



PALMDALE WATER DISTRICT
A CENTURY OF SERVICE

March 18, 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

DENNIS D. LaMOREAUX
General Manager

ALESHIRE & WYNDER LLP
Attorneys



**AGENDA FOR REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE PALMDALE WATER DISTRICT
TO BE HELD AT 2029 EAST AVENUE Q, PALMDALE**

MONDAY, MARCH 23, 2026

6:00 p.m.

NOTICE: Pursuant to Government Code Section 54953, Subdivision (b), this Regular Board Meeting will include teleconference participation by Director Sanchez from: 8 Gipson Place Northeast 7, Fort Walton Beach, FL 32548.

NOTES: 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.

Additionally, an interpreter will be made available to assist the public in making **comments** under Agenda Item No. 4 and any action items where public input is offered during the meeting if requested at least 48 hours before the meeting. Please call Danielle Henry at 661-947-4111 x1059 with your request. (PWD Rules and Regulations Section 4.03.1 (c))

Adicionalmente, un intérprete estará disponible para ayudar al público a hacer **comentarios** bajo la sección No. 4 en la agenda y cualquier elemento de acción donde se ofrece comentarios al público durante la reunión, siempre y cuando se solicite con 48 horas de anticipación de la junta directiva. Por favor de llamar Danielle Henry al 661-947-4111 x1059 con su solicitud. (PWD reglas y reglamentos sección 4.03.1 (c))

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/board-activity/2026-meeting-agendas-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) Pledge of Allegiance/Moment of Silence.
- 2) Roll Call.
- 3) Adoption of Agenda.
- 4) Public Comments for Non-Agenda Items.

- 5) Presentations:
 - 5.1) None at This Time.
- 6) Action Items - Consent Calendar (The public shall have an opportunity to comment on any action item on the Consent Calendar as the Consent Calendar is considered collectively by the Board of Directors prior to action being taken.)
 - 6.1) Approval of Minutes of Regular Board Meeting held February 23, 2026.
 - 6.2) Ratification of Payment of Bills for March 9, 2026.
 - 6.3) Payment of Bills for March 23, 2026.
 - 6.4) Approval of Absence of Director Sanchez from February 23, 2026 Regular Board Meeting due to Scheduled Vacation. (General Counsel Early)
 - 6.5) Approval to Reschedule the May 25, 2026 Regular Board Meeting to May 26, 2026 due to the Memorial Day Holiday. (General Manager LaMoreaux)
- 7) Action Items - Action Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
 - 7.1) Consideration and Possible Action on Approval of Community Workforce Agreement By and Between the Palmdale Water District and Los Angeles/Orange Counties Building & Construction Trades Council and the Signatory Craft Councils and Local Unions. (No Budget Impact – Eddie Alvarez, Building & Trades/General Manager LaMoreaux)
 - 7.2) Consideration and Possible Action 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 – Including 2026 Non-Budgeted Impact of \$482,665.00 – Finance Manager Iguaran/Finance Committee)
 - 7.3) Consideration and Possible Action to Approve and Authorize the General Manager to Enter Into an Agreement with Andritz Hydro Division, Subject to General Counsel Approval, for the Startup and Commissioning of the Hydroelectric Turbine Generator. (\$91,000.00 – Not-to-Exceed – Non-Budgeted – Work Order No. 25-612 – Facilities Manager Wall)
 - 7.4) Consideration and Possible Action to Approve and Authorize the General Manager or His Designee to Enter Into a Contract Agreement with CPS HR Consulting to Assist with Recruitment Campaign for Senior/Principal Engineer Position. (\$17,000.00 – Not-to-Exceed – Budgeted – Human Resources Director Garcia)
 - 7.5) Consideration and Possible Action to Approve Resolution No. 2026-1 Amending Rules and Regulations Appendix O to Incorporate Assembly Bill 1572 -

Prohibition of Potable Water for Non-Functional Turf. (No Budget Impact – Resource and Analytics Director Bolanos)

- 7.6) Consideration and Possible Action on Authorization of the Following Conferences, Seminars, and Training Sessions for Board and Staff Attendance Within Budget Amounts Previously Approved in the 2026 Budget:
 - a) None at this time.
- 8) Information Items:
 - 8.1) Reports of Directors:
 - a) Standing Committees; Organization Appointments; Agency Liaisons:
 - 1) Antelope Valley East Kern Water Agency (AVEK) Meeting – February 24 and March 10. (Director Dino, Board Liaison/President Mac Laren-Gomez, Alt.)
 - 2) Finance Committee Meeting – March 17. (Director Wilson, Chair/Director Kellerman/Director Sanchez, Alt.)
 - 3) Palmdale Fin & Feather Club Meeting – March 7 & 21. (Director Wilson/Director Kellerman, Alt.)
 - b) General Meeting Reports.
 - 8.2) Report of General Manager.
 - a) Department Activity Updates:
 - 1) Operations Department. (Operations Manager Marcinko)
 - 2) Human Resources Department. (Human Resources Director Garcia)
 - b) March 2026 Written Report of Activities through February 2026.
 - 8.3) Report of General Counsel.
- 9) Board Members' Requests for Future Agenda Items.
- 10) Adjournment.



DENNIS D. LaMOREAUX,
General Manager

DDL/dh

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, FEBRUARY 23, 2026:

A regular meeting of the Board of Directors of the Palmdale Water District was held Monday, February 23, 2026, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District Office. President, Kathy Mac Laren-Gomez, called the meeting to order at 6:00 p.m.

1) Pledge of Allegiance/Moment of Silence.

At the request of President Mac Laren-Gomez, Director Kellerman led the Pledge of Allegiance followed by a moment of silence in honor of Director Sanchez's safe return home.

2) Roll Call.

Attendance:

Kathy Mac Laren-Gomez, President
Scott Kellerman, Vice President
Don Wilson, Treasurer
Debbie Dino, Assistant Secretary

ABSENT --

Cynthia Sanchez, Secretary

Others Present:

Dennis LaMoreaux, General Manager
Scott Rogers, Assistant General Manager
Paul Early, General Counsel
Wendell Wal, Facilities Manager
Shadi Bader, Engineering Manager
Viridiana Iguaran, Finance Manager
Judy Shay, Public Affairs Director
Tara Rosati, Customer Care Supervisor
Trisha Guerrero, Management Analyst
1 member of the public

3) Adoption of Agenda.

It was moved by Director Kellerman, seconded by Director Wilson, and unanimously carried by all members of the Board of Directors present to adopt the agenda, as written.

4) Public Comments for Non-Agenda Items.

There were no public comments for non-agenda items.

5) Presentations:

5.1) None at This Time.

There were no presentations.

6) Action Items - Consent Calendar: (The Public Shall Have an Opportunity to Comment on Any Action Item on the Consent Calendar as the Consent Calendar is Considered Collectively by the Board of Directors Prior to Action Being Taken.)

6.1) Approval of Minutes of Regular Board Meeting held February 9, 2026.

6.2) Payment of Bills for February 23, 2026.

President Mac Laren-Gomez announced the items included in the Consent Calendar after which General Manager LaMoreaux requested the removal of the two Calgon Carbon Corporation invoices from the payables. It was then moved by Director Kellerman, seconded by Director Wilson, and unanimously carried by all members of the Board of Directors present to approve the consent calendar as amended.

7) Action Items - Action Calendar (The Public Shall Have an Opportunity to Comment on Any Action Item as Each Item is Considered by the Board of Directors Prior to Action Being Taken.)

7.1) Consideration and Possible Action to Approve and Authorize the General Manager to Execute an Agreement with Nona Palmdale, LLC for Easement Dedication and Construction of Facilities for Well 34A (APN 3051-014-902). (No Budget Impact – Engineering Manager Bader)

Engineering Manager Bader provided an overview of the future Well 34A site and the proposed tract development within the vicinity, which requires a right-of-way easement dedication, after which it was moved by Director Dino, seconded by Director Kellerman, and unanimously carried by all members of the Board of Directors present to approve and authorize the General Manager to Execute an Agreement with Nona Palmdale, LLC for Easement Dedication and Construction of Facilities for Well 34A (APN 3051-014-902).

7.2) Consideration and Possible Action on Equipment Purchase for 2026 Meter Exchange Program. (\$2,000,000.00 – Budgeted – Customer Care Supervisor Rosati)

Customer Care Supervisor Rosati announced a correction to this item noting that it is non-budgeted. She then provided a status update on the 2025 Meter Exchange Program and an overview of the equipment needed for the proposed 2026 Meter Exchange Program for stuck and failing meters, and after a brief discussion of utilizing General Funds for the purchase, it was moved by Director Kellerman, seconded by Director Wilson, and unanimously carried by all members of the Board of Directors present to approve the equipment purchase for the 2026 Meter Exchange Program in the amount of \$2,000,000.00.

7.3) Consideration and Possible Action to Reschedule or Cancel the March 9, 2026 Regular Board Meeting. (No Budget Impact – General Manager LaMoreaux)

General Manager LaMoreaux reported that three Directors have requested to attend the 2026 WaterReuse Symposium which will result in a lack of quorum for first Regular Board Meeting in March, after which it was moved by Director Kellerman, seconded by Director Wilson, and unanimously carried by all members of the Board of Directors present to cancel the March 9, 2026 Regular Board Meeting.

7.4) Consideration and Possible Action on Authorization of the Following Conferences, Seminars, and Training Sessions for Board and Staff Attendance Within Budget Amounts Previously Approved in the 2026 Budget:

- a) **None at this time.**

There were no conferences, seminars, or training sessions to consider.

8) Information Items:

8.1) Finance Reports:

a) Status Report on Current Cash Balances as of December 2025. (Financial Advisor Egan/Finance Committee)

Finance Manager Iguaran 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 investments.

b) Status Report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for December 2025. (Finance Manager Iguaran/Finance Committee)

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%; and that two departments were 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 potential audit adjustments.

c) Status Report on Committed Contracts Issued. (Finance Manager Iguaran/Finance Committee)

She then provided an overview of the committed and uncommitted 2024A and 2023A Water Revenue Bond funds.

d) Other Financial Reports. (Finance Manager Iguaran/Finance Committee)

1) 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.

2) 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.

3) Rate Assistance Program Status.

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.

8.2) Reports of Directors:

a) Standing Committees; Organization Appointments; Agency Liaisons:

1) Antelope Valley East Kern Water Agency (AVEK) Meeting – February 10. (Director Dino, Board Liaison/President Mac Laren-Gomez, Alt.)

Director Dino reported attending the February 10 AVEK Board Meeting, where a report was provided regarding the Lake Oroville and San Luis Reservoirs and the Northern Sierra snowpack conditions.

2) Antelope Valley State Water Contractors Association (AVSWCA) Meeting – February 12. (President Mac Laren-Gomez, Chair/Director Wilson/Director Kellerman, Alt.)

President Mac Laren-Gomez reported attending the February 12 AVSWCA Meeting, where they discussed staff changes, Littlerock project updates, and viewed photos of the recent spill impact from Littlerock Reservoir.

3) Finance Committee Meeting – February 17. (Director Wilson, Chair/Director Kellerman/Director Sanchez, Alt.)

Director Wilson reported attending the February 17 Finance Committee meeting and stated that a written report will be distributed.

4) Palmdale Fin & Feather Club Meeting – February 21. (Director Wilson/Director Kellerman, Alt.)

Director Kellerman reported attending the February 21 Palmdale Fin & Feather Club Meeting, where they discussed facility improvements and maintenance, the number of members, fish counts, and an incident involving theft by a member that resulted in permanent removal.

b) General Meeting Reports of Directors.

Director Kellerman reported attending the AVSWCA Meeting on February 12; the Finance Committee Meeting on February 17; the Palmdale Fin and Feather Club Meeting on February 21; and Board Briefings on February 5 and 19.

Director Wilson reported attending the Palmdale Water District (PWD) Regular Board Meeting on February 9; the 2026 ACWA Legislative Symposium on February 11-12; the AVSWCA Meeting on February 12; the Finance Committee Meeting on February 17; and Board Briefing on February 19.

Director Mac Laren-Gomez reported attending an Agenda Review Briefing on February 11; the 2026 ACWA Legislative Symposium on February 11-12; the AVSWCA Meeting on February 12; the Watermaster Advisory Committee Meeting on February 18; and a Board Briefing on February 19.

Director Dino reported attending the AVEK Board Meeting on February 10; two CSDA webinars on February 11 and 16; the Finance Committee Meeting on February 17; a Board Briefing on February 19; the PWD Regular Board Meeting on February 23; and noted that she will also attend the AVEK Board Meeting on February 24.

8.3) Report of General Manager.

a) February Written Report of Activities through January 2026.

General Manager LaMoreaux distributed updated precipitation information from the recent storms and provided an update on Oroville Reservoir and the improved Sierra Snowpack conditions followed by a brief discussion of the local snowpack and the current State Water Project Table A allocation of 30%.

8.4) Report of General Counsel.

General Counsel Early stated that he has no report.

9) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

10) Adjournment.

There being no further business to come before the Board, the meeting was adjourned at 6:58 p.m.

Secretary

DRAFT



BOARD MEMORANDUM

DATE: March 23, 2026
TO: **BOARD OF DIRECTORS**
FROM: General Counsel Early
VIA: General Manager LaMoreaux
RE: ***APPROVAL OF ABSENCE OF DIRECTOR SANCHEZ FROM FEBRUARY 23, 2026
REGULAR BOARD MEETING DUE TO SCHEDULED VACATION. (GENERAL COUNSEL
EARLY)***

Director Sanchez was absent from the February 23, 2026 Regular Board Meeting due to a scheduled vacation. Agenda Item No. 6.4 has been placed on the Consent Calendar to excuse this absence pursuant to Section 4.07.2 of the District's Rules and Regulations which states, "The Board shall excuse absences by approving such absences pursuant to the Consent Calendar at the next Regular Board meeting."



BOARD MEMORANDUM

DATE: March 23, 2026
TO: BOARD OF DIRECTORS
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: *APPROVAL TO RESCHEDULE THE MAY 25, 2026 REGULAR BOARD MEETING TO MAY 26, 2026 DUE TO THE MEMORIAL DAY HOLIDAY. (GENERAL MANAGER LaMOREAUX)*

Recommendation:

Staff recommends that the second Regular Board Meeting in May be rescheduled from May 25, 2026 to May 26, 2026 due to the Memorial Day holiday.

Alternative Options:

The Board could choose to cancel the second Regular Board Meeting in May or choose a different date rather than May 26, 2026.

Impact of Taking No Action:

The Board and staff will need to open the office and work on Memorial Day to hold the second Regular Board Meeting in May.

Background:

The second Regular Board Meeting in May is scheduled for May 25, 2026, which is also Memorial Day. The District office will be closed in observance of the holiday.

Strategic Plan Initiative:

This item is under Strategic Initiative No. 2 – Organizational Excellence.

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

Budget:

This item will not impact the Budget.



BOARD MEMORANDUM

DATE: March 23, 2026
TO: BOARD OF DIRECTORS
FROM: General Manager LaMoreaux
RE: *CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF COMMUNITY WORKFORCE AGREEMENT BY AND BETWEEN PALMDALE WATER DISTRICT AND LOS ANGELES/ORANGE COUNTIES BUILDING & CONSTRUCTION TRADES COUNCIL AND THE SIGNATORY CRAFT COUNCILS AND LOCAL UNIONS. (NO BUDGET IMPACT – EDDIE ALVAREZ, BUILDING & TRADES/GENERAL MANAGER LaMOREAUX)*

Recommendation:

Staff recommends that the Board approve the Community Workforce Agreement By and Between Palmdale Water District and Los Angeles/Orange Counties Building & Construction Trades Council and the Signatory Craft Councils and Local Unions.

Alternative Options:

The Board could choose not to approve this Community Workforce Agreement.

Impact of Taking No Action:

The District will not have a current Community Workforce Agreement.

Background:

On December 16, 2019, the Board approved a Community Workforce Agreement (CWA) with the Building & Trades, which has recently expired. The District has continued to operate under the 2019 CWA while negotiating its renewal. The updated draft includes two changes: the contract threshold for multi-trade projects increases from \$250,000 to \$750,000, and the threshold for specialty projects increases from \$100,000 to \$150,000. All other provisions remain unchanged. General Counsel has reviewed the draft CWA.

Strategic Plan Initiative/Mission Statement:

This item is under Strategic Initiative No. 5 – Regional Leadership.

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

Budget:

There is no budget impact at this time.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT
VIA: General Manager LaMoreaux
RE: CWA – Building & Trades

March 23, 2026

Supporting Documents:

- Community Workforce Agreement By and Between Palmdale Water District and Los Angeles/Orange Counties Building & Construction Trades Council and the Signatory Craft Councils and Local Unions

COMMUNITY WORKFORCE AGREEMENT

BY AND BETWEEN THE

PALMDALE WATER DISTRICT

AND

LOS ANGELES/ORANGE COUNTIES BUILDING & CONSTRUCTION TRADES
COUNCIL

AND THE SIGNATORY CRAFT COUNCILS AND LOCAL UNIONS

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COMMUNITY WORKFORCE AGREEMENT

This Community Workforce Agreement (“Agreement”) is entered into on April 1, 2026 (“Effective Date”), by and between the Palmdale Water District (“District”), the Los Angeles/Orange Counties Building & Construction Trades Council (“Trades Council”), and the signatory Craft Councils and Local Unions signing this Agreement (collectively, the “Union” or “Unions”). This Agreement establishes the procedures for the District, Contractors, and craft employees represented by the Unions and engaged in Project Work. The District, Trades Council, and Unions are hereinafter referred to herein, as the context may require, as “Party” or “Parties.”

It is understood by the Parties to this Agreement that for the duration of this Agreement, the District agrees that all Project Work (as defined in Section 2.2.) will be contracted exclusively to Contractors who agree to execute and be bound by the terms of this Agreement by signing a Letter of Assent (a form of which is attached as Attachment A), and to require each of its subcontractors, of whatever tier, to become so bound. The District shall include, directly or by incorporation by reference, the requirements of this Agreement in the advertisement of and/or specifications for those Project Work contracts to be awarded by the District.

It is further understood that the District shall actively administer and facilitate the enforcement of the obligations of this Agreement to ensure that the benefits envisioned from it flow to all Parties. The District shall therefore designate a “CWA Administrator,” either from its own staff or an independent contractor, to serve as the District’s liaison for Contractors and Unions; to monitor compliance with this Agreement; to assist, as the authorized representative of the District, in developing and implementing the programs referenced herein, all of which are critical to fulfilling the intent and purposes of the Parties and this Agreement; and to otherwise implement and administer this Agreement. For such purposes, each Contractor recognizes the Community Workforce Coordinator, its successors or assigns, as its agent; and together with District and the Unions, the Community Workforce Coordinator shall be considered a “negotiating party” of this Agreement.

ARTICLE 1 DEFINITIONS

Section 1.1 “Agreement” or “CWA” means this Community Workforce Agreement.

Section 1.2 “Apprentice” means those craft employees indentured and participating in a Joint Labor/Management Apprenticeship Program approved by the State of California, Department of Industrial Relations, Division of Apprenticeship Standards.

Section 1.3 “Construction Contract” or “Construction Contracts” means those contracts entered into by the District, for the construction of Project Work as specified in Section 2.2.

Section 1.4 “Contractor” means any individual firm, partnership, or corporation, or combination thereof, including joint ventures, which is an independent business enterprise and which has entered into a Construction Contract with the District including any Subcontractors of any tier, with respect to Project Work under this Agreement.

Section 1.4.1 “General Construction Contractor” or “GCC” means a prime Contractor retained directly by the District to perform Project Work and has entered into a Construction Contract.

Section 1.4.2 “Subcontractor” means a Contractor who is retained by a GCC, or another lower tier Contractor, to perform Project Work.

Section 1.5 “District” means the Palmdale Water District.

Section 1.6 “Joint Labor/Management Apprenticeship Program” means a joint Union and Contractor administered apprenticeship program certified by the State of California, Department of Industrial Relations, Division of Apprenticeship Standards.

Section 1.7 “Letter of Assent” means the document that each Contractor (of any tier) must sign and submit to the District before beginning any Project Work, which formally binds such Contractor(s) to adherence to all the forms, requirements, and conditions of this Agreement in the form attached hereto as Attachment A.

Section 1.8 “CWA Administrator” means the District’s authorized representative who will be the primary liaison between the District, Contractors, and the Unions; responds to inquiries about the CWA; monitors compliance with the CWA, and develops and implements programs set forth in the CWA.

Section 1.9 “Project”, “Project Work” or “District Project” means Capital Improvement Program projects administered through the Palmdale Water District, subject to the State of California public contracting laws, authorized by the District pursuant to a Construction Contract entered into by the District, and as further described in Section 2.2.

Section 1.10 “Specialty Contracts” means a contract for Project Work with a specialty contractor which is either limited to a particular single trade or craft or limited to a singular scope of work.

Section 1.11 “Master Labor Agreements” means the local collective bargaining agreements of the signatory Unions having geographic and trade jurisdiction over the Project Work and which have signed this Agreement.

Section 1.12 “Subscription Agreement” means the contract between a Contractor and a Union’s Labor/Management Trust Fund(s) that allows the Contractor to make the appropriate fringe benefit contributions in accordance with the terms of the Master Labor Agreements.

Section 1.13 “Local Hires” means individuals identified in Section 3.5, who are employed by Contractors as craft employees to perform Project Work and have priority in being dispatched by the respective Unions.

Section 1.14 The use of masculine or feminine gender or titles in this Agreement should be construed as including both genders and not as gender limitations unless the Agreement clearly requires a different construction. Further, the use of Article titles and/or Section headings are for information only and carry no legal significance.

ARTICLE 2 SCOPE OF THE AGREEMENT

Section 2.1 General This Agreement shall apply to all of the District's Project Work, as defined in Section 2.2, performed by those Contractor(s) of whatever tier that have contracts awarded for such work, for the development of the District's facilities which, jointly, constitute the Project, and have been designated by the District for construction or planned rehabilitation. The CWA administrator will submit annual reports to the District on this agreement.

Section 2.2 Specific Project Work covered by this Agreement is defined and limited to:

2.2.1 All District Project Work - prime multi-trade construction contracts that exceed Seven Hundred and Fifty Thousand Dollars (\$750,000.00) and all subcontracts flowing from these prime multi-trade contracts.

2.2.2 All prime "Specialty Contracts," as defined in Section 1.10 that exceed One Hundred and Fifty Thousand Dollars (\$150,000.00) and all subcontracts flowing from these specialty contracts.

2.2.3 The District may, at any time and at its sole discretion, determine to build additional buildings, facilities, and other projects under this Agreement which are not otherwise covered as Project Work.

2.2.4 This Agreement is not intended to, and shall not apply to any work advertised for bids or performed at any time prior to the Effective Date, or after the expiration or termination of this Agreement, except as otherwise provided herein. This Agreement shall in no way limit the District's right to terminate, modify or rescind any construction contract and/or any related subcontract or agreement. Should the District remove or terminate any contract or agreement for construction that does not fall within the scope of this Agreement and thereafter authorize that work be commenced on any contract for such construction, the contract for construction shall be performed under the terms of this Agreement if the work is not excluded per Section 2.5.

2.2.5 Project Work shall also include renewable energy projects, including, but not limited to, electric vehicle infrastructure, solar photovoltaics, battery energy storage, microgrids and hydrogen electrolysis, if funded in whole or in part by the District, constructed on property owned by the District, or the District receives state/federal grant funding for the project in whole or in part.

Section 2.3 Bundling of Contracts

2.3.1 The District, in its sole discretion, may seek to group (or “bundle”) for bidding, contracts not meeting the threshold of Section 2.2 above. (Small contracts for like types of work, scheduled to be undertaken at the same facility or on the same project site, and within the same timeframe, will be considered for such bundling, consistent with economies of scale, and the purposes of this Agreement); and

2.3.2 Project Work will not be intentionally split, divided, or otherwise separated for contract award purposes to avoid application of this Agreement.

Section 2.4 Applicability This Agreement shall not apply to any work of any Contractor other than that on Project Work specifically covered by this Agreement.

Section 2.5 Exclusions Items specifically excluded from the scope of this Agreement include the following:

2.5.1 Work of non-manual employees, including but not limited to: superintendents; supervisors (except those covered by Master Labor Agreements above the level of general foreman); staff engineers; timekeepers; clerks; office workers; messengers; guards; safety personnel; emergency medical and first aid technicians; and other professional, engineering, executive, administrative, supervisory and management employees;

2.5.2 Equipment and machinery owned, controlled, and operated by the District;

2.5.3 All off-site manufacture and handling of materials, equipment or machinery; provided, however, that lay down or storage areas for equipment or material and manufacturing (prefabrication) sites, dedicated solely to the Project or Project Work, and the movement of materials or goods between locations on a Project site are within the scope of this Agreement, and further included are the hauling/delivery of soil, sand, gravel, aggregate rocks, concrete, asphalt, excavation materials, fill material and construction debris which shall be covered by this Agreement;

2.5.4 All work performed by District employees, the CWA Administrator, design teams (including, but not limited to, architects engineers and master planners), or any other consultants for the District (including, but not limited to, project managers and construction managers and their employees where not engaged in Project Work) and their sub-consultants, and other employees of professional service organizations, not performing manual labor within the scope of this Agreement; provided, however, that it is understood and agreed that Surveyors and Building/Construction Inspector and Field Soils and Materials Testers (Inspectors) are a covered craft under the Agreement. This inclusion applies to the scope of work defined in the State of California Wage Determination for said Craft. This shall also specifically include such work where it is referred to by utilization of such terms as “quality control” or “quality assurance.” Every Surveyor and Inspector performing under the wage classifications of Surveyor and Building/Construction Inspector and Field Soils and Material Testers under a professional services agreement or a construction contract shall be bound to all applicable requirements of the CWA.

Covered Work as defined by this Agreement shall be performed pursuant to the terms and conditions of this Agreement regardless of the manner in which the work was awarded;

2.5.5 Any work performed near, or leading to a site of Project Work covered by this Agreement and undertaken by Federal, State, county or other governmental bodies, or their Contractors; or by public utilities, or their Contractors; and/or by adjacent third-party landowners; and/or by the District or its Contractors (for work which is not within the scope of this Agreement);

2.5.6 Off-site maintenance of leased equipment and on-site supervision of such work;

2.5.7 It is recognized that certain equipment and systems of a highly technical and specialized nature will have to be installed at the Project. The nature of the equipment and systems, together with requirements of a manufacturer's warranty, may dictate that it be prefabricated, pre-piped, and/or pre-wired and that it be installed under the supervision and direction of the Owner's and/or manufacturer's personnel. The Unions agree to install such material, equipment and systems without incident, or allow such installation to be performed by the manufacturer's employees or a contractor certified by the manufacturer where the Unions are unable to perform such work or the warranty requires the work to be performed by the employees of the manufacturer or a contractor certified by the manufacturer. If a warranty on the manufacturer's specialty or technical equipment or systems purchased by the Owner requires that the installation of such specialty or technical equipment or system be performed by the manufacturer's own personnel, then such installation may be performed by the manufacturer's own personnel. If a warranty on the manufacturer's specialty or technical equipment or systems purchased by the Owner requires that the installation of such specialty or technical equipment or system be performed by a contractor certified by the manufacturer, and there are no Union signatory contractors certified by the manufacturer to install and/or perform such work, then such installation may be performed by such certified contractor. The General Contractor shall notify the Unions at the pre-job conference of the use of this provision and shall provide copies of the written warranty that require that the work be performed by the manufacturer's own personnel, or a contractor certified by the manufacturer, to the affected Union(s). When the warranty does not require installation by the manufacturer's own personnel or a contractor certified by the manufacturer, the Unions agree to perform and install such work under the supervision and direction of the manufacturer's representative. This shall not apply to construction equipment. If there is any dispute between the manufacturer and the Union on any work that will affect the warranties or guarantees due to the District, the District will make the final determination as to who will perform the work;

2.5.8 Non-construction support services contracted by the District or District consultants in connection with a Project;

2.5.9 Off-site laboratory work for testing.

Section 2.6 Awarding of Contracts for Project Work

2.6.1 The District and/or the Contractors, as appropriate, have the absolute right to award contracts or subcontracts on Project Work to any Contractor notwithstanding the existence or non-existence of any agreements between such Contractor and any Union parties, provided only that

such Contractor is ready, willing, and able to execute and comply with this Agreement should such Contractor be awarded Project Work covered by this Agreement.

2.6.2 It is agreed that all GCCs that have been awarded Construction Contracts, shall be required to accept and be bound to the terms and conditions of this Agreement, and shall evidence their acceptance by the execution of the Letter of Assent set forth in Attachment A, prior to the commencement of any Project Work. At the time that any GCC enters into a subcontract with any Subcontractor of any tier providing for the performance of Project Work, the GCC shall provide a copy of this Agreement to said Subcontractor and shall require the Subcontractor, as a part of accepting the award from the GCC, to agree in writing in the form of a Letter of Assent to be bound by each and every provision of this Agreement prior to the commencement of Project Work. No GCC or Subcontractor shall commence Project Work without having first provided a copy of the Letter of Assent as executed by it to the CWA Administrator and to the Trades Council before the commencement of Project Work.

