AV - Motor Control Center (Royal Industrial)	-	309,493	279,921	29,572	(279,921)
			-		-	-	
			-		-	-	
			-		-	-	
PWD		Design, Engineering and Other Preconstruction Costs	-	220,763	220,763	-	(220,763)
WRB		Bond Issuance Costs	260,951	260,951	260,951	-	
ISS		Issuance Funds	(15,261)	(15,261)	(15,261)		
INT		Interest Earnings	-		647,037		647,037
Totals:			\$ 22,000,000	\$ 19,436,424	\$ 14,635,555	\$ 4,153,832	\$ 7,364,445
2024A Water Revenue Bonds - Unallocated Funds:				\$ 2,563,576			
2024A Water Revenue Bonds - Remaining Funds to payout:					\$ 7,364,445		

Requisition No.	Payee	Date Approved	Invoice No.	Project	Payment Amount
25	Stantec Consulting Services, Inc.	Dec 16, 2025	2493668	PRWAP-MGMT	14,387.25
25	W.M. Lyles	Dec 16, 2025	PP-014	PWAV-Demo	1,015,312.07
24	Stantec Consulting Services, Inc.	Nov 19, 2025	2473136	PRWAP-MGMT	154,628.77
24	Stantec Consulting Services, Inc.	Nov 19, 2025	2462616	PRWAP-MGMT	129,061.80
24	W.M. Lyles	Nov 19, 2025	PP-013	PWAV-Demo	1,492,238.62
23	W.M. Lyles	Oct 8, 2025	PP-012	PWAV-Demo	870,389.51
	Interest Earnings			INT	
22	W.M. Lyles	Sep 29, 2025	PP-011	PWAV-Demo	426,436.73
22	Stantec Consulting Services, Inc.	Sep 29, 2025	2442753	PRWAP-MGMT	267,070.98
	Interest Earnings	Aug 31, 2025		INT	50,314.82
21	W.M. Lyles	Aug 21, 2025	PP-010	PWAV-Demo	1,547,262.12
21	Stantec Consulting Services, Inc.	Aug 21, 2025	2431220	PRWAP-MGMT	194,403.62
	Interest Earnings	Jul 31, 2025		INT	50,105.34
20	W.M. Lyles	Jul 31, 2025	PP-009	PWAV-Demo	938,634.10
20	Stantec Consulting Services, Inc.	Jul 31, 2025	2418199	PRWAP-MGMT	141,431.52
	Interest Earnings	Jun 30, 2025		INT	53,985.51
19	W.M. Lyles	Jun 25, 2025	PP-008	PWAV-Demo	403,715.97
19	Stantec Consulting Services, Inc.	Jun 25, 2025	2403905	PRWAP-MGMT	104,000.05
	Interest Earnings	May 30, 2025		INT	54,047.69
18	W.M. Lyles	May 28, 2025	PP-007	PWAV-Demo	433,539.10
18	Stantec Consulting Services, Inc.	May 28, 2025	2390656	PRWAP-MGMT	249,808.06
	Interest Earnings	Apr 30, 2025		INT	59,549.49
17	Stantec Consulting Services, Inc.	Apr 24, 2025	2371740	PRWAP-MGMT	129,868.51
17	Stantec Consulting Services, Inc.	Apr 24, 2025	2375949	PRWAP-MGMT	73,922.19
16	Royal Industrial Solutions	Apr 10, 2025	8870-1031858	PWAV-MCC	43,903.80
16	Royal Industrial Solutions	Apr 10, 2025	8870-1032042	PWAV-MCC	236,017.58
15	W.M. Lyles	Apr 10, 2025	PP-006	PWAV-Demo	513,120.94

Water Revenue Bond - Series 2024A

Requisition No.	Payee	Date Approved	Invoice No.	Project	Payment Amount
	Interest Earnings	Mar 31, 2025		INT	56,883.27
14	W.M. Lyles	Mar 20, 2025	PP-005	PWAV-Demo	789,410.96
13	W.M. Lyles	Mar 1, 2025	PP-004	PWAV-Demo	691,108.38
	Interest Earnings	Feb 28, 2025		INT	66,088.17
12	Stantec Consulting Services, Inc.	Feb 5, 2025	2345138	PRWAP-MGMT	170,657.39
	Interest Earnings	Jan 31, 2025		INT	70,078.34
11	W.M. Lyles	Jan 23, 2025	PP-003	PWAV-Demo	760,462.73
11	Stantec Consulting Services, Inc.	Jan 23, 2025	2333623	PRWAP-MGMT	83,036.59
	Interest Earnings	Dec 31, 2024		INT	75,110.22
10	W.M. Lyles	Dec 11, 2024	PP-002	PWAV-Demo	655,823.90
10	Stantec Consulting Services, Inc.	Dec 11, 2024	2318905	PRWAP-MGMT	115,026.28
	Interest Earnings	Nov 30, 2024		INT	81,727.27
9	W.M. Lyles	Nov 27, 2024	PP-001	PWAV-Demo	1,038,959.59
8	Stantec Consulting Services, Inc.	Nov 7, 2024	2303718	PRWAP-MGMT	102,177.66
8	Stantec Consulting Services, Inc.	Nov 7, 2024	2300447	PRWAP-MGMT	79,961.12
	Interest Earnings	Oct 31, 2024		INT	29,147.24
7	Stantec Consulting Services, Inc.	Sep 17, 2024	2271777	PRWAP-MGMT	64,683.52
6	Stantec Consulting Services, Inc.	Aug 8, 2024	2263693	PRWAP-MGMT	103,599.15
5	Stantec Consulting Services, Inc.	Jul 17, 2024	2255640	PRWAP-MGMT	55,655.74
4	Commonwealth Land Title Company	Jun 27, 2024	09176888-CG	PRWAP-Prop	456,466.00
3	Stantec Consulting Services, Inc.	Jun 25, 2024	2246517	PRWAP-MGMT	126,100.03
2	Stantec Consulting Services, Inc.	May 16, 2024	2227944	PRWAP-MGMT	141,403.49
1	Stantec Consulting Services, Inc.	May 1, 2024	2219113	PRWAP-MGMT	248,143.88
1	Palmdale Water District	May 1, 2024	N/A	PWD	220,762.60



COMMITTEE MEMORANDUM

DATE: March 17, 2026
TO: FINANCE COMMITTEE
FROM: Finance Manager/CFO Iguaran
VIA: General Manager LaMoreaux
RE: ***CONSIDERATION ON A RECOMMENDATION TO APPROVE AND AUTHORIZE THE GENERAL MANAGER OR HIS DESIGNEE TO ENTER INTO AN AGREEMENT WITH WORKDAY AND ERP ANALYSTS FOR THE ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM IMPLEMENTATION AND SUBSCRIPTION. (\$2,000,000.00 – NOT-TO-EXCEED – NON-BUDGETED – FINANCE MANAGER IGUARAN)***

Recommendation:

Staff recommends that the Committee recommends that the full Board approve and authorize the General Manager or his Designee to enter into an Agreement with Workday and ERP Analysts for the ERP system implementation and subscription services.

Alternative Options:

The Finance Committee can choose not to recommend the approval of the Agreements and seek alternative options.

Impact of Taking No Action:

If the District takes no action, District Departments would need to seek alternative systems. This could delay implementation and increase the risk that the District will not fully deploy a replacement system before the current system reaches end-of-life.

Background:

The District's current financial and payroll systems have served the organization for many years but have become increasingly limited in functionality, integration, reporting capabilities, and long-term scalability. The current system, Microsoft GP, is nearing its end-of life and support in 2027. As a result, the District has been seeking a new modern ERP system that will process Financials, Payroll, Budget and Human Resource Management in a unified seamless system.

To improve operational efficiency, strengthen internal controls, enhance reporting capabilities, and support long-term organizational growth, staff evaluated ERP solutions that could modernize the District's financial and administrative processes.

After reviewing available options and completing more than six demonstrations and discovery calls with various providers—including NetSuite, Tyler Technologies, Caselle, Springbrook Software, and OpenGov—staff identified Workday as the preferred ERP platform due to its cloud-

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based architecture, strong financial management capabilities, and ability to integrate multiple business functions into a single system.

The Proposed Solution

The Workday platform is currently utilized by dozens of agencies throughout California and by special districts nationwide. Palmdale Water District staff also conducted several reference calls with neighboring agencies to gather feedback regarding their experience with the Workday system and implementation process.

Workday utilizes a third-party implementation partner, ERP Analysts, to configure and implement the system based on the District's specific workflows and business practices. This approach allows the platform to be tailored to the operational needs of the organization while ensuring a structured implementation process.

Once implemented, the Workday platform will replace several systems the District currently uses to manage human resources, finance, and payroll functions. At present, the District spends approximately \$177,000 annually on multiple software systems that will be consolidated into the Workday platform.

In addition to being a cloud-based system, Workday provides several capabilities the District does not currently have, including:

- Grant management functionality
- Online workflow approvals and automation
- Secure storage of financial and administrative documents
- Seamless integration between payroll and financial systems
- Enhanced budgeting and financial planning tools

These features will improve operational efficiency, strengthen internal controls, and provide enhanced reporting capabilities across District departments.

Implementation Timeline

The implementation of the system is proposed to occur in a phased approach. The first phase is anticipated to go live within approximately 9–10 months, with the second phase expected to be implemented approximately one year later. This phased implementation allows staff to prioritize critical functions, ensure proper testing and training, and minimize operational disruptions during the transition.

<u>Phase</u>	<u>Workday Functionality to be Deployed</u>	<u>Phase and Functional Area:</u>
Phase 1	Core HCM	HCM, Compensation, Onboarding, Mobile & Dashboards

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Conclusion

Adopting the Workday ERP system will modernize the District's financial and administrative operations, improve efficiency, strengthen reporting capabilities, and position the District with a scalable technology platform to support future growth.

Staff are supporting the Finance Committee to recommend the Agreements with Workday and ERP Analyst to the Board of Directors for approval.

Strategic Plan Initiative/Mission Statement:

This item is under Strategic Initiative No. 4 – Financial Health and Stability.

This item directly relates to the District's Mission Statement.

Supporting Documents:

- Workday MSA
- Workday MSA_US Public Sector Addendum
- Workday Subscription Plan
- ERP Analysts MSA
- ERP Scope of Work



SIGNATURE DOCUMENT

Documents	Agreement Number
Universal Main Subscription Agreement (v25.8)	MSA #: 00549877.0
Subscription Order Form	Order Form #:
Training Order Form	Order Form #:
Delivery Assurance	Order Form #:
Professional Services Agreement	PSA #:
Statement of Work	Statement of Work #:

By executing this document (“**Signature Document**”), the undersigned agree they are duly authorized signatories and all documents listed in the above table are entered into between the parties, effective as of the later of the dates beneath the parties’ signatures below (“**Effective Date**”). References to Signature Document and Effective Date in the Main Subscription Agreement mean those terms as defined in the preceding sentence.

Palmdale Water District 2029 E Avenue Q Palmdale, California 93550	Workday, Inc. Address: http://www.workday.com/contracting-entity-addresses
Signature	Signature
Name	Name
Title	Title
Date Signed	Date Signed

Note: Before reviewing the MSA terms, please review our FAQ at this link: <https://www.workday.com/en-us/legal/universal-contract-terms-and-conditions/index.html>



UNIVERSAL MAIN SUBSCRIPTION AGREEMENT

This Universal Main Subscription Agreement (“**MSA**”) is between the Workday entity identified on the Signature Document or Order Form (“**Workday**”) and the legal entity signing the Signature Document or Order Form referencing this Agreement (“**Customer**”). The parties agree as follows:

1. Provision of Service. Workday will make the Service available to Customer for use by Customer, its Affiliates and Authorized Parties for whom Customer enables access solely for the internal business purposes of Customer and its Affiliates, subject to this Agreement.

1.1 Invoices and Payment. All fees will be electronically invoiced to Customer. All fees will be due and payable within 30 days of the invoice date, except fees subject to a reasonable and good faith dispute. Workday will email invoices to Customer within two business days of the date of the invoice. Customer must provide Workday with complete and accurate billing contact information including a valid email address. Upon Workday’s request, Customer must make payments via electronic bank transfer. Except for a termination or refund in accordance with Clause 7 (Indemnification) or Clause 9.1 (Termination), all Order Forms are non-cancellable and all payments are non-refundable. Customer may not withhold, reduce, or set-off fees owed under this Agreement.

1.2 Overdue Payments. Any payment not received from Customer by the due date may accrue (except with respect to charges then under reasonable and good faith dispute), at Workday’s discretion, late charges at the rate of 1% of the outstanding balance per month (or part thereof), or the maximum rate permitted by Law, whichever is lower, from the date such payment was due until the date paid.

1.3 Suspension for Non-Payment. Except for fees subject to a reasonable and good faith dispute, if a payment is more than 90 days past due and Workday has provided at least 30 days’ prior written notice to Customer, Workday may suspend the Service, without liability to Customer, until such amounts are paid in full.

1.4 Taxes. Fees invoiced pursuant to this Agreement do not include, and may not be reduced to account for, any taxes, which may include local, state, provincial, federal or foreign taxes, withholding taxes, levies, duties or similar governmental assessments of any nature, including, but not limited to, value-added taxes, excise, use, goods and services taxes, consumption taxes or similar taxes (collectively “**Taxes**”). Customer must pay all Taxes imposed on the Service or any other services provided under this Agreement. If Workday has a legal obligation to pay or collect Taxes for which Customer is responsible under this Agreement, the appropriate amount will be computed based on Customer’s address listed in the Signature Document or Order Form for this Agreement which will be used as the ship-to address on the Order Form, and invoiced to and paid by Customer, unless Customer provides Workday with a valid tax exemption certificate authorized by the appropriate taxing authority to accounts.receivable@workday.com.

2. Customer Obligations. Customer will have sole responsibility for (a) the accuracy, quality, and legality of all Customer Content, (b) any Non-Workday Content it installs, uses, or enables; (c) obtaining and verifying it has all authorizations, consents, and rights necessary to use the Service; and (d) ensuring compliance with this Agreement and the AUP by its Affiliates and Authorized Parties, and any breach by its Affiliates or Authorized Parties will be deemed a breach by Customer. Customer will take reasonable efforts to prevent unauthorized access to, or use of, the Service, and will notify Workday promptly of any unauthorized access or use. Customer will not: (1) use the Service in a manner that is inconsistent with the Documentation; (2) knowingly interfere with or disrupt performance of the Service or the data contained therein; or (3) attempt to gain access to the Service or its related systems or networks in a manner not set forth in the Documentation. During the applicable Order Term, Workday reserves the right to suspend Customer’s access to an applicable Service in the event Workday reasonably determines such action is necessary to preserve the integrity and/or security of such Service or if Workday in good faith reasonably determines that Customer has violated the AUP; however, Workday will use commercially reasonable efforts under the circumstances to provide Customer with an opportunity to remedy such violation or threat prior to such suspension. Workday will use commercially reasonable efforts to minimize the length and scope of suspension in light of the circumstances.

3. Proprietary Rights.

(a) Customer Ownership. As between Workday and Customer, Customer owns all right, title and interest to its Customer Content. Workday will have the right to use Customer Content only to provide the Service, subject to this Agreement.

(b) Workday Ownership. As between Customer, Workday, and Workday's licensors, Workday or its licensors own all right, title and interest to the Service (including any third-party content Workday makes available through the Service) and Documentation, including all Intellectual Property Rights.

(c) Customer Input. Customer hereby grants Workday a royalty-free, worldwide, transferable, sub-licensable, irrevocable, perpetual license to use or incorporate into its services any Customer Input. Workday will have no obligation to make Customer Input an Improvement. Customer will have no obligation to provide Customer Input.

3.1 Restrictions. Customer will not (a) modify, copy, or create derivative works based on the Service or Documentation; (b) license, sublicense, sell, resell, rent, lease, transfer, assign, distribute, time share, offer in a service bureau, or otherwise make the Service or Documentation available to any third party other than to Authorized Parties as permitted herein; (c) reverse engineer or decompile any portion of the Service or Documentation, including but not limited to, any software utilized by Workday in the provision of the Service and Documentation, except to the extent required by Law; (d) access the Service or Documentation in order to build any commercially available product or service; or (e) copy any features, functions, integrations, interfaces or graphics of the Service or Documentation. Notwithstanding items (a) and (e), Customer may make a reasonable number of copies of the Documentation for internal business purposes only.

4. Confidentiality. Each party (the "**Recipient**") will use the same degree of care that it uses to protect its own confidential information of like kind (but in no event using less than a reasonable standard of care) not to disclose or use any Confidential Information of the other party (the "**Discloser**") except as reasonably necessary to perform the Recipient's obligations or to exercise the Recipient's rights under this Agreement or with the Discloser's prior written permission. For purposes of clarification, this Clause 4 also applies to Confidential Information either party or its Affiliates shares with the other party or its Affiliates related to potential future subscription services. Either party may disclose Confidential Information on a need-to-know-basis to its (and its Affiliates'), directors, officers, employees, advisors, contractors and service providers, including third-party submission tools or online portal providers required by the Recipient for internal business purposes ("**Representatives**"), who are bound by confidentiality obligations at least as restrictive as those in this clause. The Recipient will be responsible for any acts or omission of its Representatives with respect to protection of the Discloser's Confidential Information. The parties agree that (a) the Recipient's or its Representatives' online portal terms will not be binding on the Discloser submitting its Confidential Information to the Recipient through the Recipient's or its Representatives' online portal, (b) this Clause 4 applies to all such Confidential Information disclosed to the Recipient through such online portals; and (c) the Recipient's or its Representatives' online portal terms are superseded by this Agreement. To the extent required by Law, the Recipient's disclosure of the Discloser's Confidential Information will not be considered a breach of this Agreement if the Recipient promptly provides the Discloser with prior notice of such disclosure (to the extent legally permitted) and reasonable assistance, at the Discloser's cost, if the Discloser wishes to contest the disclosure. The Discloser may seek injunctive relief to enjoin any breach or threatened breach of this clause, it being acknowledged by the parties that other remedies may be inadequate.

5. Protection and Security of Customer Content and Privacy.

5.1 Security Program and Audit Reports. Workday maintains a security program that conforms to the Workday Security Exhibit and Audit Reports (as set forth in the applicable Product Terms). Through Workday's customer self-service systems or upon Customer's written request, Workday will make available to Customer Workday's then-current Audit Reports for the applicable Service application to enable Customer to verify Workday's compliance with its obligations under this Agreement. Audit Reports constitute Workday's Confidential Information and are subject to the confidentiality terms in this Agreement or separate confidentiality agreement terms (as applicable).

5.2 Privacy. Personal Data will only be processed in accordance with the Data Processing Exhibit.

5.3 Unauthorized Disclosure. If either party becomes aware of a Security Breach, that party must promptly notify the other party, unless legally prohibited from doing so, within 48 hours or any shorter period required by Law except that Customer is not required to notify Workday unless Customer reasonably determines there is a

threat to the Service. Additionally, each party will reasonably assist the other party in mitigating any potential damage. As soon as reasonably practicable after any Security Breach, Workday will conduct a root cause analysis and, upon request, will share the results of its analysis and its remediation plan with Customer. Unless prohibited by Law, each party will provide the other party with reasonable notice of and the opportunity to review and comment on the content of all public notices, filings, or press releases about a Security Breach that identify the other party by name prior to any such publication.

6. Warranties. Each party warrants that it has the authority to enter into this Agreement and, in connection with its performance of this Agreement, will comply with all Laws. Workday warrants that during the applicable subscription Order Term: (a) the overall Service (1) will not be materially decreased; and (2) will perform materially in accordance with the feature descriptions in the Documentation; and (b) to the best of Workday's knowledge, the Service does not contain, and Workday will not knowingly introduce, any Malicious Code (collectively, the "**Service Warranty**"). Customer will use commercially reasonable efforts to notify Workday in writing no later than 30 days after identifying a deficiency, but Customer's failure to notify Workday within that period will not affect Customer's right to receive warranty remedies unless Workday is impaired in its ability to correct the deficiency due to Customer's failure to notify. Notice of breaches of the warranty under item (2) above must be made through Workday's then-current error reporting system; notices of breaches of any other warranty must be made in writing to Workday in accordance with the notice provisions of this MSA. Customer's exclusive remedy and Workday's sole liability for breach of the Service Warranty are those described in Clause 9.1 for the affected Service.

6.1 DISCLAIMER. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, WORKDAY MAKES NO WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. WORKDAY DOES NOT WARRANT THAT THE SERVICE WILL BE ERROR-FREE OR UNINTERRUPTED. THE LIMITED WARRANTIES PROVIDED IN THIS AGREEMENT ARE THE SOLE AND EXCLUSIVE WARRANTIES PROVIDED TO CUSTOMER. CUSTOMER AGREES THAT IT IS NOT RELYING ON DELIVERY OF FUTURE SERVICE FEATURES OR PRODUCT ROADMAPS IN OBTAINING SUBSCRIPTIONS TO ANY SERVICE.

7. Indemnification.

7.1 Workday Indemnity. Workday will defend Customer, at Workday's expense, against any third-party Claim brought against Customer alleging that the use of the Service as contemplated hereunder infringes that third party's Intellectual Property Rights and will indemnify and hold Customer harmless against any Losses arising from such third-party Claim. Workday will have no liability for Claims or Losses to the extent they arise from: (a) modification of the Service by anyone other than Workday; (b) use of the Service in a manner inconsistent with the Documentation or in violation of this Agreement; or (c) use of the Service in combination with any other product or service not provided by Workday. If Customer is enjoined from using the Service or if Workday reasonably believes it will be enjoined, Workday may, at its sole option, obtain for Customer the right to continue use of the Service or replace or modify the Service so that it is no longer infringing. If neither of the foregoing options is reasonably available to Workday, then either party may terminate the applicable Service and Workday's sole liability, in addition to the indemnification obligations in this clause, will be to refund any prepaid Subscription Fees for the Service that was to be provided after the effective date of termination.

7.2 Customer Indemnity. Customer will defend Workday, at Customer's expense, from any third-party Claim against Workday arising from: (a) Customer Content; or (b) violations by Customer, its Affiliates or Authorized Parties of the AUP, and Customer will indemnify and hold Workday harmless against any Losses relating to such third-party Claim.

7.3 Conditions. The indemnitor's obligations in Clauses 7.1 and 7.2 are conditioned on the indemnitee: (a) promptly giving written notice of the third-party Claim to the indemnitor (although a delay of notice will not relieve the indemnitor of its obligations under this clause except to the extent that the indemnitor is prejudiced by such delay); (b) giving the indemnitor sole control of the defense and settlement of the third-party Claim (although indemnitor may not settle any third-party Claim unless it unconditionally releases indemnitee of all liability); and (c) providing to the indemnitor, at the indemnitor's cost, all reasonable assistance. Clauses 7.1 through 7.3 state each indemnitee's exclusive remedies and the indemnitor's sole obligations related to the subject matter of these clauses.

8. Limitation of Liability.

8.1. LIMITATION OF LIABILITY. EXCEPT WITH RESPECT TO (A) DAMAGES CAUSED BY GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR FRAUD, (B) EITHER PARTY'S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, (C) CUSTOMER'S PAYMENT OBLIGATIONS, AND (D) WORKDAY'S REMEDIATION OBLIGATIONS IN CLAUSE 8.3, THE FOLLOWING LIMITATION OF LIABILITY CAPS WILL APPLY: IN NO EVENT WILL EITHER PARTY OR ITS AFFILIATES' TOTAL AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR OTHERWISE, EXCEED THE FEES PAID OR PAYABLE UNDER THIS AGREEMENT DURING THE IMMEDIATELY PRECEDING 12-MONTH PERIOD FOR THE SERVICE FROM WHICH THE CLAIM AROSE ("**GENERAL CAP**"), EXCEPT THAT FOR BREACH OF EITHER PARTY'S CONFIDENTIALITY, SECURITY, OR PRIVACY OBLIGATIONS, THE BREACHING PARTY'S TOTAL AGGREGATE LIABILITY WILL BE INCREASED TO FEES PAID OR PAYABLE UNDER THIS AGREEMENT DURING THE IMMEDIATELY PRECEDING 24-MONTH PERIOD FOR THE SERVICE FROM WHICH THE CLAIM AROSE ("**ENHANCED CAP**").