Section 2.7 Master Labor Agreements

2.7.1 The provisions of this Agreement, including the Master Labor Agreements as such may be changed from time-to-time and which also are incorporated herein by reference, shall apply to all Contractors performing Project Work. This Agreement is not intended to supersede such Master Labor Agreements between any of the Contractors performing construction work on the Project and a Union signatory thereto except to the extent the provisions of this Agreement are inconsistent with such Master Labor Agreements, in which event the provisions of this Agreement shall apply. However, such does not apply to work performed under the National Cooling Tower Agreement, the National Stack Agreement, the National Transit Division Agreement (NTD), work within the jurisdiction of the International Union of Elevator Constructors, and all instrument calibration and loop checking work performed under the terms of the UA/IBEW Joint National Agreement for Instrument and Control Systems Technicians except that Article 7 - Work Stoppages and Lock-Outs, Article 8 - Work Assignments and Jurisdictional Disputes, and Article 10 - Settlement of Grievances and Disputes shall apply to such work. Where a subject is covered by the provisions of a Master Labor Agreement and not in conflict with the provisions of this Agreement, the provisions of the Master Labor Agreement shall apply. It is specifically agreed that no later third party agreement shall be deemed to have precedence over this Agreement unless signed by all party's signatory hereto who are then currently employed or represented at the Project. Any dispute as to the applicable source between this Agreement and any Master Labor Agreements for determining the wages, hours of working conditions of employees on a Project shall be resolved under the procedures established in Article 10.

2.7.2 It is understood that this Agreement, together with the referenced Master Labor Agreements, constitutes a self-contained, stand-alone agreement and by virtue of having become bound to this Agreement, the Contractor will not be obligated to sign any other local, area or national collective bargaining agreement as a condition of performing work within the scope of this Agreement (provided, however, that the Contractor may be required to sign a uniformly applied, non-discriminatory Subscription Agreement at the request of the trustees or administrator of a trust fund established pursuant to Section 302 of the Labor Management Relations Act, and to which such Contractor is bound to make contributions under this Agreement, provided that such

Subscription Agreement does not purport to bind the Contractor beyond the terms and conditions of this Agreement and/or expand its obligation to make contributions pursuant thereto). It shall be the responsibility of each prime Contractor/GCC to have each of its subcontractors sign the appropriate Subscription Agreement, with the appropriate craft Union prior to the Subcontractor beginning work on Project Work.

Section 2.8 Binding Signatories Only This Agreement shall only be binding on the signatory Parties hereto, and shall not apply to the parents, affiliates, subsidiaries, or other ventures of any such Party not performing Project Work.

Section 2.9 Other District Work Nothing contained herein shall be interpreted to prohibit, restrict, or interfere with the performance of any other operation, work, or function not covered by this Agreement, which may be performed by District employees or contracted for by the District for its own account, on its property or in and around a Project site.

Section 2.10 Separate Liability It is understood that the liability of the Contractor(s) and the liability of the separate Unions under this Agreement shall be several and not joint. The Unions agree that this Agreement does not have the effect of creating any joint employment status between or among the District or CWA Administrator and/or any Contractor.

Section 2.11 Completed Project Work As areas of Project Work are accepted by the District, this Agreement shall have no further force or effect on such items or areas except where the Contractor is directed by the District or its representatives to engage in repairs, modification, check-out and/or warranties functions required by its contract(s) with the District under the original contract.

ARTICLE 3 UNION RECOGNITION AND CRAFT EMPLOYMENT

Section 3.1 Recognition The Contractors recognize the Trades Council and the Unions as the sole and exclusive bargaining representative for the craft employees engaged in Project Work. Contractors further recognize that the Unions shall be the primary source of craft labor employed on the Project Work except as may otherwise be provided for in this Agreement. In the event that a Contractor has its own core workforce, said Contractor shall follow the procedures outlined in Section 3.8 below. The Council shall be permitted to hang a banner not to exceed 20' by 20' at the Project that the Project is being built by the Council's workforce.

Section 3.2 Contractor Selection of Craft Employees The Contractor shall have the right to determine the competency of craft employees, the number of craft employees required, the duties of such craft employees within their craft jurisdiction, and shall have the sole responsibility for selecting craft employees to be laid off, consistent with Section 3.3 and Section 4.3 of this Agreement. The Contractor shall also have the right to reject any applicant referred by a Union for any reason, subject to any reporting pay required by Article 6; provided, however, that such right is exercised in good faith and not for the purpose of avoiding the Contractor's commitment to employ qualified craft workers through the procedures identified in this Agreement.

Section 3.3 Referral Procedures

3.3.1 For signatory Unions now having a job referral system contained in a Master Labor Agreement, the Contractor agrees to comply with such system, and it shall be used exclusively by such Contractor, except as modified by this Agreement. Such job referral system will be operated in a nondiscriminatory manner and in full compliance with Federal, State, and local laws and regulations which require equal employment opportunities and non-discrimination. All of the foregoing hiring procedures, including related practices affecting apprenticeship, shall be operated so as to consider the goals of the District to encourage employment of Local Hires on Project Work, and to facilitate the ability of all Contractors to meet their employment needs.

3.3.2 The local Unions will exert their best efforts to recruit and refer sufficient numbers of skilled craft workers to fulfill the labor requirements of the Contractor, including specific employment obligations to which the Contractor may be legally and/or contractually obligated; and to refer Apprentices as requested to develop a larger, skilled workforce. The Unions will work with their affiliated regional and national unions, and jointly with the CWA Administrator and others designated by the District, to identify and refer competent craft workers as needed for Project Work, and to identify and hire individuals, particularly Local Hires, for entrance into joint labor/management apprenticeship programs, or to participate in other identified programs and procedures to assist individuals in qualifying and becoming eligible for such apprenticeship programs, all maintained to increase the available supply of skilled craft workers for Project Work to be undertaken by the District.

3.3.3 The Union shall not knowingly refer a craft employee currently employed by a Contractor on a covered Project to any other Contractor.

Section 3.4 Non-Discrimination in Referral, Craft Employment, and Construction Contracting

The Unions and Contractors agree that they will not discriminate against any craft employee or applicant for employment in hiring and dispatching on the basis of race, color, religion, sex, gender, national origin, age, membership in a labor organization, sexual orientation, political affiliation, marital status, disability or any other characteristic protected by federal, state or local law.

Section 3.5 Employment of Local Hires

3.5.1 The Unions and Contractors agree that, to the extent allowed by law, and as long as they possess the requisite skills and qualifications, the Unions will exert their best efforts to refer and/or recruit sufficient numbers of skilled craft Local Hires to fulfill the requirements of the Contractors. In recognition of the fact that the District and the communities surrounding Project Work will be impacted by the construction of the Project Work, the Parties agree to support the hiring of Local Hires for Project Work from these surrounding areas as further described in this Section, as well as Veterans and individuals who have successfully completed the Building Trades Multi-Craft Core Curriculum Pre-Apprenticeship Program (“MC3 Graduates”), regardless of where they reside.

3.5.1.1 Tier 1: Residents of the zip codes which overlap the District Service Area, as reflected on the list of U.S. Postal Service zip codes attached hereto as Attachment B, as well as Veterans and MC3 Graduates, regardless of residency.

3.5.1.2 Tier 2: Residents of the remaining zip codes within the Greater Antelope Valley Area.

3.5.1.3 Tier 3: Residents of certain surrounding area codes, as well as the remainder of the County of Los Angeles.

3.5.2 A goal of 30% of the total work hours shall be performed by Local Residents.

3.5.3 The Unions agree to support pre-apprentice referral programs in the District or Los Angeles County. Further, the Unions agree to place on their referral roles or in their apprentice training programs, as appropriate and needed, qualified persons sent to them by designated District organizations or other organizations working with the District to increase construction industry work opportunities for Local Hires. Additionally, Unions agree to collaborate with local non-profit organizations and high schools in the Palmdale Water District to inform individuals about career opportunities through apprenticeships and to conduct joint outreach to recent graduates through participation in job fairs or other career events.

Section 3.6 Requirements on Contractors To facilitate the dispatch of Local Hires, all Contractors will be required to utilize the Craft Employee Request Form whenever they are requesting the referral of any employee from a Union referral list for Project Work, a sample of which is attached as **Attachment C**. When Local Hires are requested by Contractors, the Unions will refer such craft workers regardless of their place in the Unions' hiring halls' list and normal referral procedures.

Section 3.7 Helmets to Hardhats The District, Contractor, and the Unions recognize a desire to facilitate the entry into the building and construction trades of Veterans who are interested in careers in the building and construction industry. The District, Contractor, and Unions agree to utilize the services of non-profit Veterans support organizations, including but not limited to, the Center for Military Recruitment, Assessment and Veterans Employment (hereinafter "Center") and the Center's "Helmets to Hardhats" program to serve as a resource for preliminary orientation, assessment of construction aptitude, referral to apprenticeship programs or hiring halls, counseling and mentoring, support network, employment opportunities and other needs as identified by the Parties. For purposes of this Agreement, the term "Eligible Veteran" shall have the same meaning as the term "veteran" as defined under Title 5, Section 2108(1) of the United States Code as the same may be amended or re-codified from time to time. It shall be the responsibility of each qualified applicant to provide the Unions with proof of their status as an Eligible Veteran.

3.7.1 The Unions and Contractors agree to coordinate with non-profit Veteran organizations, including, the Center to create and maintain an integrated database of veterans interested in working on Project Work and the associated apprenticeship and employment opportunities for working on Project Work. To the extent permitted by law, the Unions will give credit to such Veterans for bona fide, provable past experience.

Section 3.8 Core Employees

3.8.1 Contractors that not independently signatories to a Master Labor Agreement with the Union(s) that represent the craft employees which the Contractor employs, may hire, as needed, first, a member of their core workforce, then an employee through a referral from the appropriate Union hiring hall, then a second core employee, then a second employee through the referral system, and so on until a maximum of five (5) core employees are employed, thereafter, all additional employees in the affected trade or craft shall be requisitioned from the craft hiring hall in accordance with Section 3.3. In the laying off of employees, the number of core employees shall not exceed one-half plus one of the work-force for an employer with 10 or fewer employees, assuming the remaining employees are qualified to undertake the work available. As part of this process, and in order to facilitate the contract administration procedures, as well as appropriate fringe benefit fund coverage, all Contractors shall require their core employees and any other persons employed other than through the referral process, to register with the appropriate Union hiring hall, if any, prior to their first day of employment at a Project site.

3.8.2 The core work force is comprised of those craft employees whose names appeared on the Contractor's active payroll for sixty (60) of the one hundred (100) working days immediately before award of Project Work to the Contractor; who have worked at least two-thousand (2,000) hours in the construction craft in which they are employed, during the prior four (4) years; who possess any license required by State or Federal law for the Project Work to be performed; and who have the ability to safely perform the basic functions of the applicable trade.

3.8.3 Prior to each Contractor performing any work on the Project, each Contractor shall provide a list of his core employees to the CWA Administrator and the Trades Council. Failure to do so will prohibit the Contractor from using any core employees. Upon request by any Party to this Agreement, the Contractor hiring any core employee shall provide satisfactory proof (i.e., payroll records, quarterly tax records, driver's license, voter registration, postal address and such governmental documentation) evidencing the core employee's qualification as a core employee to the CWA Administrator and the Trades Council.

Section 3.9 Time for Referral If any Union's registration and referral system does not fulfill the requirements for specific classifications requested by any Contractor within forty-eight (48) hours (excluding Saturdays, Sundays and holidays), that Contractor may use employment sources other than the Union registration and referral services and may employ applicants meeting such classification from any other available source. The Contractors shall inform the Union of any applicants hired from other sources and such applicants shall register with the appropriate hiring hall, if any, before commencing work.

Section 3.10 Lack of Referral Procedure If a signatory Union does not have a job referral system as set forth in Section 3.3 above, the Contractors shall give the Union equal opportunity to refer applicants. Contractors shall notify the Union of craft employees so hired, as set forth in Section 3.5.

Section 3.11 Union Membership Employees are not required to become or remain union members or pay dues or fees as a condition of performing Project Work under this Agreement.

Contractors shall make and transmit all deductions for union dues, fees, and assessments that have been authorized by employees in writing in accordance with the applicable Master Labor Agreement. Nothing in this Section 3.11 is intended to supersede independent requirements of applicable Master Labor Agreements as to those Contractors otherwise signatory to such Master Labor Agreements and as to the employees of those Contractors who are performing Project Work.

Section 3.12 Individual Seniority Except as provided in Section 4.3, individual seniority shall not be recognized or applied to craft employees performing Project Work; provided, however, that group and/or classification seniority in a Union's Master Labor Agreement as of the Effective Date of this Agreement shall be recognized for purposes of layoffs.

Section 3.13 Foremen The selection and number of craft foreman and/or general foreman shall be the responsibility of the Contractor. All foremen shall take orders exclusively from the designated Contractor representatives. Craft foreman shall be designated as working foreman at the request of the Contractors.

Section 3.14 Out of State Workers In determining compliance with the targeted hiring goals of Section 3.5 above, hours of Project Work performed by residents of states other than California will be excluded from the calculation.

ARTICLE 4 UNION ACCESS AND STEWARDS

Section 4.1 Access to Project Sites Authorized representatives of the Union shall have access to Project Work, provided that they do not interfere with the work of craft employees and further provided that such representatives shall notify the person charged with on-site project supervision and fully comply with posted visitor, security and safety rules.

Section 4.2 Stewards

4.2.1 Each signatory Union shall have the right to dispatch a working journeyman as a steward for each shift and shall notify the Contractor in writing of the identity of the designated steward or stewards prior to the assumption of such person's duties as steward. Such designated steward or stewards shall not exercise any supervisory functions. There will be no non-working stewards. Stewards will receive the regular rate of pay for their respective crafts.

4.2.2 In addition to their work as a craft employee, the steward should have the right to receive, but not to solicit, complaints or grievances and to discuss and assist in the adjustment of the same with the craft employee's appropriate supervisor. Each steward should be concerned only with the craft employees of the steward's Contractor and, if applicable, subcontractor(s), and not with the craft employees of any other Contractor. A Contractor will not discriminate against the steward in the proper performance of their Union duties.

4.2.3 When a Contractor has multiple, non-contiguous work locations at one site, the Contractor may request, and the Union shall appoint, such additional working stewards as the Contractor requests to provide independent coverage of one or more such locations. In such cases, a steward may not service more than one work location without the approval of the Contractor.

4.2.4 The stewards shall not have the right to determine when overtime shall be worked or who shall work overtime.

Section 4.3 Steward Layoff/Discharge Contractor agrees to notify the appropriate Union twenty-four (24) hours before the layoff of a steward, except in the case of disciplinary discharge for just cause. If the steward is protected against such layoff by the provisions of the applicable Master Labor Agreement, such provisions shall be recognized when the steward possesses the necessary qualifications to perform the remaining work. In any case in which the steward is discharged or disciplined for just cause, the appropriate Union will be notified immediately by the Contractor, and such discharge or discipline shall not become final (subject to any later filed grievance) until twenty-four (24) hours after such notice has been given.

ARTICLE 5 WAGES AND BENEFITS

Section 5.1 Wages All craft employees covered by this Agreement shall be classified in accordance with work performed and paid by the Contractors the hourly wage rates for those classifications in compliance with the applicable prevailing wage rate determination established pursuant to applicable law. If a prevailing rate increases under law, the Contractor shall pay that rate as of its effective date under the law. This Agreement does not relieve Contractors that are direct signatories to a Master Labor Agreement with one of the Unions signing this Agreement from paying all of the wages set forth in such Agreements.

Section 5.2 Benefits

5.2.1 Contractors shall pay contributions to the established craft employee benefit funds in the amounts designated in the appropriate Master Labor Agreement and make all craft employee-authorized deductions in the amounts designated in the appropriate Master Labor Agreement, however, such contributions shall not exceed the contribution amounts set forth in the applicable prevailing wage determination. This Agreement does not relieve Contractors that are direct signatories to one or more of the Master Labor Agreements from making all contributions set forth in those Master Labor Agreements without reference to the foregoing.

5.2.2 The Contractor adopts and agrees to be bound by the written terms of the applicable, legally established, trust agreement(s) specifying the detailed basis on which payments are to be made into, and benefits paid out of, such trust funds for its employees. The Contractor authorizes the parties to such trust funds to appoint trustees and successor trustees to administer the trust funds and hereby ratifies and accepts the trustees so appointed as if made by the Contractor.

5.2.3 Each Contractor is required to certify under penalty of perjury and provide that certification to the CWA Administrator, who may conclusively rely on such certification, that it has paid all benefit contributions due and owing to the appropriate trust(s). Further, upon timely notification by a Union to the CWA Administrator, the CWA Administrator shall work with any GCC or Subcontractor who is delinquent in such payments to assure that proper benefit contributions are made.

Section 5.3 Wage Premiums Wage premiums, including but not limited to pay based on height of work, hazard pay, scaffold pay, and special skills shall not be applicable to Project Work under this Agreement, except to the extent provided for in any applicable prevailing wage determination.

ARTICLE 6 HOURS OF WORK, OVERTIME, SHIFTS AND HOLIDAYS

Section 6.1 Hours of Work Eight (8) hours per day between the hours of 6:00 a.m. and 5:30 p.m., plus one-half (½) hour unpaid lunch approximately mid-way through the shift, shall constitute the standard work day. Forty (40) hours per week shall constitute a regular week's work. The work week will start on Sunday and conclude on Saturday. The foregoing provisions of this Section are applicable unless otherwise provided in the applicable prevailing wage determination, construction contract neighborhood-friendly policies, as described in the Project specifications or are agreed upon by the Parties. Nothing herein shall be construed as guaranteeing any employee eight (8) hours per day or forty (40) hours per week, or a Monday through Friday standard work schedule.

Section 6.2 Place of Work Craft employees shall be at their place of work (as designated by the Contractor), at the starting time and shall remain at their place of work, performing their assigned functions, until quitting time. The place of work is defined as the gang or tool-box or equipment at the employee's assigned work location or the place where the foreman gives instructions. Except as provided in Section 6.6, there shall be no pay for time not worked unless the employee is otherwise engaged at the direction of the Contractor.

Section 6.3 Overtime Overtime shall be paid in accordance with the requirements of the applicable prevailing wage determination. There shall be no restriction on the Contractor's scheduling of overtime or the nondiscriminatory designation of employees who will work overtime. There shall be no pyramiding of overtime (payment of more than one form of overtime compensation for the same hour) under any circumstances.

Section 6.4 Shifts and Alternate Work Schedules

6.4.1 Alternate starting and quitting time and/or shift work may be performed at the option of the Contractor subject to the applicable Master Labor Agreement. If two shifts are worked, each shall consist of eight (8) hours of continuous work exclusive of a one-half (½) hour non-paid lunch period, for eight (8) hours pay. The last shift shall start on or before 6:00 p.m. The first shift starting at or after 6:00 a.m. is designated as the first shift, with the second shift following.

6.4.2 The Parties recognize the economic impact for Project Work being undertaken by the District and agree that Parties to this Agreement desire and intend Project Work to be undertaken in an effective manner to the highest standard of quality and craftsmanship. The Parties agree that, except to the extent permitted by law, craft employees performing Project Work shall not be entitled to any differentials or additional pay based upon the shift or work schedule of the employees. Instead, all employees working on Project Work shall be paid at the same base rate regardless of shift or work schedule worked, unless required under the applicable prevailing wage determination.

6.4.3 It is recognized that the District's operations and/or mitigation obligations may require restructuring of normal work schedules. Except in an emergency or when specified in the Construction Contract, the Contractor shall give affected Union(s) at least three (3) days' notice of such schedule changes.

Section 6.5 Holidays Recognized holidays for Project Work shall be those set forth and governed by the prevailing wage determination(s) applicable to such Project Work.

Section 6.6 Show-up Pay

6.6.1 Except as otherwise required by State law, craft employees reporting for work and for whom no work is provided, except when given prior notification not to report to work, shall receive pay in accordance with the applicable Master Labor Agreement.

6.6.2 A craft employee called out to work outside of their shift shall receive a minimum of two (2) hours pay at the appropriate rate. This does not apply to time worked as an extension of (before or after) the craft employee's normal shift.

6.6.3 When a craft employee leaves the job or work location of their own volition or is discharged for cause or is not working, the craft employee shall only be paid for actual time worked.

Section 6.7 Meal Periods The Contractor will schedule a meal period in accordance with the applicable Master Labor Agreement.

Section 6.8 Make-up Days To the extent permitted by the applicable general wage determination, when a craft employee has been prevented from working for reasons beyond the control of the Contractor, including, but not limited to inclement weather or other natural causes, during the regularly scheduled work week, a make-up day may be worked on a non-regularly scheduled work day subject to prevailing wage law.

ARTICLE 7 WORK STOPPAGES AND LOCK-OUTS

Section 7.1 No Work Stoppages or Disruptive Activity The Trades Council and the Unions signatory hereto agree that neither they, and each of them, nor their respective officers or agents or representatives, shall incite or encourage, condone or participate in any strike, walk-out, slow-down, picketing, observing picket lines or other activity of any nature or kind whatsoever, for any cause or dispute whatsoever with respect to or in any way related to Project Work, or which interferes with or otherwise disrupts, Project Work, or with respect to or related to the District or Contractors, including, but not limited to, economic strikes, unfair labor practice strikes, safety strikes, sympathy strikes, secondary strikes, sick-out strikes, and jurisdictional strikes whether or not the underlying dispute is arbitrable. Any such actions by the Trades Council, or Unions, or their members, agents, representatives or the employees they represent shall constitute a violation

of this Agreement. The Trades Council and the Union shall take all steps necessary to obtain and maintain compliance with this Article.

Section 7.2 Employee Violations The Contractor shall discharge any employee violating Section 7.1 above and any such employee will not be eligible for rehire under this Agreement.

Section 7.3 Standing to Enforce The District or any Contractor affected by an alleged violation of Section 7.1 shall have standing and the right to enforce the obligations established therein.

Section 7.4 Expiration of Master Labor Agreement If the Master Labor Agreement, or any local, regional, and other applicable collective bargaining agreements expire during the term of this Agreement, the Union(s) agree that there shall be no work disruption of any kind as described in Section 7.1 above as a result of the expiration of any such agreement(s) having application under this Agreement and/or failure of the involved parties to the Master Labor Agreement to enter into a new agreement. Terms and conditions of employment established during the term of the Construction Contract shall remain established and set. Otherwise to the extent that the Master Labor Agreement does expire and the parties to that Master Labor Agreement have failed to enter into a new agreement, work will continue under the terms of the Construction Contract on one of the following two (2) options, both of which will be offered by the Unions involved to the Contractors that are independently signatory to the affected Master Labor Agreement (hereinafter “Signatory Contractors”):

7.4.1 Each of the Unions with a Master Labor Agreement expiring must offer to its Signatory Contractors the right to continue working on the Project under interim agreements that retain all the terms of the expiring Master Labor Agreement, except that the Unions involved in such expiring Master Labor Agreement may each propose wage rates and Contractor contribution rates to employee benefit funds under the prior Master Labor Agreement different from what those wage rates and Contractor contributions rates that were under the expiring Master Labor Agreements. The terms of the Union’s interim agreement offered to its Signatory Contractors will be no less favorable than the terms offered by the Union to any other Contractors or group of Contractors covering the same type of construction work in Los Angeles County.

7.4.2 Each of the Unions with a Master Labor Agreement expiring must offer to its Signatory Contractors the right to continue working on the Project under all the terms of the expiring Master Labor Agreement, including the wage rates and employer contribution rates to the employee benefit funds, if the Signatory Contractor affected by that expiring Master Labor Agreement agrees to the following retroactive provisions: if a new MLA, local, regional or other applicable labor agreement for the industry having application at the Project is ratified and signed during the term of this Agreement and if such new labor agreement provides for retroactive wage increases, then all affected Signatory Contractors shall pay to its craft employees who performed work covered by this Agreement at the Project during the hiatus between the effective dates of such expired and new labor agreements, an amount equal to any such retroactive wage increase established by such new labor agreement, retroactive to whatever date is provided by the new labor agreement for such increase to go into effect, for each craft employee’s hours worked on the

Project during the retroactive period. All Parties agree that such affected Signatory Contractors shall be solely responsible for any retroactive payment to its craft employees.

7.4.3 Some Signatory Contractors may elect to continue to work on the Project under the terms of the interim agreement option offered under paragraph 7.4.1 and other Signatory Contractors may elect to continue to work on the Project under the retroactivity option offered under paragraph 7.4.2. To decide between the two options, Signatory Contractors will be given one week after the particular Master Labor Agreement has expired or one week after the Union has personally delivered to the Signatory Contractors in writing its specific offer of terms of the interim agreement pursuant to paragraph 7.4.1, whichever is the later date. If the Signatory Contractor fails to timely select one of the two options, the Signatory Contractor shall be deemed to have selected the provisions of 7.4.2.

Section 7.5 No Lockouts Contractors shall not cause, incite, encourage, condone or participate in any lock-out of craft employees with respect to Project Work during the term of this Agreement. The term “lock-out” refers only to a Contractor’s exclusion of craft employees in order to secure collective bargaining advantage, and does not refer to the discharge, termination or layoff of craft employees by the Contractor for any reason in the exercise of rights pursuant to any provision of this Agreement, or any other agreement, nor does “lock-out” include the District’s decision to stop, suspend or discontinue any Project Work or any portion thereof for any reason.

Section 7.6 Best Efforts to End Violations

7.6.1 If a Contractor contends that there is any violation of this Article, it shall notify, in writing, the Executive Secretary of the Trades Council, the Senior Executive of the involved Union(s) and the CWA Administrator. The Executive Secretary and the leadership of the involved Union(s) will promptly notify and use their best efforts to cause the cessation of any violation of this Article.

7.6.2 If the Union contends that any Contractor has violated this Article, it will notify the Contractor and the CWA Administrator, setting forth the facts which the Union contends violate the Agreement, at least twenty-four (24) hours prior to invoking the procedures of Section 7.8.

Section 7.7 Withholding of Services for Failure to Pay Wages and Fringe Benefits

7.7.1 Notwithstanding any provision of this Agreement to the contrary, it shall not be a violation of this Agreement for any Union to withhold the services of its members (but not the right to picket) from a particular Contractor who:

(a) fails to timely pay its weekly payroll; or

(b) fails to make timely payments to the Union’s Joint Labor/Management Trust Fund(s) in accordance with the provisions of the applicable Master Labor Agreements. Prior to withholding its members’ services for the Contractor’s failure to make timely payments to the Union’s Joint Labor/Management Trust Fund(s), the Union shall give at least ten (10) days (unless a lesser period of time is provided in the Union’s Master Labor Agreement, but in no event less

than forty-eight (48) hours written notice of such failure to pay to the involved Contractor and to the CWA Administrator. Union will meet with the Contractor within the ten (10) day period to attempt to resolve the dispute.

7.7.2 Upon the payment of the delinquent Contractor of all monies due and then owing for wages and/or fringe benefit contributions, the Union shall direct its members to return to work and the Contractor shall return all such craft employees back to work. Notwithstanding anything to the contrary, the provisions for liquidated damages or any other delay related damages under the Construction Contract remain in full force and effect.

Section 7.8 Expedited Enforcement Procedure Any Party, including the District, which the Parties agree is a Party to the Agreement for purposes of this Article and an intended beneficiary of this Article, or the CWA Administrator, may institute the following procedures, in lieu of or in addition to any other action at law or equity, when a breach of Section 7.1 or 7.5, above, or Section 8.3 is alleged.

7.8.1 The Party invoking this procedure shall notify the first arbitrator identified in the List of Arbitrators attached hereto as Attachment D. If this arbitrator identified in Attachment D is unavailable, the Party invoking this procedure shall notify the next arbitrator listed. Should none of the named arbitrators be available, an alternate arbitrator mutually agreed upon by the Parties will be selected to hear the matter. Expenses incurred in arbitration shall be borne equally by the Contractor and Unions involved in the arbitration and the decision of the arbitrator shall be final and binding on the Contractor and Unions, provided, however, that the arbitrator shall not have the authority to alter or amend or add to or delete from the provisions of this Agreement in any way. Notice to the arbitrator shall be by the most expeditious means available, with notices to the Parties alleged to be in violation, and to the Trades Council if it is a Union alleged to be in violation. For purposes of this Article, written notice may be given by certified mail and will be deemed effective upon receipt.

7.8.2 Upon receipt of said notice, the arbitrator selected shall sit and hold a hearing within twenty-four (24) hours if it is contended that the violation still exists, but not sooner than twenty-four (24) hours after notice has been dispatched to the Executive Secretary and the Senior Official(s) as required by Section 7.6, as above.

7.8.3 The arbitrator shall notify the Parties of the place and time chosen for this hearing. Said hearing shall be completed in one session, which, with appropriate recesses at the arbitrator's discretion, shall not exceed 24 hours unless otherwise agreed upon by the Contractor and Unions. A failure of any Contractor or Union to attend said hearings shall not delay the hearing of evidence or the issuance of any award by the arbitrator.