8.2 EXCLUSION OF DAMAGES. EXCEPT FOR EITHER PARTY'S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT AND THE DIRECT DAMAGES IDENTIFIED IN CLAUSE 8.4, IN NO EVENT WILL EITHER PARTY OR ITS AFFILIATES HAVE LIABILITY FOR LOST PROFITS OR REVENUES, LOSS OF USE OR DATA, BUSINESS INTERRUPTION, OR INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, CONSEQUENTIAL, OR COVER DAMAGES, HOWEVER CAUSED, WHETHER IN CONTRACT, TORT OR OTHERWISE, EVEN IF THE PARTY OR ITS AFFILIATES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE EXCLUSIONS IN THIS CLAUSE WILL NOT APPLY TO THE EXTENT PROHIBITED BY LAW. CUSTOMER'S PAYMENT OBLIGATIONS WILL NOT BE CONSIDERED WORKDAY'S LOST PROFITS.

8.3 Workday Remediation Obligations. If unauthorized disclosure of or access to Personal Data is caused by Workday's breach of its security, privacy, or data protection obligations under this Agreement, Workday will pay the reasonable and documented costs incurred by Customer in connection with the following items: (a) costs of any required forensic investigation to determine the cause of the breach; (b) providing notification of the Security Breach to applicable government and relevant industry self-regulatory agencies, to the media (if required by Law) and to individuals whose Personal Data have been disclosed or accessed ("**Affected Individuals**"); (c) providing a credit monitoring service to Affected Individuals who elect to receive it for a period of one year after the date on which such individuals were notified of the unauthorized disclosure or access, and (d) operating a call center to respond to questions from Affected Individuals for a period of one year after the date on which such individuals were notified of the unauthorized disclosure or access. Notwithstanding the foregoing, or anything in this Agreement to the contrary, Workday will have no responsibility to pay costs of remediation to the extent they are due to gross negligence, willful misconduct or fraud by Customer, its Affiliates or their respective directors, officers, employees, agents, contractors or Authorized Parties.

8.4. Direct Damages. Subject to Clause 8.1, and notwithstanding Clause 8.2, if either party breaches its obligations under this Agreement, the following will be considered direct damages: (a) amounts paid to affected third parties as damages or settlements in response to Claims that flow directly from the breach; (b) amounts paid for fines and penalties imposed by any governmental authority arising from the breach; and (c) reasonable legal fees to defend against third-party Claims arising from the breach.

9. Term. The term of this Agreement commences on and continues from the Effective Date (as defined in the Signature Document) or the Order Effective Date (as identified in the Order Form) until all Order Forms have expired or otherwise been terminated, unless extended pursuant to the written agreement of the parties ("**Term**"). Subscriptions to the Service commence on the Order Term start date as set forth in the applicable Order Form.

9.1 Termination. Either party may terminate this Agreement: (a) upon 30 days' prior written notice to the other party for a material breach by the other party if such breach remains uncured at the expiration of such notice period; or (b) to the extent permitted by Law, immediately in the event the other party becomes the subject of a petition in bankruptcy or any other proceeding or process relating to insolvency, receivership, liquidation, administration or assignment for the benefit of creditors. For clarity, (1) Customer will have the right to terminate the affected Service for a breach of Service Warranty pursuant to Clause 9.1(a) above; and (2) a breach or termination of any PSA or SOW will not be considered a material breach or a cause of termination of this Agreement. If this Agreement is terminated, all Order Forms are simultaneously terminated and Customer will, as of the date of any termination, immediately cease accessing and otherwise utilizing the Service (except as

permitted under Clauses 9.2 and 9.3) and Workday Confidential Information. Upon termination by Customer pursuant to this Clause, Workday will refund Customer any prepaid Subscription Fees for the affected Service that was to be provided after the effective date of termination. Termination for any reason will not relieve Customer of the obligation to pay any Subscription Fees accrued or due and payable to Workday prior to the effective date of termination and termination for any reason other than for uncured material breach by Workday or as otherwise stated in this Agreement will not relieve Customer of the obligation to pay all future amounts due under all Order Forms.

9.2 Retrieval of Customer Content. Upon Customer's written request made on or prior to expiration or termination of this Agreement (including any Transition Period), Workday will give Customer limited access to the Service for a period of up to 60 days, at no additional cost, solely for purposes of retrieving Customer Content ("**Retrieval Period**"). After such Retrieval Period (or if there is no Retrieval Period, after termination or expiration of this Agreement or applicable Order Form) and subject to Workday's legal obligations, Workday has no obligation to maintain or provide any Customer Content and will, unless legally prohibited, delete Customer Content by deleting Customer's applicable Instance; provided, however, that Workday will not be required to remove copies of Customer Content from its backup media and servers until such time as the backup copies are scheduled to be deleted, provided further that in all cases Workday will continue to protect Customer Content in accordance with this Agreement. Customer Content will be made available for retrieval through extraction in a machine-readable format as described in the Documentation.

9.3 Transition Period Before Final Termination. If this Agreement is terminated and Customer submits a written request to Workday prior to any such termination for a one-time transition period, Workday will continue to provide the Service for up to three months after the effective date of such termination (the "**Transition Period**"). Monthly fees for the Transition Period will be 1/12 of the fee for the immediately preceding 12-month period plus an additional five percent. If Customer requests transition assistance during the Transition Period, Workday will provide consulting cooperation and assistance regarding the Service as set forth in a statement of work, governed by a professional services agreement, at Workday's then-current rates for consulting services unless a different rate is mutually agreed upon by the parties. Notwithstanding the foregoing, if Workday is enjoined from performing, or termination of this Agreement was due to Customer's breach, Workday has no obligation to perform under this clause unless it receives (a) payment of all fees not subject to reasonable and good faith dispute, (b) prepayment of fees for further services, and (c) certification of ongoing compliance with the terms of this Agreement during the Transition Period.

9.4 Surviving Provisions. Clauses 1.1, 1.2, 3, 4, 5 (for so long as Workday retains Customer Content), 6.1, 7, 8, 9.1 (as far as it relates to payment obligations), 9.2, 9.3, 9.4, 10 (except 10.2 and 10.10), and 11 will survive any termination or expiration of this Agreement.

10. General Provisions.

10.1 Relationship of the Parties. The parties are independent contractors. This Agreement does not create, nor is it intended to create, a partnership, franchise, joint venture, agency, fiduciary or employment relationship between the parties. There are no third-party beneficiaries to this Agreement.

10.2 Insurance. Workday will maintain, at its own expense, the types of insurance coverage specified below, on standard policy forms and with insurance companies with at least an A.M. Best Rating of A-VII at the time of policy inception. Upon Customer's written request, Workday will provide a certificate of insurance evidencing the following coverages: (a) Workers' Compensation insurance prescribed by applicable local law and Employers Liability insurance with limits not less than \$1,000,000 per accident/per employee. This policy will include a waiver of subrogation against Customer, except for those monopolistic states that do not allow it; (b) Commercial General Liability insurance including Contractual Liability Coverage, with coverage for products liability, completed operations, property damage and bodily injury, including death, with an aggregate limit of no less than \$2,000,000. This policy will include Customer under a blanket additional insured endorsement with respect to the provision of services provided under this Agreement; and (c) Technology Professional Liability Errors & Omissions policy (which includes Cyber Risk coverage and Computer Security and Privacy Liability coverage) with a limit of no less than \$10,000,000 per occurrence and in the aggregate. Limits for Employers Liability and Commercial General Liability may be achieved through a combination of primary and excess liability/umbrella policies to reach the level of coverage shown above. Should any of the above-described policies be canceled before the expiration date thereof, notice will be delivered to Workday in accordance with policy provisions.

10.3 Notices. Unless expressly stated otherwise, all notices under this Agreement must be in writing and will be deemed to have been given upon: (a) personal delivery; and (b) the third business day after first class mailing. Notices to Workday must be sent to the address shown in or linked from the Signature Document or Order Form, addressed to the attention of its Legal Department with a copy sent by email to legal@workday.com. Notices to Customer must be sent to the address shown in the Signature Document or Order Form, addressed to Customer's signatory of this Agreement. Each party may modify its recipient of notices by providing notice pursuant to this Agreement.

10.4 Waiver and Cumulative Remedies. No failure or delay by either party in exercising any right under this Agreement will constitute a waiver of that right or any other right. Other than as expressly stated, the remedies provided in this Agreement are in addition to, and not exclusive of, any other remedies of a party at law or in equity.

10.5 Force Majeure. Neither party will be liable for any failure or delay in performance under this Agreement caused by unforeseeable events beyond that party's control and where the failure or delay is through no fault of the affected party and could not have been reasonably avoided ("**Force Majeure**"). Dates by which performance obligations are scheduled to be met will be extended for a period equal to the time lost due to any delay so caused, provided that notice of the Force Majeure event is given in writing within 15 days after the Force Majeure event begins. Such notice must identify the nature of the Force Majeure event, its expected duration and the probable impact on the performance of the affected party's obligations.

10.6 Assignment. Neither party may assign any of its rights or obligations hereunder, whether by operation of law or otherwise, without the prior written consent of the other party (which consent must not be unreasonably withheld or delayed). Notwithstanding the foregoing, either party may assign this Agreement in its entirety (including all Order Forms) upon written notice without consent of the other party in connection with a merger, acquisition, corporate reorganization, or sale of all or substantially all of its assets so long as the assignee: (a) is an entity registered in a territory in which Workday is approved to provide the Service; and (b) agrees to be bound in writing by all of the terms of this Agreement and all past due Subscription Fees are paid in full. Any attempt by a party to assign its rights or obligations under this Agreement other than as permitted by this clause will be void. Subject to the foregoing, this Agreement will bind and inure to the benefit of the parties, their respective successors and permitted assigns.

10.7 Governing Law; Waiver of Jury Trial. This Agreement, and all Claims relating to or arising from this Agreement, are governed exclusively by laws of the State of New York, without regard to its conflicts of laws rules. Each party hereby waives any right to jury trial in connection with any action or litigation in any way arising out of or related to this Agreement.

10.8 Export. Each party will comply with the applicable export laws and regulations of the United States and other applicable jurisdictions in providing and using the Service. Without limiting the generality of the foregoing, Customer will not make the Service available to any person or entity that: (a) is located in a country that is subject to a U.S. government embargo; (b) is listed on any U.S. government list of prohibited or restricted parties; or (c) is engaged in activities directly or indirectly related to proliferation of weapons of mass destruction.

10.9 Anti-Corruption. Each party will comply with all applicable anti-corruption Laws, in relation to this Agreement. Each party agrees that it will not offer to pay or give anything of value to anyone, including foreign governmental officials or related persons or entities on either party's behalf to corruptly: (a) influence any official act or decision; (b) secure any improper advantage; (c) obtain or retain business, or direct business to any person or entity; or (d) for the purpose of inducing or rewarding any favorable action in any matter related to the subject of this Agreement or the business of either party. Each party further agrees to keep accurate books and records in relation to this Agreement. Each party further agrees to cooperate with the other party in any anti-corruption due diligence process and/or investigation in relation to this Agreement.

10.10 Federal Government End Use Provisions (if applicable). Workday provides the pre-existing, commercial Service, including related software and technology, for federal government end use solely in accordance with the terms and conditions of this Agreement, and Workday provides only the technical data and rights as provided herein. If a government agency has a "need for" rights not conveyed under these terms, it must negotiate with Workday to determine whether there are acceptable terms for transferring additional rights. A mutually acceptable addendum specifically conveying such rights must be executed by the parties in order to



convey such rights beyond those set forth herein. For avoidance of doubt, Workday does not currently provide the Service for use in furtherance of a federal prime or subcontract.

10.11 Local Law Requirements: Canada. With respect to Customers domiciled in Canada, the following provisions will apply:

(a) Choice of Language. The parties accept that the terms of this Agreement be drafted in English. Les parties acceptent que les conditions des présentes soient rédigées en anglais.

(b) Gross Negligence. "Gross Negligence" means any act or failure to act in breach of a duty of care that was intended to cause harm, which rises to the level of intentional wrongdoing, reckless disregard, or wanton indifference to the harmful and foreseeable consequences of such act or failure to act but does not include an act or failure to act that constituted merely a lack of due care (or a contractual breach alone).

10.12 Code of Conduct. Workday uses commercially reasonable efforts to ensure that Workday, Workday's employees and any Workday subcontractors who perform any part of the Service under this Agreement on behalf of Workday, comply with Workday's written code of conduct available at <https://codeofconduct.workday.com/index.php>, as may be modified by Workday from time to time.

10.13 Workday SLA Service Credits. If, in any rolling six-month period, Workday fails to meet the monthly commitments for Service Availability or Service Response (as applicable) described in the applicable Product Terms SLA (a "Failure"), Customer must request the following remedies no later than 60 days after the applicable Failure occurs: (a) a meeting to discuss possible corrective actions for the first Failure; (b) a 10% Service Credit for a second Failure; (c) a 20% Service Credit for a third Failure; and (d) a 30% Service Credit for a fourth Failure. In this Agreement, "Service Credit" means a credit equal to the stated percentage of the applicable monthly Subscription Fee for the affected Service. When Workday has confirmed the Failure, Workday will deduct the highest applicable Service Credit from the next invoice for Subscription Fees or, if there is no subsequent invoice, will refund the Service Credit to Customer. The remedies in this clause are Customer's exclusive remedies for any Failure.

10.14 Miscellaneous. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. In the event of a conflict, the provisions of an Order Form will take precedence over provisions of this MSA and over any other exhibit or attachment. Customer acknowledges that it has had the opportunity to review all exhibits and attachments hereto. This Agreement supersedes all prior and contemporaneous agreements, proposals or representations, written or oral, concerning its subject matter and is entered into without reliance on any promise or representation other than those expressly contained in this Agreement. Except as otherwise stated in this Agreement, no modification, amendment, or waiver of any provision of this Agreement will be effective unless in writing and signed by the party against whom the modification, amendment or waiver is to be asserted. If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law, the provision will be modified by the court and interpreted so as best to accomplish the objectives of the original provision to the fullest extent permitted by Law, and the remaining provisions of this Agreement will remain in effect. Notwithstanding anything to the contrary in this Agreement, no terms or conditions in a Customer purchase order or in any other Customer order documentation will be incorporated into or form any part of this Agreement, and all such terms or conditions will be null and void. Purchase orders are for administrative convenience only and Workday may issue an invoice and collect payment without a corresponding purchase order. Customer's failure or delay to issue a purchase order will not extend the payment due date. If a purchase order is required, it must be sent by email to accounts.receivable@workday.com 10 business days prior to the date the invoice is issued in order to be included on the related invoice. This Agreement may be executed in counterparts and/or by electronic signatures.

11. Definitions.

The following definitions will apply to this Agreement.

"Affiliate" means any entity that directly or indirectly controls, is controlled by, or is under common control with either party. For purposes of the preceding sentence, "control" means direct or indirect ownership or control of more than 50% of the voting interests of the subject entity.



“**Agreement**” means this Main Subscription Agreement, including the SLA, Security Exhibit, Data Processing Exhibit, Business Associate Exhibit (if applicable), and any other exhibits, addenda, or attachments hereto, and any fully executed Order Form.

“**Audit Reports**” means the (a) most recently issued security audit reports and (b) other security relevant assessment reports and certifications for the applicable Service (as identified in the Product Terms) that are prepared by Workday’s independent third-party audit or obtained by Workday from other independent third parties, which may be updated by Workday from time to time, provided that no update will materially decrease the protections provided by the controls set forth in the applicable Audit Report during the Term.

“**AUP**” means the acceptable use policy for the applicable Service located at <https://www.workday.com/en-us/legal/universal-contract-terms-and-conditions/index.html>.

“**Authorized Parties**” means Customer’s or its Affiliates’ directors, officers, employees, users, contractors, and third-party providers who are authorized to access Customer’s Instance or receive Customer Content by Customer (a) in writing, (b) through the Service’s security designation, or (c) by system integration or other data exchange process.

“**Claim**” means a claim, demand, lawsuit or other legal proceeding brought against a party to this Agreement.

“**Confidential Information**” means (a) any software utilized by Workday in the provision of the Service and its respective source code; (b) Customer Content; (c) each party’s business or technical information, including but not limited to the Documentation, training materials, any information relating to software plans, designs, costs, prices and names, finances, marketing plans, business opportunities, personnel, research, development or know-how and other significant and valuable business information that would otherwise be considered to be trade secrets under Law, that is designated by the Discloser as “confidential” or “proprietary” or the Recipient knows or should reasonably know is confidential or proprietary; and (d) the negotiated terms, conditions and pricing of this Agreement (but not its existence or parties). Confidential Information does not include any information that, without the Recipient’s breach of an obligation owed to the Discloser: (1) is or becomes generally known to the public; (2) was known to the Recipient prior to disclosure by the Discloser; (3) was independently developed by the Recipient; or (4) is received by the Recipient from a third party. Customer Content will not be subject to the exclusions set forth in this definition.

“**Customer Content**” means electronic data or information submitted to the Service by Customer, its Affiliates or Authorized Parties.

“**Customer Input**” means suggestions, enhancement requests, recommendations or other feedback provided by Customer, its Affiliates and/or Authorized Parties relating to the operation or functionality of the Service.

“**Data Processing Exhibit**” or “**DPE**” means the Universal Data Processing Exhibit located at <https://www.workday.com/en-us/legal/universal-contract-terms-and-conditions/index.html>, which may be updated by Workday from time to time to comply with applicable Data Protection Laws applicable to Workday as a data Processor, provided that no update will materially decrease Workday’s data Processor obligations under the DPE.

“**Documentation**” means the then-current version of the Workday electronic Administrator Guide for the applicable Service application, which may be updated by Workday from time to time.

“**Enhanced Features**” will have the same meaning as set forth in the applicable Product Terms.

“**Improvements**” means all improvements (including verification of such improvements), updates, enhancements (including Enhanced Features), error corrections, bug fixes, prevention of or addressing service or technical problems, release notes, upgrades and changes to the Service and Documentation, as developed by Workday and made available to customers generally without a separate charge.

“**Instance**” means a unique instance of the Service, with a separate set of Customer Content held by Workday in a logically separated database (i.e., a database segregated through password-controlled access).

“**Intellectual Property Rights**” means any and all common law, statutory and other industrial property rights and intellectual property rights, including copyrights, trademarks, trade secrets, patents and other proprietary rights issued, honored or enforceable under any applicable laws anywhere in the world, and all moral rights related thereto.



“**Law**” means any local, state, national and/or foreign law, treaties, and/or regulations applicable to the respective party.

“**Loss**” means reasonable attorneys’ fees and any damages or costs finally awarded or entered into in settlement of a Claim.

“**Malicious Code**” means viruses, worms, time bombs, Trojan horses and other malicious code, files, scripts, agents or programs.

“**Non-Workday Content**” means a third-party product, web-based, offline, mobile, or other software application functionality or other content that is provided by Customer or a third party and interoperates with a Workday Service application.

“**Order Form**” means the fully executed ordering document (including Product Terms) under which Customer subscribes to Service application(s) or other services. Order Forms do not include the terms of any preprinted terms on a Customer purchase order or other terms on a purchase order that are additional to or inconsistent with the terms of this Agreement.

“**Personal Data**” has the definition set forth in the DPE.

“**Product Terms**” means the product terms for a specific Service application as identified via URL in or attached to the subscription Order Form, which may be updated by Workday from time to time; provided that no update will materially decrease the applicable security and privacy commitments and any such changes will not become effective until 30 days after publication of the updated Product Terms.

“**Production**” means Customer’s use of or Workday’s written verification of the availability of the Service (a) to administer its users (as identified in the applicable subscription Order Form); (b) to generate data for Customer’s books/records; or (c) in any decision support capacity. Production does not include any non-production sandbox, preview, or implementation Instance.

“**PSA**” means the optional, separate, and independent professional services agreement between Customer and Workday related to Workday’s provision of implementation and other consulting services to Customer, subject to a statement of work (“**SOW**”).

“**Security Breach**” means (a) any actual or reasonably suspected unauthorized use of, loss of, access to or disclosure of, Customer Content; provided that an incidental disclosure of Customer Content to an Authorized Party or Workday, or incidental access to Customer Content by an Authorized Party or Workday, where no reasonable suspicion exists that such disclosure or access involves theft, or is fraudulent, criminal or malicious in nature, will not be considered a “Security Breach” for purposes of this definition, unless such incidental disclosure or incidental access triggers a notification obligation under any Law; (b) any Personal Data Breach as defined in the DPE; and (c) any security breach (or substantially similar term) as defined by Law affecting Customer Content.

“**Security Exhibit**” means the Universal Security Exhibit located at <https://www.workday.com/en-us/legal/universal-contract-terms-and-conditions/index.html>, which may be updated by Workday from time to time, provided that no update will materially decrease the protections provided by the controls set forth in the Security Exhibit during the Term.

“**Service**” means the applicable Workday software-as-a-service application and Improvements (as described in the Documentation and Product Terms) as subscribed to under an Order Form. For purposes of clarification, Service excludes professional services, support services, training services, and Non-Workday Content.

“**Signature Document**” means the document signed by the parties which lists all the terms and conditions forming part of this Agreement to which the parties agree to be bound.

“**SLA**” means the Production support and service level availability policy for the Service application(s) identified in the applicable Product Terms, which may be updated by Workday from time to time, provided that no update will materially decrease Workday’s responsibilities under the SLA during the applicable Order Term.

“**Subscription Fees**” means all amounts invoiced to and payable by Customer for the applicable Service under an Order Form.





Workday Universal Contract Documents **Frequently Asked Questions (US Public Sector)**

Thank you for reviewing Workday's contract documents. As you review the attached documents, we hope this FAQ will help you better understand what is being purchased and how Workday's enterprise cloud service model works. This FAQ does not form part of the contract and is provided for informational purposes only and will not be a part of the final agreement package.

A quick word about redlining.

Workday has provided certain contract documents in PDF format. In general, the PDF format documents are ones that represent Workday's one-to-many model infrastructure and operational policies and procedures and are not modified for individual customers, either in the document or indirectly through modification in other documents. In the event Workday provides certain contract documents in Word format, the Word documents will be provided in a format that allows redlined changes but does not allow customers to accept those changes. Workday tracks all changes carefully in order to have a complete record of the negotiation. You can modify comments, so one effective way to solicit internal contributions without having Workday "see" them is to have one official "scribe" who makes redlined changes and asks all other reviewers to just use the comments feature in Word, which the scribe can remove or edit before returning to Workday. Workday can generate redlines showing changes from any two specified versions upon request. We also ask that you not strip our locking off and send us a document that has been generated without the metadata from our document management system included; such documents are not capable of the automated comparisons that our document management system can generate and importing, comparing, and verifying such documents is a labor intensive project that will delay negotiations and final signatures, which may affect any time-based pricing incentives provided by Workday. We additionally request you return a copy of the document with any changes to Workday, rather than sending a document that has gone through any contract management software. Many contract management applications strip our formatting, creating delays for reviews.

1. What is my organization purchasing from Workday?

Workday provides fully functional, pre-existing, commercial enterprise cloud applications through the Internet using a genuine one-to-many cloud delivery model. Our customers upload their Customer Content to Workday's Software as a Service (SaaS) solution and configure the Service application to leverage the features required for the customer's internal business purposes. All customers are on the same release version of the Workday Service applications. Workday provides its Service on a single code line so that all customers on a specific application are on the same release using the same operational infrastructure and the same security and support operations.

2. How is Workday's Service different from installed, on premise software?

Workday's cloud-based, mobile, and in-memory object-oriented applications operate on a true one-to-many business model. Other application service providers may offer a customizable model, where each customer is treated differently – essentially, they offer outsourced hosting of installed software. Workday's one-to-many business model is different and allows for a more cost-effective delivery of solutions by ensuring that all customers are always on the same release version. Customers avoid costly and disruptive upgrades. As Workday rolls out new feature releases, customers can adopt new features on their own time, which makes Workday's cloud applications highly configurable by each customer.

3. How does Workday protect the Customer Content in the Service?

Protecting the security and privacy of our Customers' Content is one of Workday's top priorities. Workday maintains a comprehensive security program that takes into account the state of the art, the nature and purposes of the Service, the type of Customer Content in the Service, the legal environment in which Workday operates, and our customers' need for security and confidentiality. Workday monitors, evaluates, and adjusts this security program in light of changing technology and the changing legal and business environments in which it operates. More details are described below and in Question 4 below.