7.8.4 The sole issue at the hearing shall be whether or not a violation of Sections 7.1 or 7.5, or 8.3 has in fact occurred. The arbitrator shall have no authority to consider any matter in justification, explanation or mitigation of such violation. The award shall be issued in writing within three (3) hours after the close of the hearing and may be issued without an opinion. If the Contractor or Unions desires a written opinion, one shall be issued within fifteen (15) days, but its issuance shall not delay compliance with, or enforcement of, the award. The arbitrator may order

cessation of the violation of the Article and other appropriate relief, and such award shall be served on all Parties by hand or certified mail upon issuance.

7.8.5 Such award shall be final and binding on Contractor and Unions and may be enforced by any court of competent jurisdiction upon the filing of this Agreement and all other relevant documents referred to herein above in the following manner. Written notice of the filing of such enforcement proceedings shall be given to the affected Contractor and Union. In any judicial proceeding to obtain a temporary order enforcing the arbitrator's award as issued under this Article, the Contractor and Unions waive the right to a hearing and agree that such proceedings may be ex parte. Such agreement does not waive the Contractor or Unions' right to participate in a hearing for a final order of enforcement. The court's order or orders enforcing the arbitrator's award shall be served on the Contractor and Unions by hand or by certified mail.

7.8.6 Any rights created by statute or law governing arbitration proceedings inconsistent with the above procedure or which interfere with compliance hereto are hereby waived by the Contractor or Unions to whom they accrue.

7.8.7 The fees and expenses of the arbitrator shall be equally divided between the Contractor and Union involved in the matter.

ARTICLE 8 WORK ASSIGNMENTS AND JURISDICTIONAL DISPUTES

Section 8.1 Assignment of Work The assignment of Project Work will be solely the responsibility of the Contractor performing the work involved; and such work assignments will be in accordance with the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry (the "Plan") or any successor Plan.

Section 8.2 The Plan All jurisdictional disputes on Project Work between or among the building and construction trades Unions and the craft employers parties to this Agreement, shall be settled and adjusted according to the present Plan established by the Building and Construction Trades Department or any other plan or method of procedure that may be adopted in the future by the Building and Construction Trades Department. Decisions rendered shall be final, binding and conclusive on the Contractor and Unions involved in the dispute.

8.2.1 If a dispute arising under this Article involves the Western States Regional Council of Carpenters or any of its subordinate bodies, an Arbitrator shall be chosen by the procedures specified in Article 5, Section 5, of the Plan from a list composed of John Kagel, Robert Hirsch, and Thomas Pagan, and the Arbitrator's hearing on the dispute shall be held at the offices of the Trades Council within 14 days of the selection of the Arbitrator. All other procedures shall be as specified in the Plan.

Section 8.3 No Work Disruption Over Jurisdiction All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature, and the Contractor's assignment shall be adhered to until the dispute is resolved. Individuals violating this section shall be subject to immediate discharge.

Section 8.4 Pre-Job Conferences As provided in Article 16, each Contractor will conduct a pre-job conference with the appropriate affected Union(s) prior to commencing work; provided however, at no time shall the District be responsible for additional costs related to, associated with, or resulting from Union(s) jurisdictional disputes. The Trades Council and the CWA Administrator shall be advised in advance of all such conferences and may participate if they wish.

Section 8.5 Resolution of Jurisdictional Disputes If any actual or threatened strike, sympathy strike, work stoppage, slow down, picketing, hand-billing or otherwise advising the public that a labor dispute exists, or interference with the progress of Project Work by reason of a jurisdictional dispute or disputes occurs, the Parties shall exhaust the expedited procedures set forth in the Plan, if such procedures are in the plan then currently in effect, or otherwise as in Article 7 above.

ARTICLE 9 MANAGEMENT RIGHTS

Section 9.1 Contractor and District Rights The Contractors and the District have the sole and exclusive right and authority to oversee and manage Project Work activities without any limitations unless expressly limited or required by a specific provision of this Agreement or a Master Labor Agreement. In addition to the following and other rights of the Contractors enumerated in this Agreement, the Contractors expressly reserve their management rights and all the rights conferred upon them by law. The Contractor's rights include, but are not limited to, the right to:

- (a) Plan, direct and control all work activities;
- (b) Hire, promote, transfer and layoff craft employees, respectively, as deemed appropriate to satisfy work and/or skill requirements;
- (c) Promulgate and require all craft employees to observe reasonable job rules and security and safety regulations;
- (d) Discharge, suspend or discipline craft employees for just cause;
- (e) Utilize, in accordance with District approval, any work methods, procedures or techniques, and select, use and install any types or kinds of materials, apparatus or equipment, regardless of source of manufacture or construction; assign and schedule work at their discretion; and
- (f) Assign overtime, determine when it will be worked and the number and identity of employees engaged in such work, subject to such provisions in the applicable Master Labor Agreement(s) requiring such assignments be equalized or otherwise made in a nondiscriminatory manner.

Section 9.2 Specific District Rights In addition to the following and other rights of the District enumerated in this Agreement, the District expressly reserves its management rights and all the rights conferred on it by law. The District's rights (and those of the CWA Administrator on its behalf) include, but are not limited to the right to:

(a) Inspect any construction site or facility to ensure that the Contractor follows the applicable safety and other work requirements;

(b) Require Contractors to establish a different work week or shift schedule for particular craft employees as required to meet the operational needs of the Project Work at a particular location;

(c) At its sole option, terminate, delay and/or suspend any and all portions of the Project Work at any time; prohibit some or all work on certain days or during certain hours of the day to accommodate the ongoing District services and/or to mitigate the effect of ongoing Project Work on businesses and residents in the neighborhood of the Project site; and/or require such other operational or schedule changes it deems necessary, in its sole judgment, to effectively maintain District service levels and remain a good neighbor to those in the area of the Project Work. In order to permit the Contractors and Unions to make appropriate scheduling plans, the District will provide the CWA Administrator and the affected Contractor(s) and Union(s) with reasonable notice of any changes it requires pursuant to this section; provided, however, that if notice is not provided in time to advise craft employees not to report for work, show-up pay shall be due pursuant to the provision of Article 6.

Section 9.3 Use of Materials There will be no limitations or restrictions by Unions upon a Contractor's choice of materials, design, or utilization of equipment, machinery, packaging, precast, prefabricated, prefinished, or preassembled materials, tools or other labor saving devices, subject to the application of the State Public Contracts and Labor Codes as required by law. The onsite installation or application of such items shall be performed by the craft having jurisdiction over such work.

Section 9.4 Special Equipment, Warranties, and Guaranties

9.4.1 It is recognized that certain equipment of a highly technical and specialized nature as specified by the District or manufacturer may be installed at Project Work sites. The nature of the equipment, together with the requirements for manufacturer's warranties, may dictate that it be prefabricated, pre-piped and/or pre-wired and that it be installed under the supervision and direction of the District's and/or manufacturer's personnel. Unless otherwise required to prevent the loss of or negate manufacturer warranties, the Unions agree to install such equipment without incident and as required by the manufacturer(s).

9.4.2 The Parties recognize that the Contractor will initiate from time to time the use of new technology, equipment, machinery, tools, and other labor-savings devices and methods of performing Project Work. The Union agrees that they will not restrict the implementation of such devices or work methods. The Unions will accept and will not refuse to handle, install or work with any standardized and/or catalogue: parts, assemblies, accessories, prefabricated items, preassembled items, partially assembled items, or materials whatever their source of manufacture or construction.

9.4.3 If any disagreement between the Contractor and the Unions concerning the methods of implementation or installation of any equipment, or device or item, or method of work, arises, or whether a particular part or pre-assembled item is a standardized or catalog part or item, the Project Work will precede as directed by the Contractor and the Parties shall promptly consult over the matter. If the disagreement is not resolved, the affected Union(s) shall have the right to proceed through the procedures set forth in Article 10.

ARTICLE 10 SETTLEMENT OF GRIEVANCES AND DISPUTES

Section 10.1 Cooperation and Harmony on Site

10.1.1 This Agreement is intended to establish and foster continued close cooperation between the District, Contractors, and Unions. The Trades Council shall assign a representative to this Agreement for the purpose of assisting the local Unions, and working with the CWA Administrator, together with the Contractors, to complete the Project Work efficiently, continuously and without any interruption, delays or work stoppages.

10.1.2 The Contractors and Unions, will attempt to resolve disputes in accordance with the grievance provisions set forth in this Article or, as appropriate, those of Article 7 or 8.

10.1.3 The CWA Administrator shall facilitate the processing of grievances under Articles 7, 8, and 10, including the scheduling and arrangements of facilities for meetings, and any other administrative matters necessary to facilitate the timely resolution of any dispute; provided, however, it is the responsibility of the Contractors and Unions to any pending grievance to insure the time limits and deadlines are met.

Section 10.2 Processing Grievances Any questions arising out of and during the term of this Agreement involving its interpretation and application, which includes applicable provisions of the Master Labor Agreement, but not jurisdictional disputes or alleged violations of Section 7.1 and 7.4 and similar provisions, shall be considered a grievance and subject to resolution under the following procedures.

Step 1. Employee Grievances When any craft employee subject to the provisions of this Agreement feels aggrieved by an alleged violation of this Agreement, the craft employee shall, through their local Union business representative or, job steward, within ten (10) working days after the occurrence of the violation, give notice to the work site representative of the involved Contractor stating the provision(s) alleged to have been violated. A business representative of the local Union or the job steward and the work site representative of the involved Contractor shall meet and endeavor to resolve the matter within ten (10) working days after timely notice has been given. If they fail to resolve the matter within the prescribed period, the grieving party may, within ten (10) working days thereafter, pursue Step 2 of this grievance procedure provided the grievance is reduced to writing, setting forth the relevant information, including a short description thereof, the date on which the alleged violation occurred, and the provision(s) of the Agreement alleged to have been violated. Grievances and disputes settled at Step 1 shall be non-precedential except as to the parties directly involved.

Union or Contractor Grievances Should the Union(s) or any Contractor(s) have a dispute and, if after conferring within ten (10) working days after the disputing Union(s) or Contractor(s) knew or should have known of the facts or occurrence giving rise to the dispute, a settlement is not reached within five (5) working days, the dispute shall be reduced to writing and processed to Step 2 in the same manner as outlined in Step 1 above for the adjustment of a craft employee complaint.

Step 2. The business manager of the involved Union or their designee, together with the site representative of the involved Contractor, shall notify the CWA Administrator, and conduct a meeting between the Union and the Contractor within seven (7) working days of the referral of the dispute to this second step to arrive at a satisfactory settlement thereof. If the Union(s) and Contractor(s) fail to reach an agreement, the dispute may be appealed in writing in accordance with the provisions of Step 3 within seven (7) calendar days after the initial meeting at Step 2.

Step 3. (a) If the grievance shall have been submitted but not resolved under Step 2, either the Union(s) or Contractor(s) may proceed with the selection of an arbitrator from the agreed upon list in Attachment D within seven (7) calendar days after the initial Step 2 meeting. The Union(s) and Contractor(s) shall notify the CWA Administrator of the date, time and request a meeting location for the hearing. The failure of any party to attend said hearing shall not delay the hearing of evidence or the issuance of any decision by the arbitrator. The decision of the arbitrator shall be final and binding on all parties.

(b) Failure of the grieving Party to adhere to the time limits established herein shall render the grievance null and void. The time limits established herein may be extended only by consent of the Union(s) and Contractor(s) involved at the particular step where the extension is agreed upon. The arbitrator shall have the authority to make decisions only on issues presented and shall not have the authority to change, amend, add to or detract from any of the provisions of this Agreement.

(c) The fees and expenses incurred by the arbitrator, as well as those jointly utilized by the Union(s) and Contractor(s) in arbitration, shall be divided equally by the Union(s) and Contractor(s) involved. The District is responsible for providing meeting locations where the arbitration takes place.

Section 10.3 Limit on Use of Procedures The procedures contained in Article 10 shall not be applicable to any alleged violation of Articles 7 or 8, with a single exception that any craft employee discharged for violation of Section 7.2, or Section 8.3, may resort to the procedures of Article 10 to determine only if he/she was, in fact, engaged in that violation.

Section 10.4 Notice The CWA Administrator (and the District, in the case of any grievance regarding the Scope of this Agreement), shall be notified by the involved Contractor of all actions at Steps 2 and 3, and further, the CWA Administrator shall, upon their own request, be permitted to participate fully as a party in all proceedings at such steps.

ARTICLE 11 REGULATORY COMPLIANCE

Section 11.1 Compliance with All Laws The Trades Council and all Unions, Contractors, and their employees shall comply with all applicable federal, and state laws, ordinances and regulations including, but not limited to, those relating to safety and health, employment and applications for employment. All employees shall comply with the safety regulations established by the District, the CWA Administrator or the Contractor. Employees must promptly report any injuries or accidents to a supervisor.

Section 11.2 Prevailing Wage Compliance All Contractors shall comply with the state laws and regulations, as well as the Palmdale Water District regulations on prevailing wages. Compliance with this obligation may be enforced by the appropriate parties through Article 10 above, or by pursuing the remedies available under state law through the Labor Commissioner or the Department of Industrial Relations.

Section 11.3 Violations of Law Should there be a finding by a Court or administrative tribunal of competent jurisdiction that a Contractor has violated federal and/or state law or regulation, he District, upon notice to the Contractor that it or its subcontractors is in such violation (including any finding of non-compliance with the California prevailing wage obligations as enforced pursuant to DIR regulations), the District, and in the absence of the Contractor or subcontractor remedying such violation, may take such action as it is permitted by law or contract to encourage that Contractor to come into compliance, including, but not limited to, assessing fines and penalties subject to the applicable Construction Contract and the California Public Contract Code.

ARTICLE 12 SAFETY AND PROTECTION OF PERSON AND PROPERTY

Section 12.1 Safety

12.1.1 It shall be the responsibility of each Contractor to ensure safe working conditions and craft employee compliance with applicable safety regulations established by the Division of Occupational Safety and Health (Cal/OSHA), or District safety rules, or Contractor safety rules. It is understood that craft employees have an individual obligation to use diligent care to perform their work in a safe manner and to protect themselves and the property of the Contractor and the District.

12.1.2 Craft employees shall be bound by the safety, security and visitor rules established by the Contractor and/or the District. These rules will be published and posted. A craft employee's failure to satisfy their obligations under this section will subject them to discipline, up to and including discharge.

12.1.3 The Contractor shall comply with the Substance Abuse Policy attached hereto as **Attachment E**, or utilize their previously established and written policy for work performed under this Agreement.

Section 12.2 Water and Sanitary Facilities The Contractor shall provide adequate supplies of drinking water and sanitary facilities for all craft employees as required by state law or regulation.

ARTICLE 13 TRAVEL AND SUBSISTENCE

Travel expenses, travel time, subsistence allowances, zone rates, and parking reimbursements shall be paid in accordance with the applicable Master Labor Agreement unless superseded by the applicable prevailing wage determination.

ARTICLE 14 APPRENTICES

Section 14.1 Importance of Training The Parties recognize the need to maintain continuing support of the programs designed to develop adequate numbers of competent workers in the construction industry, the obligation to capitalize on the availability of the Local Hires, and the opportunities to provide continuing work under the construction program. To these ends, the Parties will facilitate, encourage, and assist Local Hires to commence and progress in Labor/Management Apprenticeship and/or training programs in the construction industry leading to participation in such apprenticeship programs. The District and the Trades Council will work cooperatively to identify, or establish and maintain, effective programs and procedures for persons interested in entering the construction industry and which will help prepare them for the formal joint labor/management apprenticeship programs maintained by the signatory Unions.

Section 14.2 Use of Apprentices

14.2.1 Apprentices used on Projects under this Agreement shall be registered in Joint Labor Management Apprenticeship Programs approved by the State of California. Apprentices may comprise up to thirty percent (30%) of each craft's work force (calculated by hours worked) at any time, unless the standards of the applicable joint apprenticeship committee confirmed by the Division of Apprenticeship Standards ("DAS"), establish a lower or higher maximum percentage. Where the standards permit a higher percentage, such percentage shall apply on Project Work. Where the applicable standards establish a lower percentage, the applicable Union will use its best efforts with the Joint Labor Management apprenticeship committee and, if necessary, the DAS to permit up to thirty percent (30%) apprentices on the Project.

14.2.2 The Unions agree to cooperate with the Contractor in furnishing Apprentices as requested up to the maximum percentage. The apprentice ratio for each craft shall be in compliance, at a minimum, with the applicable provisions of the Labor Code relating to utilization of apprentices. The District shall encourage such utilization, and, both as to Apprentices and the overall supply of journey person. The Unions and Trades Council will work to provide appropriate and maximum utilization of Apprentices and the continuing availability of both apprentices and journey-level craft workers.

14.2.3 The Parties agree that apprentices will not be dispatched to Contractors working under this Agreement unless there is a journeyman working on the Project where the Apprentice is to be employed who is qualified to assist and oversee the Apprentice's progress through the program in which he/she is participating.

14.2.4 All apprentices shall work under the direct supervision of a journeyman from the trade in which the apprentice is indentured. A journeyman shall be defined as set forth in the California Code of Regulations, Title 8 [apprenticeship] section 205, which defines a journeyman as a person who has either completed an accredited apprenticeship in his or her craft, or has completed the equivalent of an apprenticeship in length and content of work experience and all other requirements in the craft which has workers classified as journeyman in the apprenticeable occupation. Should a question arise as to a journeyman's qualification under this subsection, the Contractor shall provide adequate proof evidencing the worker's qualification as a journeyman to the Trades Council.

ARTICLE 15 PRE-JOB CONFERENCES

Each Primary Contractor which is awarded a Construction Contract by the District for Project Work shall conduct a Pre-Job Conference with the appropriate affected Union(s) at least fourteen (14) days prior to commencing Project Work. All Subcontractors that have been awarded contracts by the GCC shall attend the Pre-Job conference. The Trades Council and the CWA Administrator shall be advised in advance of all such Pre-Job conferences and may participate if they wish. All work assignments shall be disclosed by the GCC and all Subcontractors at the Pre-Job conference in accordance with industry practice. Should there be any formal jurisdictional dispute raised under Article 8, the CWA Administrator shall be promptly notified. The GCC shall have available at the Pre-Job conference the plans and drawing for the work to be performed on the Project. Should additional Project Work not previously included within the scope of the Project Work be added, the Contractors performing such work will conduct a separate Pre-Job conference for such newly included work. At no time shall the District be responsible for additional costs related to, associated with, or resulting from jurisdictional disputes or newly included work not previously identified in the Construction Contract.

ARTICLE 16 LABOR/MANAGEMENT COOPERATION

Section 17.1 Joint Committee The Parties to this Agreement may establish a six (6) person Joint Administrative Committee (JAC). This JAC shall be comprised of three (3) representatives selected by the District and three (3) representatives selected by the Trades Council to monitor compliance with the terms and conditions of this Agreement. Each representative shall designate an alternate who shall serve in his or her absence for any purpose contemplated by this Agreement. A quorum will consist of at least two (2) representatives selected by the District and at least two (2) representatives selected by the Trades Council. For voting purposes, only an equal number of District and Union representatives present may constitute a voting quorum. The Committee shall meet on a schedule to be determined by the Committee or at the call of the joint chairs, to discuss the administration of the Agreement, the progress of the Project, general labor management problems that may arise, and any other matters consistent with this Agreement.

ARTICLE 17
SAVINGS AND SEPARABILITY

Section 18.1 Savings Clause It is not the intention of the District, the CWA Administrator, Contractor, or the Union parties to violate any laws governing the subject matter of this Agreement. The Parties hereto agree that in the event any provision of this Agreement is finally held or determined to be illegal or void as being in contravention of any applicable law or regulation, the remainder of the Agreement shall remain in full force and effect unless the part or parts so found to be void are wholly inseparable from the remaining portions of this Agreement. Further, the Parties agree that if and when any provision(s) of this Agreement is finally held or determined to be illegal or void by a court of competent jurisdiction, the Parties will promptly enter into negotiations concerning the substantive effect of such decision for the purposes of achieving conformity with the requirements of any applicable laws and the intent of the Parties hereto. If the legality of this Agreement is challenged and any form of injunctive relief is granted by any court, suspending temporarily or permanently the implementation of this Agreement, then the Parties agree that all Project Work that would otherwise be covered by this Agreement should be continued to be bid and constructed without application of this Agreement so that there is no delay or interference with the ongoing planning, bidding and construction of any Project Work.

Section 18.2 Effect of Injunctions or Other Court Orders The Parties recognize the right of the District to withdraw, at its absolute discretion, the utilization of the Agreement as part of any bid specification should a Court of competent jurisdiction issue any order, or any applicable statute which could result, temporarily or permanently in delay of the bidding, awarding and/or construction of the Project. Notwithstanding such an action by the District, or such court order or statutory provision, the Parties agree that the Agreement shall remain in full force and effect on covered Project Work; provided however, that the continuance of the Project is not determined to be financially or legally detrimental to the District, at its sole and absolute discretion.

ARTICLE 18
WAIVER

A waiver of or a failure to assert any provisions of this Agreement by any or all of the Parties hereto shall not constitute a waiver of such provision for the future. Any such waiver shall not constitute a modification of the Agreement or change in the terms and conditions of the Agreement and shall not relieve, excuse or release any of the Parties from any of their rights, duties or obligations hereunder.

ARTICLE 19
AMENDMENTS

The provisions of this Agreement can be renegotiated, supplemented, rescinded or otherwise altered only by mutual agreement in writing, hereafter signed by the negotiating Parties hereto. In the event of any conflict or ambiguity between this Agreement and any Attachment or exhibit, the provisions of this Agreement shall govern.

**ARTICLE 20
DURATION OF THE AGREEMENT**

This Agreement shall be effective from the initial date of approval by District and shall remain in effect for a period of five (5) years. This Agreement may be terminated by written agreement signed by the Parties; provided however, that any covered Construction Contract approved Any covered Project Work awarded during the term of this Agreement shall continue to be covered hereunder, until completion of the Project Work, notwithstanding the termination or expiration date of this Agreement. This Agreement may be extended by amendment, as approved by the District.

IN WITNESS whereof the Parties have caused this Community Workforce Agreement to be executed as of the date and year above stated.

Palmdale Water District

Los Angeles/Orange Counties Building
& Construction Trades Council

By: _____
Kathy Mac Laren-Gomez, President
Board of Directors

By: _____
Ernesto Medrano, Executive Secretary

Date: _____

Date: _____

LOS ANGELES/ORANGE COUNTIES BUILDING & CONSTRUCTION TRADES
COUNCIL CRAFT UNIONS AND DISTRICT COUNCILS

- Asbestos Heat & Frost Insulators (Local 5) _____
- Boilermakers (Local 92) _____
- Bricklayers & Allied Craftworkers (Local 4) _____
- Cement Masons (Local 600) _____
- Electricians (Local 11) _____
- Elevator Constructors (Local 18) _____
- Gunite Workers (Local 345) _____
- Iron Workers (Reinforced – Local 416) _____
- Iron Workers (Structural – Local 433) _____
- Southern California District Council of Laborers _____
- LiUNA (Local 300) (remediation) _____
- LiUNA (Local 1184) _____
- LiUNA (Local 1309) _____
- LiUNA (Plaster Tenders Local 1414) _____
- Operating Engineers (Local 12) _____
- Operating Engineers (Local 12) _____
- Operating Engineers (Local 12) _____
- Painters & Allied Trades DC 36 _____
- Pipe Trades (Local 250) _____
- Pipe Trades (Local 345) _____
- Pipe Trades (Plumbers Local 78) _____
- Pipe Trades (Sprinkler Fitters Local 709) _____
- Plasterers (Local 200) _____
- Roofers & Waterproofers (Local 36) _____
- Sheet Metal Workers (Local 105) _____
- Teamsters (Local 986) _____
- Western States Regional Council of Carpenters _____

**ATTACHMENT A
LETTER OF ASSENT**

To be signed by all Contractors awarded Project Work covered by the
Community Workforce Agreement with the Palmdale Water District prior to commencing work.

[Contractor's Letterhead]

CWA Administrator
Palmdale Water District
2029 East Avenue Q
Palmdale, CA
93550

Re: Community Workforce Agreement - Letter of Assent

Dear CWA Administrator:

This is to confirm that [name of company] agrees to be party to and bound by Community Workforce Agreement with the Palmdale Water District effective April 1, 2026, as such Agreement may, from time to time, be amended by the negotiating parties or interpreted pursuant to its terms. Such obligation to be a party and bound by this Agreement shall extend to all Project Work covered by the Community Workforce Agreement undertaken by [name of company] on the Project and [name of company] shall require all of its contractors and subcontractors of whatever tier to be similarly bound for all Project Work within the scope of the Community Workforce Agreement by signing and furnishing to you an identical letter of assent prior to their commencement of work.

Sincerely.

[Name of Construction Company]

By: [_____] Name and Title of Authorized Executive

Contractor State License No.: _____

[Copies of this letter must be submitted to the CWA Administrator and to the Trades Council
Consistent with Section 2.6.2.]

**ATTACHMENT B
LOCAL HIRE ZIP CODES**

Tier 1

Zip codes which overlap the District Service Area

93550, 93551, 93552

Tier 2

The remaining zip codes within the Greater Antelope Valley Area

91390	93534	93554
93501	93535	93560
93510	93536	93591

Tier 3

Certain surrounding area zip codes

92301	92372	93505
92329	92392	93516
92340	92393	93524
92344	92394	93561
92345	92395	
92371	92397	

And the remaining zip codes of Los Angeles County

90001	90015	90029	90043	90057	90071
90002	90016	90030	90044	90058	90072
90003	90017	90031	90045	90059	90073
90004	90018	90032	90046	90060	90074
90005	90019	90033	90047	90061	90075
90006	90020	90034	90048	90062	90076
90007	90021	90035	90049	90063	90077
90008	90022	90036	90050	90064	90078
90009	90023	90037	90051	90065	90079
90010	90024	90038	90052	90066	90080
90011	90025	90039	90053	90067	90081
90012	90026	90040	90054	90068	90082
90013	90027	90041	90055	90069	90083
90014	90028	90042	90056	90070	90084

90086	90250	90402	90662	90815	91077
90087	90251	90403	90665	90822	91101
90088	90254	90404	90670	90831	91102
90089	90255	90405	90671	90832	91103
90090	90260	90406	90701	90833	91104
90091	90261	90407	90702	90834	91105
90093	90262	90408	90703	90835	91106
90094	90263	90409	90704	90840	91107
90095	90264	90410	90706	90842	91108
90096	90265	90411	90707	90844	91109
90097	90266	90501	90710	90845	91110
90099	90267	90502	90711	90846	91114
90101	90270	90503	90712	90847	91115
90102	90272	90504	90713	90848	91116
90103	90274	90505	90714	90853	91117
90174	90275	90506	90715	90888	91118
90185	90277	90507	90716	90895	91131
90189	90278	90508	90717	90899	91175
90201	90280	90509	90723	91001	91186
90202	90290	90510	90731	91003	91187
90209	90291	90601	90732	91006	91188
90210	90292	90602	90733	91007	91191
90211	90293	90603	90734	91008	91201
90212	90294	90604	90744	91009	91202
90213	90295	90605	90745	91010	91203
90220	90296	90606	90746	91011	91204
90221	90301	90607	90747	91012	91205
90222	90302	90608	90748	91016	91206
90223	90303	90609	90749	91017	91207
90224	90304	90610	90755	91020	91208
90230	90305	90612	90801	91021	91210
90231	90306	90631	90802	91023	91214
90232	90307	90637	90803	91024	91301
90233	90308	90638	90804	91025	91302
90239	90309	90639	90805	91030	91303
90240	90310	90640	90806	91031	91304
90241	90311	90650	90807	91040	91306
90242	90312	90651	90808	91041	91307
90245	90313	90652	90809	91042	91311
90247	90397	90659	90810	91043	91312
90248	90398	90660	90813	91046	91316
90249	90401	90661	90814	91066	91321

91324	91376	91411	91610	91746	91792
91325	91380	91412	91611	91747	91793
91326	91381	91413	91612	91748	91795
91330	91382	91416	91614	91749	91797
91331	91383	91423	91615	91750	91799
91335	91384	91426	91616	91754	91801
91340	91385	91436	91617	91755	91802
91342	91386	91470	91618	91756	91803
91343	91387	91482	91702	91759	91804
91344	91388	91495	91706	91765	91841
91345	91392	91496	91711	91766	91896
91346	91393	91497	91714	91767	91899
91350	91394	91501	91715	91768	92833
91351	91395	91502	91716	91769	93243
91352	91396	91504	91722	91770	93539
91353	91399	91505	91723	91771	93544
91354	91401	91506	91724	91772	93563
91355	91402	91601	91731	91773	93584
91356	91403	91602	91732	91775	93586
91357	91404	91603	91733	91776	93590
91361	91405	91604	91734	91778	93599
91364	91406	91605	91735	91780	
91365	91407	91606	91740	91788	
91367	91408	91607	91741	91789	
91371	91409	91608	91744	91790	
91372	91410	91609	91745	91791	

**ATTACHMENT C
CRAFT REQUEST FORM
PALMDALE WATER DISTRICT CWA**

TO THE CONTRACTOR: Please complete and submit this form to the applicable Union to request craft workers that fulfill the hiring requirements for this Project. After submitting your request, please call the Union Local to verify receipt and substantiate their capacity to furnish workers as specified below. Please keep copies for your records.