Data Security

Controls: We employ rigorous security measures at the organizational, architectural, and operational levels and we are committed to investing in world class technology compliance programs. Workday's cybersecurity compliance program was deployed to enhance privacy and security, build trust and provide assurance to our customers that their Customer Content and Workday's applications and infrastructure are secure. The cornerstone of our cybersecurity compliance program is our independent third-party audits, industry standard ISO certifications, and detailed self-assessment evaluations that Workday completes annually and makes available free-of-charge to customers via self-service framework. The list of applicable privacy and compliance documentation that Workday makes available to our customers includes, but isn't limited to:

- SOC 1 and SOC 2 audit reports;
- ISO 27001, ISO 27017, ISO 27018 and ISO 27701 certificates;
- Shared Assessments SIG questionnaire;
- CSA CAIQ questionnaire;
- Web & Mobile Applications Independent Security Report
- Networks and Systems Independent Security Report
- Disaster Recovery (DR) Plan and Executive Summary
- Workday Continuity Strategy & Plan
- Tier II CyberGRX Assessment Report
- Transfer Impact Assessments Whitepaper
- Code of Conduct

In combination, all of these materials:

- Provide an in-depth view into Workday's data privacy, data security, and operational processes and control environments related to Workday's provision of the Service; and
- Enable our customers to conduct (via self-service) risk assessments of Workday's provision of the Service.

The validation of the operational effectiveness of our control environment is facilitated through the independent third-party auditor testing procedures performed and summarized in the Audit Reports, which are made available to our customers at any point during the subscription Order Form term. Thus, customers have independent verification of and visibility into the security controls protecting their data. Further, Workday contractually commits that it will not materially decrease the protections provided by the controls set forth in Workday's Security Exhibit and Audit Reports during the Agreement Term.

Data Privacy

Universal Data Processing Exhibit: The MSA includes a link to an exhibit that details the terms and conditions applicable to Workday's processing of Personal Data. This DPE provides our customers with contractual protections relating to Workday's compliance with data protection laws applicable to Workday as a data processor.

Additional Disclosure Restrictions: In Clause 3 of the MSA, Workday contractually commits to use Customer Content to provide the Service, subject to the terms of the Agreement.

4. Why can't my organization's security and privacy exhibits be joined to the contract?

Workday maintains a formal and comprehensive security program designed to ensure the security and integrity of each customer's data, to protect against security threats and data breaches, and to prevent unauthorized access to the data of its customers. The specifics of Workday's security program are detailed in our Universal Security Exhibit, our third-party security audits, and international certifications. As a true cloud provider, Workday operates a multi-tenanted platform where all customers share a platform and single version of the Service with logical segregation between customers. All of our security controls are designed from the ground up for a cloud environment with security controls applied



to each applicable application, including all environments where data from our customers is present. Workday commits to not materially decrease the protection of the controls provided by our Audit Reports (e.g., applicable SOC1, SOC2) and the Universal Security Exhibit. In addition, our privacy controls are described in our Universal Data Processing Exhibit, so customers have contractual commitments that Workday complies with data protections laws applicable to Workday in our role as a data processor. These controls form part of our one-to-many business model and enable Workday to meet its security and data privacy commitments while also enabling Workday to continually enhance, evolve, and develop our security and privacy programs to the benefit of all customers equally. This means, however, that we cannot contractually commit to individual customers' security and privacy standards, terms, or policies without breaking our one-to-many business model. In order to provide transparency, visibility and continuous assurance to our customers as to the effectiveness of our security and privacy controls Workday conducts independent third-party audits and makes the result of these audit reports available to our customers upon request.

5. How do we get our data back when the relationship ends?

Customers always own their Customer Content throughout the course of the relationship (see MSA Clause 3, "Proprietary Rights"). Customers can download copies of their Customer Content stored in the Service at any time during the Term. Workday has a standard process allowing customers to make a self-service final data download during the customer's subscription term and upon termination of relationship, which can be found in the MSA (see MSA Clause 9.2, "Retrieval of Customer Content").

6. Does Workday offer an SLA?

Yes, Workday has a service level availability policy for Service applications as specified in the Order Form(s), so customers always know Workday's commitments regarding service levels. The success of Workday's cloud delivery business model is predicated upon the efficiency of our one-to-many infrastructure. Since Workday delivers its Service applications from the same operational business model for our entire customer base, the applicable SLA cannot be modified for individual customers. Workday provides Service Credits in the event of certain SLA Failures; these can be found in the SLA Service Credit clause of the Agreement.

7. What is Workday's pricing methodology?

Workday uses a subscription price model based on number of employees, users, other size metrics, and, for some Service applications, usage. Pricing is based on a firm subscription level commitment for the Order Term which cannot be reduced during that term, regardless of any reduction in customer's applicable usage metric.

8. Does Workday provide protection against fraud in the selection process?

Yes. Workday addresses concerns about procurement fraud a little differently from what some customers may be used to, but still offers robust protection against fraud during the selection process. Workday does not attach the RFx or proposal to its agreements, as this methodology isn't consistent with Workday's one-to-many business model. Workday's Service is highly configurable but not customizable. Workday's frequent release schedule means that any proposal describing features and functionality is a snapshot in time which becomes outdated in part by the next release. Although the configuration/deployment process is shorter with Workday's Service than with typical installed software equivalents, there are likely to be multiple additional updates by the time the Workday Service goes live, making the proposal substantially out of sync with what is being delivered.

Instead of warranting to functional specifications in the RFx or attaching responses to the contract, Workday provides an ongoing warranty to the Workday Documentation (which is the administrative guide for the Service) that persists for the lifetime of the subscription. Workday's Documentation is online and available to customers as part of the Workday Service. This means that instead of warranting for a finite period, Workday will be warranting that as long as a customer subscribes to the Workday Service, it will materially conform to its then-current Documentation. Additionally, Workday warrants that changes to the Workday Service will not materially decrease functionality of the Workday Service during the term of the applicable Order Form. Accordingly, customers receive a long-term warranty that functionality will not materially degrade despite changes in delivery technology. Furthermore, Workday



does not limit its direct liability for fraud, so our customers have a strong protection against any kind of fraud in the procurement process. We believe that these protections offer a much stronger protection than what has historically been provided for commercial software. When vendors attach RFx and proposals to contracts, they usually do so in a way which provides a warranty that is either only for the version of the software that was current when the proposal was written, or only for a very limited time (1-2 years), so it would often expire before the customer was using the solution in production.

9. Does Workday offer an acceptance test period?

No. Workday's cloud-based business delivery model is fundamentally different from legacy business delivery models. Since Workday runs the Service for all customers on the same release of the applications, the viability of the Service has already been demonstrated by the existing customers who run their businesses on the same release. The concept of an acceptance test for the Service is obsolete and does not exist in Workday's business model. Deployment is a different situation and the deployment process and statement of work typically include testing to confirm that the configuration of the Service is working as expected.

10. Will Workday permit customers to audit Workday?

Yes, but: Workday's one-to-many business model allows Workday to make robust audit reports available free of charge to customers and the vast majority of customers, including Federal, public sector, and higher education customers, are able to use rather than conduct their own audits. Available audit reports include independent third-party audits, industry standard ISO certifications, and detailed self-assessment evaluations that Workday completes annually. These reports are available through our customer portal. We strongly encourage our customers to rely upon and use Workday's existing privacy, compliance, and security materials instead of performing any unique assessment reviews. All the same, as described in Clause 8 of the Data Processing Exhibit, customers can elect to participate in Workday's fee-based customer audit program, an audit-as-a-service offering that enables customers to conduct compliance reviews of our data security, data privacy, and other operational processes and supports their relevant audit requirements related to Workday's provision of the Service to the customer.

11. Does Workday offer unlimited liability or a broad indemnification for all harm arising from the contract?

Workday does not offer unlimited liability in most situations, nor does it agree to a broad indemnification clause. Workday understands that our customers are concerned about the protection of their Customer Content and the remedies available in the event of a breach. Workday has developed a structure unique in the industry because it covers the primary costs associated with a breach of personally identifiable information, providing an exceptionally high level of protection for our customers.

- **Specified Remediation Costs outside Limitation of Liability:** In Clause 8.3 of the MSA, Workday agrees to pay certain remediation costs and such costs are *not* subject to any limitation of liability. Specifically, in the event that any unauthorized disclosure of or access to Personal Data is caused by Workday's breach of its security or privacy obligations, Workday will pay the reasonable and documented costs incurred by Customer in connection with the following items: (1) costs of any required forensic investigation to determine the cause of the breach, (2) providing notification of the security breach to applicable government and relevant industry self-regulatory agencies, to the media (if required by applicable law) and to individuals whose Personal Data may have been accessed or acquired, (3) providing credit monitoring service to individuals whose Personal Data may have been accessed or acquired (for a specified period), and (4) operating a call center to respond to questions from individuals whose Personal Data may have been accessed or acquired (for a specified period). These four items represent the full extent of remediation costs Workday will cover outside the limitation of liability.
- **Indemnified claims and direct damages arising out of "bad acts" are not subject to limitation:** Workday includes several standard carveouts from its general limitation of liability, including its intellectual property indemnification obligation and damages arising from deliberate wrongdoing, gross negligence, and fraud. Workday will not consider adding simple negligence to these carve outs because we do not act as an insurer.



- **Other Damages / Breaches are subject to Limitation of Liability:** Workday also agrees to uncapped liability for our intellectual property indemnity as set forth in Clause 7 of the MSA and for breaches arising out of our gross negligence, willful misconduct or fraud as set forth in Clause 8.1 of the MSA. A fundamental principle of Workday's business model is that any other damages and any other breaches of the Agreement are subject to a limitation of liability (see Clause 8.1 of the MSA).
- **To reduce uncertainty, Workday characterizes certain damages as direct.** Government fines and third-party claims arising from a party's breach are considered direct damages but are not indemnified or unlimited (unless one of the "bad acts" carve outs applies).

12. Can Workday change the linked web terms without notifying us?

The three fundamental linked terms (Universal Security Exhibit, DPE and SLA) can all be changed over time by Workday but are subject, in their definitions, to prohibitions against material reduction of Workday's obligations. This allows us to evolve these documents to reflect changes in law, technology, and industry practice. Application-specific terms linked in an Order Form cannot be changed to materially alter security or privacy commitments and are not effective until 30 days after publication. Any change outside of that permissible scope would be subject to the MSA's Clause 10.13 requirement that amendments be signed. Workday's web terms include an archive of older versions.

13. What are the Contract Documents?

- **Public Sector Addendum:** Contains industry specific terms applicable to Workday's US-based public sector customers. This Addendum modifies and/or is additive to the MSA and takes precedence over the MSA in the event of a conflict between terms.
- **Universal Main Subscription Agreement:** General business and legal terms for all Workday Services.
- **Order Forms:** Incorporate the terms of the Main Subscription Agreement and describe a specific Service subscription, training product subscription, or a defined consulting subscription. The Main Subscription Agreement is not designed for deployment engagements, which are handled under a Professional Services Agreement. Some Workday offerings are not part of the core Workday Service and additional terms for those offerings are attached to the applicable Order Form.
- **Universal Security Exhibit:** This sets forth the minimum-security controls and procedures that Workday agrees to follow. Given the fact that the Workday Service is operated on a single code line through a shared environment and infrastructure, the security controls used by Workday apply to all customers. **This document is available at <https://www.workday.com/en-us/legal/contract-terms-and-conditions/index.html> and Workday does not modify its shared environment, infrastructure, or security controls for individual customers.**
- **Universal Data Processing Exhibit:** Incorporates additional terms required by data protection laws. **This document is available at <https://www.workday.com/en-us/legal/contract-terms-and-conditions/index.html> and Workday does not modify its shared environment, infrastructure, security or privacy controls for individual customers.**
- **Professional Services Agreement ("PSA"):** **used only if a customer is purchasing deployment services directly from Workday.** Has general business and legal terms related to the delivery of consulting and deployment services. If your organization is purchasing these services directly from Workday, most of our customers have found it most efficient to wait until we have completed negotiations over the Agreement to begin on the PSA; in fact, our PSA leverages the business/legal issues in the Agreement which are the same across both types of services. That said, the ownership, warranty and warranty remedies, IP infringement remedies, limitation of liability, and termination rights are different in the PSA due to the different nature of the services and will not be imported word for word.
- **Statement(s) of Work:** Incorporate the terms of the PSA and describe a specific consulting engagement, generally for deployment of Workday's Services.



Workday's Signature Process

Workday uses Adobe Sign, an electronic signature tool which allows parties to sign electronically. Use of this process is **strongly** preferred by Workday, as it ensures the document was not altered, the document is confidential, and both Workday and the customer can track where the document is in the signature process. Many of Workday's activation processes are triggered based on the electronic signature. It is Workday's policy that the customer signs first. Use of wet signatures, or requests that Workday sign first may delay final signatures, which may affect time-based pricing incentives provided by Workday. When our Federal, Public Sector, and Public Higher Education customers have regulatory obligations which require a different process we can accommodate, but advance notice of the special signature process is critical to meeting time-based incentives. Please inform your business team as early in the process as possible when you require accommodation.



US Public Sector Addendum

This US public sector addendum (“**Public Sector Addendum**” or “**Addendum**”) is incorporated into and forms part of the Universal Workday Main Subscription Agreement for Federal and SLED Customers, which is available at <https://www.workday.com/en-us/legal/universal-contract-terms-and-conditions/index.html> or as executed by Workday and Customer (“**MSA**” or “**Agreement**”). The version of this Addendum which is attached to or referenced in the Signature Document that also references Customer’s first Order Form or in Customer’s first Order Form if there is no Signature Document, will apply to all subsequent Order Forms that reference the same MSA, unless a different Addendum is referenced in such Order Form.

This Public Sector Addendum applies to United States government customers, including but not limited to entities of the United States Federal Government (each, a “Federal Customer”), as well as state entities, local entities, or public education entities created by the Laws (including constitution or statute) of the applicable state (each, a “SLED Customer”). Workday also reserves the right, at its sole discretion, to offer this Public Sector Addendum to US-based (i) private higher education entities, (ii) quasi-public entities (not otherwise qualified as a Federal Customer or a SLED Customer), such as federally funded research and development centers, and/or (iii) public healthcare entities (not otherwise qualified as a Federal Customer or a SLED Customer), provided that in order for this Public Sector Addendum to apply to such entities, it must be explicitly referenced and incorporated into the signed Signature Document or Order Form as between Workday and such entity. As applicable, an entity qualified under (i), (ii), or (iii) above will be referred to herein as an “Approved Customer”; an Approved Customer is specifically not included in the definition of “Federal Customer” or “SLED Customer” and any clauses in this Addendum indicating it applies only to a Federal Customer or a SLED Customer will not extend to an Approved Customer.

Unless otherwise defined herein, all other capitalized terms used in this Public Sector Addendum have the same meaning as set forth in the MSA.

- 1. Taxes.** The following sentence is hereby added at the beginning of the “Taxes” clause in the MSA (currently, Clause 1.3): *“This clause applies only if Customer has not provided Workday with a valid tax exemption certificate authorized and honored by applicable taxing authorities that covers all Taxes.”*
- 2. FOIA/Public Disclosure Laws.** A disclosure by one party of Confidential Information of the other party to the extent required by Law shall not be considered a breach of the Agreement, provided the party so compelled promptly provides the other party with prior notice of such compelled disclosure (to the extent legally permitted) and provides reasonable assistance, at the other party’s cost, if the other party wishes to contest the disclosure. For purposes of this section, a request to Customer for documents or information pursuant to the California Public Records Act will be considered a compelled disclosure. All parties acknowledge that Customer may not make any assertion of exemption on behalf of Workday in response to a Public Records Act request. In addition, Customer may disclose fully executed Order Forms and the Agreement in accordance with requirements for publication of items that will be on the Customer’s required council agenda. Such disclosure may take the form of a website-accessible posting of those documents.
- 3. FERPA.** To the extent required for a public education SLED Customer or an Approved Customer, the parties agree to the following addition to the MSA: *“To the extent Customer is an educational institution subject to the Family Educational Rights and Privacy Act (“FERPA”) and determines that Workday is a School Official for purposes of 34 CFR §99.31(a)(1)(i)(B), Workday will comply with its obligations thereunder by complying with the terms of this Agreement and the DPE.”*
- 4. Business Associate Exhibit** If the Customer Content includes data that is protected by the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and Customer is a Covered Entity as defined under HIPAA, Workday’s Business Associate Exhibit found at <https://www.workday.com/en-us/legal/universal-contract-terms-and-conditions/index.html> effective as of the Effective Date of the Agreement will apply to Workday’s receipt, maintenance, or transmission of Protected Health Information from, or on behalf of Customer, as described in such Exhibit.

5. **Clause 7.2 Customer Indemnity in the MSA is replaced with the following:**

Customer Obligations. Unless Customer is prohibited by Law from indemnifying its vendors, Customer will defend Workday, at Customer's expense, from any third-party Claim against Workday arising from Customer Content, and Customer will be directly and solely responsible for any Losses related to such Claim. If Customer is prohibited by Law from indemnifying its vendors, Customer acknowledges that it, and not Workday, is responsible for Customer Content and any other materials and data it provides to Workday and for the behavior of its Authorized Parties and the parties agree that any indemnification clause found in an Order Form's application-specific additional terms or click-through terms referenced in the Order Form will be read only as such an acknowledgement.

6. **FOR A FEDERAL OR SLED CUSTOMER ONLY: Termination for Non-Appropriation.** To the extent required by Law, the following provision is hereby added to the end of the "Termination" clause of the MSA (currently Clause 9.1):

Termination for Non-Appropriation. For each of Customer's fiscal years during the Term of this Agreement Customer agrees: (a) to seek in good faith appropriations sufficient to cover Customer's obligations under this Agreement; and (b) not to use non-appropriations as a means of terminating this Agreement in order to acquire functionally equivalent products or services from a third party. Customer reasonably believes, barring unforeseen circumstances or events, that sufficient funds will lawfully be appropriated by its governing body to satisfy its obligations under this Agreement. If sufficient funds are not appropriated, to continue payments under this Agreement, Customer may terminate this Agreement by giving Workday not less than thirty (30) days' prior written notice of such non-appropriation for the fiscal year. Customer shall not execute an Order Form unless funds have been appropriated for at least the first year's subscription fee. Workday is under no obligation to provide the Service if Customer lacks funds to pay for it. Upon termination Customer will remit all amounts due and all costs reasonably incurred through the date of termination and, to the extent of lawfully available funds, through the end of the then-current fiscal period, providing Service will continue through the end of the then-current fiscal period and for the full duration of any subsequent Transition Period for which funds are available. Upon Workday's reasonable request, Customer will provide Workday with information as to funding status for its next subscription payment(s).

7. **Background Check.** Unless prohibited by law, Workday agrees to conduct (or has previously conducted) a criminal background check on personnel employed by Workday (or will require its subcontractors to conduct a background check on their own personnel) who will have access to Customer Content. Such background check will be in the form generally used by Workday in its initial hiring of employees or contracting for contractors or, as applicable, during the employment-screening process. Workday will not allow any person performing under the Agreement on behalf of Workday to be assigned to have access to Customer Content whose background check revealed a conviction of any violent crime or crime involving theft, dishonesty, moral turpitude, breach of trust, or money laundering.

8. **Assignment.** In the event of an M&A assignment, the non-assigning party will be entitled to request from the assignee reasonable information to demonstrate that the assignee has the necessary resources and expertise to provide the Service. Failure to provide such information will be a material breach of the Agreement.

9. **Federal Government End Use.** Workday's offering constitutes 'commercial items' as defined under FAR 2.101. Workday's contracting documents are in conformance with Workday's commercial item offerings and tailoring of acquisition terms is pursuant to FAR 12.302(b). If you are a FAR governed Federal Customer, Workday agrees that the resulting contract will include the mandatory FAR commercial flow downs for a subcontractor under FAR 52.244-6. Additionally, the parties agree that the purpose of the Agreement is to provide a sophisticated integrated system solution, principally for the provision of a product, not a service and as such, neither the Service Contract Act nor its related statutes or regulations apply to Workday's performance hereunder.



- 10. Use by Other Entities.** The parties agree that other United States public entities, including state agencies, local governments, courts, and public institutions of higher education may utilize the terms of the Agreement to purchase the Service from Workday for agreements commencing no later than 5 years after the Effective Date of the Agreement. Workday may extend the availability of the Agreement for such use in its sole and reasonable discretion. The parties understand that pricing is specific to Pricing Metrics and the choice of Workday Service components and other entities will not necessarily pay the same price as Customer. Any such other entity will be responsible for complying with its relevant procurement rules and regulations. Customer will in no way whatsoever incur any liability to Workday, such entities, or others in relation to specifications, delivery, payment, or any other aspect of actions or omissions by such entities. An entity wishing to utilize the Agreement will have a copy of the Agreement executed in its own name and any Order Forms will be in such entity's name. The parties agree that Workday can disclose the Agreement, all exhibits, and any applicable Order Forms to an entity seeking to make use of this Clause.
- 11. Publicity.** Except as set forth in this clause, Workday will not use Customer's name, logos or trademarks without the prior written consent of Customer in any written press releases, advertisements and/or marketing materials. Notwithstanding the foregoing, Workday may use Customer's name and logo in lists of customers and on its website, including, but not limited to, Workday's community portal; however, such usage will not be classified as an advertisement but only identification as an entity who receives the Service from Workday. Workday will comply with Customer's trademark and logo usage guidelines if they are provided to Workday by Customer. For the avoidance of doubt, this clause does not prohibit Workday from referencing Customer's name in a verbal format. Individual Order Forms may have more expansive publicity rights.
- 12. FOR A FEDERAL OR SLED CUSTOMER ONLY: Governing Law.** The parties agree that notwithstanding the "Governing Law" clause of the MSA (currently Clause 10.7), the following will apply:
- a. For a Federal Customer only: this Addendum and the Agreement and any disputes arising out of or related thereto will be governed by U.S. Federal Law. Any language requiring dispute resolution in a specific forum or venue that is different from that prescribed by Federal Law is deleted and superseded by the forum or venue required by Law. If Workday believes a Federal Customer is in breach of the Agreement, Workday will pursue its rights under the Contract Disputes Act or other applicable Law while continuing performance as set forth in Federal Acquisition Regulation 52.233-1 (Disputes).
 - b. For a SLED Customer only: this Addendum and the Agreement and any disputes arising out of or related thereto will be governed by the Laws of the state pursuant to which Customer is created, or else the state in which Customer's primary headquarters or main office is geographically located. With respect to all disputes arising out of or related to this Addendum and the Agreement, the parties consent to exclusive jurisdiction and venue in the state and federal courts located in such state.
- 13. The parties agree that notwithstanding the "Governing Law" section of the MSA (currently Section 10.7), the following shall apply:** this Addendum and the Agreement and any disputes arising out of or related thereto shall be governed by the Laws of the State of California. With respect to all disputes arising out of or related to this Addendum and the Agreement, the parties consent to exclusive jurisdiction and venue in the state and federal courts located in such state.
- 14. Special Access by Law Enforcement and for Oversight.** Customer is a public sector entity subject to oversight by other public sector entities and potentially by the federal government. The parties agree that to the extent that law enforcement officials or entities with appropriate oversight authority request access to the Service for the purpose of viewing or retrieving Customer Data or confirming how Customer processes Customer Data, Customer may grant such access either by permitting representatives of such entities to observe Customer's use of the Service or by granting such representatives temporary status as an Authorized Party. Customer shall ensure any individuals to whom observation or temporary Authorized Party status is provided, have entered into a Confidentiality Agreement at least as restrictive as the provisions in Section 4 of the Agreement



- 15. Audit Financial Billing.** During the Term of this Agreement but not more frequently than once per year, Workday shall make available to Customer or its chosen independent third-party auditor (or federal or state department auditor having monitoring or reviewing authority over Customer), for examination those financial books, records, and files of Workday that are necessary for Customer to verify Workday's charges for the Service provided under any Order Form(s) issued hereunder. Workday shall be subject to examination and/or audit to the extent set forth in law and shall comply with all program and fiscal reporting requirements set forth by law as described more fully in the Data Processing Exhibit. Workday shall maintain complete and accurate records as is reasonably necessary to substantiate such charges for at least five (5) years after such charges are invoiced. Customer shall provide Workday with reasonable notice prior to conducting such financial audit and the parties shall mutually agree upon the timing of such financial audit which shall be conducted in a manner that is least disruptive to Workday's business operations. Such right shall not extend to or require on-site audits of Workday's operations or third-party hosting facilities, disclosure of any confidential information of any other Workday customer, or Workday's payroll records or other financial records not related to Service fees invoiced to Customer.
- 16. California Labor Code Requirements.** Workday 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. 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, Workday agrees to fully comply with such Prevailing Wage Laws, if applicable. Workday shall defend, indemnify and hold Customer, its elected 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 Workday and all subconsultants to comply with all applicable California Labor Code provisions, which include but are not limited to prevailing wages, employment of apprentices, hours of labor and debarment of contractors and subcontractors for work performed in California.
- 17. Verification of Employment Eligibility.** By executing this Agreement, Workday verifies that it fully complies with all applicable 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.

Equal Opportunity Employment. Workday represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of, as applicable under the law of the jurisdiction where employment occurs, 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.

Prohibited Interests. Workday represents that it has not employed nor retained any company or person, other than a bona fide employee working solely for Workday, to solicit or secure the Agreement. Further, Workday represents that it has not paid, nor has it agreed to pay any company or person, other than a bona fide employee working solely for Workday, 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 representation, Customer shall have the right to rescind the Agreement without further liability. Upon Customer's request, Workday will include the following statement on Order Forms that are not executed contemporaneously with this Agreement, "Workday represents that it has not employed nor retained any company or person, other than a bona fide employee working solely for Workday, to solicit or secure this Order Form. Further, Workday represents that it has not paid, nor has it agreed to pay any company or person, other than a bona fide employee working solely for Workday, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Order Form."



18. Order of Precedence: The second sentence of MSA Clause 10.13, “Miscellaneous” is hereby replaced with the following: In the event of a conflict, the provisions of an Order Form will take precedence over provisions of this MSA as modified by the US Public Sector Addendum and any other exhibit or attachment with respect to the Service described on that Order Form, except that no terms in or attached to an Order Form shall modify clauses 5 and 13 of the US Public Sector Addendum unless the main body of the Order Form specifically states that such changes as apply to clauses 5 or 13 of the US Public Sector Addendum.

19. Definitions: A new definition is added to MSA Clause 11 as follows:

“**US Public Sector Addendum**” or “**Public Sector Addendum**” means the US Public Sector Addendum found at <https://www.workday.com/en-us/legal/universal-contract-terms-and-conditions/index.html> as of the date of first Signature Document referencing this MSA if no US Public Sector Addendum is attached to the Signature Document, or the US Public Sector Addendum attached to the Signature Document, if one is attached. No portion of a clause labeled “FAQ” or “Frequently Asked Questions” is part of the US Public Sector Addendum.



ORDER FORM 00549875.0

Customer Name	Palmdale Water District
Workday Entity	Workday, Inc. Address: http://www.workday.com/contracting-entity-addresses
Universal Main Subscription Agreement (MSA)	This Order Form is subject to and governed by the attached MSA found at https://www.workday.com/content/dam/web/en-us/documents/legal/umsa-us-can-v262.pdf . The MSA is hereby amended through the entire MSA Term to add as an addendum the US Public Sector Addendum found at https://www.workday.com/en-us/legal/universal-contract-terms-and-conditions/index.html . For reference only, a copy of the MSA and US Public Sector Addendum as of the MSA and Order Form Effective Date are attached hereto.
Product Terms	Service SKUs and functionality in the Rate Card are subject to the applicable Product Terms available at https://www.workday.com/en-us/legal/universal-contract-terms-and-conditions/index.html , which are incorporated herein by reference.
Workday Flex Credits and Platform Entitlement Policy	Use of capabilities identified in the Rate Card are subject to the Workday Flex Credits and Platform Entitlement Policy available at https://www.workday.com/content/dam/web/en-us/documents/legal/flex-credits-platform-policy.pdf which may be updated from time to time.
Workday Flex Credits Rate Card (“Rate Card”)	https://www.workday.com/content/dam/web/en-us/documents/legal/flex-credits-rate-card-v262.pdf
MSA and Order Form Effective Date	The later of the dates of the parties’ signatures on the Signature Document.
Order Term	March 23, 2026 through March 22, 2036
Currency	USD
Total Fees	1,249,588
Tenant (or Instance as applicable) Base Name <i>Tenant Base Name is used to generate Workday tenant URLs.</i>	palmdalewater

Subscription Payment Schedule Table

Payment #	Payment Due Date	Payment Amount
1	Due in accordance with the MSA, invoiced upon Order Form Effective Date	72,845
2	Due on First anniversary of the Order Term start date	115,639
3	Due on Second anniversary of the Order Term start date	117,953
4	Due on Third anniversary of the Order Term start date	120,314
5	Due on Fourth anniversary of the Order Term start date	122,719
6	Due on Fifth anniversary of the Order Term start date	125,173
7	Due on Sixth anniversary of the Order Term start date	127,676
8	Due on Seventh anniversary of the Order Term start date	130,230
9	Due on Eighth anniversary of the Order Term start date	132,837
10	Due on Ninth anniversary of the Order Term start date	135,492
	Total Payment Amount	1,200,878



Training Payment Schedule Table

Payment #	Payment Due Date	Payment Amount
1	Due in accordance with the MSA, invoiced upon Order Form Effective Date	42,460
2	Due on First anniversary of the Order Term start date	6,250
	Total Payment Amount	48,710

Subscription Fees Table

Subscription Period	Date Range	Subscription Fee
1	March 23, 2026 through March 22, 2027	72,845
2	March 23, 2027 through March 22, 2028	115,639
3	March 23, 2028 through March 22, 2029	117,953
4	March 23, 2029 through March 22, 2030	120,314
5	March 23, 2030 through March 22, 2031	122,719
6	March 23, 2031 through March 22, 2032	125,173
7	March 23, 2032 through March 22, 2033	127,676
8	March 23, 2033 through March 22, 2034	130,230
9	March 23, 2034 through March 22, 2035	132,837
10	March 23, 2035 through March 22, 2036	135,492
	Total Subscription Fee	1,200,878

For the avoidance of doubt, the Payment Schedule Table(s) will be used for invoicing purposes. The Subscription Fees Table provides the Subscription Fees for each applicable Subscription Period. The Subscription Fee for Subscription Period 2 onwards includes a capped Innovation Index of 2.0%. **“Innovation Index”** means the fixed annual rate of increase in Subscription Fees based on improved Service functionality and performance that is a result of Workday’s efforts and investment in product development and infrastructure. Customer understands that the Subscription Fees above reflects Customer’s planned phased deployment, and any adjustment to the deployment timeline will not result in changes to the Payment Schedule or Subscription Fees.

Subscription Rights Table

SKU	Service	Pricing Metric	Annual Subscription Rights
LDPHCM	Core Human Capital Management - LDP	FSE*	Full Enterprise
LDPCCB	Cloud Connect for Benefits - LDP	FSE*	Full Enterprise
LDPBEN	Benefits - LDP	FSE*	Full Enterprise
LDPUSP**	Payroll for United States - LDP	FSE*	United States-based Employees
LDPREC	Recruiting - LDP	FSE*	Full Enterprise
LDPTLO	Talent Optimization - LDP	FSE*	Full Enterprise
LDPGM	Grants Management - LDP	FSE*	Full Enterprise
LDPFIN	Core Financials - LDP	FSE*	Full Enterprise
LDPPLNF	Financial Planning - LDP	FSE*	Full Enterprise
LDPPRJ	Projects - LDP	FSE*	Full Enterprise
LDPTT	Time Tracking - LDP	FSE*	Full Enterprise
LDPAM	Absence Management - LDP	FSE*	Full Enterprise
LDPEXP	Expenses - LDP	FSE*	Full Enterprise
LDPINV	Inventory - LDP	FSE*	Full Enterprise
LDPPRO	Procurement - LDP	FSE*	Full Enterprise

*For Pricing Metric details see the Full-Service Equivalent (“FSE”) Count Table below.

**Customer agrees that the number of FSE Workers for all Payroll Services and any Workday payroll connector will always be equal to the total number of FSE Workers for HCM.



Full-Service Equivalent (“FSE”) Count Table

FSE Population Category	Baseline FSE Count
Full Enterprise	100
United States-based employees	100

Named Support Contacts Table

Number of Named Support Contacts*	6
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*Named Support Contacts are the contacts that may request and receive support services from Workday and must be trained on the Workday product(s) for which they initiate support requests.

Customer Contact Information

	Billing, In Care of <i>Responsible for payment processing and will receive invoicing and billing-related communications.</i>	Customer Support <i>Main point of contact for Workday Support and will receive initial login credentials.</i>	Subscriptions Contact <i>Main point of contact for responding to and fulfilling the Growth and Expansion Obligations.</i>
Contact Name			
Street Address	2029 E Avenue Q	2029 E Avenue Q	2029 E Avenue Q
City/Town,	Palmdale	Palmdale	Palmdale
State/Region/County,	California	California	California
Zip/Post Code,	93550	93550	93550
Country	United States	United States	United States
Phone/Fax #			
Email (required)			
Internal Reference or PO (optional)			
Tax Exempt? Yes / No		If yes, US Exemption Tax Certificate or FST/VAT Number	

For customers based in the U.S., certain portions of the Service included in this Order Form can be used with optional downloadable software components (“**Downloadable Components**”). Any applicable tax for Downloadable Components will be separately presented on the invoice based on a valuation attributed to the Downloadable Components. As of the Order Form Effective Date, there is no value attributed to any of the Downloadable Components.

Non-Generally Available Functionality

The Rate Card may include functionality that is not generally available. Such functionality is still in the design phase and in Workday’s sole discretion is subject to change or removal at any time and may never be made available to Customer for use.

This Order Form is the Signature Document and incorporates all documents linked and/or attached. Flex Credits are available only to customers on the Universal MSA. By utilizing any available Workday Agents or Platform Capabilities identified in the Rate Card, Customer agrees to the applicable Product Terms. Customer may not withhold, reduce, or set-off fees owed under this Order Form. All purchase order forms, tax exemption certificates and FST/VAT/business registration, supplier setup requests, and invoice inquiries shall be submitted to Accounts.Receivable@workday.com.



ADDITIONAL ORDER FORM TERMS ADDENDUM

1. General.

Unless otherwise defined herein, capitalized terms used in this Order Form have the same meaning as set forth in the MSA. The Total Subscription Fee is based on the maximum indicated in the Subscription Rights Table and any use in excess of such maximum(s) indicated will be subject to the Growth and Expansion section herein. Notwithstanding the foregoing, Workday Flex Credits are subject to the Flex Credit Reporting Obligation in the Growth and Expansion section herein. Annual Subscription Rights limits may not be decreased during the Order Term.

2. FSE Metric Calculation and Worker Category Definitions.

The total FSE Count is calculated by categorizing each Worker to one of the Worker Categories below, multiplying the applicable number of Workers by the Applicable Percentage, and then adding the FSE Count for each Worker Category.

FSE Calculation Table:

Worker Category	Total Workers	Applicable Percentage	FSE Count
Full Time Employees	100	100.0%	100
Part-Time Employees	0	25.0%	0
Associates	0	12.5%	0
Former Workers with Access	0	2.5%	0
Total FSE Count:	100		100

The Service may be used by Customer only for the Worker Categories listed above and as defined below.

“Full-Time Employee” is an employee of Customer regularly scheduled for more than twenty hours per week regardless of the method of payment or actual hours worked, whether or not such employee is eligible to receive employee benefits in accordance with Customer’s internal standard practices. A Full-Time Employee will be considered non-temporary if they are hired to work for a period of more than 3 months in a given year.

“Part-Time Employee” is an employee of Customer regularly scheduled for twenty hours per week or less regardless of the method of payment or actual hours worked, whether or not such employee is eligible to receive employee benefits in accordance with Customer’s internal standard practices. A Part-Time Employee will be considered non-temporary if they are hired to work for a period of more than 3 months in a given year.

“Associate” is an individual not counted as a Full-Time or Part-Time Employee but in one of the following categories: temporary employees, independent contractors and affiliated non-employees including, but not limited to, volunteers and vendors whose Active Records are in the Service.

“Former Worker with Access” is a former worker that continues to have access to the Service through the Employee Self-Service features. Former Workers with Access are only included in the Subscription Rights for the Human Capital Management Service.

Former Workers with Static Records shall be excluded from the FSE calculation but may continue to be maintained in the Service. “**Static Records**” are records in the Service for workers with whom Customer has no further relationship and to whom Customer does not provide self-service access. Static Records include former worker records used solely for historical reference. All other worker records are “**Active Records**”.



3. Growth and Expansion.

Excess Use: Customer is responsible for all excess Subscription Rights at the Expansion Rates described below:

A. Annual Reporting Obligation.

Customer will report to subscriptions@workday.com no earlier than 90 days and no later than 60 days (“**Annual Reporting Period**”) based on the number of Active FSE Worker Records and Additional Metrics provided below, as applicable, as of 90 days (“**Count Date**”) prior to each anniversary of the Order Term start date. Customer understands that an Order Form, Subscription Growth Acknowledgement or other ordering document (“**Ordering Document**”) will be required to document any annual fees due pursuant to this section in its entirety. Such Ordering Document must be executed no later than 30 days prior to each anniversary of the Order Term start date until the Renewal (as defined below), at which time the Annual Reporting Obligation will be incorporated into the Renewal Term.

a. FSE Metric Reporting.

Reporting for Active FSE Worker Records is based on the additional FSE Workers which are defined as any Active FSE Worker records exceeding the Baseline FSE Count.

FSE Expansion Table

SKU	Annual FSE Expansion Rate
All Service SKU(s) with the FSE Pricing Metric in the Subscription Rights Table unless stated otherwise within this table	563.12
LDPUSP	36.75
LDPBEN, LDPCCB	21.91

B. Flex Credit Reporting Obligation.

In addition to the obligations set forth above, if Workday provides an Ordering Document to document any additional fees due for any use in excess of the entitlement in the Flex Credit and Platform Entitlement Policy, Customer will execute such Ordering Document and pay the applicable fees based on the rates in the then-current Rate Card.

4. Renewal.

Customer may renew all Services on this Order Form for a single three-year Renewal Term (“**Renewal Term**”) based on a compounding increase of 7% per annum (“**Annual Renewal Increase**”). The Annual Renewal Increase for each Year of the Renewal Term will be calculated based on the final Subscription Period Fees listed in the Subscription Fees Table (“**Base Subscription Fee**”). If the final Subscription Period is a partial year, the Base Subscription Fee is the annualized value of the final Subscription Period. The Expansion Rate(s) for the Renewal Term shall be increased by the same percentage as the Annual Renewal Increase per year. This Renewal option is valid only if Customer’s Base Subscription Fee for the Renewal Term is equal to or greater than the Base Subscription Fee defined herein and Customer renews all Subscription Services included in this Order Form plus the Base Subscription Fee in any subsequent purchase of any additional SKUs purchased during this Order Term. Annual Renewal Subscription Fees exclude fees for any additional Subscription Rights purchased at the time of renewal. Fees for the Renewal Term are due by the first day of each corresponding year of the Renewal Term.

5. Customer Identification/Referenceability.

Workday may reference Customer (including use of its logo) as a customer of Workday (i) in all Workday interactions with third parties, including its prospects, customers and partners, (ii) at events and on social media and at earnings calls, and (iii) on its website, in press releases, and in presentations.

Further, at Workday’s reasonable request and at Customer’s reasonable discretion, Customer shall (1) make Customer’s representative, as mutually agreed, available for reference calls with prospective Workday customers or industry analysts; (2) work with Workday to produce a case study (in written or video format), that describes Customer’s use of the Workday Service or portion of the Service and includes



supporting quotes from Customer; (3) participate in or speak at Workday-hosted prospect events; and (4) be featured in a Workday Blog, Whitepaper, or Webinar if asked to do so.



WORKDAY SERVICE SKU DESCRIPTIONS ADDENDUM

Customer may only use the Service SKUs subscribed to as indicated in the body of this Order Form.

Service	Product Line	Description
Core Human Capital Management - LDP	Human Capital Management	Core HCM includes management of the unified worker system of record; organization management; staffing management; basic compensation management; safety incident tracking; business asset tracking; management of business plans. Core HCM supports the organization's onboarding through new hire tasks; calls attention to the onboarding process; guides workers through a checklist of actions; and enables communication of relevant corporate and job-related information. Core HCM also enables the creation of electronic Form I-9s for U.S. employment verification and the ability to distribute documents to new hires and track acknowledgements or electronic signatures. Core HCM includes Workday Foundation elements such as dashboards, reporting, analytics, Business Process Framework and self-service. Workday HCM includes connectors that facilitate integration to select Workday partners that provide capabilities including: recruiting, learning, time and attendance, and user account provisioning (LDAP/Active Directory).
Cloud Connect for Benefits - LDP	Human Capital Management	Cloud Connect for Benefits extends Workday HCM by providing integration to a growing catalog of benefits providers, including: health insurance, health and flexible spending accounts, retirement savings plans, life insurance, AD&D insurance, and COBRA administrators.
Benefits - LDP	Human Capital Management	Benefits enables the set-up of benefit plans, benefit groups, eligibility rules and benefit rates; maintenance of enrollment event and cross plan rules for benefit plans; management of benefit and open enrollment events, evidence of insurability, and individual rates for workers; and tracking of beneficiaries and dependents.
Payroll for United States - LDP	Payroll	Workday Payroll for US supports the creation and management of Payroll for U.S. employees. Configure earnings, deductions, accumulations, and balances. Identify tax authorities each company wishes to withhold for. Manage worker tax data, payment elections, involuntary withholding orders, and payroll input. Calculate, review/audit, and complete payrolls and settlement runs. Configure and calculate payroll commitments. Workday Payroll includes connectors that facilitate integration to select Workday partners that provide capabilities, including: time and attendance, tax filing, check printing, and direct deposit.
Recruiting - LDP	Talent Management	Workday Recruiting supports an organization in its talent acquisition process. It is designed to help hiring managers and recruiters identify, hire and onboard the right talent for their business. Workday Recruiting supports the hiring process, including pipeline management, requisition management, job posting distribution, interview management, offer management, as well as supports local

		data compliance and pre-employment activities. Workday Recruiting also offers hiring teams tools to proactively source, nurture and track internal and external prospective candidates throughout the recruiting process.
Talent Optimization - LDP	Talent Management	Talent Optimization includes talent and performance functionality (goals, development plans, employee performance reviews, talent and performance calibration, feedback, check-ins, succession, mentors and connections, competency management, talent pools, and talent matrix reports). Talent Optimization also includes features (if and when available) that enable organizations to optimize their workforce and workers to optimize their careers. It supports talent mobility by connecting an organization's workforce with internal opportunities matched to their skills, experience, and interests. It also guides workers and enables them to explore potential opportunities.
Grants Management - LDP	Financial Management	Workday Grants Management enables organizations to administer and report on awards from the federal government, foundations, or other funding institutions. Workday Grants Management includes functionality to track and manage sponsors, awards, grants, and grant hierarchies. It also includes capabilities to calculate facilities and administration costs, and to bill and report to sponsors.
Core Financials - LDP	Financial Management	Core Financials provides traditional financial management and accounting functionality, including financial management, accounting and reporting, financial consolidation, supplier accounts, customer accounts, business assets, cash management, budgets, contracts, billing, and revenue recognition. Core Financials includes connectors that facilitate integration to select Workday partners that provide capabilities, including customer relationship management, electronic payments, and customer payments via credit card.
Financial Planning - LDP	Adaptive Planning	Financial Planning provides the ability for Customer to create financial planning models for the purpose of supporting the financial planning process. Workers may interact with the financial planning model for the purposes of data entry, forecasting, reporting, and analysis.
Projects - LDP	Financial Management	Projects enables organizations to create and manage projects, initiatives, and other types of work. This includes the ability to build project plans and utilize project breakdown structures that include phases, tasks, and milestones as well as plan, staff, and track projects, capital projects, initiatives, and work efforts.
Time Tracking - LDP	Workforce Management	Workday Time Tracking enables the collection, processing, and distribution of time data for a global workforce. The Workday Time Tracking module is unified with Workday HCM and Workday Payroll and includes basic time scheduling, time entry (hourly, time in/time out), approvals, and configurable calculation rules.
Absence Management - LDP	Workforce Management	Absence Management supports the management of leave of absences and time off. It enables the set up and administration of leave plans; the definition of the impact a

		leave has on employee compensation, as well as whether employees can request leave types directly. It enables viewing of leave results for a worker or organization; set up and administration of time off plans, and whether time off can be requested directly by the employee. Absence Management enables the viewing of time off plan balances including projections.
Expenses - LDP	Financial Management	Workday Expenses supports employee expense processing. Workday Expenses includes self-service and administrative functions to support employee expense reporting and reimbursement, including expense reports, global expense rules, approvals, reimbursement, credit card integration and spend analytics. Workday Expenses includes connectors that facilitate integration to partners that provide capabilities, including corporate card transactions and travel partners.
Inventory - LDP	Spend Management	Workday Inventory provides basic functionality for goods procured, stored, consumed and replenished within an organization. Workday Inventory includes the ability to define and place inventory in storage locations, count physical inventory and make necessary adjustments, value items in inventory, assign and manage different units of measure and replenish inventory using automatic re-order points. Workday Inventory is designed for tracking of internally used goods only and does not support use cases for external distribution (e.g., to customers or distributors).
Procurement LDP	Spend Management	Workday Procurement includes procure to pay functionality to address spend for goods and services, maintain purchase items and catalogs, and create receipt accruals for approved but not yet invoiced receipts. Workday Procurement also includes the functionality to manage suppliers and related transactional activity on the following document types, such as supplier contracts, requisitions, purchase and change orders, and receipts.



TRAINING ADDENDUM

Customer Name	Palmdale Water District
Training Terms	The Training Addendum is subject to the Training Terms located at https://www.workday.com/en-us/legal/universal-contract-terms-and-conditions/index.html , which are incorporated herein by reference.
Training Subscription Term	March 23, 2026 through March 22, 2028
Training Credit Order Term	18 Months from the Order Form Effective Date

SKU	Training Offering	Quantity
TC	Training Credits	51
AK	Adoption Kit	1
LODHCM10	Learn On-Demand – HCM Library 10 Initial Users	1
LODPAY10	Learn On-Demand - Payroll/Absence/Time Tracking Library 10 Initial Users	1
LODFIN10	Learn On-Demand – Financials Library 10 Initial Users	1
LODTECH10	Learn On-Demand – Cross-Application Technology Library 10 Initial Users	1

Training Credit Bulk Purchase Rates.

The following rates apply to the bulk purchases of Training Credits made within the 12-month period following the Order Effective Date:

Prepaid Training Credits Acquired	Rate Per Training Credit
1-10	USD \$ 800
11-25	USD \$ 760
26-50	USD \$ 735
51-75	USD \$ 710
76-100	USD \$ 685
101-249	USD \$ 660
250+	USD \$ 620

With respect to the Training Terms only, in the event of a conflict between the terms of the MSA, the main body of the Order Form, this Training Addendum, and the Training Terms, the order of precedence is this (i) Training Addendum, (ii) the main body of the Order Form, (iii) the Training Terms, and (iv) the MSA.



MASTER SERVICE AGREEMENT

This Master Services Agreement (the "Agreement") is made and entered into this **XX** day of **Month, 2026** by and between **ERP Analysts, Inc.**, ("ERPA"), an S-corporation organized under the laws of the State of Ohio with its principal place of business at 425 Metro Place North, Suite 510, Dublin, Ohio 43017, and Palmdale Water District ("Customer"), incorporated under the laws of the State of California with its principal place of business at 2029 East Avenue Q, Palmdale, CA 93550. CUSTOMER and ERPA may be referred to herein individually as a "Party" and collectively as the "Parties."

NOW THEREFORE, in consideration of the mutual promises and advantages to the Parties, the Parties agree as follows:

SECTION. 1 DEFINITIONS

The following terms, as used herein or in exhibits or attachments hereto, shall have the meanings indicated:

- 1.1 "Affiliate." An entity, which directly or indirectly controls, or is controlled by, or is under common control with a Party.
- 1.2 "Confidential Information." All information, whether written, verbal or electronic, concerning the affairs and operations of either Party, its subsidiaries and Affiliates, and their respective contractors and agents, including, without limitation, operational plans, financial data, contractual information, and personally identifiable information ("Personal Data"), shall be considered Confidential Information under this Agreement. Confidential Information shall not include information that the nondisclosing Party can demonstrate: (a) was already known to nondisclosing Party at the time of disclosure; (b) was information in the public domain or available to the public; (c) was made available to nondisclosing Party by third parties without any non-disclosure obligation to disclosing Party; or (d) was independently developed by nondisclosing Party.
- 1.3 "Statement of Work" or "SOW." Each document identified as such and executed by ERPA and Customer for the provision of Services, which shall incorporate the terms and conditions of this Agreement and contains the description, pricing and other specific terms and conditions applicable to the Services being performed.
- 1.4 "Services." Any labor effort, resources and/or deliverables required to be provided by a Statement of Work or actually performed pursuant to a Statement of Work requirement wherein the service rendered does not consist primarily of acquisition or the rental of equipment or materials.
- 1.5 "Subcontractor." Whether capitalized or not herein, any subcontractor, vendor, material man, in each case of any tier, that has a contract, license, or agreement with ERPA to supply equipment, material, services, supervision, consultation, or labor in connection with the performance of the Services.