The Community Workforce Agreement with the Palmdale Water District establishes a goal that 30% of the total work hours shall be from Local Hires, defined in the Agreement as follows: Tier 1: zip codes which overlap the District Service Area, Veterans and MC3 Graduates, regardless of residency; Tier 2: the remaining zip codes within the Greater Antelope Valley Area; Tier 3: certain surrounding area codes, as well as the remainder of the County of Los Angeles.

TO THE UNION: Please complete the “Union Use Only” section on the next page and fax this form back to the requesting Contractor. Be sure to retain a copy of this form for your records.

CONTRACTOR USE ONLY

To: Union Local # _____ Date: _____
Cc: CWA Administrator
From: Company: _____ Issued By: _____
 Contact Phone :() _____

PLEASE PROVIDE ME WITH THE FOLLOWING UNION CRAFT WORKERS.

Craft Classification (i.e., plumber, painter, etc.)	Journey person or Apprentice	Local Hire or General Dispatch	Number of workers needed	Report Date	Report Time
TOTAL WORKERS REQUESTED = _____					

Please have worker(s) report to the following work address indicated below:

Project Name: _____ Site: _____
 Address: _____
 Report to: _____ On-site Tel: _____
Comment or Special Instructions: _____

UNION USE ONLY

Date dispatch request received:
Dispatch received by:
Classification of worker requested:
Classification of worker dispatched:

WORKER REFERRED

Name:
Date worker was dispatched:
Is the worker referred a: (check all that apply)

JOURNEYPERSON	Yes _____	No _____
APPRENTICE	Yes _____	No _____
LOCAL HIRE	Yes _____	No _____
GENERAL DISPATCH FROM OUT OF WORK LIST	Yes _____	No _____

ATTACHMENT D
LIST OF NEUTRAL ARBITRATORS

(1) Andrea Dooley; (2) David Weinberg; (3) Sara Adler; (4) Mark Burstein; and (5) Fred Horowitz

ATTACHMENT E
SUBSTANCE ABUSE POLICY
(revised Dec. 2019)

The Parties recognize the problems that drug and alcohol abuse have created in the construction industry and the need to develop drug and alcohol abuse prevention programs. Accordingly, the Parties agree that in order to enhance the safety of the workplace and to maintain a drug and alcohol-free work environment, individual Contractors shall require applicants or employees to undergo drug and alcohol testing in accordance with this CWA and this policy, Attachment E – Substance Abuse Policy, hereafter “Policy.”

1. It is understood that the use, possession, transfer, or sale of illegal drugs, narcotics, or other unlawful substances, as well as being under the influence of alcohol and the possession of or consuming alcohol is absolutely prohibited while employees are on the Contractor’s job premises or while working on any jobsite in connection with work performed under the CWA.
2. No Contractor may implement a drug and alcohol testing program that does not conform in all respects to the provisions of this Policy.
3. No Contractor may implement drug and alcohol testing at any jobsite unless written notice is given to the Union setting forth the location of the jobsite, a description of the project under construction, and the name and telephone number of the Prime Contractor's project manager. Said notice shall be provided at the pre-job conferences for each Covered Project. Failure to give such notice shall make any drug and alcohol testing engaged in by the Contractor a violation of the CWA and subject to the grievance procedure.
4. A Contractor who elects to implement drug and alcohol testing pursuant to this Policy shall require all craft employees on the Covered Project to be tested. With respect to individuals who become employed on the Covered Project subsequent to the proper implementation of a valid drug and alcohol testing program, such test shall be administered upon the commencement of employment on the project, whether by referral from a Union Dispatch Office, transfer from another project, or another method. Individuals who were employed on the project prior to proper implementation of a valid drug and alcohol testing program may only be subjected to testing for the reasons set forth in paragraphs 5(g)(1) through 5(g)(3) and paragraphs 6(a) through 6(e) of this Policy. Refusal to undergo such testing shall be considered sufficient grounds to deny employment on the project.
5. The following procedure shall apply to all drug and alcohol testing:
 - a. The Contractor may request urine samples only. The applicant or employee shall not be observed when the urine specimen is given. An applicant or employee, at his or her sole option, shall, upon request, receive a blood test in lieu of a urine test. No

- employee of the Contractor shall draw blood from a bargaining unit employee, touch or handle urine specimens, or in any way become involved in the chain of custody of urine or blood specimens. A Union Business Representative, subject to the approval of the individual applicant or employee, shall be permitted to accompany the applicant or employee to the collection facility to observe the collection, bottling, and sealing of the specimen.
- b. A Contractor may request an applicant or employee promptly, within four (4) hours of the Contractor's request, perform an alcohol breathalyzer test at a certified laboratory only, and cutoff levels shall be those mandated by applicable state or federal law.
 - c. The testing shall be done by a laboratory approved by the Substance Abuse & Mental Health Services Administration (SAMHSA), which is chosen by the Contractor and the Union.
 - d. An initial test shall be performed using the Enzyme Multiplied Immunoassay Technique (EMIT). In the event a question or positive result arises from the initial test, a confirmation test must be utilized before action can be taken against the applicant or employee. The confirmation test will be by Gas Chromatography/Mass Spectrometry (GC/MS). Cutoff levels for both the initial test and confirmation test will be those established by SAMHSA and this Policy. Should these SAMHSA levels be changed during the course of the CWA or new testing procedures are approved, then these new regulations will be deemed as part of this existing CWA. Confirmed positive samples will be retained by the testing laboratory in secured long-term frozen storage for a minimum of one (1) year. Handling and transportation of each sample must be documented through strict chain-of-custody procedures.
 - e. In the event of a confirmed positive test result, the applicant or employee may request, within forty-eight (48) hours, a sample of their specimen from the testing laboratory for purposes of a second test to be performed at a second laboratory, designated by the Union and approved by SAMHSA. The retest must be performed within ten (10) days of the request. Chain of custody for this sample shall be maintained by the Contractor between the original testing laboratory and the Union's designated laboratory. Retesting shall be performed at the applicant's or employee's expense. In the event of conflicting test results, the Contractor may require a third test, at the Contractor's expense.
 - f. If, as a result of the above testing procedure, it is determined that an applicant or employee has tested positive, this shall be considered sufficient grounds to deny the applicant or employee their employment on the project.
 - g. No individual who tests negative for drugs and alcohol pursuant to the above procedure and becomes employed on the project shall again be subjected to drug and alcohol testing with the following exceptions:

- 1) Employees who are involved in industrial accidents resulting in damage to plant, property, or equipment or injury to themselves or others may be tested for drugs or alcohol pursuant to the procedures stated hereinabove.
 - 2) The Contractor may test employees following thirty (30) days' advance written notice to the employee(s) to be tested and to the applicable Union. Notice to the applicable Union shall be sent by certified mail to the affected Union with a copy to the Project Labor Coordinator. Such testing shall be pursuant to the procedures stated hereinabove.
 - 3) The Contractor may test an employee where the Contractor has reasonable cause to believe that the employee is impaired from performing their job. Reasonable cause shall be defined as being aberrant or unusual behavior, the type of which is a recognized and accepted symptom of impairment (e.g., slurred speech, unusual lack of muscular coordination). Such behavior must be actually observed by at least two (2) persons, one (1) of whom shall be a supervisor who has been trained to recognize the symptoms of drug and alcohol abuse or impairment and the other of whom shall be the Job Steward. If the Job Steward is unavailable or there is no Job Steward on the Covered Project, the other person shall be a member of the applicable Union's bargaining unit. Testing shall be pursuant to the procedures stated hereinabove. Employees who are tested pursuant to the exceptions set forth in this paragraph and who test positive will be removed from the Contractor's payroll.
- h. Applicants or employees who do not test positive shall be paid for all time lost while undergoing drug and alcohol testing. Payment shall be at the applicable wage and benefit rates set forth in the Applicable Prevailing Wage Laws. Applicants who have been dispatched from the Union and who are not put to work pending the results of a test will be paid waiting time until such time as they are put to work. It is understood that an applicant must pass the test as a condition of employment. Applicants who are put to work pending the results of a test will be considered probationary employees.
6. The Contractors will be allowed to conduct periodic jobsite drug and alcohol testing on the Project under the following conditions:
- a. The entire jobsite must be tested, including any employee or subcontractor's employee who worked on that project three (3) working days before or after the date of the test;
 - b. Jobsite testing cannot commence sooner than fifteen (15) days after start of the work on the project;
 - c. Prior to start of periodic testing, a Business Representative will be allowed to conduct an educational period on company time to explain periodic jobsite testing program to affected employees;
 - d. Testing shall be conducted by an SAMHSA-certified laboratory, pursuant to the provisions set forth in paragraph 5 hereinabove.

- e. Only two (2) periodic tests may be performed in a twelve (12)-month period.
7. It is understood that the unsafe use of prescribed medication, or where the use of prescribed medication impairs the employee's ability to perform work, is a basis for the Contractor to remove the employee from the jobsite.
 8. Any grievance or dispute that may arise out of the application of this Policy shall be subject to the grievance and arbitration procedures set forth in the CWA.
 9. The establishment or operation of this Policy shall not curtail any right of any employee found in any law, rule, or regulation. Should any part of this Policy be found unlawful by a court of competent jurisdiction or a public agency having jurisdiction over the Parties, the remaining portions of the CWA shall be unaffected, and the Parties shall enter negotiations to replace the affected provision.
 10. Present employees, if tested positive, shall have the prerogative for rehabilitation program at the employee's expense. When such program has been successfully completed, the Contractor shall not discriminate in any way against the employee. If work for which the employee is qualified exists, he/she may be reinstated.
 11. The Contractor agrees that results of urine and blood tests performed hereunder will be considered medical records held confidential to the extent permitted or required by law. Such records shall not be released to any persons or entities other than designated Contractor representatives and the applicable Union. Such release to the applicable Union shall only be allowed upon the signing of a written release by the employee, and the information contained therein shall not be used to discourage the employment of the individual applicant or employee on any subsequent occasion.
 12. Employees who seek voluntary assistance for substance abuse may not be disciplined for seeking such assistance. Requests from employees for such assistance shall remain confidential and shall not be revealed to other employees or management personnel without the employee's consent. Employees enrolled in substance abuse programs will be subject to all Contractor rules, regulations, and job performance standards with the understanding that an employee enrolled in such a program is receiving treatment for an illness.
 13. The Contractor shall indemnify and hold the Union harmless against any and all claims, demands, suits, or liabilities that may arise out of the application of this Policy.
 14. This Policy shall constitute the only Policy in effect between the Parties concerning drug and alcohol abuse, prevention, and testing. Any modifications thereto must be accomplished pursuant to collective bargaining negotiations between the Parties.

SPECIMEN REPORTING CRITERIA

Initial Test Analyte	Initial Test Cutoff ¹	Confirmatory Test Analyte	Confirmatory Test Cutoff Concentration
Marijuana metabolites (THCA) ²	50 ng/ml ³	THCA	15 ng/ml
Cocaine metabolite (Benzoylecgonine)	150 ng/ml ³	Benzoylecgonine	100 ng/ml
Codeine/ Morphine	2000 ng/ml	Codeine Morphine	2000 ng/ml 2000 ng/ml
Hydrocodone/ Hydromorphone	300 ng/ml	Hydrocodone Hydromorphone	100 ng/ml 100 ng/ml
Alcohol	0.02%	Ethanol	0.02%
Oxycodone/ Oxymorphone	100 ng/ml	Oxycodone Oxymorphone	100 ng/ml 100 ng/ml
6-Acetylmorphine	10 ng/ml	6-Acetylmorphine	10 ng/ml
Phencyclidine	25 ng/ml	Phencyclidine	25 ng/ml
Amphetamine/ Methamphetamine	500 ng/ml	Amphetamine Methamphetamine	250 ng/ml 250 ng/ml
MDMA ⁴ /MDA ⁵	500 ng/ml	MDMA MDA	250 ng/ml 250 ng/ml
Initial Test Analyte	Initial Test Cutoff	Confirmatory Test Analyte	Confirmatory Test Cutoff Concentration
Barbiturates	300 ng/ml	Barbiturates	200 ng/ml
Benzodiazepines	300 ng/ml	Benzodiazepines	300 ng/ml
Methadone ⁶	300 ng/ml	Methadone	100 ng/ml
Methaqualone	300 ng/ml	Methaqualone	300 ng/ml
Propoxyphene	300 ng/ml	Propoxyphene	100 ng/ml

¹ For grouped analytes (i.e., two or more analytes that are in the same drug class and have the same initial test cutoff):

Immunoassay: The test must be calibrated with one analyte from the group identified as the target analyte. The cross-reactivity of the immunoassay to the other analyte(s) within the group must be 80 percent or greater; if not, separate immunoassays must be used for the analytes within the group.

Alternate technology: Either one analyte or all analytes from the group must be used for calibration, depending on the technology. At least one analyte within the group must have a concentration equal to or greater than the initial test cutoff or, alternatively, the sum of the analytes present (i.e., equal to or greater than the laboratory's validated limit of quantification) must be equal to or greater than the initial test cutoff.

² An immunoassay must be calibrated with the target analyte, 9-tetrahydrocannabinol-9- carboxylic acid (THCA).

³ **Alternate technology (THCA and benzoylecgonine):** The confirmatory test cutoff must be used for an alternate technology initial test that is specific for the target analyte (i.e., 15 ng/ml for THCA, 100 ng/ml for benzoylecgonine).

⁴ Methylenedioxyamphetamine (MDMA)

⁵ Methylenedioxyamphetamine (MDA)

⁶ Employees with a prescription for methadone who are using the medication as prescribed, and are not impaired and can safely perform their work, will not be considered to have violated this Policy.

**MEMORANDUM OF UNDERSTANDING REGARDING
“QUICK” DRUG SCREENING TESTS**

It is hereby agreed between the Parties hereto that a Contractor who has otherwise properly implemented drug and alcohol testing, as set forth in the Policy, shall have the right to offer an applicant or employee a "quick" drug screening test. This “quick” screen test shall consist either of the “ICUP” urine screen or similar test or an oral screen test. The applicant or employee shall have the absolute right to select either of the two “quick” screen tests, or to reject both and request a full drug test.

An applicant or employee who selects one of the "quick" screen tests, and who passes the test, shall be put to work immediately. An applicant or employee who fails the "quick" screen test, or who rejects the "quick" screen tests, shall be tested pursuant to the procedures set forth in the Policy. The sample used for the "quick" screen test shall be discarded immediately upon conclusion of the test. An applicant or employee shall not be deprived of any rights granted to them by the Policy as a result of any occurrence related to the “quick” screen test.



BOARD MEMORANDUM

DATE: March 23, 2026
TO: BOARD OF DIRECTORS
FROM: Finance Manager/CFO Iguaran
VIA: General Manager LaMoreaux
RE: ***CONSIDERATION AND POSSIBLE ACTION 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 – INCLUDING 2026 NON-BUDGETED IMPACT OF \$482,665.00 – FINANCE MANAGER IGUARAN/FINANCE COMMITTEE)***

Recommendation:

- A) Staff and the Finance 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.
- B) Approve a budget increase of \$482,665 for 2026 for year 1 of services.

Alternative Options:

The Board can choose not to approve these 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

March 23, 2026

Software, and OpenGov—staff identified Workday as the preferred ERP platform due to its cloud-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

March 23, 2026

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.

Budget:

The total budget impact of \$2,000,000 is over a 10-year period. The 2026 non-budgeted increase of \$482,665 would be charged to account 1-09-8100-151 for Software Maintenance & Service.

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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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

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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 Calendars and	Holiday Calendars
Time Tracking	Schedules Calendars and	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/PA Engagement Manager	ERP/PA 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/PA Engagement Manager	ERP/PA 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/PA 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.



BOARD MEMORANDUM

DATE: March 23, 2026
TO: BOARD OF DIRECTORS
FROM: Facilities Manager Wall
VIA: Assistant General Manager Rogers
General Manager LaMoreaux
RE: *CONSIDERATION AND POSSIBLE ACTION TO APPROVE AND AUTHORIZE THE GENERAL MANAGER TO ENTER INTO AN AGREEMENT WITH ANDRITZ HYDRO DIVISION, SUBJECT TO GENERAL COUNSEL APPROVAL, FOR THE STARTUP AND COMMISSIONING OF THE HYDROELECTRIC TURBINE GENERATOR. (\$91,000.00 – NOT-TO-EXCEED – NON-BUDGETED – WORK ORDER NO. 25-612 – FACILITIES MANAGER WALL)*

Recommendation:

- A) Staff recommends that the Board approve and authorize the General Manager to enter into an agreement with Andritz Hydro Division, subject to general counsel approval, for the startup and commissioning of the Hydroelectric Turbine Generator in the not-to-exceed amount of \$91,000.00
- B) Approve Capital Budget increase of \$91,000 to W.O. 25-612 Hydroelectric Turbine Generator

Alternative Options:

The Board can choose not to approve the startup and commissioning of Hydroelectric Turbine Generator.

Impact of Taking No Action:

Taking no action would not ensure that the unit operates efficiently with all the operational parameters checked and in place.

Background:

The Board previously approved the repair work of the Hydroelectric Turbine Generator by Turbine Repair Services and Energy Management Corporation in two separate contracts that each specialize in specific repairs of the Turbine Generator.

Andritz Hydro Division, the U.S. distributor of the VA Tech Bouvier Hydro Unit, is the only vendor qualified to perform the startup and commissioning of this equipment. Their team will verify that all operational parameters are properly configured, including fail-safe functions, and will monitor the unit to ensure it operates at optimal efficiency. The attached scope of work outlines the specific tasks included in their commissioning services. Andritz has also provided a quote detailing the full scope and associated costs.

March 23, 2026

Strategic Plan Initiative/Mission Statement:

This item is under Strategic Initiative No. 3 – Systems Efficiency

Budget:

The non-budgeted impact would increase the Capital Budget for W.O. 25-612 Hydroelectric Turbine Generator in the not-to-exceed amount of \$91,000.00.

Supporting Documents:

- Andritz Hydro Division Quote



Palmdale GS – Palmdale Water District

Proposal No.: 2601.9004.VC
Revision No.: Budget Proposal

RFP No.: TBD
Date: 13-FEB-2026



Customer: Palmdale Water District
Project: Palmdale GS
Attention: Mr. Scott Hulsebus
Operations Maintenance Supervisor
ehulsebus@palmdaledistrict.org

Contact: ANDRITZ Hydro
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1 BUDGET PRICING LIST AND TIMELINE

Description	Sale price
Flights: Round trip home – Los Angeles (2 X)	\$1,800.00
Car Rental (14 day rental)	\$900.00
Per diem \$90.00 per day (2 men)	\$2,520.00
Hotel (\$150.00 per day, per person) (14 days)	\$4200.00
Estimated General commissioning specialist site time 14 days (\$2400.00 / day) 10 hrs/day	\$33,600.00
Estimated site time 4 days for electrical / protection specialist (\$1920.00 / day) 10 hrs/day	\$9,600.00
Office engineering review + site commisiong team preparation time 160 hrs (\$240.00 / hr)	\$38,400.00
TOTAL	\$91,020.00

2 TIMELINE

Based on the condition of the unit, the presence of critical rotating equipment with previous bearing replacements, and the coordination required with Owner-provided systems (controls, protection, vibration monitoring, and utility interconnection), a minimum advance notice of six (6) to eight (8) weeks is required prior to mobilization for on-site commissioning activities.

This lead time is necessary to:

- Review and validate as-built documentation and protection/control settings
- Confirm availability and readiness of Owner-provided software, test equipment, and personnel
- Coordinate utility interconnection windows and required permits
- Prepare a detailed commissioning execution plan and safety documentation

The on-site commissioning duration is estimated at approximately 14 working days, assuming that all pre-commissioning readiness items have been completed and verified prior to mobilization.

Any delays in documentation availability, equipment readiness, software access, or utility coordination may impact the commissioning schedule and result in additional site time.

Final mobilization dates will be confirmed only after a joint readiness review and formal 'Ready for Commissioning' confirmation from the Owner.





3 EQUIPMENT & SOFTWARE RESPONSABILITIES

Successful execution of the commissioning activities described in this proposal requires the availability of specific test equipment, software, system access, and qualified personnel. Responsibilities are outlined below to clearly define the scope and interfaces between ANDRITZ Hydro and the Owner.

3.1 OWNER-PROVIDED EQUIPMENT, SOFTWARE, AND ACCESS

The Owner shall provide, at a minimum, the following items prior to mobilization and throughout on-site commissioning:

Control System & HMI Access

- A dedicated PC or laptop suitable for commissioning activities, capable of connecting to the unit control system (PLC / controller / HMI / SCADA).
- All required OEM and licensed software, configuration tools, drivers, and communication cables necessary to:
 - Access controller logic and parameters
 - Review and verify alarm and trip setpoints
 - Monitor real-time process values (bearing temperatures, oil pressures, vibration inputs, etc.)
 - User credentials and access rights sufficient to view and verify configurations and diagnostics.

Note: ANDRITZ Hydro does not supply licensed control system software or Owner-specific PCs unless explicitly stated in the commercial scope.

Protection Relays & Electrical Systems

- Access to protection relays (generator, transformer, intertie, anti-islanding, etc.), including:
 - Relay front panels, communication ports, and wiring diagrams
 - OEM relay configuration software and licenses
- Availability of relay settings files ("as-found" and "as-left") for review.
- Primary current/voltage injection testing is **not included** unless explicitly defined in the scope. Functional verification will be performed via logic checks, secondary simulations, or signal injection where feasible and agreed.

Vibration Monitoring System

Confirmation of whether a permanent vibration monitoring system is installed, including:





- Type of sensors (proximity probes, accelerometers, RTDs, etc.)
- Sensor locations and wiring status
- Interface to HMI / SCADA or local monitoring equipment
- If a permanent system is installed:
 - Access to vibration data during commissioning
 - Alarm and trip setpoints available for review
- If no permanent system exists:
 - Owner to advise whether temporary vibration monitoring will be provided or if monitoring will be limited to installed instrumentation.

Note: ANDRITZ Hydro does not assume the supply or installation of temporary vibration instrumentation unless explicitly included in the scope.

Electrical Test Equipment (Site-Provided unless agreed otherwise)

- Multimeters and clamp meters suitable for 480 V systems
- Phase rotation meter
- Insulation resistance tester (Megger), if required by site procedures

Utility & Interconnection Coordination

- Utility approvals, permits, and switching windows required for energization, paralleling, and protection testing
- Utility representative availability during first synchronization, if required

3.2 ANDRITZ HYDRO RESPONSIBILITIES

ANDRITZ Hydro commissioning personnel will:

- Define the commissioning sequence and test methodology
- Review available documentation, settings, and system configurations
- Perform functional testing, observations, and recordings using Owner-provided systems and access
- Identify deficiencies, risks, or readiness gaps encountered during commissioning
- Document test results, findings, and recommendations in a commissioning report

3.3 ASSUMPTIONS & LIMITATIONS

- Commissioning activities are based on the assumptions that all mechanical and electrical installation works has been completed prior to mobilization.





- Delays caused by lack of access, missing software, unavailable equipment, or incomplete installation may impact the commissioning schedule and result in additional site time or costs.
- Any additional testing scope (e.g., primary relay injection, temporary vibration system installation, specialized diagnostics) shall be addressed via change order.

4 DESCRIPTION

This proposal describes a structured commissioning sequence covering mechanical and electrical checks and tests, including off-grid (not paralleled) and on-grid (paralleled) operation of the unit.

The scope explicitly addresses the babbitt bearing lubrication oil system and the 480 V capacitor bank, recognizing their critical role in safe unit start-up and operation.

The commissioning approach is based on a phased methodology intended to:

- Reduce technical risk during initial rotation and first grid connection
- Verify mechanical integrity prior to electrical export
- Confirm correct interaction between the induction generator, auxiliary systems, protection, and grid interconnection

The detailed commissioning activities are described in the following sections and are subject to verification of Owner readiness and availability of required systems, equipment, and access as outlined in the Timeline and Equipment & Software Responsibilities sections.

5 COMMISSIONING ACTIVITIES

5.1 DOCUMENTATION & READINESS PACKAGE

Prior to mobilization and commencement of on-site commissioning activities, the following documentation and readiness items shall be available and reviewed as applicable:

- **Turbine-Generator:** As-built one-lines, schematics, , wiring/termination sheets, I/O lists, interlocks, alarm/trip matrix.
- OEM O&M manuals for turbine, induction machine, bearings, lube oil unit, breaker, transformer, capacitor bank.
- Test equipment list coordination with utility for energization windows.
- Risk assessment + **LOTO / Permit-to-Work** plan



- Commissioning roles & sequencing approach aligned with a structured commissioning planning/execution framework.
- **Isolation Intake valve or intake gate:** “Ready for Commissioning” sign-off (mechanical completion + electrical completion + safety readiness) consistent with standard commissioning governance.

5.2 PHASE A - PRE COMMISSIONING MECHANICAL READINESS (NON-ENERGIZED / DRY)

The purpose of Phase A is to verify mechanical readiness and preconditions prior to any electrical energization or unit rotation. Activities in this phase are limited to verification of installation status, documentation review, and functional readiness, and do not constitute certification or re-engineering of completed mechanical work.

Note: ANDRITZ Hydro activities will be limited to verification of documentation and observable conditions. Responsibility for mechanical installation accuracy remains with the installation contractor and/or Owner.

5.2.1 A2. BABBITT BEARING & LUBE OIL SYSTEM READINESS (CRITICAL PATH)

Given the presence of babbitt bearings and prior bearing replacement history, the lubrication system shall be treated as a mandatory pass condition prior to any unit rotation above crawl speed.

5.2.2 A3. AUXILIARY MECHANICAL CHECKS

Verification that auxiliary mechanical systems required for safe operation are mechanically complete and available, including:

5.2.3 A4. MECHANICAL SAFETY & READINESS SIGN-OFF

- Confirmation that a **mechanical completion and safety readiness sign-off** has been completed for the turbine-generator unit and associated auxiliaries.
- Confirmation that the intake valve or intake gate is mechanically complete and designated as **“Ready for Commissioning”**, consistent with the Owner’s commissioning governance process.

5.2.4 PHASE A EXIT CRITERIA

Phase A shall be considered complete when:

- Required mechanical documentation is available and reviewed
- No observable mechanical conditions exist that would prevent safe energization or initial rotation



- All critical lubrication system prerequisites are satisfied

Any deficiencies identified during Phase A shall be documented and resolved prior to proceeding to Phase B.

5.3 PHASE B — ELECTRICAL COMPLETION & READINESS CHECKS (DE-ENERGIZED / COLD)

The purpose of Phase B is to verify electrical installation completeness, wiring correctness, grounding integrity, and protection readiness prior to any application of electrical power. All activities in this phase are performed with equipment de-energized and are limited to inspection, documentation review, and functional verification where possible.

5.3.1 B1. GROUNDING, BONDING AND ELECTRICAL SAFETY

- Verify equipment grounding/bonding: generator frame, lube skid, MCC, transformer tank, capacitor bank enclosure, DC batter bank, cable shields, neutral/earthing arrangement.
- Confirmation that grounding arrangements are consistent with design documentation and applicable standards.
- Verify arc-flash labeling/approach boundaries and electrical safety signage are installed per site electrical safety program.

5.3.2 B2. INDUCTION MACHINE (USED AS GENERATOR) STATIC TESTS

Perform as applicable (per OEM + recognized practices for rotating machines):

- Verification of stator winding identification and correct phase designation.
- Verification of stator lead terminations against as-built drawings.
- Phase rotation verification (where applicable and safe to do so).
- Inspection of space heaters (if installed): wiring, insulation condition, and continuity.
- Visual inspection of terminal boxes, glands, and cable entries for completeness and damage.

Note: Insulation resistance testing (Megger) and other electrical tests are performed only if permitted by OEM recommendations and Owner procedures and using Owner-provided test equipment.

5.3.3 B3. SWITCHGEAR/BREAKER AT 480 V (GENERATOR BREAKER + DOWNSTREAM BUS)

- Visual/mechanical: racking, interlocks, contact wear indicators, trip free, aux contacts.
- Control power checks (AC/DC), breaker close/trip circuits continuity. Status and alarm feedback to control system





- Verification of CT and VT wiring polarity and termination consistency with as-built documentation (no primary injection).

5.3.4 B4. PROTECTION & INTERLOCKING READINESS (COLD CHECKS)

- Review of available protection relay settings and coordination documentation,
- Verification that protection relay outputs are correctly wired to the generator breaker trip circuits.
- Verification of interlocks preventing unsafe operation, including:
 - Breaker close permissives
 - Capacitor bank interlocks
 - Lockout conditions

Note: Primary current or voltage injection testing is not included unless explicitly defined in the scope.