- 1.6 “Technical Representative.” The individual, if any, identified as such for each Party in a Statement of Work that serves as the primary technical point of contact with regard to the Services to be complete for such Statement of Work. Either Party may replace its Technical Representative upon written notice to the other Party.

SECTION. 2 AGREEMENT STRUCTURE

- 2.1 The Parties acknowledge and agree that this Master Services Agreement is intended to operate as a standard set of terms and conditions pursuant to which ERPA may perform Services under a SOW to be executed by the Parties hereto, where each such SOW will: (a) describe with particularity the Services to be rendered; (b) include a specification of the (i) period of performance, (ii) schedule, (iii) deliverables, (iv) Key Persons, (v) fees, and (vi) expenses applicable to provision of such Services; and (c) incorporate this Agreement by reference so that each SOW shall constitute a separate contractual agreement.
- 2.2 This Agreement consists of these terms and conditions and each SOW entered into hereunder. Any reference to this Agreement shall be a reference to this Agreement and/or any SOW, as applicable. This Agreement will govern each Party's rights and obligations relating to ERPA's performance of Services. This Agreement, by itself, does not implement any transaction or grant ERPA authorization to commence activity. ERPA must be in receipt of a written Purchase Order or signed SOW prior to the commencement of any activity hereunder. Nothing in this Agreement shall require either Party to enter into any particular SOW notwithstanding the execution of this Agreement by the Parties. Either Party may, in its sole discretion, elect not to enter into any SOW hereunder.
- 2.3 ERPA will provide the Services according to the specifications, schedules, fees and other items set forth in the SOW ("Specifications") and in accordance with this Agreement. Additional written and detailed technical specifications for the Services may be referenced in or attached to each SOW as attachments, and, when referenced or attached, shall be deemed to be incorporated within such SOW reference.
- 2.4 **Scope Changes.** During the course of a SOW effort, Customer may desire a change in the scope of the effort. Customer will make requests for changes in writing (“Change Order”) and will deliver same to ERPA. ERPA shall only incorporate changes in scope after a Change Order has been signed by both Parties.
- 2.5 **Order of Precedence.** In the event of any conflict between this Agreement and a SOW, the terms of the Agreement shall control. Any intended variation from the terms and conditions of the Agreement shall be explicitly stated as such in the SOW with the express reference (by section number) to the provision to be overridden and shall apply only to that particular SOW.

SECTION. 3 SERVICES AND PERFORMANCE

- 3.1 ERPA shall perform the Services in a workmanlike manner using only qualified, careful and efficient workers and in strict conformity with this Agreement and the



SOW (including written Change Orders).

- 3.2 ERPA shall be responsible for periodic reporting of the progress status of the Services and issues related thereto.

SECTION. 4 TERM AND TERMINATION

- 4.1 Term. This Agreement shall be effective on the Effective Date and shall remain in effect until all the Services under the Statement of Work have expired or are terminated. The Term for any Services shall be specified in the applicable Statement of Work for such services.
- 4.2 Termination for Cause. Either Party may terminate this Agreement or any SOW hereunder, immediately, in whole or in part, for default, breach, insolvency, bankruptcy, inability to pay debts, or similar financial circumstances by other Party. If the default or breach is reasonably capable of cure, the non-defaulting Party shall give the other Party written notice and thirty (30) days opportunity to cure.
- 4.3 Consequences of Expiration and/or Termination. In the event that either Party terminates an effort according to this Section 4, ERPA shall be entitled to fair compensation for Services provided through the effective date of Termination. Upon the effective date of termination, Customer may take possession of the Services performed, provided that payment for such Services has been made in full to ERPA.

SECTION. 5 PERSONNEL

- 5.1 Subcontracting and ERPA's Employees. ERPA is responsible for staffing as necessary to provide the Services identified in each SOW(s). ERPA may subcontract the performance of specific Services hereunder. Personnel used or supplied by ERPA in the performance of the Services hereunder shall be employees or contractors of ERPA and under no circumstances are such personnel to be considered employees or contractors of Customer.
- 5.2 Key Person. If one or more individuals employed by ERPA is specified as a "Key Person" in a SOW, each will be deemed an essential person for the performance of the Services. ERPA shall not change any Key Person(s) without the prior consent and approval of Customer; provided however that ERPA may change any Key Person without prior consent and approval if such person is no longer employed by ERPA. If ERPA deems any Key Person unable to devote sufficient time to maintain his or her level of responsibility, ERPA will provide advance written notice of the person designated to replace him or her, which person will be subject the prior consent and approval of Customer.
- 5.3 Technical Representatives. All transfer of deliverables and communications regarding the scope of Services under a SOW will be accomplished through the Technical Representatives. Any contractual changes to this Agreement or to the SOW(s) are only as authorized in written amendments or modifications executed by each Party's duly authorized contract representative. Either Party may change



the person designated to be its Technical Representative for any SOW at any time upon written notice to the other Party.

- 5.4 Hiring/Non-Solicitation. The Parties agree not to hire any employee of the other Party or its Affiliates without written permission of the Party's duly authorized contract representative. Provided that the employee was not engaged in the performance of the Services under this Agreement, this restriction shall not apply to the solicitation or recruitment by a Party generally in the media, and shall not prohibit a Party from hiring, without prior written consent, employees of the other Party who answer any advertisement or who otherwise voluntarily apply for a publically posted job opening without having been personally solicited or recruited by a Party or its representatives.
- 5.5 ERPA represents and warrants that no personnel used or supplied by ERPA in the performance of the Services hereunder are current employees, independent contractors or contingent workers of Customer or any of its affiliated entities.

SECTION. 6 FEES, INVOICES, PAYMENT

- 6.1 Fees/Compensation. ERPA will be compensated for Services performed by it in the manner set forth in the applicable SOW and the terms and conditions of this Agreement. ERPA must be in receipt of a signed SOW or Customer Purchase Order prior to the commencement of Services. Payment shall not constitute acceptance or approval by Customer.
- 6.2 Payment. No invoice shall exceed the amount set forth in the SOW and shall only include the amount due for Services provided to Customer. Customer will pay undisputed amounts using Automated Clearing House (ACH) electronic payment within thirty (30) days after receiving ERPA's invoice.
- 6.3 Invoicing. ERPA invoices will be sent electronically to the following email address:
- 6.4 For all travel and expenses under the applicable SOW, ERPA shall invoice Customer at actual cost.
- 6.5 Billing Disputes. The non-payment by Customer of any amount invoiced by ERPA shall not be considered as a breach by Customer of this Agreement or any related SOW to the extent that: (i) Customer disputes any such amount in good faith within fifteen (15) days of receipt of invoice; and (ii) Customer and ERPA act diligently to resolve such dispute in accordance with this Agreement; and (iii) such dispute is resolved within thirty (30) days of ERPA submitting the invoice to Customer for payment.

SECTION. 7 CONFIDENTIALITY

- 7.1 This Section 7 applies to ERPA's performance under this Agreement, including any related SOW(s), and/or services provided under any Customer Purchase Order.



- 7.2 Use of Confidential Information; Non-Disclosure. ERPA agrees that it shall use Confidential Information solely for the purpose of performing Services as defined in this Agreement or other exhibits to this Agreement, to Customer, and solely as expressly permitted under this Agreement. ERPA will not disclose, transfer, sell, rent, copy, or allow third-party access to Confidential Information, or use Confidential Information for ERPA's own benefit or the benefit of third parties. Customer agrees that ERPA will be permitted to disclose relevant aspects of the work to its employees to the extent necessary to perform the Services and to the extent such employees are bound to maintain the security and confidentiality of the Confidential Information. Notwithstanding the foregoing, ERPA may disclose Confidential Information to the extent compelled by any court, regulatory order or other service of legal process, in which case ERPA, unless prohibited by law, will provide Customer prompt prior notice of any such order or process sufficient to allow Customer to contest such order, and ERPA shall cooperate with Customer in responding to such order.
- 7.3 Security Controls. ERPA shall protect and maintain the security and confidentiality of the Confidential Information using at least the same level of care (but no less than reasonable care) that ERPA uses to protect and maintain the security and confidentiality of its own confidential information.
- 7.4 Third-Party Suppliers. ERPA shall not disclose any Confidential Information to any subcontractors, vendors, advisors, or agents ("Third-Party Suppliers") without the execution by such Third-Party Suppliers of an agreement imposing upon the Third-Party Suppliers the same or substantially similar security and confidentiality obligations imposed upon ERPA under this Agreement.
- 7.5 Destruction of Confidential Information. Upon termination of this Agreement, or at any other time during the term of the Agreement if requested by Customer, within ten (10) days, ERPA shall either return to Customer or certify destruction of any and all Confidential Information (and any and all copies, tapes and duplications thereof), then in its or its Third-Party Suppliers' possession, and shall maintain no such information in its or its subcontractors' possession provided that ERPA may retain reasonable copies of such materials for archival purposes, subject to ERPA's security and confidentiality obligations in this Agreement. Customer shall maintain rights to verify the compliance with this Section as reasonably requested.
- 7.6 Personal Data. Without limiting any obligations hereunder, in the case of Personal Data, ERPA shall: (i) use Personal Data only to deliver Services as instructed and permitted by Customer; (ii) ensure that all Personal Data collected or created by ERPA on behalf of Customer is limited to what is necessary in order to deliver the Services, (iii) not sell the Personal Data, nor retain, use or disclose the Personal Data for any purpose other than the purpose specified in this Agreement, including retaining, using or disclosing the Personal Data for a commercial purpose other than to provide the Services to Customer; and (iv) not retain, use or disclose the Personal Data outside of ERPA's business relationship with Customer.
- 7.7 Remedies for Confidentiality Breach. ERPA agrees that its breach of the terms in Section 7 hereof may cause irreparable damage to Customer, and its subsidiaries and Affiliates. In the event of any breach or imminent breach of Section 7 hereof,



ERPA agrees that, in addition to other remedies available under law, Customer shall be authorized and entitled to seek injunctive relief from any court of competent jurisdiction to prevent, restrain, compel an act, or limit the effects of, as applicable or appropriate, such breach or imminent breach.

SECTION. 8 WARRANTIES

- 8.1 Services shall be performed in a professional and workmanlike manner, consistent with industry standards. If ERPA fails to do so, ERPA shall correct deficiencies at no additional charge to Customer, provided Customer gives ERPA written notice of such deficiencies within sixty days of delivery by ERPA. In the event ERPA is unable to correct such deficiencies after good-faith efforts and at a commercially reasonable cost ERPA shall refund Customer prorated amounts paid for the defective portion. EXCEPT AS EXPRESSLY PROVIDED HEREIN AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ERPA MAKES NO ADDITIONAL WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE AND SPECIFICALLY DISCLAIMS INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN ADDITION, ERPA DOES NOT WARRANT THAT ANY OF THE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE.
- 8.2 Services shall not infringe any copyright, trade secret, patent or other proprietary right of a third party. ERPA is the sole owner of, or otherwise has obtained all rights to grant the license granted hereunder to Customer. ERPA shall not misappropriate trade secret or rights of third parties in performing Services.
- 8.3 Services shall not contain any feature that prevents use, including without limitation, any computer virus, worm, lock, drop-dead device, Trojan-horse routine, trap door, time bomb, or any other code or instruction that may be used to access, modify, delete, damage, or disable the functioning of the Services of Customer.
- 8.4 In no event shall either party or its suppliers be liable to each other or any third party for any special, general, incidental, punitive, indirect, or consequential damages, including but not limited to damages for loss of business revenue or profits, loss of anticipated revenue or profits, failure to realize anticipated savings, loss of goodwill, business interruption, or loss of business information, arising in connection with the use, or the results of the use, of the Services, written materials, or professional advice of ERPA, even if both parties have been apprised of the likelihood of such damages.
- 8.5 In any case, it is agreed that the liability of ERPA, whether such liability arises out of contract, tort, negligence, strict liability or otherwise, shall be limited to, at ERPA's discretion, the repair of the Services or repayment to the Customer of the 67 or any other damages, either direct or consequential.

SECTION. 9 INTELLECTUAL PROPERTY

- 9.1 All right, title and interest to all recommendations, ideas, designs, techniques, inventions, discoveries, improvements, information, creations, software, and any other items discovered, prepared or developed by or for ERPA in the course of or



resulting from performance under this Agreement, or any related SOW, including all trade secrets, copyrights and other Intellectual Property Rights pertaining thereto (together the "ERPA Intellectual Property") vests in ERPA. Nothing contained in this Agreement shall be construed as transferring any such rights to Customer or any third party except as expressly set forth herein. Subject to the foregoing, ERPA grants Customer a royalty-free, non-exclusive, non-transferable license to use ERPA Intellectual Property incorporated into the Services solely for its internal purposes in connection with its authorized use of the Services. As between ERPA and Customer, all Customer Confidential information supplied by Customer, shall be, and remain, the property of Customer.

SECTION. 10 INDEPENDENT CONTRACTOR

- 10.1 ERPA certifies that it is engaged in an independent business and will perform its obligations under this Agreement as an independent contractor and not as the agent or employee of Customer; that it has no authority to act for or bind Customer; and that ERPA may and does work for other customers. ERPA is solely responsible for performing Services in accordance with the applicable SOW.
- 10.2 ERPA shall have the sole responsibility for the conduct of its employees, representatives and agents, and for payment of their entire compensation, including salary and other forms of compensation, withholding of income and payment of taxes or like fees as required to comply with applicable federal, state and local laws, and payment or provision of worker's compensation, unemployment, disability insurance, and social security withholding. ERPA's personnel are not eligible to participate or to receive coverage under any Customer benefit plan, program, employment policy or procedure or workers' compensation insurance. ERPA shall be responsible for all employer obligations towards all of its employees and agents under all applicable laws. ERPA shall release and hold harmless Customer and its directors, officers, employees and representatives against any liability, expenses, and costs (including reasonable attorney's fees) relating, directly or indirectly, to ERPA's failure to comply with its obligation under this paragraph.

SECTION. 11 INDEMNIFICATION

- 11.1 ERPA shall indemnify, hold harmless and defend, at ERPA's expense, Customer (including its officers, directors, employees and agents), and its Affiliates against any loss, cost, expense or liability (including but not limited to attorney fees, court costs, and awarded damages) (i) arising out of a claim that the Services, or its use, infringes a patent, trade secret or other intellectual property right, or (ii) resulting from the negligence or willful or reckless acts or failures to act of ERPA or its employees, personnel, subcontractors, consultants, representatives or agents.
- 11.2 ERPA's obligation hereunder shall not extend to any combination of the Services with any other product, system or method when the latter is the sole, proximate cause of loss, cost, expense or liability to Customer, unless (i) the product, system or method is provided by ERPA; or (ii) it would be reasonably expected to use the Services in combination with such product, system or method.



- 11.3 Customer will notify ERPA within a reasonable period of time after receiving notice of a claim. Provided that ERPA promptly and reasonably investigates and defends any such claim, ERPA shall have control over the defense and settlement thereof. Customer shall furnish, at ERPA's reasonable request, information and assistance necessary for such defense. In the event of such a claim, and if (i) the Services are held to be infringing, (ii) ERPA reasonably believes the Services will be held to infringe, or (iii) where Customer's use is restricted as a result of a claim of infringement, ERPA shall, at its expense, either obtain the right for Customer to continue using the Services or replace or modify it to be non-infringing and of equivalent functionality. If neither of the alternatives is reasonably possible, ERPA shall refund the amounts paid for the infringing Services hereunder to Customer.

SECTION. 12 INSURANCE

- 12.1 At all times during the term of this Agreement or any related SOW, ERPA shall purchase and maintain such insurance, at their expense, as will protect them from the claims set forth herein that may arise out of or result from ERPA's operations under this Agreement or any related SOW Notwithstanding ERPA's decision to maintain greater amounts, ERPA shall maintain the following minimum amounts and types of coverage:
- 12.1.1 Commercial General Liability covering claims for bodily injury, death, personal injury or property damage with minimum limits of One Million Dollars (\$1,000,000) for each occurrence with a general aggregate limit of One Million Dollars (\$1,000,000) and naming Customer as an additional insured as its interest may appear with respect to this Agreement.
 - 12.1.2 Comprehensive Automobile Liability covering ownership, operation and maintenance of all owned, non-owned and hired automobiles used in connection with the performance of this Agreement, with minimum limits of One Million Dollars (\$1,000,000) each occurrence.
 - 12.1.3 Worker's Compensation with statutory limits as required in the state where the Services are being provided and Employers' Liability or "Stop Gap" coverage with limits of One Hundred Thousand Dollars (\$100,000) each accident. Customer shall be given thirty (30) days advance written notification of any cancellation or material decrease in the policy.
 - 12.1.4 Cyber Liability Insurance covering claims for technology errors & omissions; security and liability; privacy regulatory claims; security breach response; and cyber extortion with minimum limits of Two Million Dollars (\$2,000,000) for each occurrence with a general aggregate limit of Two Million Dollars (\$2,000,000).
- 12.2 The above policies shall include the following coverage provisions: Customer shall be named as an additional Insured; the insurers shall waive their rights of subrogation against Customer; ERPA's policies shall be primary and non-contributory; and Customer shall be provided thirty (30) days prior notice of cancellation, non-renewal or material decrease in policy.



- 12.3 Upon request by Customer, ERPA shall forward certificate(s) of insurance to Customer within five (5) business days from receipt of request.

SECTION. 13 DEFAULT BY ERPA

- 13.1 Customer may terminate this Agreement, or any related SOW, in whole or in part for default, if ERPA fails to perform any of its material obligations in accordance with the terms and conditions contained therein. Failure to perform includes, but is not limited to any of the following occurrences:
- 13.1.1 Failure or refusal to perform Services described in a SOW, in a safe and efficient manner.
 - 13.1.2 Failure to comply with or violation of any material term or condition of the Agreement or a related SOW.
 - 13.1.3 If ERPA becomes insolvent or is placed in bankruptcy, either voluntarily or involuntarily.

SECTION. 14 General Provisions

- 14.1 Advertising and Publicity. Neither Party shall use the other Party's names, marks, codes, drawings or specifications in any advertising, promotional efforts or publicity of any kind without the prior written permission of the other Party. However, upon execution of this Agreement, Customer hereby agrees to allow ERPA to use Customer's name and logo as part of a list of ERPA's customers on its website, in collateral, and in presentations.
- 14.2 Force Majeure. In the event ERPA or Customer is delayed in performing any of its respective obligations in this Agreement and such delay is caused by acts of God, war, riots, civil insurrection, acts of the public enemy, strikes, lockouts, accidents, acts of civil or military authority, fires, floods, or earthquakes or any other condition beyond the reasonable control of the Party delayed ("Excusable Delay"), such delay shall be excused and the period of such delay shall be added by a contract Change Order to the time for performance of the obligation delayed. In the event of any such delay, the Party delayed shall, at no cost to the other Party, exercise due diligence to shorten the delay and shall keep the other Party advised as to the continuance of the delay and steps taken to shorten or resolve the delay. ERPA shall not be entitled to additional or extra compensation by reason of any delay covered by this Section. In addition to the above, ERPA shall be entitled to treat as an Excusable Delay hereunder any delay caused by the failure of Customer to discharge any of its obligations hereunder in a timely and efficient manner, or any other delay which Customer and ERPA agree in writing should be treated as an Excusable Delay hereunder.
- 14.3 Choice of Law; Venue and Jurisdiction. This Agreement shall be construed and the legal relations between the Parties determined in accordance with the laws of the State of Ohio as though the entire contract were performed in the State of Ohio, without giving effect to any choice of law rules that may direct the application of the laws of any other jurisdiction. The Parties consent to venue in the County of



Franklin in the State of Ohio and to the exclusive jurisdiction of the courts of Franklin County, Ohio for all litigation that may be brought.

- 14.4 If a lawsuit is filed by either party to this agreement, the prevailing party shall be entitled to recover all of its costs and reasonable attorney's fees incurred, including any appeals.
- 14.5 The failure of a party to exercise any power given it in this Agreement or to insist upon strict compliance with the terms of this Agreement shall not constitute a waiver of that party's right to demand exact compliance of the terms of this Agreement. Waiver by a party of any particular default by the other party shall not affect or impair its rights with respect to any subsequent defaults of the same kind or of a different kind, nor shall any delay or omission by a party to exercise any rights arising from any default affect or impair its right as to such default or any future default. Further, no custom or course of dealings of the parties at variance with the terms hereof shall constitute a waiver of that party's right to demand later compliance.
- 14.6 This Agreement, related SOW(s) and attached exhibits may be amended or modified only by an instrument of equal formality signed by duly authorized representatives of the respective Parties.
- 14.7 All notices under this Agreement will be in writing. Notices will be given personally or sent by certified or registered mail or private express courier and will be deemed given upon delivery, if given personally, or when deposited with the private courier or Postal Service with the proper postage affixed, if sent by mail. Notices will be addressed as follows:

Notice to ERPA:

ERP Analysts, Inc.
425 Metro Place N, Suite 510
Dublin, OH 43017
Attn: Matt McPeek
Phone: 614.327.7970
Email: matthew.mcpeek@erpa.com

Notice to Palmdale Water District:

Palmdale Water District
2029 East Avenue Q
Palmdale, CA 93550
Attn: Dennis LaMareaux
Phone:
Email:

- 14.8 Headings Not Controlling. Headings used in this Agreement are for reference purposes only and shall not be used to modify the meaning of the terms and conditions of this Agreement.
- 14.9 Survival Period. Any provision of this Agreement that imposes an obligation following the termination or expiration of this Agreement will survive the termination or expiration and will continue to be binding upon the Parties to this Agreement
- 14.10 This Agreement together with all related SOWs and attached exhibits shall be binding upon the Parties hereto and shall inure to the benefit of the Parties hereto and their Affiliates.



14.11 Entire Agreement, Partial Invalidity. The making, execution, and delivery of this Agreement by ERPA and Customer have been induced by no representations, statements, warranties, or agreements other than those herein expressed. This Agreement embodies the entire understanding of the Parties hereto relating to ERPA's services regarding the subject matter hereof and supersedes any previous agreements or understandings, written or oral, in effect between the Parties relating thereto. If any part, term, or provision of this Agreement shall be held illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this Agreement, the validity of the remaining portion or portions shall not be affected thereby.

THE PARTIES, INTENDING TO BE LEGALLY BOUND, HAVE CAUSED THIS AGREEMENT TO BE EXECUTED BY THEIR AUTHORIZED REPRESENTATIVES ON THE DATES SET FORTH BELOW

ERP ANALYSTS, INC

PALMDALE WATER DISTRICT

Signed Name

Signed Name

Matthew McPeck

Name

CFO

Title

Date

Date



Professional Services Statement of Work

Customer Name: Palmdale Water District

Project: ERPA Workday Deployment

Prepared By: Maggie Acosta, Workday Deployment Sales Director



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DRAFT

Terms and Conditions

Statement of Work Effective Date	03/23/2026
Projected Go-Live Date	01/01/2027
Master Agreement Effective Date	03/23/2026

CUSTOMER CONTACT INFORMATION	BILLING CONTACT	PROJECT CONTACT
Contact Name	<<<Billing Contact Name>>>	<<<Project Contact Name>>>
Title	<<<Billing Contact Job Title>>>	<<<Project Contact Job Title>>>
Street Address, City/Town, State/Region/County, Zip/Postal Code, Country	<<<Billing Contact Address>>>	<<<Project Contact Address>>>
Phone/Fax #	<<<Billing Contact phone number>>>	<<<Project Contact phone number>>>
Email	<<<Billing Contact email address>>>	<<<Project Contact email address>>>

This Statement of Work ("SOW"), effective on mm/dd, 2026 is incorporated into and is subject to the terms and conditions of the Master Services Agreement (the "Agreement") between ERP Analysts, Inc. ("ERPA" or "Vendor") and Palmdale Water District ("Customer") dated March 23, 2026. With regard to interpretation of this SOW, any inconsistency between this SOW, implementing documents incorporated into this SOW, the Agreement, or any purchase orders or supplemental agreements, shall be decided in this order of precedence:

- a. the Agreement;
- b. any approved Change Orders and implementing documents to the SOW in order from the most recent to the earliest date;
- c. the SOW;
- d. purchase orders and supplemental agreements.

DEFINITIONS

As used herein, the following terms shall have the meaning set forth or referred to below and shall be equally applicable to the singular and plural form. Capitalized terms not defined herein shall have the meanings assigned to them in the Agreement and have the same meaning in this SOW as ascribed to them therein.

"Agreement" has the meaning set forth in the first paragraph.

“Change Management Services” means the change management consulting services and user adoption deliverables identified in the Attachments to this SOW; provided that any reference to the Services in the Agreement, shall include Change Management Services described herein.

“Critical Project Milestone” means the dates and deliverables which are key to the project rollout. These may be changed by the Customer and ERPA during the project planning phase after the project kick off.

“Custom Integration” means any integration between Workday and a third-party system for which a Workday template does not exist.

“Go-Live” means the date that the impacted workstream(s) under this SOW is released to employee self-service or manager self-service or otherwise made available to the worker population.

“Move-to-Production” means the date the functionality which has been configured under this SOW is either moved to the production tenant or the gold tenant is moved to the production tenant.

“Parties” – ERPA and Client.

“Project Plan” means a list of tasks to be performed by each Party along with associated dates, dependencies, and milestones relating to the implementation of Workday for Customer. The customer can and should integrate this plan into their own program level plan that includes all of the customer owned tasks.

“Statement of Work” has the meaning set forth in the first paragraph.

“Statement of Work Effective Date” has the meaning set forth in the first paragraph.

“Tenant” - a unique instance of the Workday service with a separate set of data held by Workday in a logically separated data storage (i.e., a data segregated through password-controlled access). While Workday may supply additional tenants, the following tenants will be used for the deployment of Workday for Client (Note: Student deployment will have its own set of tenants):

“Workday Solution” means the subscription service offered by Workday, Inc., a Delaware corporation.

“Worksets” – These are time-boxed periods of time containing dependent configuration objectives, tasks, and activities.

DESCRIPTION OF SERVICES

- 1 | ERPA shall perform the Services set forth in this Statement of Work in the manner forth herein.
- 2 | The Services are further described in the following attachments:
 - a. Attachment 1: Project Scope
 - b. Attachment 2: Project Governance, Roles & Delivery Responsibilities
 - c. Attachment 3: Project Timeline

d. Attachment 4: Project Assumptions

FEES AND BILLING

SOW Fees. The costs for ERPA’s Workday deployment efforts are based on information shared during the sales process and identified in Attachment 1: Project Scope. The fixed fees shown below are based on the proposed scope and timeline. If either the scope or timeline changes it will be subject to a Change Order Process detailed in Attachment 2. ERPA has relied on the accuracy and completeness of the information provided by Customer to estimate and price the scope of this work. This estimate is valid for 30 calendar days from submission to Customer for approval, unless otherwise agreed to by both parties.

Travel and other related expenses are not included in the fixed fees and will be billed at cost in accordance with ERPA’s Travel and Expense Policy which can be provided upon Customer’s request, or as may otherwise be specified in the Agreement. Travel and other related expenses will not be incurred without prior approval of Customer. ERPA Engagement Manager will ensure that Customer and ERPA meet periodically to ensure project costs are in alignment with the budgeted amount.

ERPA OPTIMA DEPLOYMENT AREA	PROFESSIONAL SERVICES FIXED FEES ANNUAL (USD)
Year 1 – ERPA Initial Activation	\$347,646
Year 1 – Workday Services	\$21,600
Year 2: Phase X + Strategic Support (Optima – Core)	\$152,964
Year 3: Optima - Core (AMS)	\$118,200
Year 4: Optima - Core (AMS)	\$55,623
Year 5: Optima - Core (AMS)	\$20,859
Total Deployment as a Service Fees	\$716,892

OPTIMA – CORE (ENABLE COMPETENT DAY-TO-DAY OPERATIONS A.K.A AMS)	ANNUAL HOURS
Year 2: January 1, 2027 – December 31, 2027	240 Hours
Year 3: January 1, 2028 – December 31, 2028	106 Hours
Year 4: January 1, 2029 – December 31, 2029	82 Hours
Year 5: January 1, 2030 – December 31, 2030	53 Hours

Optima - Core Billing. ERPA has proposed estimated hours based on understanding of Customer requirements, and these are indicative hours. Customer agrees to a minimum commitment of hours as shared in the table above per month and may choose to utilize more hours per month at the rate of **\$235 per hour**.

SOW Billing. ERPA will execute this engagement on a Fixed Fee basis. ERPA will invoice Customer as detailed in the Table below. Payment Terms are Net 30. Except as otherwise stated in this SOW, invoice and payment terms for this project are subject to the terms and conditions of the Agreement. ERPA may suspend work on this SOW without penalty if Customer fails to pay undisputed overdue amounts to ERPA within 15 days of ERPA’s written notice specifying the undisputed amounts.

ERPA OPTIMA DEPLOYMENT AREA	PROFESSIONAL SERVICES FIXED FEES ANNUAL (USD)	NUMBER OF MONTHS	APPROXIMATE INVOICE AMOUNT (USD)
Year 1 – ERPA Initial Activation & Workday Services	\$369,246	9	\$41,027.34
Year 2: Phase X + Strategic Support (Optima – Core)	\$152,964	12	\$12,747.00
Year 3: Optima - Core (AMS)	\$118,200	12	\$9,850.00
Year 4: Optima - Core (AMS)	\$55,623	12	\$4,635.25
Year 5: Optima - Core (AMS)	\$20,859	12	\$1,738.25
Total Estimated Fees:	\$716,892		

Note: Workday fees associated with Workday Success Plans and Training & Education are delivered and billed directly from Workday and are not included in the ERPA Fees.

ACCEPTANCE & AGREEMENT

The terms and conditions of this SOW, including the rates and pricing provisions, will not be binding on ERPA until this SOW is signed by ERPA and Customer.

IN WITNESS WHEREOF, the parties have executed this SOW on the date or dates indicated below.

ERPA

Accepted and agreed on behalf of ERPA:

Name: Cameron Larkin

Title: VP Workday Customer
Engagement

Authorized Signature

PALMDALE WATER DISTRICT

Accepted and agreed on behalf of Customer:

Name: _____

Title: _____

Authorized Signature

DRAFT

Attachment 1: Project Scope

1.01 EXECUTIVE SUMMARY

This SOW details the professional services that ERPA will perform for Palmdale Water District for Workday services, including the ERPA deliverables, pricing, and payment schedules during the duration of the contract. The parties acknowledge that additional SOWs may be entered between the parties at such time as additional efforts are initiated. If customer wishes to secure additional services to implement additional functionality not included in the scope of this SOW, ERPA will provide a proposal for such services and add to existing scope via change request process or develop a separate statement of work.

1.02 SUMMARIZED FUNCTIONAL SCOPE

The following assumptions were made with respect to the Workday deployment for Palmdale Water District, initial activation and deployment for a targeted January 1, 2027 Go-Live date.

Workday Functionality to be Deployed	Phase and Functional Area:
Core HCM	HCM, Compensation, Onboarding, Mobile & Dashboards
Absence	Absence Management, Time Off
Benefits	Benefits, with Workday Cloud Connect for Benefits
Payroll	Payroll for U.S.
Time Tracking	Time Tracking
Recruiting	Talent Management (Recruiting)
Core Financials	Accounting & Finance, Cash Management (Banking and Settlements), Accounts Receivable (Customer Accounts), Revenue Management (Customer Contracts), Accounts Payable (Supplier Accounts)
Grants Management	Grants Management
Inventory	Inventory
Procurement	Procurement
Projects	Projects

Workday Functionality to be Deployed	Phase and Functional Area:
Expenses	Phase X – Expenses
Talent Management	Phase X – Talent Management
Financial Planning	Phase X – Financial Planning
Integrations	Integrations to External Vendors and Other Systems

1.03 DETAILED FUNCTIONAL SCOPE

The table below reflects the proposed project scope for this effort. Any feature or functionality not explicitly identified in the scope section is assumed to be out of scope for this project.

Initial Activation:

Product Area	Description	Scope
Foundation	Foundation Features	Payment Elections & Associated Rules
Foundation	Foundation Features	Pre-Packaged Business Processes
Foundation	Foundation Features	→ AI: Workday Assistant
Foundation	Foundation Features	Standard Notification Templates
Foundation	Foundation Features	Delivered Notifications
Foundation	Foundation Features	Workday Home page with 4 standard cards
Foundation	Organizations	Organizational Management
Foundation	Organizations	Staffing Management
Foundation	Organizations	Up To 5 Companies and Company Hierarchies
Foundation	Organizations	Supervisory Organization and Hierarchy
Foundation	Organizations	Cost Centers and Cost Center Hierarchy
Foundation	Organizations	Custom Organizations and Hierarchy for 2 Custom Organization Types. Used for worker assignment and tracking only. No custom security included
Foundation	Organizations	Locations and Location Hierarchy
Foundation	Organizations	Pay Groups

Foundation		Organizations	If there is a requirement to track Time, Expense, or any Financial Transactions to Projects, these will be tracked to the Project Level only. Breaking Projects Down into Plans, Phases and Tasks is excluded.
Foundation		Organizations	Region & Region Hierarchy
Foundation		Security	Multi-Factor Authentication
Foundation		Security	Delivered User and Role Based Security Groups
Foundation		Setup	English Language Support
Foundation		Setup	Global Address Localization
Foundation		Setup	Non HQ-country workers are included but localizations to support any specific non HQ-country requirements are not included.
Foundation		Setup	Mobile
Foundation		Setup	Currencies
Foundation		Worker Data	Contingent Worker Types
Foundation		Worker Data	Personal Information
Foundation		Worker Data	Contact Information
Foundation		Worker Data	Single Position and Job Profile Assignment (excludes multiple positions)
Foundation		Worker Data	Employee Types
Foundation		Reporting	Standard Dashboards & Analytics
Foundation		Reporting	500+ Delivered Reports
Core Human Management	Capital	Compensation	Basic Compensation Management
Core Human Management	Capital	Compensation	Compensation Package
Core Human Management	Capital	Compensation	1 Salary Plan
Core Human Management	Capital	Compensation	1 Hourly Plan
Core Human Management	Capital	Compensation	Up to 10 One Time Payment or Allowance Plans not including Reimbursable Allowance Plans unless Expenses are in scope
Core Human Management	Capital	Compensation	Worker Profile: Total Rewards Statement without Payroll results
Core Human Management	Capital	Compensation	→ AI: Compensation process checks and recommendations
Core Human Management	Capital	Compensation	Delivered Compensation Basis
Core Human Management	Capital	Compensation	1 Delivered Wage Theft Notice and one additional configurable Wage Theft Notice

Core Human Management	Capital	Compensation	1 Shell Commission Plan
Core Human Management	Capital	Jobs and Positions	Job Catalog (Job Family Groups, Job Families, Job Profiles)
Core Human Management	Capital	Jobs and Positions	Position Management Staffing Model
Core Human Management	Capital	Jobs and Positions	Management Types & Management Level Hierarchy
Core Human Management	Capital	Jobs and Positions	→ AI: Job description generation on job profile
Core Human Management	Capital	Onboarding	1 Onboarding Plan with up to 3 stages, represented within the Onboarding timeline view. Included within the Onboarding Plan:
Core Human Management	Capital	Onboarding	1 Onboarding Announcement
Core Human Management	Capital	Onboarding	1 Onboarding message
Core Human Management	Capital	Onboarding	Up to 3 overview cards
Core Human Management	Capital	Onboarding	1 Onboarding Plan notification
Core Human Management	Capital	Onboarding	Up to 3 audiences and condition rules
Core Human Management	Capital	Onboarding	Up to 5 static documents for Hire/ Onboarding Review in total
Core Human Management	Capital	Onboarding	External Pre-Onboarding (Talent Acquisition scope required)
Core Human Management	Capital	Onboarding	I-9 Functionality
Core Human Management	Capital	Organization	Organizations (Supervisory, Cost Center, Company, Location) and Associated Hierarchies
Core Human Management	Capital	Security Groups	Delivered Security Groups, Roles
Core Human Management	Capital	Setup	Event Categories and Reasons
Core Human Management	Capital	Setup	Employee Self-Service
Core Human Management	Capital	Setup	Manager Self-Service Enablement
Core Human Management	Capital	Setup	Headquarters (HQ) Country Operations Only
Core Human Management	Capital	Setup	Tenant Branding
Core Human Management	Capital	Setup	→ AI: Manager Insights Hub
Core Human Management	Capital	Setup	→ AI: HR Partner Hub

Core Human Management	Capital	Setup	→ AI: Enhanced search insights
Core Human Management	Capital	Setup	→ AI: Task prediction
Core Human Management	Capital	Worker Profile	Worker Profile
Core Human Management	Capital	Worker Profile	Employee Photos
Core Human Management	Capital	Worker Profile	Delivered Service Dates
Core Human Management	Capital	Worker Profile	Shifts
Core Human Management	Capital	Worker Profile	→ AI: Skills Cloud
Core Human Management	Capital	Data Conversion	Active Employees or Contingent Workers Including Current Personal Data, Current Contact Data, and Current Job Record
Core Human Management	Capital	Data Conversion	Includes Loading of Employee Photos. Customer will be responsible for photo file preparation.
Core Human Management	Capital	Data Conversion	Attachment of Third Party Documents out of Scope
Core Human Management	Capital	Data Conversion	Transactional History excluded. History requirements met by the enablement for customer load of previous system history using EIB templates (using Workday's Maintain Worker History from Previous System functionality)
Core Human Management	Capital	Data Conversion	Terminated employees who received payment in the last 12 months (using Worker Object)
Core Human Management	Capital	Data Conversion	Compensation – Current Compensation Data and Compensation effective as of Benefits effective date
Accounting and Finance		Allocations	Allocation Definitions (up to 10)
Accounting and Finance		Consolidations and Intercompany	Consolidation
Accounting and Finance		Consolidations and Intercompany	Intercompany Process
Accounting and Finance		Financial Accounting Structure	One ledger and one book
Accounting and Finance		Financial Accounting Structure	Balancing by Company/Legal Entity Only
Accounting and Finance		Financial Accounting Structure	Single Primary Chart of Accounts Only
Accounting and Finance		Financial Accounting Structure	Single Primary Fiscal Schedule For All Companies
Accounting and Finance		Financial Accounting Structure	Operations in up to 5 of the following countries: United States, Canada, United Kingdom, New Zealand, Netherlands, Ireland, Australia
Accounting and Finance		Journals	Journal Processing

Accounting and Finance	Journals	Import Journals via Spreadsheet
Accounting and Finance	Journals	Accounting Adjustment
Accounting and Finance	Multicurrency Processing	Currency Translation
Accounting and Finance	Multicurrency Processing	Revaluation
Accounting and Finance	Statistics	Up to 10 Statistics Definitions
Accounting and Finance	Reporting	Prescribed Income Statement
Accounting and Finance	Reporting	Prescribed Balance Sheet
Accounting and Finance	Reporting	Cash Forecast Report is specifically excluded
Accounting and Finance	Foundation Data Support	Up to 4 Foundation Data Management Sessions
Accounting and Finance	Data Conversion	Company Base Currency Only
Accounting and Finance	Data Conversion	Transactional Journals Not Converted
Accounting and Finance	Data Conversion	Opening Balances Only. Post go-live, Customer can load prior month's balances using the tools provided.
Payroll for the United States	Banking	Payment Election Rules
Payroll for the United States		Up to 2 Bank Accounts, Up to 2 Routing Rules, Default Check Layout
Payroll for the United States	Checks and Payslips	Default Check and Payslip Layouts
Payroll for the United States		→ AI: Assistant on Payslip
Payroll for the United States	Costing Allocations	Simple Worker Costing Allocations - Single Dimension
Payroll for the United States	General Ledger	Fiscal Posting Intervals, Schedules, Summary Schedules, Fiscal Years
Payroll for the United States	General Ledger	Journal Sources, Ledger, Ledger Types, Account Sets, Account Posting Rules to support a single General Ledger
Payroll for the United States	Pay Components	Up to 150 Pay Components (Earnings and Deductions)
Payroll for the United States	Pay Components	Net Pay Validation and Arrears
Payroll for the United States	Pay Components	Pay Accumulations, Pay Balances, Pay Component Groups, Tax Authority Exceptions
Payroll for the United States	Payroll Processing	Up to 2 Pay Groups

Payroll for the United States	Payroll Processing	Up to 2 Run Categories
Payroll for the United States	Payroll Processing	Off-Cycle Payments
Payroll for the United States	Payroll Processing	Retro Processing
Payroll for the United States	Payroll Processing	Audit Report Configuration
Payroll for the United States	Payroll Processing	Payroll Command Center
Payroll for the United States	Payroll Processing	Payroll Involuntary Withholding Orders and Deduction Recipients
Payroll for the United States	Audit Report Configuration	→ AI: Prompt Reconciliation
Payroll for the United States	Period Schedules	Period Schedules for Payroll
Payroll for the United States	Period Schedules	FLSA Work Period Calendar Rules
Payroll for the United States	Tax Reporting	Companies
Payroll for the United States	Tax Reporting	Company Federal, State and Local Payroll Tax Configuration
Payroll for the United States	Tax Reporting	W-2 Configuration
Payroll for the United States	Tax Reporting	Payroll Reporting Codes
Payroll for the United States	Data Conversion	Payroll Balances for Current Year
Payroll for the United States	Data Conversion	Worker Tax Elections
Payroll for the United States	Data Conversion	Withholding Orders Excluded (Manual Data Entry Required)
Payroll for the United States	Data Conversion	Worker Payment Elections
Payroll for the United States	Data Conversion	Costing Allocations Excluded (Manual Data Entry Required)
Absence	Work Schedules	Up to 2 Work Schedule Calendars
Absence	Work Schedules	Up to 2 Work Schedule Rules
Absence	Data Conversion	Time off Balance Conversion Included
Absence	Data Conversion	Active Leaves for the Previous 12 Months
Absence	Data Conversion	Time Off Event Conversions Excluded
United States - Absence Scope	Holiday Calendars	Up to 5 Holiday Calendars (USA)

United States Absence Scope	- Leave of Absence Types	Up to 7 Standard Regulatory Leave Types (minor modifications permitted).
United States Absence Scope	- Leave of Absence Types	1. USA FMLA Non-Military
United States Absence Scope	- Leave of Absence Types	- GTE 12 months of service
United States Absence Scope	- Leave of Absence Types	- 1250 worked hours eligibility criteria based on scheduled hours
United States Absence Scope	- Leave of Absence Types	- 480 hours of entitlement during a 12 month rolling backward period
United States Absence Scope	- Leave of Absence Types	2. USA Long Term Disability
United States Absence Scope	- Leave of Absence Types	3. USA Military Service
United States Absence Scope	- Leave of Absence Types	4. USA Personal Leave
United States Absence Scope	- Leave of Absence Types	5. USA Short Term Disability
United States Absence Scope	- Leave of Absence Types	6. USA Workers Compensation
United States Absence Scope	- Leave of Absence Types	7. USA New York Paid Family Leave
United States Absence Scope	- Leave of Absence Types	- NY state eligibility criteria
United States Absence Scope	- Leave of Absence Types	- 12 weeks paid leave during a 12 month rolling forward period
United States Absence Scope	- Leave of Absence Types	Up to 3 additional Leave Types without specific rules, validations or entitlements such as the following examples:
United States Absence Scope	- Leave of Absence Types	1. USA Maternity Leave
United States Absence Scope	- Leave of Absence Types	2. USA Paid Parental Leave
United States Absence Scope	- Leave of Absence Types	3. USA ADA Leave
United States Absence Scope	- Vacation Plans	Up to 1 standard USA Vacation or PTO Plan, such as the following examples;
United States Absence Scope	- Vacation Plans	- Accrual of 120 hours (earned on a per pay period basis at end of period)
United States Absence Scope	- Vacation Plans	- January to December balance year period
United States Absence Scope	- Vacation Plans	- Balance limit of 120 hours
United States Absence Scope	- Vacation Plans	- No negative balance allowed
United States Absence Scope	- Sick Leave Time off Plans	Up to 1 regulatory USA State Paid Sick Leave Time Off Plan:

United States Absence Scope	- Sick Leave Time off Plans	Sick Leave Time off Plan to cover State Sick Pay requirements
United States Absence Scope	- Sick Leave Time off Plans	State specific accrual configuration as needed.
United States Absence Scope	- Sick Leave Time off Plans	- January to December balance year period
United States Absence Scope	- Sick Leave Time off Plans	- Balance limit variable by state
United States Absence Scope	- Sick Leave Time off Plans	- No negative balance allowed
United States Absence Scope	- Time off Plans	4 Pre-Delivered Time Off Plans (minor modifications permitted)
United States Absence Scope	- Time off Plans	1. USA Bereavement (does not earn an accrual)
United States Absence Scope	- Time off Plans	2. USA Jury Duty (does not earn an accrual)
United States Absence Scope	- Time off Plans	3. USA Floating Holiday (earns 1 or 2 accrual days per year)
United States Absence Scope	- Time off Plans	4. USA Intermittent FMLA (tracked against the FMLA leave entitlement)4.
United States Absence Scope	- Time off Plans	Up to 2 additional Time Off Plans including specific rules, validations or entitlements such as the following examples:
United States Absence Scope	- Time off Plans	1. USA Marriage
United States Absence Scope	- Time off Plans	2. USA Compensatory Time
United States Absence Scope	- Time off Plans	Up to 2 additional Time Off Plans without specific rules, validations or entitlements such as the following examples:
United States Absence Scope	- Time off Plans	1. USA Personal Time
United States Absence Scope	- Time off Plans	2. USA Unpaid Time
Benefits	Affordable Care Act	Core ACA Functionality: ACA Measurement Periods and Eligibility, ACA Dashboard, Setup for 1094-C and 1095-C Reports
Benefits	COBRA	Manage COBRA Eligibility Designations for Participants Who Lose Coverage
Benefits	Enrollment	Benefits for Headquartered (HQ) Country Operations Only
Benefits	Enrollment	Enrollment Instructions
Benefits	Enrollment	Enrollment Event Types (including Eligibility Changes, Life Events, and Reinstatement Events)
Benefits	Enrollment	1 Enrollment Event Rule
Benefits	Enrollment	Up to 3 Plan Year Definitions (current year, subsequent year, ongoing plans)
Benefits	Enrollment	Cross Plan Enrollment Rules

Benefits	Evidence of Insurability	Manage Evidence of Insurability
Benefits	Plans	Administer Benefit Enrollments for Most Commonly Offered Plan Types, Including Health Care, Insurance, Spending Accounts (US/Canada), Health Savings Accounts (US/Canada), Retirement Savings, and Additional Benefits Plans.
Benefits	Plans	Up to 40 Benefit Plans (including Eligibility Rules, Coverage Tiers, Rates, and other components). Eligibility rules based on payroll hours worked are excluded.
Benefits	Setup	Up to 5 Benefit Groups (including Eligibility Rules)
Benefits	Setup	Individual Rates
Benefits	Setup	Excludes Tracking of Service Benefits
Benefits	Setup	Benefit Annual Rates
Benefits	Setup	Benefit Defaults
Benefits	Setup	Up to 5 Passive Event Rules
Benefits	Data Conversion	Current Benefit Elections
Benefits	Data Conversion	Dependents & Beneficiaries
Benefits	Data Conversion	Benefit Annual Rates
Benefits	Data Conversion	Medical History for Current Year for ACA Reporting
Benefits	Data Conversion	ACA Worker Hours and Wages
Accounts Receivable	Customer Collections	Customer Invoice Maintenance
Accounts Receivable	Customer Collections	Customer Statement (Standard Layout)
Accounts Receivable	Customer Collections	Receivable Write Off
Accounts Receivable	Customer Collections	Receivable Aging
Accounts Receivable	Customer Collections	Collections and Dispute Activities
Accounts Receivable	Customer Collections	Interest and Late Fees
Accounts Receivable	Customer Collections	No Customer Portal
Accounts Receivable	Customer Invoices	Customer Invoice (Standard layout)
Accounts Receivable	Customer Invoices	Intercompany Invoice
Accounts Receivable	Customer Invoices	Dunning Letters (Standard Layout)