5.3.5 B5. CAPACITOR BANK – ELECTRICAL READINESS & RISK MITIGATION

- Verification that the 480 V capacitor bank is mechanically and electrically complete, including:
 - Correct wiring and phase configuration
 - Discharge resistors installed and functional
 - Proper grounding and enclosure integrity
- Verification that capacitor bank switching devices are suitable for capacitor duty.
- Confirmation that control logic and interlocks prevent unintended capacitor energization during off-grid or islanded conditions.

Note: Capacitor bank shall remain locked out during all de-energized and mechanical test phases unless explicitly required and approved for subsequent commissioning stages.

Critical functional warning for your architecture: If the capacitor bank remains connected while the generator is separated from the grid, you have a plausible self-excitation pathway. Induction generators **can become self-excited when capacitors exist within an isolated system**, and this can be accompanied by a **sudden increase in terminal voltage** that may damage equipment. So, your interlocks/protection must explicitly address such islanding scenarios

5.3.6 PHASE B EXIT CRITERIA

Phase B shall be considered complete when:

- Electrical installation is verified complete and consistent with documentation
- Grounding and bonding integrity is confirmed





- Protection and interlocking wiring paths are verified
- No electrical deficiencies exist that would prevent safe energization of auxiliaries

Any deficiencies identified during Phase B shall be documented and resolved prior to proceeding to Phase C.

5.4 PHASE C – ENERGIZED AUXILIARY SYSTEMS & CONTROL VERIFICATION (NOT PARALLELED)

The purpose of Phase C is to safely energize auxiliary electrical systems and verify correct operation of control logic, instrumentation, alarms, trips, and permissives prior to any turbine or generator rotation. The generator remains off line, not paralleled to the grid during all Phase C activities.

5.4.1 C1. CONTROL POWER & AUXILIARY ENERGIZATION

- Energization of station service, MCCs, control panels, and auxiliary power supplies in accordance with site procedures.
- Verification of correct voltage levels, phase sequence, and availability of control power (AC and DC where applicable).
- Confirmation that all emergency stop devices, lockout conditions, and safety circuits are functional and active.

5.4.2 C2. CONTROL SYSTEM, I/O & SOFTWARE ACCESS VERIFICATION

- Verification of connectivity between Owner-provided PC and the unit control system (PLC / controller / HMI / SCADA).
- Point-to-point verification of critical I/O associated with safe operation, including:
 - Bearing metal temperatures
 - Lube oil pressures, temperatures, and flows
 - Vibration inputs (if installed)
 - Level switches, interlocks, and trip signals
- Verification that alarms and trips are correctly annunciated at the HMI / SCADA.
- Review of alarm and trip setpoints for critical protection functions.

Note: *ANDRITZ Hydro activities are limited to verification and observation using Owner-provided software and access. Modification of control logic or protection settings is not included unless explicitly defined in the scope.*

5.4.3 C3. LUBE OIL SYSTEM – ENERGIZED FUNCTIONAL TESTING (CRITICAL)

The lubrication oil system shall be proven fully functional prior to any turbine or generator



rotation.

- Manual and automatic start testing of main lube oil pump:
 - Verification of pressure build-up and stable flow
 - Confirmation of proper header pressure to all bearings
- Verification of standby or DC pump operation (if installed), including automatic start on simulated low pressure or pump failure.
- Verification of oil heater and temperature control logic.
- Verification of oil cooler operation and cooling water availability (if applicable).
- Verification of filter differential pressure indication and alarm.
- Verification of low oil level alarm and shutdown logic.
- Confirmation of oil return flow and absence of leaks, foaming, or abnormal behavior.

Note: If jacking oil or lift oil systems are installed, permissives and functional readiness shall be verified prior to rotation.

5.4.4 C4. PERMISSIVES, TRIPS & PROTECTIVE FUNCTIONS

- Verification of start permissives required to allow rotation, including (as applicable):
 - Lube oil pressure healthy
 - Bearing temperatures within limits
 - Control power healthy
 - Emergency stop reset
 - Intake valve / gate status
- Functional verification of trip signals through simulation or signal injection, including:
 - Emergency stop
 - Low lube oil pressure
 - High bearing temperature (simulation only)

Note: Trips shall be verified by signal simulation where possible; hardware overheating or forced fault conditions are explicitly excluded.

5.4.5 PHASE C EXIT CRITERIA

Phase C shall be considered complete when:

- Auxiliary systems are energized and stable
- Control system communication and alarm annunciation are verified
- Lube oil system performance is confirmed satisfactory
- All required permissives are validated
-

Note: Any abnormal behavior or unresolved alarms shall be corrected prior to proceeding to Phase D (unit rotation).



5.5 PHASE D — “OFF-GRID” TESTING (UNIT TURNING, NOT PARALLELED)

5.5.1 D1. OFF-GRID MECHANICAL RUN (RECOMMENDED FIRST STEP)

Configuration: Generator breaker OPEN, capacitor bank LOCKED OUT/OPEN, transformer isolated as required.

Purpose: prove mechanical behavior without electrical export.

Steps:

1. Establish lube oil at bearings; record baseline oil pressure/temps/flows.
2. Roll turbine to low speed; verify vibration and bearing temperatures stable.
3. Increase to rated speed (as permitted by turbine design), verify:
 - Bearing metal temps stable/trending acceptable
 - Vibration within limits
 - No abnormal noise/rub
4. Trip tests that do **not** require electrical paralleling: E-stop, mechanical overspeed device input, low lube oil pressure trip simulation (done carefully), bearing high temp alarm simulation (by signal injection, not overheating hardware).

Recording and evaluation include temperatures, vibration, oil pressures, speed, and trip time stamps.

Review recorded data to confirm acceptable trends prior to proceeding to grid-connected testing.

5.5.2 PHASE D EXIT CRITERIA

Phase D shall be considered complete when:

- The unit can be safely rolled and operated at target speed without abnormal mechanical behavior
- Bearing temperatures and vibration trends are stable and within acceptable limits
- No unresolved alarms or trips are present

Any deviations identified during Phase D shall be resolved prior to proceeding to Phase E (Grid Interconnection Readiness).

5.5.3 D2. OFF-GRID ELECTRICAL GENERATION (ONLY IF YOU EXPLICITLY DESIGNED FOR ISLANDED/SELF-EXCITED OPERATION)





If you intend to generate off-grid using the capacitor bank, treat it as a separate test mode with strong safeguards:

- **Risk:** self-excitation and overvoltage are known hazards when capacitors are present in an isolated induction generator system.
- If you proceed, require: controlled load bank, voltage monitoring, overvoltage protection proven, discharge resistors verified, and an operator “hands-off” boundary.

Typical test intentions (high level):

- Verify voltage build-up behavior and regulation within your design envelope.
- Step load (if possible) with a resistive load bank monitor voltage/frequency behavior (standalone induction systems vary with speed/load).

If you **did not** design for islanded mode, skip D2 entirely and keep capacitors locked out until on-grid commissioning.

5.6 PHASE E — GRID INTERCONNECTION READINESS (PRE-PARALLEL)

The purpose of Phase E is to confirm readiness of the unit, protection systems, interlocks, and grid coordination prior to first synchronization and connection to the electrical grid. No generator breaker closing occurs during this phase.

5.6.1 E1. PROTECTION AND INTERTIE VERIFICATION (CRITICAL)

At minimum, prove:

- All protection relays powered, programmed, and have correct CT/VT inputs.
- Trip path from relay → generator breaker proven (end-to-end).
- Generator breaker status and control

5.6.2 E2. ANTI-ISLANDING / CAPACITOR INTERACTION SAFEGUARDS

Because the capacitor bank is on the 480V side **downstream of the generator breaker**, ensure the following logic exists and is tested:

- On loss of grid (utility breaker open / undervoltage / underfrequency / ROCOF or equivalent), the scheme must **trip/isolate** the induction generator and manage capacitors to prevent sustained islanding/self-excitation.
- The protective relaying reference explicitly notes that undervoltage relaying may be adequate where self-excited operation is not possible, but where self-excited operation is possible, anti-islanding relaying should be provided.



5.6.3 E3. CAPACITOR BANK SWITCHING DEVICE SUITABILITY

Capacitor banks can have severe inrush; switching devices must be suitable for capacitor duty.

5.6.4 E4. GENERATOR BREAKER & SYNCHRONIZATION READINESS

- Verification that generator breaker closing permissives are satisfied, including:
 - Unit speed within acceptable range
 - No active trips or lockouts
 - Control system ready status
- Confirmation of breaker closing logic and indication feedback.
- Coordination with utility representative for first synchronization, where required.

No synchronization or breaker closing is performed during Phase E.

5.7 PHASE F — FIRST PARALLELING / ON-GRID COMMISSIONING

The purpose of Phase F is to perform the first controlled connection of the induction generator to the electrical grid and to validate stable operation at low and increasing load levels. All activities are conducted in coordination with the utility and in accordance with approved interconnection procedures.

Key concept for induction generator grid connection

A squirrel-cage induction machine used as a generator typically:

- Must be brought near synchronous speed by the turbine, then connected to the grid.
- Will draw magnetizing VARs from the grid and/or capacitor bank.
- Connection can produce inrush current/torque transients and must be mitigated by proper closing conditions and protection.

5.7.1 F1. INITIAL GRID CONNECTION (NO EXPORT / MINIMAL EXPORT)

Configuration: utility available, transformer energized as per interconnection plan, capacitor bank initially OFF unless required by design studies.

Steps (high-level, safe):



1. Verify grid voltage present and stable on the 480V bus (through transformer path as designed).
2. Run turbine up to target speed (close to synchronous).
3. Close generator breaker under approved conditions (utility coordination).
4. Observe:
 - Stator current inrush magnitude and decay
 - Voltage dip on bus (if metered)
 - Bearing temps/vibration response
5. If stable, proceed to controlled export by increasing turbine power.

5.7.2 F2. LOW-LOAD STABILIZATION

- Operate the unit at **minimal export or no-export condition** to confirm stable on-grid operation.
- Verify:
 - Stable bearing metal temperatures and acceptable rate of rise
 - Stable vibration levels and trends (if instrumentation is installed)
 - Lube oil system stability with no alarms
- Confirm that protection systems remain stable with no nuisance trips.

5.7.3 F3. REACTIVE POWER / POWER FACTOR / CAPACITOR BANK COMMISSIONING (ON-GRID)

With the unit connected:

1. Bring unit to a small export level; confirm stable operation.
2. Energize capacitor bank while monitoring: (can it be energized in steps?)
 - 480V bus voltage
 - Generator current and power factor

Record: PF, kW/kVAR, voltage, current, temperature rise.

5.7.4 F3. LOAD RAMP AND PERFORMANCE CHECKS

- Step active power upward in increments to rated (or contract limit).
- At each step: record bearing metal temps, oil temps, vibration, stator currents, transformer temps.
- Confirm no overheating of babbitt bearings—babbitt is temperature sensitive; your O&M limits must drive accept/reject.

5.8 PHASE G — PROTECTION “HOT” TESTS AND FUNCTIONAL TRIP PROOFS (ON-GRID)





Danger: primary fault tests—they are hazardous and often require utility permits and specialized test crews. If included in contract scope, these tests are done under a formal plan.

- Trip on undervoltage/underfrequency where used for islanding separation (logic proof + trip path).
- Breaker failure logic (if present) proof by simulation.

5.9 PHASE H — RELIABILITY RUN & HANDOVER

- 4–8 hour (or contract) reliability run at representative load.
- Post-run inspections: oil filters DP trend, oil sample (cleanliness/water), bearing wipe inspection if OEM requires.
- Final as-left settings sheets, redlines, commissioning report, punch list closeout.

Safety note (important): Commissioning a hydro unit tied to a 480 Vac grid with a step-up transformer and a capacitor bank involves arc-flash, rotating equipment, hydraulic pressure, and potential dangerous overvoltage/self-excitation conditions. The sequence above is intended as a commissioning plan template for qualified commissioning personnel working under your site's LOTO/permit system, OEM manuals, and applicable codes/standards. In particular, induction generators can self-excite when capacitors are present, potentially causing a sudden terminal voltage rise and equipment damage if islanded.



BOARD MEMORANDUM

DAT March 23, 2026
TO: BOARD OF DIRECTORS
FRO Human Resources Director Garcia
VIA: General Manager LaMoreaux
RE: *CONSIDERATION AND POSSIBLE ACTION TO APPROVE AND AUTHORIZE THE GENERAL MANAGER OR HIS DESIGNEE TO ENTER INTO A CONTRACT AGREEMENT WITH CPS HR CONSULTING TO ASSIST WITH RECRUITMENT CAMPAIGN FOR SENIOR/PRINCIPAL ENGINEER POSITION. (\$17,000.00 – NOT-TO-EXCEED – BUDGETED – HUMAN RESOURCES DIRECTOR GARCIA)*

Recommendation:

Staff recommends that the Board approve and authorize the General Manager or his designee to enter into a Contract Agreement with CPS HR Consulting to assist with a recruitment campaign for the Senior/Principal Engineer Position in the not-to-exceed amount of \$17,000.00

Alternative Options:

The alternative is to not authorize this Contract Agreement.

Impact of Taking No Action:

If no action is taken, the District's Senior/Principal Engineer position will remain vacant.

Background:

After several months of recruitment efforts, the District has been unable to attract a sufficient pool of qualified candidates for the Senior/Principal Engineer position. CPS HR's services will assist the District by expanding access to qualified applicants.

Budget:

This item is budgeted in the not-to-exceed amount of \$17,000.00.

Supporting Documents:

- District agreement for CPSHR services

CONTRACT DOCUMENTS AND SPECIFICATIONS

RECRUITMENT AND SELECTION SERVICES - PRINCIPAL/SENIOR ENGINEER

PROJECT ID 2026-008



PALMDALE WATER DISTRICT

A CENTURY OF SERVICE

Palmdale Water District
2029 E Avenue Q
Palmdale, CA 93550

<https://www.palmdalewater.org/>

Palmdale Water District

RECRUITMENT AND SELECTION SERVICES - PRINCIPAL/SENIOR ENGINEER
2026-008

- I. Palmdale Water District
- II. Recitals
- III. Services of Consultant
- IV. Compensation
- V. Performance Schedule
- VI. Coordination of Work.....
- VII. Insurance and Indemnification
- VIII. Records, Reports and Release of Information
- IX. Enforcement of Agreement and Termination
- X. Miscellaneous.....

Attachments:

- A - Scope_of_Services
- B - Special_Requirements
- C - Schedule_of_Compensation
- D - Schedule_of_Performance
- E - Cost Proposal dated February 4, 2026

I. Palmdale Water District

AGREEMENT FOR PROFESSIONAL SERVICES FOR Recruitment and Selection Services - Principal/Senior Engineer
THIS AGREEMENT FOR PROFESSIONAL SERVICES (herein "Agreement") is made and entered into on the effective date set forth below, by and between the PALMDALE WATER DISTRICT, a California public agency organized and existing under the provisions of the California Water Code ("District") and CPS HR Consulting, a California Joint Powers Authority (herein "Consultant"). District and Consultant are sometimes hereinafter individually referred to as "Party" and hereinafter collectively referred to as the "Parties."

II. Recitals

WHEREAS, the District requires professional recruitment and selection services for hiring a Principal/Senior Engineer;

WHEREAS, the Consultant has demonstrated expertise in assisting public agencies with search, screening, and placement at the management level and is qualified to provide the professional recruitment and selection services required by District; and

WHEREAS, the District and Consultant desire to enter into a contract for the provision of professional services for the recruitment and selection of a Principal/Senior Engineer, as delineated in the Scope of Work attached hereto as Exhibit A (collectively, the "Services"), subject to the terms and conditions of this Agreement

NOW, THEREFORE, the parties hereto agree as follows:

III. Services of Consultant

A. SCOPE OF SERVICES

In compliance with all of the terms and conditions of this Agreement, the Consultant shall perform the work or services set forth in the "Scope of Services" attached hereto as [Exhibit "A"](#) and incorporated herein by reference. Consultant warrants that it has the experience and ability to perform all work and services required hereunder and that it shall diligently perform such work and services in a professional and satisfactory manner.

B. COMPLIANCE WITH LAW

All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the District and any Federal, State or local governmental agency of competent jurisdiction.

C. CALIFORNIA LABOR LAW

If the Scope of Services includes any “public work” or “maintenance work,” as those terms are defined in California Labor Code section 1720 et seq. and California Code of Regulations, Title 8, Section 16000 et seq., and if the total compensation is \$1,000 or more, Consultant shall pay prevailing wages for such work and comply with the requirements in California Labor Code section 1770 et seq. and 1810 et seq., and all other applicable laws.

D. LICENSES, PERMITS, FEES AND ASSESSMENTS

Consultant shall obtain at its sole cost and expense such licenses, permits, and approvals as may be required by law for the performance of the services required by the Agreement.

E. SPECIAL REQUIREMENTS

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the “Special Requirements” attached hereto as [Exhibit "B"](#) and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

IV. Compensation

F. CONTRACT SUM

For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as [Exhibit "C"](#) and incorporated herein by this reference, but not exceeding the maximum contract amount of Seventeen Thousand Dollars (\$17,000) (“Contract Sum”).

G. INVOICES

Each month Consultant shall furnish to the District an original invoice for all work performed and expenses incurred during the preceding month in a form approved by the District’s Director of Finance. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. The invoice shall contain all information specified in Exhibit "C" and shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories. Consultant shall not invoice the District for any duplicate services performed by more than one person.

District shall independently review each invoice submitted by the Consultant to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by the District, District will use its best efforts to cause Consultant to be paid within forty five (45) days of receipt of Consultant’s correct and undisputed invoice; however, Consultant acknowledges and agrees that due to the District’s warrant run procedures, the District cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by the District, the original invoice shall be returned by District to Consultant

for correction and resubmission. Review and payment by the District of any invoice provided by the Consultant shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

H. ADDITIONAL SERVICES

District shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the subsection SCOPE OF SERVICES within the section titled [Services of Consultant](#) or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum for the actual cost of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to ten percent (10%) of the Contract Sum but not exceeding a total contract amount of Ten Thousand Dollars (\$10,000) or in the time to perform of up to ninety (90) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the Board of Directors. No claim for an increase in the Contract Sum or time for performance shall be valid unless the procedures established in this Section are followed.

V. Performance Schedule

I. TIME OF ESSENCE

Time is of the essence in the performance of this Agreement.

J. SCHEDULE OF PERFORMANCE

Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as [Exhibit "D"](#) and incorporated herein by this reference. When requested by the Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding thirty (30) days cumulatively.

K. FORCE MAJEURE

The time period(s) specified in the SCHEDULE OF PERFORMANCE for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the District, if the Consultant shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Consultant be entitled to recover damages against the District for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

L. TERM

Unless earlier terminated in accordance with "[Enforcement of Agreement and Termination](#)" of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding December 31, 2026 from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D").

VI. Coordination of Work

M. REPRESENTATIVE OF CONSULTANT

Christina Peacock, Manager of Talent Acquisition and HR Services is hereby designated as being the representative of Consultant authorized to act on its behalf with respect to the work and services specified herein and make all decisions in connection therewith. All personnel of Consultant and any authorized agents shall be under the exclusive direction of the representative of Consultant. Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant’s staff and subcontractors, and shall keep the District informed of any changes.

N. CONTRACT OFFICER

Angelica Garcia, Human Resources Director [or such person as may be designated by the General Manager] is hereby designated as being the representative the District authorized to act in its behalf with respect to the work and services specified herein and to make all decisions in connection therewith (“Contract Officer”).

O. PROHIBITION AGAINST SUBCONTRACTING OR ASSIGNMENT

Consultant shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the District. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of District. Any such prohibited assignment or transfer shall be void.

P. INDEPENDENT CONSULTANT

Neither the District nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth. Consultant shall perform all services required herein as an independent contractor of the District with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of the District, or that it is a member of a joint enterprise with the District.

VII. Insurance and Indemnification

Q. INSURANCE COVERAGES

Without limiting Consultant's indemnification of District, and prior to commencement of any services under this Agreement, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to District.

R. GENERAL LIABILITY INSURANCE

Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$2,000,000 per occurrence, \$4,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

S. AUTOMOBILE LIABILITY INSURANCE

Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Services to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident.

T. PROFESSIONAL LIABILITY (ERRORS & OMISSIONS) INSURANCE

Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement and Consultant agrees to maintain continuous coverage through a period no less than three (3) years after completion of the services required by this Agreement.

U. WORKERS' COMPENSATION INSURANCE

Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000).

V. SUBCONTRACTORS

Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall include all of the requirements stated herein.

W. ADDITIONAL INSURANCE

Policies of such other insurance, as may be required in the Special Requirements in Exhibit "B".

X. PROOF OF INSURANCE

Consultant shall provide certificates of insurance to the District as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by the District's General Manager prior to commencement of performance. Current certification of insurance shall be kept on file with District at all times during the term of this Agreement. District reserves the right to require complete, certified copies of all required insurance policies, at any time.

Y. DURATION OF COVERAGE

Consultant shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Services hereunder by Consultant, its agents, representatives, employees or subconsultants.

Z. PRIMARY/NONCONTRIBUTING

Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by District shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the District before the District's own insurance or self-insurance shall be called upon to protect it as a named insured.

AA. DISTRICT'S RIGHT OF ENFORCEMENT

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

BB. ACCEPTABLE INSURERS

All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or that is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the General Manager.

CC. WAIVER OF SUBROGATION

All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against District, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against the District, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

DD. ENFORCEMENT OF CONTRACT PROVISIONS (NON-ESTOPPEL)

Consultant acknowledges and agrees that any actual or alleged failure on the part of the District to inform Consultant of non-compliance with any requirement imposes no additional obligations on the District nor does it waive any rights hereunder.

EE. REQUIREMENTS NOT LIMITING

Requirements of specific coverage features or limits contained in this section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the District requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the District.

FF. NOTICE OF CANCELLATION

Consultant agrees to oblige its insurance agent or broker and insurers to provide to the District with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

GG. ADDITIONAL INSURED STATUS

General liability policies shall provide or be endorsed to provide that District and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

HH. PROHIBITION OF UNDISCLOSED COVERAGE LIMITATIONS

None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to the District and approved of in writing.

II. SEPARATION OF INSUREDS

A severability of interests provision must apply for all additional insureds ensuring that Consultant’s insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer’s limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

JJ. PASS THROUGH CLAUSE

Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to the District for review.

KK. AGENCY'S RIGHT TO REVISE SPECIFICATIONS

The District reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the District and Consultant may renegotiate Consultant's compensation.

LL. SELF-INSURED RETENTIONS

Any self-insured retentions must be declared to and approved by the District. District reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by the District.

MM. TIMELY NOTICE OF CLAIMS

Consultant shall give the District prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

NN. GENERAL INSURANCE REQUIREMENTS ADDITIONAL INSURANCE

Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

OO. INDEMNIFICATION

To the full extent permitted by law, Consultant agrees to indemnify, defend and hold harmless the District, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Consultant, its officers, employees, agents, subcontractors, invitees, or any individual or entity for which Consultant is legally liable ("indemnitors"), or arising from Consultant's or indemnitors' reckless or willful misconduct, or arising from Consultant's or indemnitors' negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, except claims or liabilities occurring as a result of District's sole negligence or willful acts or omissions. The indemnity obligation shall be binding on successors and assigns of Consultant and shall survive termination of this Agreement.

VIII. Records, Reports and Release of Information

PP. RECORDS

Consultant shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to District and

services performed hereunder (the “books and records”), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services and shall keep such records for a period of three years following completion of the services hereunder. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of the District, including the right to inspect, copy, audit and make records and transcripts from such records.

QQ. REPORTS

Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement or as the Contract Officer shall require.

RR. CONFIDENTIALITY AND RELEASE OF INFORMATION

- (a) All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than the District without prior written authorization from the Contract Officer.
- (b) Consultant shall not, without prior written authorization from the Contract Officer or unless requested by the General Counsel, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered “voluntary” provided Consultant gives the District notice of such court order or subpoena.
- (c) If Consultant provides any information or work product in violation of this Agreement, then the District shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney’s fees, caused by or incurred as a result of Consultant’s conduct.
- (d) Consultant shall promptly notify the District should Consultant be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder. The District retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with the District and to provide the District with the opportunity to review any response to discovery requests provided by Consultant.

SS. OWNERSHIP OF DOCUMENTS

All studies, surveys, data, notes, computer files, reports, records, drawings, specifications, maps, designs, photographs, documents and other materials (the “documents and materials”) prepared by Consultant in the performance of this Agreement shall be the property of the District and shall be delivered to the District upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by the District of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Moreover, Consultant with respect to any documents and materials that may qualify as “works made for hire” as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed “works made for hire” for the District.

IX. Enforcement of Agreement and Termination

TT. CALIFORNIA LAW

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Los Angeles, State of California. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of Los Angeles, State of California.

UU. DISPUTES; DEFAULTS

In the event that Consultant is in default under the terms of this Agreement, the District shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, the District may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, if circumstances warrant. During the period of time that Consultant is in default, the District shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. If Consultant does not cure the default, the District may take necessary steps to terminate this Agreement under this Article.

VV. LEGAL ACTION

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Consultant shall file a statutory claim pursuant to Government Code Sections 905 et. seq. and 910 et. seq., in order to pursue any legal action under this Agreement. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

WW. TERMINATION PRIOR TO EXPIRATION OF TERM

This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The District reserves the right to terminate this Contract at any time, with or without cause, upon thirty (30) days' written notice to Consultant, except that where termination is due to the fault of the Consultant, the period of notice may be such shorter time as may be determined by the Contract Officer. In addition, the Consultant reserves the right to terminate this Contract at any time, with or without cause, upon sixty (60) days' written notice to District, except that where termination is due to the fault of the District, the period of notice may be such shorter time as the Consultant may determine. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Consultant has initiated termination, the Consultant shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer. In the event the Consultant has initiated termination, the

Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder, but not exceeding the compensation provided therefore in the Schedule of Compensation Exhibit "C". In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to "Disputes; Default".

XX. TERMINATION FOR DEFAULT OF CONSULTANT

If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, District may, after compliance with the provisions of "Disputes; Default", take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the District shall use reasonable efforts to mitigate such damages), and District may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the District as previously stated.

X. Miscellaneous

YY. COVENANT AGAINST DISCRIMINATION

Consultant covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class in the performance of this Agreement. Consultant shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class

ZZ. NON-LIABILITY OF DISTRICT OFFICERS AND EMPLOYEES

No officer or employee of the District shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the District or for any amount, which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

AAA. NOTICE

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the District, to the General Manager and to the attention of the Contract Officer (with her/his name and District title), Palmdale Water District, 2029 E. Ave Q, Palmdale, CA 93550 and in the case of the Consultant, to the person(s) at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

BBB. INTEGRATION; AMENDMENT

It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

CCC. SEVERABILITY

In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

DDD. WAIVER

No delay or omission in the exercise of any right or remedy by non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

EEE. ATTORNEYS' FEES

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which any be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, whether or not the matter proceeds to judgment.

FFF. INTERPRETATION

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

GGG. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

HHH. WARRANTY & REPRESENTATION OF NON-COLLUSION

No official, officer, or employee of the District has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of District participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The

determination of “financial interest” shall be consistent with State law and shall not include interests found to be “remote” or “noninterests” pursuant to Government Code Sections 1091 or 1091.5. Consultant warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any District official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Consultant further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any District official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Consultant is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

III. CORPORATE AUTHORITY

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year entered by the District ("Effective Date").

CONSULTANT: CPS HR Consulting, a California Joint Powers Authority

DISTRICT: Palmdale Water District, a California public agency

SIGNATURE

Melissa Asher

FULL NAME

DATE SIGNED

Chief of Client Services

TITLE

SIGNATURE

Sandy MacDonald-Hopp

FULL NAME

DATE SIGNED

Chief Financial Officer

TITLE

SIGNATURE

Scott L. Rogers

FULL NAME

DATE SIGNED

Assistant General Manager

TITLE

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer.

NOTE: Consultant shall furnish, to the satisfaction of Owner's Attorney, verification that the persons signing this Agreement as Consultant or on behalf of the Consultant have authority and legal authorization to bind the Consultant.

Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against Contractors if a complaint is filed within three years of the date of the alleged violation. Any questions concerning a Contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

Exhibits List

A - Scope_of_Services

B - Special_Requirements

C - Schedule_of_Compensation

D - Schedule_of_Performance

E - Cost Proposal dated February 4, 2026

Exhibit A

Scope_of_Services

SCOPE OF SERVICES

I. Consultant shall perform all services timely in accordance with the Cost Proposal dated February 4, 2026 attached hereto as Exhibit E, incorporated herein in its entirety by this reference.

TASK	DESCRIPTION
Service A	<p>Phase I – Strategic Recruitment Plan</p> <ul style="list-style-type: none"> • Identify ad sources relevant to the position and coordinate the placement of agreed upon ads. • Conduct active and passive sourcing of candidates through e-mail, phone, social media, and outreach tools/referral sources. • Review all applicants against the minimum qualifications for the position within designated applicant tracking system ensuring appropriate disposition is captured. • Develop and administer secondary rated screening or conduct preliminary phone screening interviews. • Submit “Client Report” (including summary of recruitment activities and candidate applications and/or resumes) to include list of qualified candidates. • Meet with the client to discuss the report and the results of the secondary rated screening or preliminary phone screening interviews in order for the client to identify candidates to invite to oral panel interview. • Provide client with updates of recruitment status during application period. • Respond to applicant inquiries and manage applicant communication.
Service B	<p>Phase II – Marketing and Applicant Screening</p> <ul style="list-style-type: none"> • Develop interview questions including rating criteria and/or other requested selection tools. • Develop and facilitate training of oral exam interview panel for the client interview process. • Coordinate all candidate communication and scheduling. • Prepare interview evaluation materials. • Facilitate oral panel exam interview and final hiring interview process. • Conduct professional reference checks and/or background checks, upon request. • Facilitate appointment of selected candidate upon request.

SCOPE OF SERVICES

II. In addition to the requirements of subsection REPORTS of the Records, Reports, and Release of Information section, during performance of the Services, Consultant will keep the District apprised of the status of performance by delivering the following reports:

III. All work product is subject to review and acceptance by the District, and must be revised by the Consultant without additional charge to the District until found satisfactory and accepted by District.

Exhibit B
Special_Requirements

SPECIAL REQUIREMENTS

(Superseding Contract Boilerplate)

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Exhibit C

Schedule_of_Compensation

SCHEDULE OF COMPENSATION

I. Consultant shall perform the following Services for the total costs:

Staff Level	Service	Flat Rate Cost Per Position <small>(includes professional fees and expenses*)</small>
Middle Management Specialized	Partial Recruitment (Phase I + II)	\$17,000

**Travel expenses for candidates is not included in our pricing.*

II. Within the budgeted amounts for each Service, and with the approval of the Contract Officer, funds may be shifted from one Service subbudget to another so long as the Contract Sum is not exceeded per subsection CONTRACT SUM of the Compensation section, unless Additional Services are approved per subsection ADDITIONAL SERVICES of the Compensation section.

III. The District will compensate the Consultant for the Services performed upon submission of a valid invoice. Each invoice is to include:

- A. Line items for all work performed, and properly agreed to charges to the Services.
- B. Line items for all approved subcontractor labor, supplies, equipment, materials, and properly charged to the Services.
- C. Invoice number and due date
- D. Site location where work was performed

IV. The total compensation for the Services shall not exceed the Contract Sum as provided in subsection CONTRACT SUM of the Compensation section of this Agreement.

Exhibit D

Schedule_of_Performance

SCHEDULE OF PERFORMANCE

I. Consultant shall perform all services timely in accordance with the following schedule:

Timeline

The project team CPS HR has selected is prepared to begin work upon receipt of a fully executed contractual agreement. Depending on the recruitment level selected, recruitment and selection activities can be completed in two to four months. The precise schedule will depend on the placement of advertising in the appropriate professional journals, and the ability to schedule, as quickly as possible, the initial client kickoff meeting. A proposed schedule of major milestones is presented below.

Task Name	Phase I		Phase II											
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Middle Management/ Specialized														

II. The Contract Officer may approve extensions for performance of the services in accordance with subsection SCHEDULE OF PERFORMANCE of the Performance Schedule section.

Exhibit E

Cost Proposal dated February 4, 2026

CALIFORNIA
TEXAS
COLORADO
OHIO

CPS HR  CONSULTING



COST PROPOSAL

Palmdale Water District

Recruitment & Selection Services for Principal/Senior Engineer

February 04, 2026

Submitted by:

Melissa Asher

Client Services Director

CPS HR Consulting, 2450 Del Paso Road, Suite 220, Sacramento, CA 95834

P: 916-471-3358, masher@cpshr.us

Tax ID: 68-0067209

www.cpshr.us

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*Proposal to the Palmdale Water District
Recruitment & Selection Services for Principal/Senior Engineer*

February 04, 2026

Angelica Garcia, SPHR, SHRM-CP
Human Resources Director
Palmdale Water District
2029 East Avenue Q
Palmdale, CA 93550

Submitted via email to: agarcia@palmdalewater.org

Dear Angelica,

CPS HR Consulting (CPS HR) is pleased to have the opportunity to submit a proposal to assist the Palmdale Water District (District) with recruitment and selection services for a Principal/Senior Engineer. We are uniquely qualified to undertake this effort as we have vast experience in assisting public agencies with search, screening, and placement at the management level.

We understand that each agency is unique, and our extensive experience allows us to tailor our process to specifically meet your needs. Our work with local government agencies throughout the United States gives us an in-depth understanding of government operations, programs, and services.

Each recruitment is an opportunity to shape and prepare your organization for the future. We understand how important these transitions can be and CPS HR is perfectly placed to assist the District in these endeavors. Once this project begins, we will work with the District to tailor our processes to highlight your exciting opportunities and attract the best possible candidates. It is our commitment to work in partnership with your organization to achieve successful results.

Thank you for the opportunity to be considered for this assignment. Should you have questions or comments about the information presented in this proposal, please contact Project Manager, **Christina Batorski at cbpeacock@cpshr.us or (916) 471-3426.**

Sincerely,



Melissa Asher
Client Services Director

About CPS HR Consulting

ORGANIZATION IDENTIFICATION INFORMATION	
Legal Name and DBA	Cooperative Personnel Services dba CPS HR Consulting
Headquarters	Physical: 2450 Del Paso Road, Suite 220, Sacramento, CA 95834 Mailing: 2450 Del Paso Road, Suite 160, Sacramento, CA 95834
Main Phone	(800) 822-4277
Regional Offices	20211 Guadalupe Street, Suite 260, Austin, TX 78705 7350 E Progress Place, Greenwood Village, CO 80111 1968 S. Coast Hwy # 961, Laguna Beach, CA 92651
Year Established	1985
# of FTEs	110
Type of Organization	Joint Powers Authority
Website	www.cpsshr.us

CPS HR is a client-centric human resources and management consulting firm specializing in addressing the unique challenges and complexities encountered by government and non-profit organizations. With a history dating back to 1985, **we have consistently served as a trusted advisor to our clients**, understanding their specific needs as self-supporting public agencies.

Our mission is to advance excellence in human resources within the public sector, and our vision is to empower individuals to fulfill the ideals of public service. CPS HR's core competency lies in our in-depth knowledge and expertise in the public sector landscape. Being a public agency ourselves, we possess a deep understanding of the intricacies and issues faced by our client base.

For nearly four decades, CPS HR has been delivering recruitment and selection services to a wide spectrum of clients, ranging from state, federal, and local governments to special districts and non-profit organizations. Our extensive experience includes numerous projects with agencies of similar size and scope.

Core Services

CPS HR believes in an integrated, systems-based approach to talent management and provides consulting in all the key areas listed below.

CPS HR CONSULTING CORE SERVICES



Comprehensive HR solutions for advanced organizational performance.



CLASSIFICATION & COMPENSATION

- Classification
- Compensation



DIVERSITY, EQUITY & INCLUSION (DEI)

- DEI Strategic Planning
- DEI Training



HR CONSULTING

- Audit & Compliance
- HR Outsourcing
- HR Membership
- Complaint Investigations



LICENSING & CERTIFICATION

- Accreditation
- Candidate Management
- Program Management
- Testing Services



ORGANIZATIONAL STRATEGY

- Organizational Assessment
- Change Management
- Employee Engagement
- Performance Management
- Succession Planning
- Workforce Planning



RECRUITMENT & SELECTION

- Executive Search
- Mid-Management and Specialized Recruitment
- General Recruitment
- Employer Branding



TESTING

- Assessment Center
- Job Analysis
- Test Rental
- Test Administration
- Selection Tools Development



TRAINING & DEVELOPMENT

- Executive Coaching
- Training Center
- Open Enrollment Training
- On-Site Training

CORE MARKETS



Federal



State



Local



Special Districts



Education



Non-Profit Organizations

Client Focused

We help clients succeed by:

- **Understanding Their Goals:** We listen to your needs, understand your business, and focus on achieving your desired outcomes.
- **Unlocking New Perspectives:** Together we explore new ideas, expand possibilities, and consider the broader impact on those you serve.
- **Bringing Solutions to Life:** We put plans into action, making strategies operational and effective.
- **Empowering Their Growth:** Provide you with the tools and knowledge to elevate performance and expand capabilities for your organization and those you serve.

Our Chief Executive Officer (CEO) reports to a Board of Directors representing diverse public sector agencies across the nation. Our Board members are listed below.



BOARD OF DIRECTORS

Our board members represent a diverse group of public agencies and provides leadership, stewardship and guidance in helping CPS HR to achieve its mission and goals.

 <p>Linda Andal HR Director, City of Anaheim (CA)</p>	 <p>Fernando Yañez Exec Director of Classified HR and Personnel Commission, Hayward Unified School District (CA)</p>	 <p>Vincent Zamora HR Director, City of Las Vegas (NV)</p>	 <p>Joanette Freeman HR Director, County of Mecklenburg (NC)</p>
 <p>Wade Childress Chief HR Officer, Pinellas County (FL)</p>	 <p>LaShon Ross Deputy City Manager, City of Plano (TX)</p>	 <p>Joseph Hsieh Personnel Services Division Chief, County of Sacramento (CA)</p>	

Joint Powers Authority

Cooperative Personnel Services, doing business as CPS HR Consulting, is a national firm and is a governmental Joint Powers Authority (JPA) of the State of California. A JPA is a public agency created pursuant to the Joint Exercise of Powers Act (Government Code 6500 et seq). This Act allows two or more government agencies to establish a new public entity authorized to exercise those powers jointly held. A JPA is an instrumentality of a state or a political subdivision of a state and is not a registered corporation of any state. Cooperative Personnel Services was established under a “Joint Powers Agreement” by the State Personnel Board of the State of California, the counties of Sacramento and Sonoma, the Hayward Unified School District, the City of Anaheim, and the East Bay Municipal Utility District, and its purpose is to provide the opportunity for the joint powers “to discuss, study and solve common or similar problems with respect to modern human resource and related management processes.”

Recruitment Experts

CPS HR specializes in the recruitment and selection of key professionals for cities, counties, special districts, and non-profits. Working in partnership with the governing body or selection team, we develop customized search strategies that focus on locating and recruiting qualified candidates who match the agency's unique needs. Our wealth of recruitment experience has been gained through **more than 20 years** of placing top and mid-level executives in public agencies throughout the United States.

- **Unmatched Recruitment Experience for Government Agencies.** CPS HR has extensive experience in recruiting professionals for public agencies at administrative, professional, management/specialized/technical, and executive levels across the United States. As a public agency ourselves, we understand how to work with and within government. Our understanding of public sector culture and policy uniquely sets us apart from our competitors.
- **Seasoned Executive Recruiters.** Our recruiters possess a high level of expertise in recruiting and placing professionals at all recruitment levels. Our staff of experts includes an exceptional group of full-time employees as well as a full complement of subject matter experts, intermittent employees, and part-time employees with a variety of public and private sector experience.
- **Detailed Needs Assessments.** We conduct a detailed needs assessment to identify 1) future organizational direction; 2) challenges facing the position; 3) the working style and organizational climate; and 4) required core and job specific competencies as well as personal and professional characteristics.
- **Success Recruiting Non-Job Seeking Talent.** We recognize that the very best candidates for some types of positions may not be looking for a career change, therefore, our recruitment team takes a very aggressive approach to identify and recruit such candidates.
- **Vast Pool of Public Agency Contacts.** CPS HR maintains a database of candidates and an extensive network of external resources to leverage for executive-level positions. We utilize our vast pool of public and non-profit contacts to deliver a strong list of competitive candidates who will be well prepared to assist you in the accomplishment of your specific mission and goals.
- **Satisfied Clients.** *Our client satisfaction rating averages 4.6 on a scale of 5.* While many companies talk about client satisfaction, how many measure the impact of that through assessing client satisfaction by distributing written surveys and tying the results of these surveys to their performance management system? CPS HR Consulting does. A client satisfaction survey is sent at the end of every engagement requesting feedback on the quality of our staff, deliverables, and the overall consulting relationship.

*Proposal to the Palmdale Water District
Recruitment & Selection Services for Principal/Senior Engineer*

The below list of recruitments we have conducted that highlights the depth and breadth of our experience with recruitment and selection of engineering-related positions.

Client	Project Name	Year
City of Madera, CA	Deputy City Engineer	Current
City of Grand Rapids, MI	City Engineer	Current
City of Edmonds, WA	Stormwater Engineer	Current
City of Rancho Cucamonga, CA	Deputy Director of Engineering/Utility Manager	2025
El Dorado Irrigation District, CA	Senior Civil Engineer	2025
City of Mesa, AZ	City Engineer	2025
City of Olathe, KS	Assistant City Engineer/Transportation Manager	2025
City of Aurora, CO	Director of Public Works	2025
City of Oklahoma City, OK	Deputy Director Utilities Engineer	2025
City of Oklahoma City, OK	Assistant City Engineer	2024
City of Oklahoma City, OK	Utilities Engineering Capital Improvement Program Manager	2024
San Diego Association of Governments, CA	Director of Engineering and Construction	2024
City of Peoria, AZ	Development and Engineering Director	2024
Montgomery County Department of Transportation, MD	Division Chief of Transportation Engineering	2024
City of Bell, CA	Public Works Director	2024
Travis County, TX	Assistant Director of Public Works	2024
City of Oklahoma City, OK	Utilities Assistant Director	2024
City of Madera, CA	Public Works Operations Director	2023
City of Phoenix, AZ	Director (Public Works – Street Transportation)	2023
County of Travis, TX	Engineering Division Manager – Traffic Engineering	2023
County of Travis, TX	Engineer – Development Services	2023
City of Apache Junction, AZ	Public Works Director	2023
City of Red Bluff, CA	Public Works Director/City Engineer	2023

*Proposal to the Palmdale Water District
Recruitment & Selection Services for Principal/Senior Engineer*

City of Aurora, CO	SCADA Engineer	2023
City of San Jose, CA	Public Works Director	2023
City of Oklahoma City, OK	Director of Utilities – Engineering	2023
City of Aurora, CO	Public Works Deputy Director of Development Review	2022
City of Turlock, CA	Public Works Director	2022
City of Apache Junction, AZ	Public Works Director	2022
Travis County, TX	Sr Engineer - CIP/Public Works	2022
Coconino County, AZ	Assistant County Engineer	2022
San Joaquin Valley Air Pollution Control District, CA	Engineering Project Manager	2022
Travis County, TX	Public Works Director	2022
Foothill Municipal Water District, CA	Assistant District Engineer	2022
City of Dallas, TX	Assistant Director of Development Services	2022
City of Aurora, CO	Engineering Supervisor	2022
County of Clark, NV	Engineering Manager	2022
City of San Mateo, CA	Deputy Director of Public Works	2021
South Coast Air Quality Management District	Deputy Executive Officer - Engineering and Permitting	2021
City of San Jose, CA	Building Management Administrators - Parks, Recreation & Public Works Depts.	2021
City of Vancouver, WA	Public Works Director	2021
City of Colton, CA	Public Works and Utilities Director	2021
City of Carson, CA	Director of Public Works	2021

Our Approach

Commitment to Communication

Throughout the recruitment process, we are strongly committed to keeping you fully informed of our progress. We will collaborate with you to provide updates on the status of the recruitment via your preferred method of communication (phone conference, email, etc.).

We place the highest level of importance on customer service and responding in a timely manner to all client and candidate inquiries. Our previous clients and candidates have expressed a sincere appreciation for our level of service and responsiveness to the management of the recruitment process. As a result, we have many long-term relationships with clients that have led to opportunities to assist them with multiple recruitments.

Aggressive, Proactive, and Robust Recruitment

We take an aggressive approach in identifying and recruiting the best available candidates. There are those candidates who would gladly rise to the professional challenge and apply for this position; however, some of the best candidates are often not actively seeking a new position and may only consider a change once we present them with your opportunity.

Evoking the sense of vision and opportunity in qualified persons is among the responsibilities of CPS HR, and we pride ourselves in our efforts to reach the best available potential candidates. We use advertisements, directly email the outreach brochure, post messages, and connect with potential candidates on business media such as LinkedIn, and of course, pick up the phone and call qualified individuals and referral sources.

Diversity Outreach Process

CPS HR strives to attract the most highly qualified, diverse candidate pool possible. We accomplished this by advertising with a variety of diverse organizations such as National Forum for Black Public Administrators and the Local Government Hispanic Network in order to reach these specific population groups. We also seek out candidate referrals from local subject matter experts and the national leadership groups like Women Leading Government. By taking the time to directly contact these influential industry experts, we ensure that we capture the maximum number of distinguished candidates – particularly those who are well-known in their industries, but who may not be actively looking for a new job.

Recruitment and Selection Services

Specialty Engineering Positions

CPS HR has a distinguished track record of recruiting for specialty engineering positions in the government sector, as demonstrated by our **Project List** above. Leveraging years of industry experience, our team has developed a deep understanding of the unique requirements and challenges inherent in these roles. We pride ourselves on our ability to identify and attract top-tier talent with the technical acumen, leadership capabilities, and innovative thinking necessary to excel in government transportation projects and other specialty engineering positions. Our comprehensive recruitment process ensures that we match highly skilled professionals with positions where they can make significant contributions to public infrastructure and transportation systems.

Methodology and Scope of Work

Our proposed process is designed to provide clients with the full range of services required to ensure the ultimate selection uniquely suited to each client's needs.



PHASE I – Strategic Recruitment Plan

The first step in this engagement is a thorough review of the client's needs, culture, and goals; the recruitment and selection process; and the schedule. CPS HR is prepared to meet with key stakeholders to obtain input in developing the ideal candidate profile and to assist us in understanding key issues and challenges. Activities for this phase at each recruitment level will include:

- Collaborate with appropriate stakeholder(s) to define the ideal candidate profile for the position.
- Review of job duties and compensation for marketability.
- Identify testing/assessment needs.
- Coordinate with client on development of recruitment brochure for the desired position; prepare brochure design.
- Complete recruitment brochure and create posting in client's applicant tracking system or CPS HR's applicant tracking system (NEOGOV).

PHASE II – Marketing and Applicant Screening

The recruitment process is tailored to fit the client’s specific wants and needs, with targeted advertising, combined with personal contacts with qualified individuals from our extensive database.

CPS HR will prepare, submit for client approval, and publish advertisements in appropriate magazines, journals, newsletters, job bulletins, and websites to attract candidates on a nationwide, regional, local, or targeted basis based on the recruitment strategy. CPS HR is focused on reaching a diverse candidate pool and would recommend publications/websites that are targeted to minority and female candidates.

CPS HR would execute the following tasks for this phase at each recruitment level including:

- Identify ad sources relevant to the position and coordinate the placement of agreed upon ads.
- Conduct active and passive sourcing of candidates through e-mail, phone, social media, and outreach tools/referral sources.
- Review all applicants against the minimum qualifications for the position within designated applicant tracking system ensuring appropriate disposition is captured.
- Develop and administer secondary rated screening or conduct preliminary phone screening interviews.
- Submit “Client Report” (including summary of recruitment activities and candidate applications and/or resumes) to include list of qualified candidates.
- Meet with the client to discuss the report and the results of the secondary rated screening or preliminary phone screening interviews in order for the client to identify candidates to invite to oral panel interview.
- Provide client with updates of recruitment status during application period.
- Respond to applicant inquiries and manage applicant communication.

PHASE III – Selection

CPS HR will design a selection process based on information gathered in Phase I. We will meet with the client to review this process and discuss the client’s preferred approach in assessing the final candidates.

We can coordinate all aspects of the selection process for the client. This includes preparing appropriate materials such as interview questions, evaluation manuals, and other assessment exercises; and facilitating the interviews.

CPS HR will be available to complete the following components of this phase at each recruitment level:

- Develop interview questions including rating criteria and/or other requested selection tools.
- Develop and facilitate training of oral exam interview panel for the client interview process.
- Coordinate all candidate communication and scheduling.
- Prepare interview evaluation materials.
- Facilitate oral panel exam interview and final hiring interview process.
- Conduct professional reference checks and/or background checks, upon request.
- Facilitate appointment of selected candidate upon request.

Timeline

The project team CPS HR has selected is prepared to begin work upon receipt of a fully executed contractual agreement. Depending on the recruitment level selected, recruitment and selection activities can be completed in two to four months. The precise schedule will depend on the placement of advertising in the appropriate professional journals, and the ability to schedule, as quickly as possible, the initial client kickoff meeting. A proposed schedule of major milestones is presented below.

Task Name	Phase I		Phase II									Phase III		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Middle Management/ Specialized														

Pricing Structure

The project team CPS HR may be selected to perform Outreach Only Services, or to perform a Partial or Full-cycle Recruitment to match your need.

<u>Staff Level</u>	<u>Service</u>	<u>Flat Rate Cost Per Position</u> <i>(includes professional fees and expenses*)</i>
Middle Management/ Specialized	Full-cycle recruitment (All Phases)	\$20,000
Middle Management/ Specialized	Partial Recruitment (Phase I + II)	\$17,000
Middle Management/ Specialized	Outreach Only	\$10,000

**Travel expenses for candidates is not included in our pricing.*

Six Month Service Guarantee

If the employment of the candidate selected and appointed by the client as a result of a **full recruitment (Phases I, II, and III)** for the selected position comes to an end before the completion of the first six (6) months of service, CPS HR will provide the District with professional services to appoint a replacement. Professional consulting services will be provided at no cost. However, the District would be responsible only for expenses. **This guarantee does not apply to situations in which the successful candidate is promoted or re-assigned within the organization during the six (6) month period.** Additionally, should the initial recruitment efforts not result in a successful appointment, CPS HR will extend the aggressive recruiting efforts and screen qualified candidates until an offer is made and accepted.

Project Team

CPS HR has assembled a strong project team with each member possessing extensive recruiting experience and a direct, in-depth understanding of local government. **Debbie Gutman will serve as the Project Manager** for this assignment because of her strong project management skills. She will coordinate all aspects of the project including the project staff, finalizing project plans and deliverables, organizing, and securing resources, managing communications, monitoring project progress, resolving any problems, and ensure timely and successful completion of the engagement. Ms. Gutman will be supported by a Senior Consultant and Administrative Technician. Specific team members will be selected at the time the contract is awarded based on area of expertise and availability.

Project Manager's Resume

Debbie Gutman, M.A., SPHR, PHR-CA

Ms. Gutman is a strategic human resources professional with over 25 years of comprehensive experience in both the public and private sector. She is a well-rounded team player with exceptional communication skills and the ability to connect well with people at all levels of an organization. She has a knowledge and understanding of federal and state labor laws, full-cycle recruiting, employee relations, benefits and leave administration, training, budget administration, and policy development.

Employment History

- Principal HR Consultant; Senior HR Consultant, CPS HR Consulting
- Human Resources Manager, Sierra Nevada Brewing Co.
- Human Resources Director, Feather Falls Casino
- Human Resources Manager, Rumiano Cheese Co.
- Human Resources Technician, Chico Unified School District

Professional Experience

- Managed multiple recruitment projects, involving the hiring of over 100 employees ranging from entry-level to executive management for startup locations and businesses. Responsibilities included developing hiring plans, advertising roles, conducting job fairs, candidate outreach, selection interviews, and onboarding new employees.
- Partnered with clients as a strategic project manager to design, deliver, and implement innovative yet practical solutions to daily HR challenges and project initiatives.
- Oversaw the Human Resources department of a growing company, promoting a collaborative work environment, including direct supervision of human resources personnel. Proposed new strategies, policies, and procedures to achieve ongoing enhancements in departmental efficiency.

- Conducted formal investigations on serious employee relations claims or allegations of policy violations.
- Responsible for preparing the annual operating budget and monitoring expenditures to ensure they align with the approved budget.

Education

- M.A., Human Resource Management, National University
- B.A., Business Administration with emphasis in Human Resources, California State University, Chico

Professional Organizations and Affiliations

- Society for Human Resources Management (SHRM)

Maricarmen (Mari) Peoples

Ms. Peoples served in executive, management and analytical positions in the private sector and in California state government at the California Department of Corrections and Rehabilitation (CDCR), California Emergency Management Agency (CalEMA) and California Health and Human Services Agency (CHHS). Ms. Peoples has extensive State government experience in the areas of human resources, budget policy, communications, program development and operations.

Employment History

- Executive Recruiter/Senior HR Consultant, CPS HR Consulting
- Social Media and Marketing Manager, RPM Resolutions, LLC (Texas)
- Special Assistant to the Secretary, CDCR Office of the Secretary
- Staff Services Manager III, Budget Management Branch, CDCR Office of Fiscal Services
- Staff Services Manager II, Office of Workforce Planning, CDCR Human Resources
- Staff Services Manager I, Office of Offender Services, CDCR Division of Rehabilitative Programs
- Associate Governmental Program Analyst, Planning, Preparedness and Emerging Threats, CalEMA
- Associate Governmental Program Analyst, California Sex Offender Management Board and the Office of Public and Employee Communications, CDCR
- Staff Services Analyst, Office of the Secretary, CHHS

Professional Experience

- As an Executive Recruiter/Senior HR Consultant with CPS HR, she manages all aspects of partial and full recruitment and selection projects for general/professional

administrative, middle management/specialist, and executive level recruitments. This includes development of a strategic recruitment plan, advertising and outreach efforts, screening of minimum qualifications and scoring of supplemental questions, development of interview questions, facilitation of oral panel interviews, and professional reference checks.

- As a member of the CDCR Executive Staff as the Special Assistant to the Secretary, she served as the primary policy advisor to the CDCR Secretary on a wide variety of departmental policies such as litigation, policies, procedures, and program direction. She provided analysis and recommendations on policy development and implementation, and the impact of policies that crossed various programs to ensure consistency with the mission and goals of the Department.
- She oversaw the budget for the program areas under CDCR's administration and parole operations divisions (approximately \$4 billion in state funds). Also, she provided recommendations to CDCR executive management on all aspects of the budget process including but not limited to: fund distribution, contract encumbrances, monthly budget plans, budget concepts, budget change proposals, population adjustments, and reduction drills.
- She managed the staff that developed and implemented three departmental staff layoff plans for CDCR. She gained extensive knowledge in the following areas: staffing allocation based on the inmate and parole population, labor negotiations, reemployment policies, minimum qualification requirements for state government classifications, and staff seniority calculations.
- With her employment background, she brings extensive experience working and maintaining relationships with internal and external stakeholders. This included communications with the media, various statewide associations and nonprofits, Legislative members and staff, the Department of Finance, employee unions, California Department of Human Resources, city and county government, and national organizations.
- Experience with public speaking, speech writing, executive briefings, training development and implementation, and contract negotiations.
- Knowledge and experience with branding, marketing strategy development, social media management, communication management plans, and speech writing.

Education

- B.A., International Relations and Spanish, University of California, Davis

Rachael Danke, Associate Executive Recruiter

Rachael Danke has spent her entire career in the non-profit and public sectors. With over seven years of experience in Human Resources, and a Master's Degree in Human Resources. Rachael has assisted multiple agencies throughout the nation with their talent attraction and retention needs, along with benefits, policy analysis, and strategy. Rachael has experience recruiting for roles such as Chief of Police, Director of Public Works, Director of Human Resources, Executive Director, and other executive roles at the local, state, and special districts level. Before CPS HR Consulting, Rachael was an HRBP for multiple county departments supporting their recruitment and hiring needs. Rachael is excited to continue to attract new talent to the public sector using innovative techniques such as Virtual Career Fairs and talent engagement to ensure the next generation of leaders for tomorrow.

Employment History

- Associate Executive Recruiter, CPS HR Consulting, Sacramento, CA
- HR Consultant, CPS HR Consulting, Sacramento, CA
- Human Resources Technician, El Dorado County, Placerville, CA
- Registry Training Specialist, El Dorado County, Placerville, CA
- Program Coordinator, American Red Cross, Reno, NV

Professional Experience

- Development and administration of employment policies and procedures.
- Drive full life-cycle recruitment nationwide for executive, professional, technical, and non-professional positions using a multi-faceted hiring process.
- Research, interpret, and apply leave allowance procedures and FMLA laws as allowable in the applicable residential state.
- Benefits administration for organization nationwide, including but not limited to coordinating daily benefits processing, annual contract renewals, new hire enrollments, COBRA, terminations, changes, beneficiaries, disability, etc.

Special Accomplishments

- Creation of employment events, benefits fair and employee appreciation week all on a virtual platform.
- Creation and administration of Telework survey and separate employee/manager Telework manuals.
- Improved employee orientation supplying better information in less time over a virtual platform.