Accounts Receivable	Customer Invoices	Operational Transactions in up to 5 of the following countries: United States, Canada, United Kingdom, New Zealand, Netherlands, Ireland, Australia
Accounts Receivable	Customer Payments	Customer Payment Processing - Manual processing of customer deposits and remittance information
Accounts Receivable	Customer Payments	Delivered Auto-Apply Payment Rules Only
Accounts Receivable	Customer Payments	Customer Deposit
Accounts Receivable	Customer Refunds	Customer Refund
Accounts Receivable	Deferred Revenue	Revenue Recognition Schedule Templates
Accounts Receivable	Deferred Revenue	Deferred Revenue Recognition
Accounts Receivable	Transaction Tax	Manual selection on transactions for configured Tax Authorities, Rates, Codes and Applicability for In Scope Countries only. Tax Defaulting logic is not included.
Accounts Receivable	Data Conversion	Open Account Receivables Items in Transaction Currency
Accounts Receivable	Data Conversion	Customers With Activity Within 6 Months Prior to Go Live
Revenue Management	Contract Schedules & Templates	Contract Billing (Goods and services and usage-based contracts only)
Revenue Management	Contract Schedules & Templates	Billing and Revenue Schedule Templates
Revenue Management	Contract Schedules & Templates	Revenue Recognition (Fixed fee and usage only)
Revenue Management	Customer Contracts	Operational Transactions in up to 5 of the following countries: United States, Canada, United Kingdom, New Zealand, Netherlands, Ireland, Australia
Revenue Management	Transaction Tax	Manual selection on transactions for configured Tax Authorities, Rates, Codes and Applicability for In Scope Countries only. Tax Defaulting logic is not included.
Revenue Management	Data Conversion	No Conversion of Customer Contracts
Procurement	Procurement Setup	Operational Transactions in the HQ Country Only
Procurement	Procurement Setup	Generic Purchase Items (up to 1000)
Procurement	Purchase Orders	Change Order
Procurement	Purchase Orders	Purchase Order (Standard Layout) - English Language Only
Procurement	Receipts	Receipt
Procurement	Requisitions	Requisition
Procurement	Requisitions	Sourcing

Procurement	Requisitions	Requisition Accruals
Procurement	Supplier Contracts	Supplier Contract (excluding Lease Contract types)
Procurement	Supplier Contracts	Supplier Contract Amendment
Procurement	Suppliers	Supplier Invoice Matching
Procurement	Suppliers	Return to Supplier
Procurement	Suppliers	Matching Override
Procurement	Suppliers	No Supplier Portal
Procurement	Transaction Tax	Manual selection on transactions for configured Tax Authorities, Rates, Codes and Applicability for In Scope Countries only. Tax Defaulting logic is not included.
Procurement	Data Conversion	100 Open Supplier contracts
Procurement	Data Conversion	100 Open Approved Purchase Orders
Procurement	Data Conversion	Receipt for Open Approved Purchases Orders
Talent Acquisition	Setup and Features	Internal Application
Talent Acquisition	Setup and Features	Auto Disposition Candidate's Other Job Applications
Talent Acquisition	Setup and Features	Auto Unpost Jobs
Talent Acquisition	Setup and Features	Task Consolidation for Review Offer
Talent Acquisition	Setup and Features	Job Requisition Management
Talent Acquisition	Setup and Features	One Time Payment for Offers
Talent Acquisition	Setup and Features	Simple Referral (Does Not Include Payout Process)
Talent Acquisition	Setup and Features	Evergreen Requisition Management
Talent Acquisition	Setup and Features	Candidate Screening
Talent Acquisition	Setup and Features	Candidate Review
Talent Acquisition	Setup and Features	→ AI: Skills for Talent Acquisition
Talent Acquisition	Career Configuration	Site Candidate Home
Talent Acquisition	Career Configuration	Site 1 Internal and 1 External Career Site
Talent Acquisition	Career Configuration	Site External Candidate Job Alerts (delivered template without customization)
Talent Acquisition	Career Configuration	Site External Career Site Privacy Policy

Talent Acquisition	Career Configuration	Site	Configurable Candidate Consent
Talent Acquisition	Career Configuration	Site	Prospect Introduce Yourself on External Career Site
Talent Acquisition	Career Configuration	Site	→ AI: Suggested Jobs for External Candidates
Talent Acquisition	Configurable Content		Workday Documents – 1 document template to capture Internal/External dynamic offer letter variations or employment agreement including: -Simple letter header including company logo and footer (note this will appear on all pages of the offer letter) -Up to 10 paragraphs, 5 of which may be conditional (may include introduction, offer details (full-time, part-time, location, manager, job details), basic compensation language (hourly, salary, bonus, allowances, one-time payments), conclusion)
Talent Acquisition	Configurable Content		Up to 1 Internal and 1 External Application Questionnaire (each questionnaire with up to 10 questions)
Talent Acquisition	Configurable Content		Setup of existing document template for Regenerate Offer Documents
Talent Acquisition	Job Requisitions		→ AI: Job description generation on job requisition
Talent Acquisition	Integrations		Guidance of Apply with LinkedIn
Talent Acquisition	Integrations		Guidance for Workday Outlook or Google Calendar Interview Scheduling Integration for Internal Interviewers Only
Talent Acquisition	Security		Delivered Primary Recruiter Security
Talent Acquisition	Setup		Background Check (excludes integration to an external background check system)
Talent Acquisition	Setup		Interview Management
Talent Acquisition	Setup		Interview Ratings
Talent Acquisition	Setup		Candidate Endorsement
Talent Acquisition	Setup		Section Headers and Instructional Text on Job Application Templates
Talent Acquisition	Setup		Duplicate Management (delivered framework)
Talent Acquisition	Setup		Delivered Job Requisition Categories and Reasons
Talent Acquisition	Setup		Prospect Management
Talent Acquisition	Setup		Candidate Pool Functionality
Talent Acquisition	Reporting		Delivered Talent Acquisition Standard Reports
Talent Acquisition	Reporting		Candidate Grid (delivered)
Talent Acquisition	Reporting		Job Requisition Workspace

Talent Acquisition	Data Conversion	No Conversion of Existing Job Requisitions or Positions, nor Active Candidates or Prospects
Talent Acquisition	Data Conversion	Prospect Conversion Excluded
Accounts Payable	1099 Reporting	1099 Adjustment
Accounts Payable	1100 Reporting	1099 Suppliers
Accounts Payable	1101 Reporting	Electronic Filing for 1099's is Excluded
Accounts Payable	Supplier Invoices	Supplier Invoice
Accounts Payable	Supplier Invoices	Recurring Supplier Invoice
Accounts Payable	Supplier Invoices	Prepaid Spend Amortization
Accounts Payable	Supplier Invoices	Operational Transactions in up to 5 of the following countries: United States, Canada, United Kingdom, New Zealand, Netherlands, Ireland, Australia
Accounts Payable	Suppliers	No Supplier Portal
Accounts Payable	Transaction Tax	Manual selection on transactions for configured Tax Authorities, Rates, Codes and Applicability for In Scope Countries only. Tax Defaulting logic is not included.
Accounts Payable	Data Conversion	Open Accounts Payable items in Transaction
Accounts Payable	Data Conversion	Suppliers with activity within 6 months prior to go live.
Accounts Payable	Data Conversion	Current year to date 1099 balance
Time Tracking	Alerts and Validations	Up to 3 Alerts
Time Tracking	Alerts and Validations	Up to 5 Time Entry Validations
Time Tracking	Alerts and Validations	→ AI: Time Anomaly Detection with Predictive Insights and Confidence Scoring (Requires ML Opt-in)
Time Tracking	Alerts and Validations	→ AI: Intelligent Prompt Recommendations for Time Tracking
Time Tracking	Schedules and Calendars	Holiday Calendars
Time Tracking	Schedules and Calendars	Up to 10 Work Schedule Calendars
Time Tracking	Security	Up to 2 Security Groups to Support Employee Self Service and Manager Self Service
Time Tracking	Time Calculations	Up to 15 Time Calculations
Time Tracking	Time Entry	Up to 5 Time Entry Templates
Time Tracking	Time Entry	Up to 5 Time Entry Codes
Time Tracking	Reporting	Time and Absence Dashboard

Time Tracking	Reporting	Edit and Approve Time Task
Time Tracking	Data Conversion	Excluded from the scope for go-live
Grants Management	Awards	Award Contracts and required attributes
Grants Management	Awards	Award Schedules
Grants Management	Awards	Catalog of Federal Domestic Assistance (CFDA)
Grants Management	Awards	National Science Foundation codes used for Award reporting
Grants Management	Awards	Special Condition Types
Grants Management	Awards	Award Plan Structure and Award Budgets
Grants Management	Awards	Award Spending Restrictions
Grants Management	Awards	Delivered Invoice Print layout
Grants Management	Awards	Delivered Cost Reimbursable Invoice layout
Grants Management	Awards Budgeting	Award Budgeting including: Budget Checking - Awards, Budget Approvals and Amendments - Awards
Grants Management	Facilities Administration and	Up to 10 F&A Rate Agreements
Grants Management	Facilities Administration and	F&A Exceptions and Waivers
Grants Management	Facilities Administration and	Calculate F&A costs
Grants Management	Facilities Administration and	F&A Revenue Allocation
Grants Management	Sponsor Billing	Award Billing for Cost Reimbursable and Fixed Cost Awards
Grants Management	Sponsor Billing	Sponsors
Grants Management	Sponsor Payment Processing and Application	Sponsor Payment Processing
Grants Management	Sponsor Payment Processing and Application	Letter of Credit Processing
Grants Management	Modifiable Business Processes	Award Event
Grants Management	Modifiable Business Processes	Award Correction Event
Grants Management	Modifiable Business Processes	Award Amendment Event
Grants Management	Modifiable Business Processes	Award Spend Restrictions and Grant routing/approval for Sponsored Award processing on spend BPs

Grants Management	Modifiable Business Processes	Security Roles and Assignments for Award and Grant reporting and routing
Grants Management	Data Conversion	Grants/Grant Hierarchies, Roles Assignments and Default Worktags
Grants Management	Data Conversion	Open Sponsor invoice balances
Grants Management	Data Conversion	Sponsors associated to Active Awards
Grants Management	Data Conversion	Subrecipients/Suppliers
Grants Management	Data Conversion	Award Contracts active at Go Live
Grants Management	Data Conversion	Award Life to Date Billed Balances via Award Historical Cumulative Lines for Active Awards at Go Live
Grants Management	Data Conversion	Award Life to Date Expenditure and/or Revenue Balances for Active Awards at Go Live
Grants Management	Data Conversion	Letter of Credits Active at Go Live
Grants Management	Data Conversion	Award Budgets for Active Awards at Go Live
Inventory	Inventory	Inventory for internal consumption only, not for retail or resale
Inventory	Inventory	Perpetual average cost valuation method
Inventory	Inventory	Inventory fulfillment
Inventory	Inventory	Sourcing requisitions from inventory
Inventory	Inventory	Directed Picking
Inventory	Inventory	Inventory replenishment
Inventory	Inventory	Put-Away rules
Inventory	Inventory	Accounting for inventory transactions, inventory adjustment reasons, ad hoc adjustment reasons and put-away rules
Inventory	Inventory Counting	Ad-hoc and Cycle inventory counts (ABC classification or random method) and physical inventory counts
Inventory	Modifiable Business Processes	Quick Issue Event
Inventory	Modifiable Business Processes	Inventory Stock Request Event
Inventory	Modifiable Business Processes	Inventory Pick List Event
Inventory	Data Conversion	Data conversion of inventory balances
Inventory	Data Conversion	Up to 15,000 purchase items with supplier items and inventory attributes
Inventory	Data Conversion	Up to 2 inventory sites and 1,500 stocking locations

Phase X SKU scope:

Product Area	Description	Scope
Expenses	Expense Credit Cards	Single Tax Code Defaulted for Expenses per Country
Expenses	Expense Credit Cards	Procurement Card schemes are not supported
Expenses	Expense Rate Tables	Mileage Rates
Expenses	Expense Rate Tables	Simple Per Diem (non Travel Journal)
Expenses	Expense Reports	Processing of Expenses Reports for Workers and Pre-Hires (no Spend Authorizations)
Expenses	Expense Reports	Expense Report Instructions
Expenses	Expense Reports	Mobile Enablement
Expenses	Expense Reports	Expense Report Payment
Expenses	Expense Reports	Expense Report Event
Expenses	Expense Reports	Up to 10 Custom Validations
Expenses	Expense Reports	Expenses Hub
Expenses	Expense Reports	Operational Transactions in up to 5 of the following countries: United States, Canada, United Kingdom, New Zealand, Netherlands, Ireland, Australia
Expenses	Data Conversion	Worker Payment Elections for Expense Payments
Talent Management	HCM Core	Worker Summary
Talent Management	Performance	Up to 3 Performance Review Templates
Talent Management	Performance	Goals
Talent Management	Performance	Cascading Goals are specifically excluded
Talent Management	Performance	Role Requested Feedback
Talent Management	Performance	Development Items
Talent Management	Performance	Check-Ins
Talent Management	Career and Development Planning	Mentorships
Talent Management	Career and Development Planning	Anytime Feedback

Talent Management	Career and Development Planning	Career Interests
Talent Management	Career and Development Planning	Job Interests
Talent Management	Career and Development Planning	Competencies
Talent Management	Career and Development Planning	→ AI: Skills for Talent Management
Talent Management	Career and Development Planning	Opportunity Graph
Talent Management	Calibration	Calibration is specifically excluded
Talent Management	Minor Business Process Changes	Start Performance Review
Talent Management	Minor Business Process Changes	Complete Self Evaluation for Performance Review
Talent Management	Minor Business Process Changes	Complete Manager Evaluation for Performance Review
Talent Management	Minor Business Process Changes	Set Review Content for Performance Review
Talent Management	Data Conversion	No Conversion of Prior Performance Reviews or Goals
Talent Management	Data Conversion	No Goal History
Financial Planning	Structure	Budget and forecast up to 5 years out.
Financial Planning	Structure	All planning periods will use a common / single methodology.
Financial Planning	Structure	Planning occurs in time periods of months, quarters or years
Financial Planning	Structure	One Chart of Accounts structure, one calendar, and a common set of templates and processes across the organization
Financial Planning	Structure	Up to 20 Legal Entities and 20 Entity Currencies (Single Currency per Entity)
Financial Planning	Revenue	Manual upload of Revenue. No calculations.
Financial Planning	Revenue	Up to 2 Manual Input Sheets with up to 4 Dimensions each (each Sheet provides a single interface to view, enter, and update data).
Financial Planning	Operating Expense	Operating Expenses - Up to 2 Supporting Schedules (a model built for a single or group of GL accounts using a single methodology with common dimensions and a single manually imported / maintained data set) - Up to 50 total calculations across the 2 supporting schedules and accounts.
Financial Planning	Personnel Expense	With up to 3 Employee Groups: Salary, Hourly and Contingent Labor.
Financial Planning	Personnel Expense	No Labor Unions unless purchased via Additional Scope.
Financial Planning	Personnel Expense	Up to 50 total calculations across the 2 models. (Capitalized labor is not included)

Financial Planning	Personnel Expense	Manual Data Entry for Transfers, Splits, Planning Allocations by Level (Single-Step, Not Sourced from Payroll data) Manual changes made in one version do not persist upon a refresh of data from source.
Financial Planning	Personnel Expense	Fringe Benefits and Tax Rates
Financial Planning	Personnel Expense	Merit and Bonuses are calculated as a percent of total pay based on role, worker or total company.
Financial Planning	Personnel Expense	Up to 2 Personnel Expense models (current roster and open positions)
Financial Planning	Capital Expense	Capital Expense Model - Using straight line depreciation for newly planned assets.
Financial Planning	Capital Expense	Summary depreciation loaded for existing assets (not at asset level)
Financial Planning	Capital Expense	Capital model does not include capitalized labor or calculation of depreciation on existing assets
Financial Planning	Deployment Approach	The Adaptive deployment will start no earlier than one month after the later of Workday Financials or Workday HCM (whichever is applicable) go live.
Financial Planning	Security	Enable security on Levels and configure Dimensional Access Control for up to one additional dimension
Financial Planning	Reporting & Analytics	One Income Statement Format (account / dimensions) that incorporates all templates and business logic Up to 10 KPI's, Conduct up to 6 remote hands-on workshops (up to two hours each) to walk-through building reports/dials/dashboards. Provide best practice guidance around design Consult with Customer on specific dial design challenges; Help Customer with how-to questions. Reports and Dashboards to be completed by Customer prior to UAT.
Financial Planning	Reporting & Analytics	Up to 10 KPI's
Financial Planning	Training Enablement and	Knowledge transfer and documentation provided for all planning models built using Workday's documentation format and tools (1 page per model)
Financial Planning	Training Enablement and	End-user documentation and end user training is excluded
Financial Planning	Training Enablement and	Final review & testing: Support of Customer UAT scripts development
Financial Planning	Training Enablement and	Admin training: includes training for up to 5 power users on administrative responsibilities and maintenance of the system for up to 4 hours.
Financial Planning	Training Enablement and	Delivery Assurance: provides oversight throughout the project to ensure build is consistent with best practices
Financial Planning	Training Enablement and	Post Production support: 2 weeks of support for up to 10 hours per week
Financial Planning	Not Included	Financial Consolidations (unless purchased via Additional Scope) Balance Sheet and Cash Flow (unless purchased via Additional Scope) Payroll or Payroll Costing Allocations as a source
Financial Planning	Data Management	Workday shall configure the automation synchronization of the following metadata and data: - Metadata: Accounts - Metadata: Levels

		<ul style="list-style-type: none"> - Metadata: Dimensions & Attributes (up to 20) - User Synchronization - Publish of Financials Budget Monthly Balances by Account, Level and Dimension to Workday Financials Workday shall define and configure required Advanced Reports and Workday Data Source for the following sources of data within the Customer's Workday Tenant: - Summarized Monthly Journal Lines - Summarized Depreciation Forecast (if applicable) - Current personnel roster - Target bonus percent/amount by worker - Open positions / requisitions - Currency Translation Rates (Average and End of Month only) - Matrix Report for General Ledger Drill Through
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Optima - Core Workday Managed Services:

OPTIMA CORE is designed to enable confident day-to-day Workday operations through a foundational level of embedded support. It provides a role-based understanding of in-scope Workday processes, with core processes clearly explained and understood. The focus includes building essential admin literacy such as navigation, basic reporting, and business process fundamentals. Customers gain day-one operational readiness with defined ownership and handoff, along with awareness of upcoming Workday releases. Governance is supported through basic ownership and escalation awareness, while cross-functional operations remain limited. Operational support is primarily focused on post-go-live stabilization within a defined window, and the operating model is embedded through deployment and go-live. The key outcome is that customers can confidently operate Workday in their day-to-day environment.

1.04 INTEGRATIONS SCOPE

During the Architect and Configuration stage, ERPA will collaborate with the Customer to review and refine the list of integrations, prioritize, and identify integrations to be developed by ERPA. The table below depicts an assumptive list of the total number (15) of templated integrations to be developed by ERPA for this scope of work. A templated integration refers to using pre-built, standardized blueprints to build system connections. Additional integrations beyond this number based on this discovery may be developed by Customer or added to ERPA's scope of integrations to develop via a change order.

	Platform
Active Directory	X
SSO Authentication	X
eVerify	X
Background Checks	X
CCB - Medical	X
CCB - Dental	X
CCB - Vision	X
401k	X
HAS	X
FSA	X
COBRA	X
Payroll Tax Filing	X
HCM to TPP	

Payroll to GL	
Bank ACH	X
Bank Positive Pay	X
Bank BAI2	X
Total	15

1.05 EXCLUSIONS

Customer may choose to implement any project component (if subscribed) that is not listed as in scope at their discretion following the initial Workday deployment project phase. The following application components are examples of features excluded from scope unless otherwise stated as in scope:

Exclusions:

The following application components are excluded from the scope:

- Multiple accounting standards
- Large historical data conversions
- Multiple Jobs
- Retirement Benefits Payments
- Severance
- Advanced Security
- Custom Reports
- Any additional Workday Functional Area not stated in the Deployment Scope section
- Any additional Integration not stated in the Deployment Scope section

Customer may choose to implement these project components (if subscribed) at their discretion.

General Assumptions:

- Customer will leverage pre-built configurations
- Any requested configuration decisions from Customer will be made within the tenant build window. Any decisions not provided will be deferred until after go live.
- Security will be the Workday delivered profiles/roles
- Changes will be deferred until after Move to Production
- Customer will have (or augment staff) the following roles: Project Manager, Test Lead, Functional Area SMEs, IT/Tech Lead, Change Management Lead
- Union configuration and effort estimates are highly dependent upon customer specific collective bargaining agreements
- Primary change management and training responsibility for roll-out to employees and related end user training is the responsibility of the customer

Attachment 2: Project Governance, Roles & Delivery Responsibilities

RACI Key

R = Responsible (Performs the work)
 A = Accountable (Owns outcome / final approval)
 C = Consulted (Provides input)
 I = Informed (Kept apprised)

2.1 EXECUTIVE GOVERNANCE & OVERSIGHT

Activity	Customer Sponsor	Customer PM	ERPA Executive Sponsor	ERPA Engagement Manager
Executive Oversight & Direction	A	R	A	R
Issue Escalation	A	R	A	R
Change Order Approval	A	R	A	R
Final Scope Approval	A	R	I	A
Move-to-Production Authorization	A	R	I	A

2.2 PROJECT PLANNING & MANAGEMENT

Activity	Customer PM	Customer Functional/Technical Leads	ERPA Engagement Manager	ERPA Consultants
Scope Review & Confirmation	A	R	A	C
Project Plan Development & Maintenance	C	I	A	I
Communication Plan	A	C	C	I
Change Management Strategy	A	C	C	I
Issue Management & Status Reporting	R	C	A	C
Project Kick-Off	R	C	A	C

2.3 CONFIGURATION, BUILD & INTEGRATIONS

Activity	Customer Functional Leads	Customer Technical Team	ERPA Engagement Manager	ERPA Functional Consultants	ERPA Integration Consultants
Business Process & Configuration Decisions	A	C	C	R	C
Completion of Data Workbooks	A	R	C	C	I
Tenant Configuration & Functional Build	I	I	A	R	C
Configured Integrations (ERPA-built)	C	R	A	C	R
Custom Integrations (if in scope)	C	R	A	C	R
Customer-Developed Integrations	A	R	C	I	C
Data Validation After Load	A	R	C	R (support)	I

2.4 TESTING & VALIDATION

Activity	Customer Functional Leads	Customer Technical Team	Customer PM	ERPA Engagement Manager	ERPA Consultants
Test Plan Development	A	R	C	C	I
Unit & Configuration Testing	A	R	C	C	R (support)
Integration Testing	A	R	C	C	R (support)
End-to-End Testing	A	R	C	C	R (support)
Payroll Parallel Testing (if applicable)	A	R	C	C	R (support)
Defect Resolution	C	C	I	A	R

Note: Customer is responsible for all testing execution and test case development. ERPA provides standard test scenarios and supports defect resolution.

2.5 TRAINING & CHANGE MANAGEMENT

Activity	Customer Change/Training Lead	Customer PM	ERP Engagement Manager	ERP Consultants
Training Strategy Development	A	C	C	I
End User Training Delivery	A	R	C	I
Knowledge Transfer (System & Configuration)	C	I	A	R
User Readiness Review	A	R	C	C

2.6 CUTOVER, GO-LIVE & TRANSITION

Activity	Customer PM	Customer Functional/Technical Leads	ERP Engagement Manager	ERP Consultants
Cutover Plan Development	A	R	A	C
Final Data Conversion	R	C	A	R
Move-to-Production Readiness Confirmation	A	C	A	R
Go-Live Support	I	C	A	R
Post-Go-Live Stabilization (Defined Support Period)	I	C	A	R
Transition to Ongoing Production Support	A	R	A	C

2.7 RESPONSIBILITY PRINCIPLES

1. Customer Accountabilities

- Data accuracy, cleansing, and completeness
- Configuration decisions
- Test planning and execution
- End-user training and internal change management
- Vendor coordination for integrations
- Move-to-Production approval

2. ERP Accountabilities

- Project management and timeline oversight
- Configuration of in-scope Workday functionality

- Development of ERPA-assigned integrations
- Knowledge transfer
- Testing support and defect resolution
- Post-go-live stabilization support (as defined in Scope)

3. Shared Responsibilities

- Governance and escalation
- Scope confirmation
- Change order management
- Cutover planning

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Attachment 3: Project Timeline

3.01 ANTICIPATED DEPLOYMENT TIMELINE

The proposed duration and completion date of each Launch stage is listed below, based upon the execution date of this SOW and availability of resources and training. ERPA requires two (2) weeks from SOW signature date to align and engage resources.