Education

- M.S. Human Resources Management, Pepperdine University
- B.A., Honors Psychology, University of Waterloo



BOARD MEMORANDUM

DATE: March 16, 2026
TO: BOARD OF DIRECTORS
FROM: Resource and Analytics Director Bolanos
VIA: General Manager LaMoreaux
RE: *CONSIDERATION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 2026-1 AMENDING RULES AND REGULATIONS APPENDIX O TO INCORPORATE ASSEMBLY BILL 1572 - PROHIBITION OF POTABLE WATER FOR NON-FUNCTIONAL TURF. (NO BUDGET IMPACT – RESOURCE AND ANALYTICS DIRECTOR BOLANOS)*

Recommendation:

Staff recommends that the Board approve Resolution No. 2026-1 amending the District's Rules and Regulations, Appendix O, to incorporate the requirements of Assembly Bill 1572 (Potable Water: Nonfunctional Turf) and to update the District's permanent Water Waste Policy accordingly.

Alternative Options:

The Board may defer action on Resolution No. 2026-1 and request additional information. This would extend the timeline for updating Appendix O to align with Assembly Bill 1572 requirements.

Impact of Taking No Action:

Failure to adopt the requirements of Assembly Bill 1572 by the deadline would result in non-compliance with state-mandated conservation regulations. The State Water Resources Control Board may take action against agencies that fail to comply with the prohibition of potable water for non-functional turf.

Background:

On October 13, 2023, Assembly Bill 1572 (AB 1572), titled "Potable water: nonfunctional turf," was chaptered into California law. The bill added provisions to the Water Code prohibiting the use of potable water to irrigate nonfunctional turf on commercial, industrial, and institutional (CII) properties, as well as on common areas maintained by homeowners' associations (HOAs), common-interest developments, and community service organizations.

Nonfunctional turf is defined as ornamental grass irrigated with potable water that serves no functional purpose such as recreation, sports play, community gathering, or civic use.

AB 1572 requires public water systems to update their policies, regulations, or ordinances to incorporate the potable water prohibition on nonfunctional turf and to communicate these requirements to customers. An updated section titled “Prohibition on Potable Water Use for Nonfunctional Turf (AB 1572)” is being proposed for inclusion in the District’s Waste of Water Policy (Appendix O) to meet these statutory requirements.

Strategic Plan Initiative/Mission Statement:

This item is under Strategic Initiative No. 6 – Customer Care, Advocacy and Outreach

Budget:

This item has no Budget impact.

Supporting Documents:

- Resolution No. 2026-1 Being a Resolution of the Board of Directors of the Palmdale Water District Incorporating State-Mandated Restrictions on the Use of Potable Water to Irrigate Non-Functional Turf (AB 1572)
- Proposed update to Appendix O - Waste of Water Policy:
“Prohibition on Potable Water Use for Nonfunctional Turf (AB 1572)”
- AB 1572 Bill Text

RESOLUTION NO. 2026-1

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT INCORPORATING STATE-MANDATED RESTRICTIONS ON THE USE OF POTABLE WATER TO IRRIGATE NON-FUNCTIONAL TURF (AB 1572)

WHEREAS, Palmdale Water District (“District”) is a water district empowered to provide water service within District boundaries; and

WHEREAS, Assembly Bill 1572 (AB 1572), titled “Potable water: nonfunctional turf,” was chaptered into state law on October 13, 2023; and

WHEREAS, AB 1572 prohibits the use of potable water to irrigate nonfunctional turf on commercial, industrial, and institutional (CII) properties, as well as on common areas maintained by homeowners’ associations (HOAs), community service organizations, and common-interest developments; and

WHEREAS, AB 1572 defines nonfunctional turf as ornamental grass irrigated with potable water that serves no recreational, community, or civic purpose; and

WHEREAS, the bill requires public water systems to update their policies, ordinances, or regulations to incorporate AB 1572 requirements and ensure that affected customers are informed of the potable water prohibition; and

WHEREAS, the District’s Rules and Regulations Appendix O (Waste of Water Policy) requires amendment to reflect these state-mandated prohibitions; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Palmdale Water District as follows:

Section 1: Findings: The Board of Directors of the District hereby finds and declares as follows:

1. Assembly Bill 1572 (Potable water: nonfunctional turf) was enacted on October 13, 2023, and prohibits the use of potable water to irrigate nonfunctional turf on commercial, industrial, institutional, and specified common-area properties.
2. AB 1572 requires public water systems to update their regulations, ordinances, or policies to incorporate these prohibitions and communicate them to customers.
3. The District’s Rules and Regulations Appendix O (Waste of Water Policy) must be amended to reflect these requirements.

4. Adoption of this resolution is necessary to ensure compliance with state law and support consistent enforcement of potable water restrictions.

Section 2: Amendment of Appendix O

Appendix O of the District's Rules and Regulations is hereby amended to include a new section titled: "Prohibition on Potable Water Use for Nonfunctional Turf (AB 1572)"

The section shall incorporate the following requirements:

A. Potable Water Prohibition

The use of potable water to irrigate nonfunctional turf is prohibited in accordance with the following statutory compliance schedule:

- January 1, 2027: State and local government properties.
- January 1, 2028: Commercial, industrial, and institutional (CII) properties.
- January 1, 2029: Homeowners' association (HOA) and common-interest development common areas.
- January 1, 2031: Local government properties located in disadvantaged communities, unless delayed due to lack of state funding.

B. Exempt Uses

Potable water may continue to be used for:

- Irrigation required to sustain trees and perennial non-turf landscape plants.
- Health and safety purposes, including fire suppression and erosion control.
- Cemeteries, parks, sports fields, and other public assembly or recreation areas.
- Agricultural irrigation.

C. Enforcement

Violations of this section shall be enforced in accordance with the District's Waste of Water Policy. Administrative penalties may be imposed up to \$1,000 per violation, as authorized under state law.

D. Compliance Extensions

The State Water Resources Control Board may grant compliance extensions of up to three years for documented economic hardship, critical business need, or health and safety concerns.

E. Penalties for Nonfunctional Turf Violations

The following penalty structure applies specifically to violations of this section:

1. First violation: Warning and educational materials.
2. Second violation: Warning and educational materials.
3. Third violation: \$500 fine and educational materials.
4. Fourth violation: \$1,000 fine and educational materials.
5. Fifth and subsequent violations: \$1,000 per violation.

Section 3: Implementation and Coordination

The District shall implement the requirements of AB 1572 through updates to its internal procedures, customer communication materials, and development-review processes.

The District shall coordinate with the City of Palmdale and other appropriate agencies to ensure that proposed landscape and irrigation plans comply with the potable-water restrictions applicable to nonfunctional turf.

Section 4: Effective Date

This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Palmdale Water District held on March 23, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Kathy Mac Laren-Gomez,
President, Board of Directors

Cynthia Sanchez,
Secretary, Board of Directors

APPROVED AS TO FORM:

Aleshire & Wynder, LLP, District Legal Counsel

APPENDIX O

WASTE OF WATER POLICY AND EMERGENCY WATER CONSERVATION RESTRICTIONS

Palmdale Water District is engaged in the production, transmission, storage and distribution of water to its Customers in accordance with California law.

California law prohibits waste or unreasonable use of water and requires that the District take all appropriate actions to prevent such waste and unreasonable use of this finite resource.

Water waste includes but is not limited to:

- Application of potable water to outdoor landscapes in a manner that causes runoff.
- Failure to repair water leaks or to adjust sprinkler overspray in a timely manner.
- Hosing of hard-scape surfaces, except where health and safety needs dictate.
- The use of potable water in a fountain or other decorative water features, except where the water is part of a recirculating system.
- Irrigation with potable water of ornamental turf on public street medians.
- Watering of outdoor landscapes within 48 hours of measurable rainfall.
- Car washing and outside cleaning activities except when performed with buckets and automatic hose shutoff devices.
- The serving of drinking water other than upon request in eating or drinking establishments.
- Failure of operators of hotels and motels to provide guests with the option of choosing not to have towels and linens laundered daily. (The hotel or motel shall prominently display notice of this option in each guestroom.)
- Inefficient use of water for construction purposes.
- Irrigation with potable water outside of newly constructed homes and buildings not delivered by drip or micro spray is prohibited.

Categories of Water Waste:

The District recognizes that water waste can vary significantly in severity and for this reason will classify and deal with three levels of water waste.

Level 1 Water Waste:

This is the least severe category of water waste which includes any violation of the Water Waste Policy and any other form of water waste that leads to minor but avoidable water loss. Examples of this would be overspray from improperly adjusted sprinklers or small leaks leading to wetting of the sidewalk.

Penalties for Level 1 Water Waste:

Penalties for Level 1 waste violation will be an initial warning. Failure to repair the violation will result in a \$50 fine. An additional new \$50 fine will be assessed if the follow up inspection shows that the violation is unrepaired. Follow up inspection will occur no more frequently than once every 14 days. If a Level 1 water waste violation continues unrepaired for greater than 60 days, then the District may elevate the penalties to Level 2 fines as described below.

Level 2 Water Waste:

This category includes any form of water waste where water is visibly and measurably flowing off the property. Examples of this would be a sheared off sprinkler or an irrigation system that is stuck on. Follow up inspection will occur no more frequently than once every 7 days.

Penalties for Level 2 Water Waste:

The penalties will mirror the penalties found in the Water Shortage Contingency Plan. These penalties are currently as follows:

- 1st Notice of Violation: The customer shall be notified in writing. The notice shall include a warning that further violations could result in stricter penalties.
- 2nd Notice of Violation: Punishable by a fine of up to \$50.
- 3rd Notice of Violation: Punishable by a fine of up to \$250.
- 4th Notice of Violation: Punishable by a fine of up to \$500.
- 5th Notice of Violation: May result in termination of service.

Level 3 Water Waste:

This category includes any form of water waste where water leaving the property appears uncontrollable or poses a threat to public safety. Examples of this would be a broken water line flowing unrestrained off the property or leaving the property causing a public safety threat due to icing or flooding.

Penalties for Level 3 Water Waste:

Level 3 water waste will result in the shutdown of service until the repair has been successfully accomplished. Repeating incidences of severe water waste will mirror the penalties found in the Water Shortage Contingency Plan.

District Process:

1. Upon notification or observation of waste or misuse of water, the District shall:
 - (a) Make a photographic record of such activity;
 - (b) Provide notice to the Customer in writing or by means of a door tag; and
 - (c) Log the warning on the Customer's service record.

2. In the event of a recurring violation, the District shall:
 - (a) Assess the appropriate fine upon the Customer for each notification of violation occurring after the warning has been given;
 - (b) Give notice to the Customer in writing that if such waste or misuse continues, the Customer may be subject to increased penalties up to and including disconnection of service.

3. Upon determination that a violation is still unresolved and a final notice needs to be issued, the District shall:
 - (a) Give written notice to the Customer that disconnection of the service will occur within five (5) working days of the date of the notice;
 - (b) Disconnect the Customer's service after the appropriate time has been allotted; and
 - (c) Charge the Customer with a disconnection charge for waste or misuse of water as set forth in Appendix D and a turn-on fee as set forth in Appendix D if service is later restored. Service will be restored only when the Customer has provided evidence satisfactory to the District that waste and unreasonable use of water will no longer occur.

The District recognizes that there may be mitigating or intervening circumstances that bear upon a Customer's apparent misuse of water. Upon receipt of any notice regarding purported misuse or waste of water, the Customer shall have five (5) working days within which to file a written request for reconsideration with the General Manager. If the Customer is not satisfied with the General Manager's decision, the Customer shall have

fifteen (15) days after the General Manager's decision within which to file a written appeal with the Board. The Board shall conduct a hearing on the appeal at the next Board meeting immediately following the appeal. The Board's decision following such hearing shall be final and conclusive.

Prohibition on Potable Water Use for Nonfunctional Turf (AB 1572)

A. Potable Water Prohibition

The use of potable water to irrigate nonfunctional turf is prohibited in accordance with the following statutory compliance schedule:

- January 1, 2027: State and local government properties.
- January 1, 2028: Commercial, industrial, and institutional (CII) properties.
- January 1, 2029: Homeowners' association (HOA) and common-interest development common areas.
- January 1, 2031: Local government properties located in disadvantaged communities, unless delayed due to lack of state funding.

B. Exempt Uses

Potable water may continue to be used for:

- Irrigation required to sustain trees and perennial non-turf landscape plants.
- Health and safety purposes, including fire suppression and erosion control.
- Cemeteries, parks, sports fields, and other public assembly or recreation areas.
- Agricultural irrigation.

C. Enforcement

Violations of this section shall be enforced in accordance with the District's Waste of Water Policy. Administrative penalties may be imposed up to \$1,000 per violation, as authorized under state law.

D. Compliance Extensions

The State Water Resources Control Board may grant compliance extensions of up to three years for documented economic hardship, critical business need, or health and safety concerns.

E. Penalties for Nonfunctional Turf Violations

The following penalty structure applies specifically to violations of this section:

1. First violation: Warning and educational materials.
2. Second violation: Warning and educational materials.

3. Third violation: \$500 fine and educational materials.
4. Fourth violation: \$1,000 fine and educational materials.
5. Fifth and subsequent violations: \$1,000 per violation.

Section 3: Implementation and Coordination

The District shall implement the requirements of AB 1572 through updates to its internal procedures, customer communication materials, and development-review processes.

The District shall coordinate with the City of Palmdale and other appropriate agencies to ensure that proposed landscape and irrigation plans comply with the potable-water restrictions applicable to nonfunctional turf.

ADOPTED BY THE BOARD OF DIRECTORS OF PALMDALE WATER DISTRICT AT A REGULAR MEETING HELD MARCH 23, 2026

Assembly Bill No. 1572

CHAPTER 849

An act to amend Sections 10540, 10608.12, and 10608.22 of, to add Section 110 to, and to add Chapter 2.5 (commencing with Section 10608.14) to Part 2.55 of Division 6 of, the Water Code, relating to water.

[Approved by Governor October 13, 2023. Filed with Secretary of State October 13, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1572, Friedman. Potable water: nonfunctional turf.

(1) Existing law establishes various state water policies, including the policy that the use of water for domestic purposes is the highest use of water.

This bill would make legislative findings and declarations concerning water use, including that the use of potable water to irrigate nonfunctional turf is wasteful and incompatible with state policy relating to climate change, water conservation, and reduced reliance on the Sacramento-San Joaquin Delta ecosystem. The bill would direct all appropriate state agencies to encourage and support the elimination of irrigation of nonfunctional turf with potable water.

(2) Existing law, the Integrated Regional Water Management Planning Act, authorizes a regional water management group to prepare and adopt an integrated regional water management plan in accordance with specified requirements, including, among other things, the identification and consideration of the water-related needs of disadvantaged communities in the area within the boundaries of the plan.

This bill would additionally require an integrated regional water management plan to address the identification and consideration of the water-related needs of owners and occupants of affordable housing, including the removal and replacement of nonfunctional turf.

(3) Existing law provides various findings and declarations of the Legislature related to sustainable water use and demand reduction. Existing law imposes various water use reduction requirements that apply to urban retail water suppliers, including a requirement that the state achieve a 20% reduction in urban per capita water use by December 31, 2020.

This bill would prohibit the use of potable water, as defined, for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, other than a cemetery, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities, as specified. The bill would authorize the State Water Resources Control Board to create a form for compliance certification and would require owners of covered properties to certify their compliance, as specified. The bill would authorize a public

water system, city, county, or city and county to enforce these provisions, as specified. The bill would require the Governor's Office of Business and Economic Development to support small and minority-owned businesses that provide services that advance compliance with these provisions.

The people of the State of California do enact as follows:

SECTION 1. Section 110 is added to the Water Code, to read:

110. (a) The Legislature hereby finds and declares all of the following:

(1) The use of potable water to irrigate nonfunctional turf is wasteful and incompatible with state policy relating to climate change, water conservation, and reduced reliance on the Sacramento-San Joaquin Delta ecosystem.

(2) The Governor reported in August 2022 that climate change will bring significant enduring reductions in California's water supply and that the state must take steps to respond to this reality.

(3) The State of Nevada enacted AB 356 in 2021 to prohibit the use of Colorado River water to irrigate nonfunctional turf on all properties except single-family residences by January 1, 2027.

(b) It is the intent of the Legislature that the irrigation of grasses for agricultural production shall not be limited by requirements to eliminate the use of potable water to irrigate nonfunctional turf.

(c) The Legislature hereby directs all appropriate state agencies to encourage and support the elimination of irrigation of nonfunctional turf with potable water.

SEC. 2. Section 10540 of the Water Code is amended to read:

10540. (a) A regional water management group may prepare and adopt an integrated regional water management plan in accordance with this part.

(b) A regional water management group may coordinate its planning activities to address or incorporate all or part of any of the following actions of its members into its plan:

(1) Groundwater management planning pursuant to Part 2.75 (commencing with Section 10750), groundwater sustainability planning pursuant to Part 2.74 (commencing with Section 10720), or other specific groundwater management authority.

(2) Urban water management planning pursuant to Part 2.6 (commencing with Section 10610).

(3) The preparation of a water supply assessment required pursuant to Part 2.10 (commencing with Section 10910).

(4) Agricultural water management planning pursuant to Part 2.8 (commencing with Section 10800).

(5) City and county general planning pursuant to Section 65350 of the Government Code.

(6) Stormwater resource planning that is undertaken pursuant to Part 2.3 (commencing with Section 10560).

(7) Other water resource management planning, including flood protection, watershed management planning, and multipurpose program planning.

(c) At a minimum, all plans shall address all of the following:

(1) Protection and improvement of water supply reliability, including identification of feasible agricultural and urban water use efficiency strategies.

(2) Identification and consideration of the drinking water quality of communities within the area of the plan.

(3) Protection and improvement of water quality within the area of the plan, consistent with the relevant basin plan.

(4) Identification of any significant threats to groundwater resources from overdrafting.

(5) Protection, restoration, and improvement of stewardship of aquatic, riparian, and watershed resources within the region.

(6) Protection of groundwater resources from contamination.

(7) Identification and consideration of the water-related needs of disadvantaged communities and owners and occupants of affordable housing, including the removal and replacement of nonfunctional turf, as defined in Section 10608.12, in the area within the boundaries of the plan.

(d) This section does not obligate a local agency to fund the implementation of any project or program.

SEC. 3. Section 10608.12 of the Water Code is amended to read:

10608.12. Unless the context otherwise requires, the following definitions govern the construction of this part:

(a) “Affordable housing” has the same meaning as defined in Section 34191.30 of the Health and Safety Code.

(b) “Agricultural water supplier” means a water supplier, either publicly or privately owned, providing water to 10,000 or more irrigated acres, excluding recycled water. “Agricultural water supplier” includes a supplier or contractor for water, regardless of the basis of right, that distributes or sells water for ultimate resale to customers. “Agricultural water supplier” does not include the department.

(c) “Base daily per capita water use” means any of the following:

(1) The urban retail water supplier’s estimate of its average gross water use, reported in gallons per capita per day and calculated over a continuous 10-year period ending no earlier than December 31, 2004, and no later than December 31, 2010.

(2) For an urban retail water supplier that meets at least 10 percent of its 2008 measured retail water demand through recycled water that is delivered within the service area of an urban retail water supplier or its urban wholesale water supplier, the urban retail water supplier may extend the calculation described in paragraph (1) up to an additional five years to a maximum of a continuous 15-year period ending no earlier than December 31, 2004, and no later than December 31, 2010.

(3) For the purposes of Section 10608.22, the urban retail water supplier’s estimate of its average gross water use, reported in gallons per capita per

day and calculated over a continuous five-year period ending no earlier than December 31, 2007, and no later than December 31, 2010.

(d) “Baseline commercial, industrial, and institutional water use” means an urban retail water supplier’s base daily per capita water use for commercial, industrial, and institutional users.

(e) “CII water use” means water used by commercial water users, industrial water users, institutional water users, and large landscape water users.

(f) “Commercial water user” means a water user that provides or distributes a product or service.

(g) “Common area” means that portion of a common interest development or of a property owned or managed by a homeowners’ association or a community service organization or similar entity that is not assigned or allocated to the exclusive use of the occupants of an individual dwelling unit within the property.

(h) “Common interest development” has the same meaning as in Section 4100 of the Civil Code.

(i) “Community service organization or similar entity” has the same meaning as in Section 4110 of the Civil Code.

(j) “Community space” means an area designated by a property owner or a governmental agency to accommodate human foot traffic for civic, ceremonial, or other community events or social gatherings.

(k) “Compliance daily per capita water use” means the gross water use during the final year of the reporting period, reported in gallons per capita per day.

(l) “Disadvantaged community” means a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

(m) “Functional turf” means a ground cover surface of turf located in a recreational use area or community space. Turf enclosed by fencing or other barriers to permanently preclude human access for recreation or assembly is not functional turf.

(n) “Gross water use” means the total volume of water, whether treated or untreated, entering the distribution system of an urban retail water supplier, excluding all of the following:

(1) Recycled water that is delivered within the service area of an urban retail water supplier or its urban wholesale water supplier.

(2) The net volume of water that the urban retail water supplier places into long-term storage.

(3) The volume of water the urban retail water supplier conveys for use by another urban water supplier.

(4) The volume of water delivered for agricultural use, except as otherwise provided in subdivision (f) of Section 10608.24.

(o) “Homeowners’ association” means an “association” as defined in Section 4080 of the Civil Code.

(p) “Industrial water user” means a water user that is primarily a manufacturer or processor of materials as defined by the North American

Industry Classification System code sectors 31 to 33, inclusive, or an entity that is a water user primarily engaged in research and development.

(q) “Institutional water user” means a water user dedicated to public service. This type of user includes, among other users, higher education institutions, schools, courts, churches, hospitals, government facilities, and nonprofit research institutions.

(r) “Interim urban water use target” means the midpoint between the urban retail water supplier’s base daily per capita water use and the urban retail water supplier’s urban water use target for 2020.

(s) “Large landscape” means a nonresidential landscape as described in the performance measures for CII water use adopted pursuant to Section 10609.10.

(t) “Locally cost effective” means that the present value of the local benefits of implementing an agricultural efficiency water management practice is greater than or equal to the present value of the local cost of implementing that measure.

(u) “Nonfunctional turf” means any turf that is not functional turf, and includes turf located within street rights-of-way and parking lots.

(v) “Performance measures” means actions to be taken by urban retail water suppliers that will result in increased water use efficiency by CII water users. Performance measures may include, but are not limited to, educating CII water users on best management practices, conducting water use audits, and preparing water management plans. Performance measures do not include process water.

(w) “Potable reuse” means direct potable reuse, indirect potable reuse for groundwater recharge, and reservoir water augmentation as those terms are defined in Section 13561.

(x) “Potable water” means water that is suitable for human consumption.

(y) “Process water” means water used by industrial water users for producing a product or product content or water used for research and development. Process water includes, but is not limited to, continuous manufacturing processes, and water used for testing, cleaning, and maintaining equipment. Water used to cool machinery or buildings used in the manufacturing process or necessary to maintain product quality or chemical characteristics for product manufacturing or control rooms, data centers, laboratories, clean rooms, and other industrial facility units that are integral to the manufacturing or research and development process is process water. Water used in the manufacturing process that is necessary for complying with local, state, and federal health and safety laws, and is not incidental water, is process water. Process water does not mean incidental water uses.

(z) “Public water system” has the same meaning as defined in Section 116275 of the Health and Safety Code.

(aa) “Recreational use area” means an area designated by a property owner or a governmental agency to accommodate human foot traffic for recreation, including, but not limited to, sports fields, golf courses,

playgrounds, picnic grounds, or pet exercise areas. This recreation may be either formal or informal.

(ab) “Recycled water” means recycled water, as defined in subdivision (n) of Section 13050.

(ac) “Regional water resources management” means sources of supply resulting from watershed-based planning for sustainable local water reliability or any of the following alternative sources of water:

- (1) The capture and reuse of stormwater or rainwater.
- (2) The use of recycled water.
- (3) The desalination of brackish groundwater.
- (4) The conjunctive use of surface water and groundwater in a manner that is consistent with the safe yield of the groundwater basin.

(ad) “Reporting period” means the years for which an urban retail water supplier reports compliance with the urban water use targets.

(ae) “Turf” has the same meaning as defined in Section 491 of Title 23 of the California Code of Regulations.

(af) “Urban retail water supplier” means a water supplier, either publicly or privately owned, that directly provides potable municipal water to more than 3,000 end users or that supplies more than 3,000 acre-feet of potable water annually at retail for municipal purposes.

(ag) “Urban water supplier” has the same meaning as defined in Section 10617.

(ah) “Urban water use objective” means an estimate of aggregate efficient water use for the previous year based on adopted water use efficiency standards and local service area characteristics for that year, as described in Section 10609.20.

(ai) “Urban water use target” means the urban retail water supplier’s targeted future daily per capita water use.

(aj) “Urban wholesale water supplier” means a water supplier, either publicly or privately owned, that provides more than 3,000 acre-feet of water annually at wholesale for potable municipal purposes.

SEC. 4. Chapter 2.5 (commencing with Section 10608.14) is added to Part 2.55 of Division 6 of the Water Code, to read:

CHAPTER 2.5. NONFUNCTIONAL TURF

10608.14. (a) The use of potable water for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, other than a cemetery, and on properties of homeowners’ associations, common interest developments, and community service organizations or similar entities is prohibited as of the following dates:

- (1) All properties owned by the Department of General Services, beginning January 1, 2027.
- (2) All properties owned by local governments, local or regional public agencies, and public water systems, except those specified in paragraph (5), beginning January 1, 2027.

(3) All other institutional properties and all commercial and industrial properties, beginning January 1, 2028.

(4) All common areas of properties of homeowners' associations, common interest developments, and community service organizations or similar entities, beginning January 1, 2029.

(5) All properties owned by local governments, local public agencies, and public water systems in a disadvantaged community, beginning January 1, 2031, or the date upon which a state funding source is made available to fund conversion of nonfunctional turf on these properties to climate-appropriate landscapes, whichever is later.

(b) Notwithstanding subdivision (a), the use of potable water is not prohibited by this section to the extent necessary to ensure the health of trees and other perennial nonturf plantings, or to the extent necessary to address an immediate health and safety need.

(c) The board may, upon a showing of good cause for reasons including economic hardship, critical business need, and potential impacts to human health or safety, postpone a compliance deadline in subdivision (a) by up to three years for certain persons, institutions, and businesses, and may create a form to be used for compliance certification to the board by property owners.

(d) Public water systems shall, by no later than January 1, 2027, revise their regulations, ordinances, or policies governing water service to include the requirements of subdivisions (a) and (b), as revised by the board pursuant to subdivision (c), and shall communicate the requirements to their customers on or before that date.

(e) (1) An owner of commercial, industrial, or institutional property with more than 5,000 square feet of irrigated area other than a cemetery shall certify to the board, commencing June 30, 2030, and every three years thereafter through 2039, that their property is in compliance with the requirements of this chapter.

(2) An owner of a property with more than 5,000 square feet of irrigated common area that is a homeowners' association, common interest development, or community service organization or similar entity shall certify to the board, commencing June 30, 2031, and every three years thereafter through 2040, that their property is in compliance with the requirements of this chapter.

(f) Noncompliance by a person or entity with this chapter or regulations adopted thereunder shall be subject to civil liability and penalties set forth in Section 1846, or to civil liability and penalties imposed by an urban retail water supplier pursuant to a locally adopted ordinance or policy.

(g) (1) A public water system, city, county, or city and county may enforce the provisions of this chapter.

(2) To avoid duplication of enforcement, any entity identified in paragraph (1) that is not a retail public water system shall notify the retail public water system 30 days prior to enforcement of the provisions of this chapter against a property served by such system.

(3) Nothing in paragraph (2) shall preclude enforcement by any entity identified in paragraph (1) once adequate notice is given.

(h) The department shall, when using funds appropriated for water conservation for turf replacement, prioritize financial assistance for nonfunctional turf replacement to public water systems serving disadvantaged communities and to owners of affordable housing.

(i) The department shall utilize the saveourwater.com internet website and outreach campaign to provide information and resources on converting nonfunctional turf to native vegetation.

(j) The Governor's Office of Business and Economic Development shall support small and minority-owned businesses that provide services that advance compliance with this chapter.

SEC. 5. Section 10608.22 of the Water Code is amended to read:

10608.22. Notwithstanding the method adopted by an urban retail water supplier pursuant to Section 10608.20, an urban retail water supplier's per capita daily water use reduction shall be no less than 5 percent of base daily per capita water use as defined in paragraph (3) of subdivision (c) of Section 10608.12. This section does not apply to an urban retail water supplier with a base daily per capita water use at or below 100 gallons per capita per day.



BOARD MEMORANDUM

DATE: March 23, 2026
TO: BOARD OF DIRECTORS
FROM: General Manager LaMoreaux
RE: *REPORT OF GENERAL MANAGER.*

The following is the March 2026 report to the Board of activities through February 2026. It is organized to follow the District's 2022 Strategic Plan approved in October 2022 and composed of six strategic initiatives. The initiatives follow for reference. It is intended to provide a general framework to update the month's activities.