3.02 PROJECT TIMELINE

The following table highlights the proposed project timeline:

Project Phase	Estimated Duration	Estimated Project Start Date	Workday Go-Live Date
Phase 1 Essentials Deployment	6 months	April 6, 2026	January 1, 2027
Phase X & AMS	48 months	January 1, 2027 – December 31, 2030	n/a

3.03 HOURS OF OPERATION

ERPA will provide services during Customer’s normal business hours (Monday through Friday). ERPA observed Holidays below:

New Year’s Day	Memorial Day	Juneteenth Day	Independence Day
Labor Day	Thanksgiving	Day After Thanksgiving	Christmas Day

3.04 TIMELY PERFORMANCE

Four (4) project milestones (“Project Milestone”) will be used to determine timely performance in the deployment of Workday functionality. These project milestones, their description, the responsible party, and the general due date for each Project Milestone are set out in the following table. Actual due dates will be mutually agreed upon by both parties once project commences and will be documented in the Project Plan during the planning phase.

PROJECT MILESTONE	DESCRIPTION	RESPONSIBLE PARTY	ESTIMATED MILESTONE DUE DATE
Critical Employee and Configuration Workbooks are complete, and customer has signed off that the data is ready to be loaded into their Deployment Tenant.	This work is the result of Data Gathering and Discovery and represents all critical employee and configuration data from legacy systems to be loaded into customer’s	Customer	Approximately 3-4 weeks after reservation date

PROJECT MILESTONE	DESCRIPTION	RESPONSIBLE PARTY	ESTIMATED MILESTONE DUE DATE
	deployment tenant. These workbooks will be identified in the Project Plan.		
Deployment Tenant is loaded and configured based upon data provided in workbooks.	Employee and configuration data from completed Workbooks is loaded and configured into the customer's Deployment tenant used for End-to-End testing.	ERPA	Approximately when the project is 50% complete
End-to-End is complete	Customer will complete End-to-End and document all known issues in the Issues Log.	Customer	Approximately when the project is 70% complete
Final Tenant Configured, moved to Production environment, and is available for use by Customer.	ERPA will configure final tenant using data and configuration from Deployment tenant that been updated based on End-to-End results. ERPA will close all Customer reported issues identified as blockers to going live. (Exception of any issues identified to be considered "bugs" and logged with Workday as official cases.	ERPA	Approximately when the project is 90% complete

3.05 NOTES

- All other Project Milestones will be found in the Project Plan. The project plan will be loaded into Smartsheet.
- Any change to dates will be acknowledged via email.
- Workbooks will be managed through SFTP using comments and version history.
- The Customer's Deployment Tenant will be tested and validated based on the data contained in the Workbooks provided.
- Issues – Issues are logged in the Issue Log.

If any Project Milestone date is not achieved by the associated milestone due date,

- All subsequent milestone due dates will be revised to a mutually agreed upon milestone due date to accommodate for the lapse time caused by the past due occurrence and

- The responsible party shall use all commercially reasonable efforts to do all that is required to meet the Critical Project Milestone as soon as possible after the original milestone due date.

If ERPA is the responsible party and the failure causes extra work to be performed by ERPA or any other delays, ERPA shall perform the duties herein at no charge to the Customer. If the Customer is the responsible party and the failure results in extra work to be performed by ERPA, a resulting change order will be submitted to the Customer that reflects the additional cost and effort.

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Attachment 4: Project Assumptions

The fees and timeline for this Project are based, in part, on the Assumptions stated below. If any of these assumptions are not met, ERPA shall (I) promptly advise the Customer in writing; (II) use reasonable efforts to mitigate delays and additional costs or fees; and (III) be compensated for the additional necessary services rendered as a result of Customer's failure to meet the identified assumptions. Any additional services will be provided pursuant to a Change Order in accordance with the process detailed in Attachment 2.

4.01 GENERAL

- 1 | ERPA will access only Client-specified environments.
- 2 | The ERPA team will perform work primarily in Sandbox and Implementation tenants and will only perform work in a Production environment at the written direction of Customer.
- 3 | If Customer delays either occur at the project start or any point during the project based on Customer or Customer third party circumstances, the Customer understands that ERPA's ability to staff the project and meet any agreed dates, including the target Move-To-Production date, could be at risk. ERPA will work with the customer to identify the impact(s) of any delays and will discuss all options before coming to a mutual agreement on next steps. ERPA reserves the right to charge the Customer for any committed hours, redeployment costs including revisiting and revising the project's costs and timetable as set out in this SOW. All revisions are subject to a Change Order Process as outlined in Attachment 2.
- 4 | If Customer cannot meet set completion dates for deliverables and/or Project Milestones, ERPA reserves the right to revisit and revise the project's proposed costs, impacted milestone or completion dates and approach to completing the project. All revisions are subject to a Change Order Process as outlined in Attachment 2.
- 5 | Post-production costs beyond what is described in Scope are not included in this SOW.
- 6 | Proposed fees are based upon the Customer extracting data from its legacy systems and ensuring all data provided to ERPA is clean, valid and duplicate values removed.
- 7 | Many project delays can be attributed to challenges in cleaning and converting Customer data. Customer must prioritize this Project activity as soon as is reasonably possible after Project commencement, in order to reduce any impact to the Project timeline. Customer must identify skilled data conversion resources and engage them on the project as soon as possible.
- 8 | Services identified herein are assumed to be primarily delivered remotely and ERPA will advise when onsite delivery is recommended for certain tasks.
- 9 | ERPA will not be performing a fit-gap or deep-dive analysis (design) of Customer's business requirements.
- 10 | Customer must provide all data in accordance with Workday standards as detailed in the Workday Deployment Data Formatting Guide.
- 11 | All subject matter experts, project influencers, and those responsible for sign-off on deliverables are clearly identified in the project kick off, including subject.
- 12 | Customer will have all subscriptions for in scope functionality including any necessary subscriptions for integrations.
- 13 | Customer will provide necessary documentation (i.e. application details, network topology or related diagrams, policies and procedures including test plans, etc.) to facilitate knowledge transfer
- 14 | Respond to ERPA requests in a timely manner to ensure services occur within the agreed upon timeline
- 15 | Customer will Make designated Customer staff available to assist ERPA and provide necessary access where required.
- 16 | Customer will Provide a Project Manager/Coordinator – facilitate the coordination between all vendors and Customer stakeholders to establish timelines, project plans and serve as primary point of contact

4.02 TEST AND PREPARE FOR PRODUCTION

- 1 | ERPA will provide knowledge transfer to Customer for the Workday system through several means, including but not limited to testing, detailed discussions and other reviews as identified by the project team.

4.03 MANAGEMENT

- 1 | Planned management sessions include:
 - a. Weekly Status – Typical duration is approximately 1 hour per week
 - b. Sponsor Sessions – 3 sessions with a typical duration of 30 minutes each

4.04 WORKER HISTORY

- 2 | Terminated employees need to be assigned to active company organizational elements such as companies, business locations, job profiles, cost centers, and regions. Historical company elements will not be implemented in the system to accommodate terminated employees. If this situation occurs, generic termed elements will be created to accommodate Workday employee required information.
- 1 | History data for terminated employees will consist of core HR data that is provided in the organization and employee data workbook. This consists of contact, compensation, and active company organizational elements.
- 2 | Manager information will not be required for terminated employees. Terminated employees will be loaded into a separate supervisory hierarchy titled “Termed” using a job-based staffing model.

4.05 INTEGRATIONS

- 1 | Customer is responsible for executing integration testing with support from ERPA.
- 2 | ERPA will be responsible for extracting from Workday for outbound integrations, in the specified format. ERPA is not responsible for loading data into the target system unless specifically specified in the integration scope section.
- 3 | Customer will be responsible for providing data in an ERPA specified format for inbound integrations into Workday. ERPA is not responsible for extracting data from the source system unless specifically specified in the integration scope section.
- 4 | Workday Cloud Connect Integrations are only Cloud Connect integrations if the Workday integration templates are used with zero exceptions. Any deviation outside the Workday delivered template results in the integration becoming a custom integration. A change order must be executed for this which may result in increased hours. Note: Basic calculated fields nor field overrides are considered deviations from the template.
- 5 | Integration fees for this deployment are based on information that was provided during the sales phase. Integration fees are subject to change after the discovery and design work is completed. If there is a change to the scope or proposed fees, this will require a Change Order (Process outlined in Attachment 2).
- 6 | It is Customer’s responsibility to clean inbound data (i.e., that the data is not duplicated and is valid) from third party systems.
- 7 | Customer agrees to manage communications with their respective providers during the development of the integrations. The ERPA integration resource will only configure the integration to specifications provided by the Customer. If there are additional costs, these will require a Change Order (Process outlined in Attachment 2).

- 8 | The Customer is responsible for managing the provider and ensuring that the provider completes their deliverables based on the agreed upon timeline. Delays due to lack of response or unexpected slower turnaround time by the provider may result in additional costs to the Customer.
- 9 | Any benefit integration not listed in the Workday Cloud Connect Integrations Catalog will be considered a custom integration. ERPA will make every effort to get an integration added to the Cloud Connect Integrations catalog to be implemented as part of the project if timelines permit.
- 10 | Customer will review and approve design requirements prior to ERPA designing any in scope custom integrations. Changing design requirements after final design approval has been received may impact integration delivery and proposed fees.
- 11 | Ownership of all integrations is transferred to the Customer after deployment.
- 12 | Customer agrees to make reasonably available appropriate Customer technical and functional resources during the project timeline to assist with discovery, data mapping, data validation, testing, and UAT activities with each built integration; provided the Customer receives sufficient notice of such events, in advance.
- 13 | All integrations will be migrated up to a total of three times, once for end to end testing, parallel testing and production.
- 14 | Any integration not specifically mentioned in this Statement of Work is assumed to be out of scope. A change order can be executed to make any scope changes.
- 15 | Customer must provide integration specification to ERPA tech team within 5 days of project kickoff.
- 16 | An introductory email from ERPA describing the process and approach will be sent to the Customer providing the ERPA integration contract name. An integration kickoff meeting will be performed to confirm scope and high-level timeline expectations for success.
- 17 | Integration design documents will be pre-built with best practices of business rules and assumptions. Customer specific fields will be identified and completed by the Customer.
- 18 | Customer/vendor interaction will be limited to an initial requirements scoping/mapping session per integration.

4.06 PARALLEL HISTORY (ONLY APPLICABLE FOR A JANUARY 1 MOVE-TO-PRODUCTION)

- 1 | Payroll history that is loaded into Workday will include all earnings, deductions, taxes, and employer paid contributions/benefits.
- 2 | A subset of the employee population will be used for the purposes of balance limit testing, based on payroll history loaded, during parallel testing. This subset should include representation across each federal / state / locality the Customer currently processes payroll for.
- 3 | All payroll history will need to be provided in ERPA's excel Payroll History Workbook.
- 4 | ERPA's tools have functionality that will assist the customer with balancing by a unique company (FEIN).

4.07 REPORTING

- 1 | ERPA will enable Workday delivered security for all Workday delivered standard reports related to the in-scope functionality.

- 2 | ERPA defines a custom report as “a Workday delivered report that needs to be modified or enhanced and that modification or enhancement replaces the Workday delivered report, or a report that requires building from scratch.”
- 3 | Reports are limited to then-available report data sources and custom report fields.
- 4 | If custom reports are included in project scope, ERPA will review the requirements and work with Customer to assist with the design and configuration of custom reports as identified during Architecture. If additional assistance is required from ERPA above the number of hours allocated in this SOW to build the reports, a Change Order would be created. ERPA will provide knowledge transfer to the Customer of any ERPA assigned custom developed reports to help prepare the Customer for any future reporting requirements. Customer will attend Workday report writer training prior to developing any custom reports.

4.08 SECURITY

- 1 | Customer will utilize the Workday security roles in the delivered Workday tenant, with no changes to existing security roles or creation of custom security roles until post-production and Customer may acquire additional Services to make such changes or make such changes themselves.

4.10 PLAN STAGE

- 1 | Each Party will assign an Engagement manager to manage such Party's roles and activities for this project.
- 2 | Customer will assign an Executive Sponsor to participate in Steering Committee meetings and be available to resolve issues impacting the success of the project.
- 3 | Customer will have knowledge of or provide documentation that reflects existing business processes.
- 4 | Customer will complete Workday training prior to beginning the Configure Stage.
- 5 | Any overall timeline changes including Critical Project Milestone will be incorporated into the revised project plan.

4.11 CONFIGURE STAGE

- 1 | ERPA will deploy a single set of Workday's delivered business processes definitions across the organization.
- 2 | Customer agrees to utilize Workday's delivered business processes across the enterprise with no or only limited changes to the listed modifiable business processes noted in scope set forth in Attachment 1: Project Scope until after post-production support has completed. If specified in Attachment 1: Project Scope, “limited changes” are defined only as removing process steps, adding approval or review steps (limited to 3 per modifiable business process), adding To Do steps (limited to 5 total), low complexity condition rules (defined as three or less lines of logic), or changing approvers or removing initiating security groups. Limited changes do not include creating rule-based business process definitions (alternate workflows), calculated fields, custom notifications, changing security (other than what is defined above), adding additional process action steps, or complex conditional rules necessary to meet Customer's unique requirements. Customer may acquire additional Services to make such changes or may make such changes themselves in post-production.
- 3 | ERPA to provide knowledge transfer associated with project functionality scope set forth in Attachment 1: Project Scope.

- 4 | ERPA will deploy all employee and manager self-service business processes related to the configuration scope depicted in this SOW.
- 5 | Customer will provide the necessary technical specifications for all ERPA configured or custom integrations defined in scope sections.
- 6 | ERPA will ensure that knowledge transfer of the Workday Service will occur during the configuration review workshop, detailed discussions and other reviews as identified by the project team.
- 7 | Prototype configuration activities will primarily be completed off site by the ERPA team members.
- 8 | Customer business analysts will complete configuration tests before confirming “go ahead” recommendation for moving into Test stage.
- 9 | All outstanding items from the build are documented as part of the issues log, which will be maintained through the completion of the project.
- 10 | ERPA will provide Customer with Data Gathering Workbooks with appropriate descriptions for data conversion.
- 11 | Customer will ensure all data provided to ERPA is clean, valid and duplicate values have been removed.
- 12 | Customer will populate the supplied deployment Data Gathering Workbooks in the prescribed format.
- 13 | Once the data is loaded, Customer will verify the accuracy of the data and provide corrected data.
- 14 | Failure by the Customer to complete a successful data load after two attempts may result in a change order to continue the process and may impact the Move-to-Production date, if each such failure is attributable to Customer’s actions.
- 15 | ERPA will lead all design/development efforts for configured integrations and, if applicable, custom integrations assigned to ERPA in the scope section of this SOW.
- 16 | ERPA will provide functional data mapping expertise and produce field mapping documents for each configured integration.
- 17 | ERPA will configure and unit test configured integrations planned for deployment.
- 18 | Where changes are required for Customer’s integration platform or internal system, Customer will provide its own experienced resources and Customer will be responsible for making such changes.
- 19 | Customer verifies the accuracy of the data and provides corrected data to so that integration testing may be completed prior to Move-to-Production.
- 20 | Customer will make available appropriate Customer technical and functional resources to assist with discovery, data mapping, data validation, testing, and end to end activities with each supported interface.
- 21 | Customer will lead the coordination with any external Customer vendors and, if applicable, Customer consultants to ensure timely response in working with ERPA consultants.

4.13 TEST STAGE

- 1 | Customer is responsible for the development of the Test Plan and test scenarios and cases. ERPA will provide standard test scenarios to be used as a foundation; however, Customer will need to create detailed test scenarios/cases based on its user requirements and system configuration.
- 2 | Customer is responsible for completing hands-on testing activities as noted throughout this document.
- 3 | ERPA will ensure knowledge transfer to Customer for the Workday Service will occur during End to End testing.



COMMITTEE MEMORANDUM

DATE: March 17, 2026
TO: FINANCE COMMITTEE
FROM: Finance Manager/CFO Iguaran
VIA: General Manager LaMoreaux
RE: *REPORTS. (FINANCE MANAGER IGUARAN)*

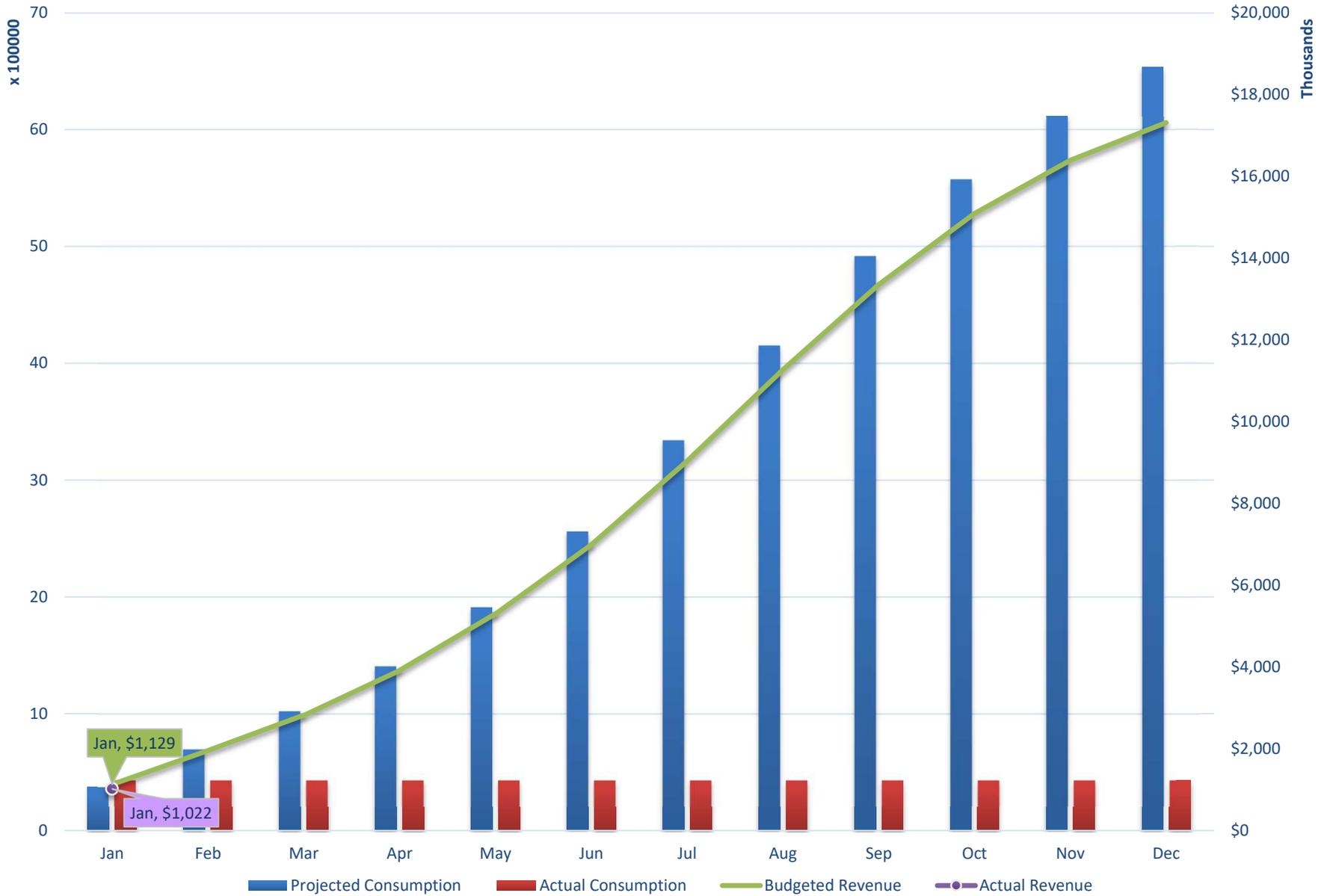
DISCUSSION:

Presented here are financial-related items for your review.

1. 2026 Revenue Projections (attachment):
 - a. In January, consumption units billed were 933 Acre Feet (AF). Compared to our January projection of 859 AF.
 - b. Billed units totaled \$1,022,046 compared to what we estimated to meet 2026 revenue projections of \$1,129,070.

2. Monthly Billing Statistics (attachment):
 - a. In January, the District sent out 27,113 invoices, 7,827 late fee notices, processed 3,391 shut-off notices, and completed 194 shutoffs and locks.

2026 Revenue Projections Based on 15,000 AF



**Palmdale Water District
Monthly Billing Statistics**

Month	Bills	LF Notice	Shut Notice	Off & Lock (M)	Based on Bills Issued			Based on Late Notices		Based on Shut Notice
	(A)	(B)	(C)	(D)	B / A	C / A	D / A	C / B	D / B	D / C
12/22/2018	26632	6485	2401	423	24.4%	9.0%	1.6%	37.0%	6.5%	17.62%
12/29/2019	26699	6565	2456	326	24.6%	9.2%	1.2%	37.4%	5.0%	13.27%
12/17/2020	26808	6038			22.5%					
12/2/2021	26893	6579			24.5%					
12/31/2022	26975	6504	2417	11	24.1%	9.0%	0.0%	37.2%	0.2%	0.46%
12/31/2023	27075	7832	2850	145	28.9%	10.5%	0.5%	36.4%	1.9%	5.09%
12/31/2024	27103	7413	3272	117	27.4%	12.1%	0.4%	44.1%	1.6%	3.58%
12/31/2025	27106	7486	3151	124	27.6%	11.6%	0.5%	42.09%	1.7%	3.94%
1/31/2026	27122	7827	3391	194	28.9%	12.5%	0.7%	43.32%	2.5%	5.72%
2/28/2026	27113		3090	158		11.4%	0.6%			5.11%

AGENDA ITEM NO. 5.2

PALMDALE WATER DISTRICT Debt Service Coverage (\$000s)

	Audited 2022	Audited 2023	Audited 2024	December 2024 - Nov 2025	January 2025 - Dec 2025	February 2025 - Jan 2026
OPERATING REVENUES	31,320	34,573	37,282	40,579	40,766	40,933
Rate Stabilization Fund	(146)	(188)	(806)	(806)	(806)	(1,056)
	31,174	34,385	36,475	39,773	39,959	39,877
OPERATING EXPENSES						
Gross operating expenses	26,502	31,453	30,786	29,297	29,520	29,444
Overhead adjustment	2,057	(203)	(1,000)			
SWP Fixed operations and maint	(33)	(31)	(15)	(7)	(7)	(13)
Non-Cash Related OPEB Expense	(17)	(362)	(434)			
Capital portion included above						
TOTAL EXPENSES	28,509	30,856	29,336	29,290	29,512	29,431
NET OPERATING REVENUES	2,665	3,529	7,140	10,483	10,447	10,446
NON-OPERATING REVENUE						
Ad valorem property taxes	3,477	3,908	4,509	3,692	3,344	3,125
Interest income	138	267	528	414	414	414
Capital improvement fees	2,318	802	209	1,152	1,079	1,025
Other income	162	123	1,222	164	141	132
TOTAL NON-OPERATING INCOME	6,095	5,100	6,469	5,422	4,978	4,696
NET REV AVAILABLE FOR DEBT SERVICE	8,761	8,628	13,609	15,905	15,425	15,142
NET DEBT SERVICE						
2012 Issue - Bank of Nevada (Matured)	1,372	1,373				
2013A Water Revenue Bond (Matured)	1,377	758				
2018A Water Revenue Bond	819	821	821	821	821	821
2020 Private Placement	308	308	308	308	308	308
2020 Water Revenue Refunding Bond	554	553	556	556	556	556
2021 Water Revenue Bond	359	300	300	300	300	300
2021 Water Revenue Refunding Bond	368	368	368	368	368	368
2023 Water Revenue Bond			998	998	998	998
2024 Water Revenue Bond			395	395	395	395
2017 Capital Lease	88					
2022 Capital Lease		527	527	527	527	527
TOTAL DEBT SERVICE	5,246	5,008	4,273	4,273	4,273	4,273
DEBT SERVICE COVERAGE	1.67	1.72	3.18	3.72	3.61	3.54
NET REV AVAILABLE AFTER D/S	3,515	3,621	9,335	11,632	11,152	10,869