PWD 2022 STRATEGIC PLAN SUMMARY



Water Resource Reliability: *Resilience, Development, Partnership*

Support and participate with local agencies in the development of projects and policies that improve water reliability

Maximize state and federal funding opportunities for Pure Water AV

Support projects and initiatives that increase the resilience of the State Water Project

Develop water storage options for State Water Project supplies and improve groundwater capture capabilities

Strengthen stakeholder relationships and implement Littlerock Dam and Reservoir Sediment Removal Project



Organizational Excellence: *Train, Perform, Reward*

Offer competitive compensation and benefits package for employee recruitment and retention

Focus Succession Planning Program on ensuring an overlap of training for key positions

Continue providing transparency to our ratepayers through training for the ongoing achievement of the Districts of Distinction certification

Encourage cohesiveness, transparency, and integrity within the staff through Codes of Conduct and increased accountability

Ensure employees are trained on the Strategic Plan and the District's Values of Diversity, Integrity, Teamwork, and Passion

Improve safety for Directors, employees, and customers

Develop career paths at the District for interns and pursue state and federal funding for intern programs

Cultivate a positive culture and increase employee engagement



Systems Efficiency: *Independence, Technology, Research*

- Explore energy independence and evaluate the feasibility of energy options, including wind and solar
- Incorporate more energy efficient technologies into the District's infrastructure
- Research state-of-the-art treatment techniques to enhance systems efficiency
- Re-evaluate Lake Palmdale by-pass pipeline and pursue funding options
- Improve Palmdale Ditch to reduce water loss



Financial Health and Stability: *Strength, Consistency, Balance*

- Pursue grant funding for District projects and operations
- Maintain the five-year financial plan adopted as part of the 2019 Water Rate Study, including the five-year Capital Improvement Plan
- Conduct and adopt a 2024 five-year Water Rate Plan
- Build adequate reserve levels and achieve high-level bond rating
- Seek potential revenue sources from vacant District properties
- Monitor finances, operations, and projects affected by emergencies
- Digitize and document departmental workflows



Regional Leadership: *Engage, Lead, Progress*

- Continue to provide opportunities and information for local businesses and agencies to contract with the District
- Continue to collaborate with neighboring water agencies and move to include more agencies throughout and outside of the Antelope Valley through Greater Antelope Valley Mutual Response Agreements and emergency response exercises
- Develop working relationships and mutually beneficial projects with other water agencies in the District's region
- Develop strategies, alliances, and funding to make Littlerock Dam and Reservoir recreational again
- Continue Memorandum of Understanding with United Water Conservation District to combine political forces to obtain grant funding and research other joint cooperative regional efforts
- Continue representation on larger regional organizations such as the California Special Districts Association (CSDA) and the Association of California Water Agencies (ACWA) and assist with the growth and influence of the Special Districts Association of North Los Angeles County, a CSDA local chapter



Customer Care, Advocacy and Outreach: *Promote, Educate, Support*

Enhance customers' experience through communication and feedback

Expand and market additional payment options

Continue to increase public awareness of current programs and services through traditional and new media platforms

Engage elected officials and the public on the importance of local and state water reliability issues

Complete conversion to an Advanced Metering Infrastructure (AMI) to increase customers' knowledge of water use and promote customer self-help portal

Continue to increase public awareness of the on-going drought and the importance of conservation efforts

Publicize, engage, and educate the community about Pure Water AV

Overview

This report also includes charts that show the effects of the District's efforts in several areas. They are organized within each strategic initiative and include status of the State Water Resources Control Board's (SWRCB) current and former long-term conservation orders, the District's total per capita water use trends, State Water Project resources status, 2025 actual water production and customer use graph, mainline leaks, and the water loss trends for both 12- and 24-month running averages.



Water Resource Reliability *Resilience, Development, Partnership*

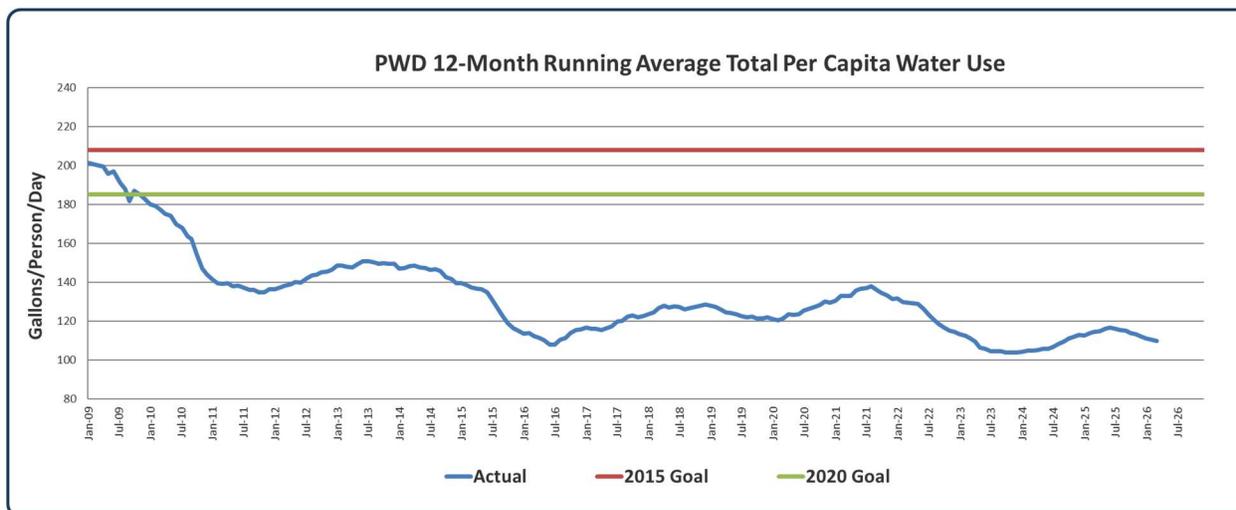
This initiative includes conservation efforts, water supply projects, and water planning. Recent highlights are as follows:

Overall Water Use Goals and Compliance

The 2020 Urban Water Management Plan (UWMP) was adopted by the District in June 2021. This report still uses the 20 x 2020 requirements. The "Making Conservation a Way of Life" regulations that sets agency water budgets were approved on July 3, 2024. The District's use of a water budget-based rate structure is helpful in complying with the new regulations. The first two annual reports were completed under the new regulations. They show the District is below the water budget determined by these regulations for the period of July 2023 through June 2025. This

is good news even though the regulations are not enforceable until 2027. The 2025 UWMP will be presented to the Board in June.

The District's compliance with the former 20 x 2020 law is evident from the chart titled "PWD 12-Month Running Average Total Per Capita Water Use:"



The District's customers have cut their water use by **48%** from the baseline number of 231 re-established in the 2020 Urban Water Management Plan and met all 20 x 2020 Goals by early 2010. The current Metered-GPCD, gallons per capita per day, is now 110 showing our customers continued reduced usage.

Water Supply Information

- 2026 began with a full Littlerock Dam and Reservoir and an initial SWP allocation of 10%. The allocation is now 30%. However, the final 2026 allocation will depend on the amount of precipitation and the snowpack status through May. SWP will be more important to the District this year because water from Littlerock Reservoir cannot be used until the current phase of the Palmdale Ditch Conversion Project is completed.

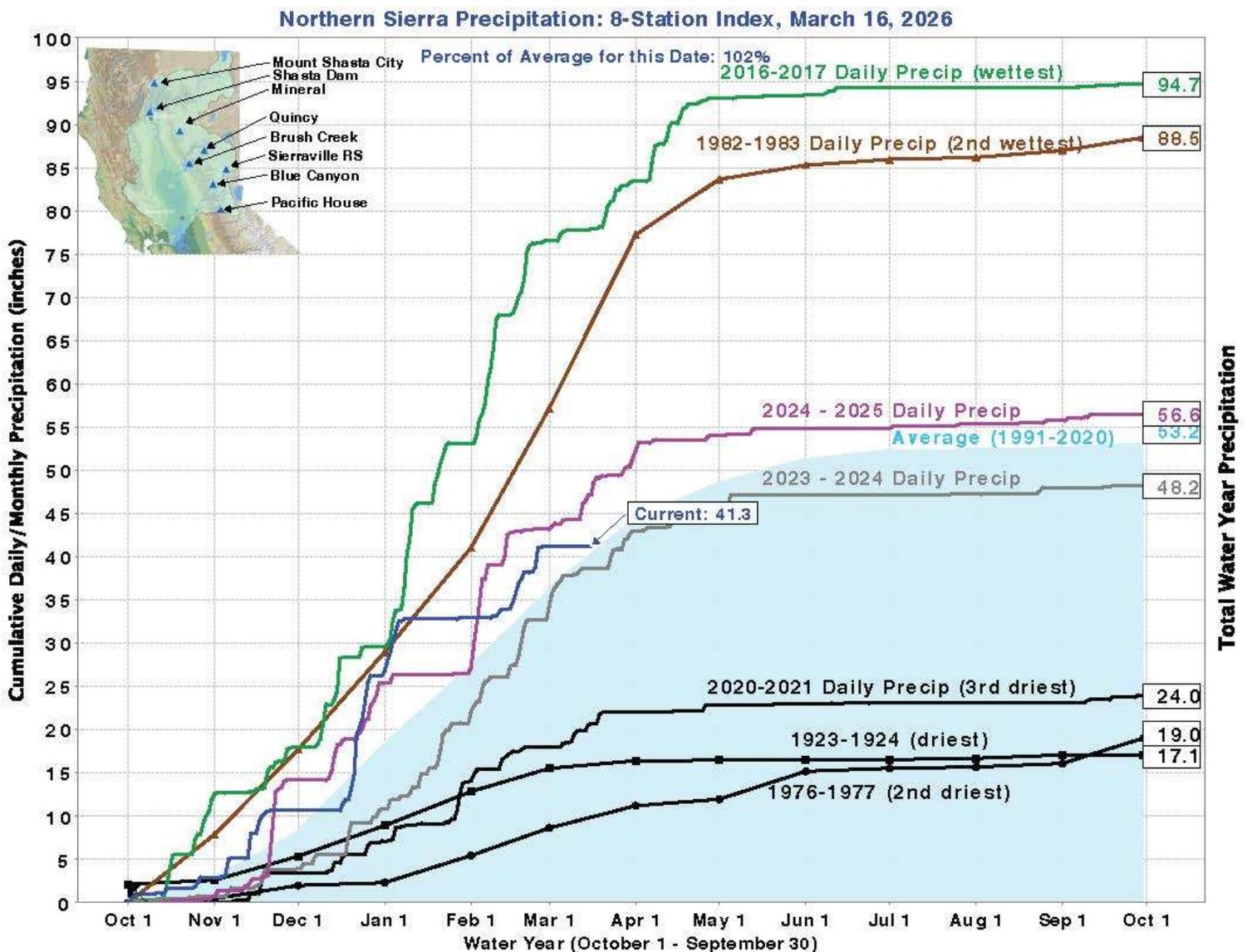
The District's raw water supply includes approximately 20,000 AF of groundwater production rights, over 10,000 AF of banked SWP water, 6,390 AF of Table "A", 3,471 AF of Butte County Table "A", and 690 AF of LCID Table "A". Littlerock Reservoir will have approximately 2,800 AF when it can be used. Excluding Littlerock Reservoir, the available supply totals just over 40,500 AF. However, realistically only about 10,000 AF of groundwater can be used due to the current condition of the District's wells. This makes the available water supply approximately 20,500 AF and is more than the anticipated raw water demand of 17,583 AF. It will also allow for carry-over into 2027. Refurbishment and replacement of wells is included in the Strategic Water Resources Plan and Capital Improvement Fee structure.

State Supply Status

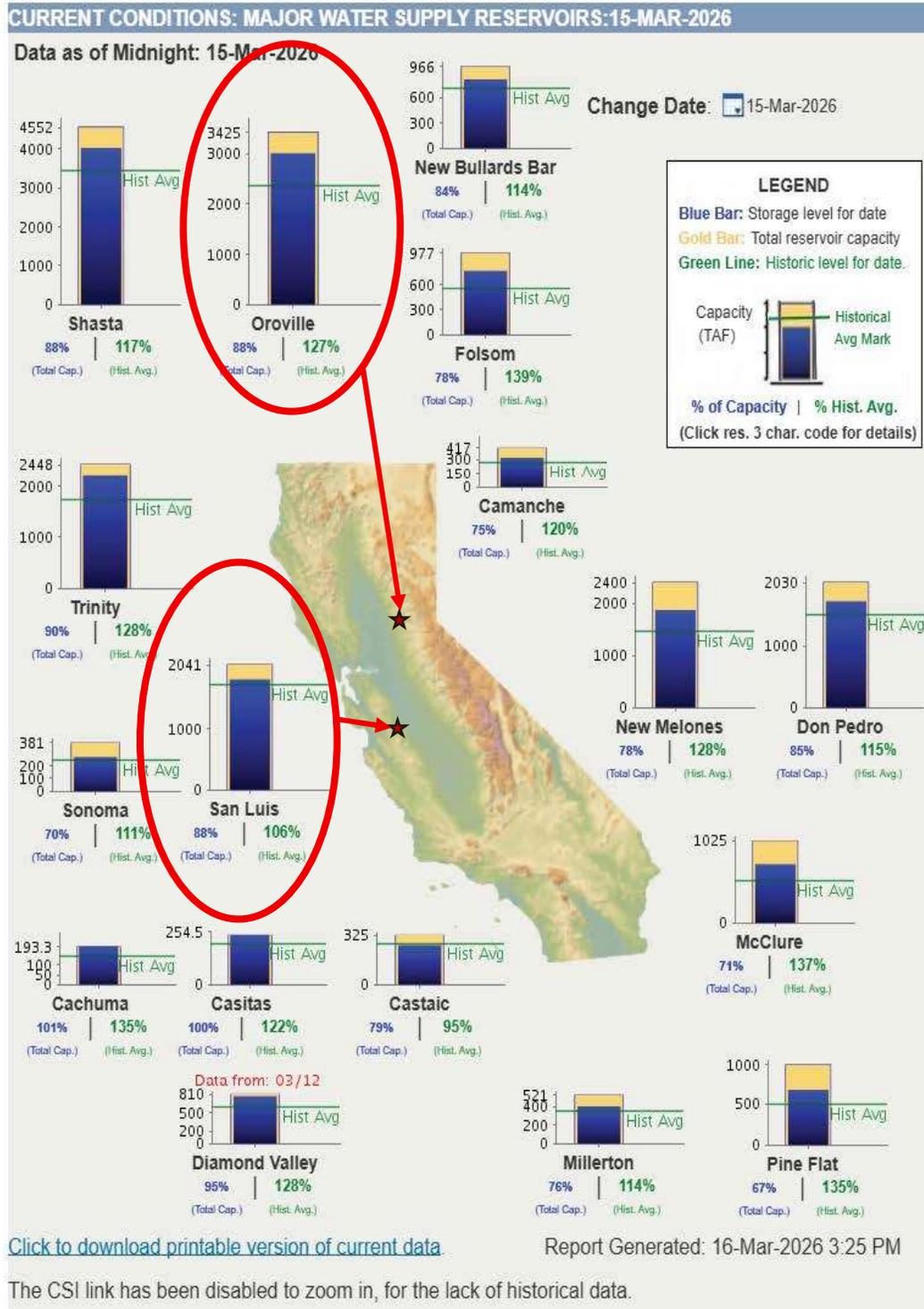
Precipitation in the area that contributes to the State Water Project for the 2025-2026 Water Year (October through September) is currently 102% of the average for this date and 78% of the full-year average.

The next few charts show the status of California’s precipitation, reservoir water storage, drought status, and snowpack status.

The March 16, 2026 Northern Sierra precipitation is as follows:



The March 16, 2026 reservoir summary is as follows. The two most important reservoirs to the District are Oroville and San Luis. Oroville stores SWP supplies north of the Delta and San Luis stores them south of the Delta.



California is in a new water year and rainy season. There is no current drought due to the December 2025 storms, though northern California is beginning to look dry. There is little change between February and March as shown on the following U.S. Drought Monitor illustrations dated February 10, 2026 and March 10, 2026:

**U.S. Drought Monitor
 California**



March 10, 2026
 (Released Thursday, Mar. 12, 2026)
 Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	85.84	14.16	0.00	0.00	0.00	0.00
Last Week 03-03-2026	100.00	0.00	0.00	0.00	0.00	0.00
3 Months Ago 12-09-2025	91.10	8.90	0.00	0.00	0.00	0.00
Start of Calendar Year 01-06-2026	100.00	0.00	0.00	0.00	0.00	0.00
Start of Water Year 09-30-2025	26.78	73.22	38.52	18.61	1.25	0.00
One Year Ago 03-11-2025	41.78	58.22	41.58	24.83	14.75	0.73

Intensity:
 None (White) D2 Severe Drought (Orange)
 D0 Abnormally Dry (Yellow) D3 Extreme Drought (Red)
 D1 Moderate Drought (Light Orange) D4 Exceptional Drought (Dark Red)

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

Author:
 Brad Pugh
 CPC/NOAA



droughtmonitor.unl.edu

**U.S. Drought Monitor
 California**



February 10, 2026
 (Released Thursday, Feb. 12, 2026)
 Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	99.30	0.70	0.00	0.00	0.00	0.00
Last Week 02-03-2026	99.30	0.70	0.00	0.00	0.00	0.00
3 Months Ago 11-11-2025	49.04	50.96	31.86	9.58	0.00	0.00
Start of Calendar Year 01-06-2026	100.00	0.00	0.00	0.00	0.00	0.00
Start of Water Year 09-30-2025	26.78	73.22	38.52	18.61	1.25	0.00
One Year Ago 02-11-2025	33.22	66.78	54.31	34.66	21.21	0.00

Intensity:
 None (White) D2 Severe Drought (Orange)
 D0 Abnormally Dry (Yellow) D3 Extreme Drought (Red)
 D1 Moderate Drought (Light Orange) D4 Exceptional Drought (Dark Red)

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

Author:
 Lindsay Johnson
 National Drought Mitigation Center



droughtmonitor.unl.edu

The following illustrates the condition of the state's snowpack as of March 16, 2026. This is expected to worsen over the next several weeks due to the current heat wave:



CURRENT REGIONAL SNOWPACK FROM AUTOMATED SNOW SENSORS

% of April 1 Average / % of Normal for This Date



NORTH	
Data as of March 16, 2026	
Number of Stations Reporting	33
Average snow water equivalent (Inches)	6.1
Percent of April 1 Average (%)	23
Percent of normal for this date (%)	24

CENTRAL	
Data as of March 16, 2026	
Number of Stations Reporting	53
Average snow water equivalent (Inches)	12.5
Percent of April 1 Average (%)	45
Percent of normal for this date (%)	47

SOUTH	
Data as of March 16, 2026	
Number of Stations Reporting	26
Average snow water equivalent (Inches)	15.4
Percent of April 1 Average (%)	63
Percent of normal for this date (%)	66

STATE	
Data as of March 16, 2026	
Number of Stations Reporting	112
Average snow water equivalent (Inches)	11.3
Percent of April 1 Average (%)	42
Percent of normal for this date (%)	43

Statewide Average: 42% / 43%

Data as of March 16, 2026

2026 and Historical Water Use Information

- The following tables and graphs show the actual and projected monthly water consumption and production for 2026. The shape of the projected production and consumption graph are based on an average of the prior five years of actual monthly information. The two following tables show how the prior five years are used to project the monthly production and consumption for 2026 based on a budget amount of 15,000 AF of consumption.

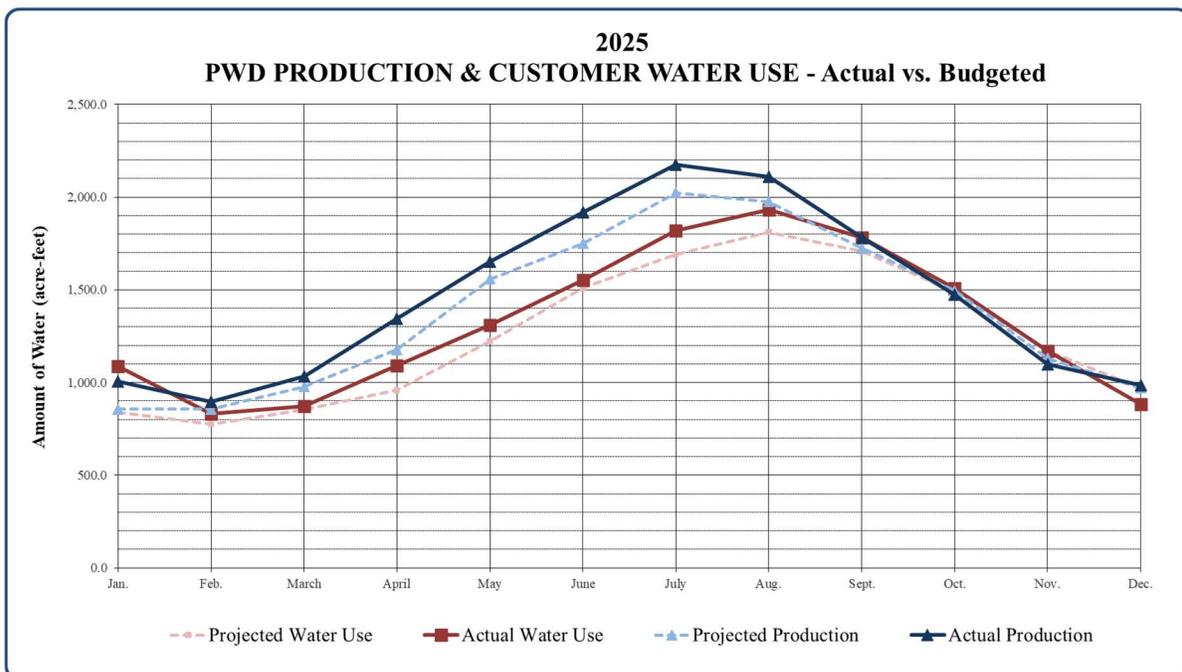
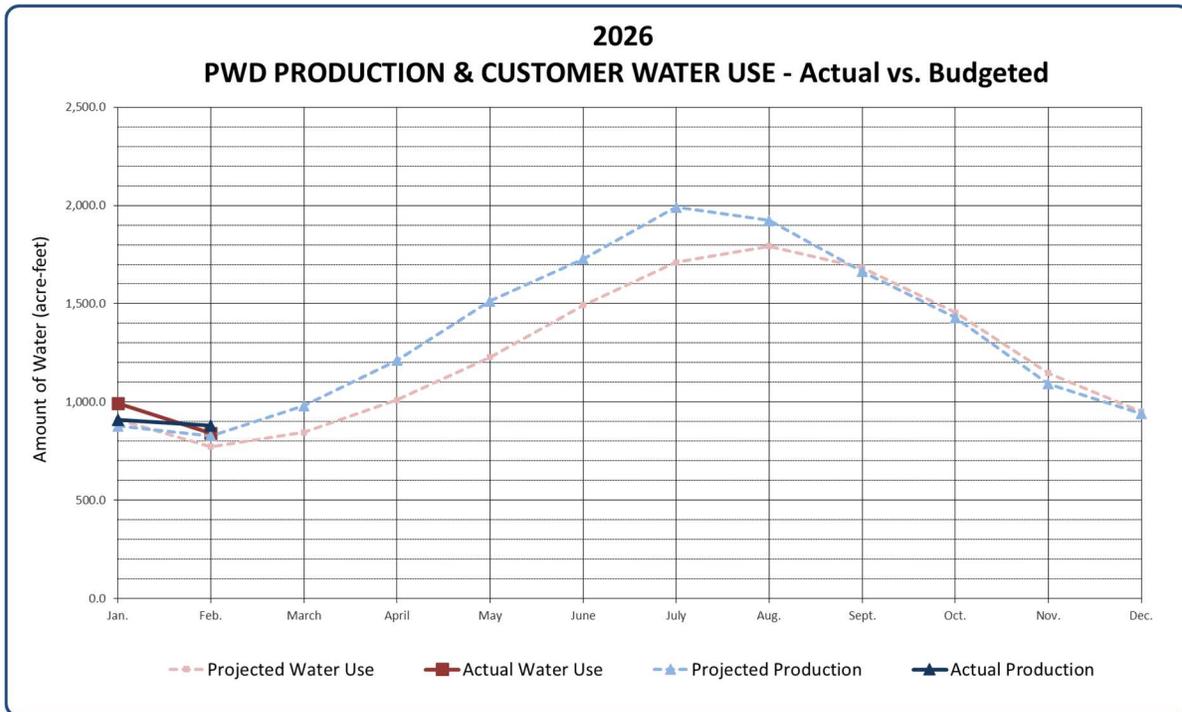
Water Consumption Projections and Actuals

Month	Five-Year Aver.	Budgeted 2026	Actual 2026	Difference
	Consumption	Consumption	Consumption	(Act. - Pred.)
	(ac.-ft.)	(ac.-ft.)	(ac.-ft.)	(ac.-ft.)
Jan.	975.9	910.7	993.4	82.7
Feb.	828.0	772.8	841.3	68.5
March	905.5	845.0		
April	1,082.8	1,010.5		
May	1,316.4	1,228.5		
June	1,599.2	1,492.5		
July	1,833.0	1,710.7		
Aug.	1,920.6	1,792.4		
Sept.	1,803.3	1,682.9		
Oct.	1,560.1	1,456.0		
Nov.	1,228.8	1,146.8		
Dec.	1,018.9	950.9		
	16,073	1,683	1,834.7	151.2
	16,073	15,000		9.0%

Water Production Projections and Actuals

Month	Five-Year Aver.	Projected 2026	Actual 2026	Difference
	Production	Production	Production	(Act. - Pred.)
	(ac.-ft.)	(ac.-ft.)	(ac.-ft.)	(ac.-ft.)
Jan.	954.1	878.2	909.1	30.9
Feb.	899.7	828.1	881.6	53.5
March	1,066.1	981.2		
April	1,316.2	1,211.4		
May	1,644.9	1,513.9		
June	1,877.8	1,728.4		
July	2,163.5	1,991.3		
Aug.	2,090.2	1,923.8		
Sept.	1,807.2	1,663.4		
Oct.	1,553.7	1,430.0		
Nov.	1,186.6	1,092.2		
Dec.	1,022.6	941.2		
	17,583	1,706	1,790.7	84.5
	17,583	16,500		4.9%

- The following graphs show the actual and projected monthly water consumption and production for 2026 and 2025. The prior tables are used to generate these graphs. Customers have used 9% more water than anticipated in through the end of February for a total of 1,835 AF, similar to the usage pattern in 2025.



Other Items

- **Littlerock Sediment Removal Project**

The Project consists of three phases. The Grade Control Structure is Phase 1 and was completed in January 2020. Phase II is the removal of 1.2 million cubic yards (CY) of sediment from the reservoir. Approximately 58,000 cubic yards of sediment were removed in 2022 using a single year California Fish and Wildlife permit. Staff continues to work with Aspen Environmental to secure all the necessary permits for multi-year sediment removal.

- **Palmdale Ditch Conversion Project**

Palmdale Ditch was originally built in the 1880's by our predecessor water company. It moves water from Littlerock Reservoir to Lake Palmdale by gravity and is about eight miles long. The District obtained a \$17.6 million grant from the Department of Water Resources and a \$5 million grant from the Bureau of Reclamation to convert the Ditch to a pipeline. This will allow the District to move more water and significantly reduce losses. The work must be completed in 2026 to comply with grant requirements.

The Board approved the contract for constructing the first section of the project. Approximately \$11M is available for construction after completing the design, environmental studies, and mitigation measures. This will complete the diversion structure at Lake Palmdale and the Ditch from the railroad to about 2,400' short of crossing the California Aqueduct. Another grant application was approved by the Board that could extend the construction to near 40th Street East and Barrel Springs Road.

- **Pure Water AV Project**

The District's goal of using recycled water for a reliable potable water supply is advanced water treatment and groundwater augmentation. The project is called Pure Water AV. The program management firm assisting the District with the Project is Stantec. Current activities include management of the construction contract with W. M. Lyles for the Demonstration Facility, refining the funding strategy for the full-sized Project, and working on potential grants.

Staff is working with the Sanitation Districts of Los Angeles County, District 20 (LASD). Pure Water AV will put the already highly treated tertiary recycled water to a higher beneficial use and satisfies LACSD's goals for use of the water.

- **Delta Conveyance Project**

The Delta Conveyance Project (DCP) Final EIR for the Project was completed in December 2023 naming the Bethany Alternative as the project moving forward. The current cost estimate is \$20.12 billion with a benefit/cost ratio of 2.20. Continued participation in funding the District's

share on planning and engineering in 2026 and 2027 was approved by the Board on November 12, 2024.

DWR began the permitting processes in 2025 through the State Water Resources Control Board for a change in point of diversion and the Delta Stewardship Council for consistency with the Delta Plan. Staff from the DCA and DWR attended the February 9, 2026 Board meeting to provide an update on DCP activities.



Organizational Excellence *Train, Perform, Reward*

This initiative includes efforts to restructure staff duties and activities to more efficiently provide service to our customers. The recent highlights are as follows:

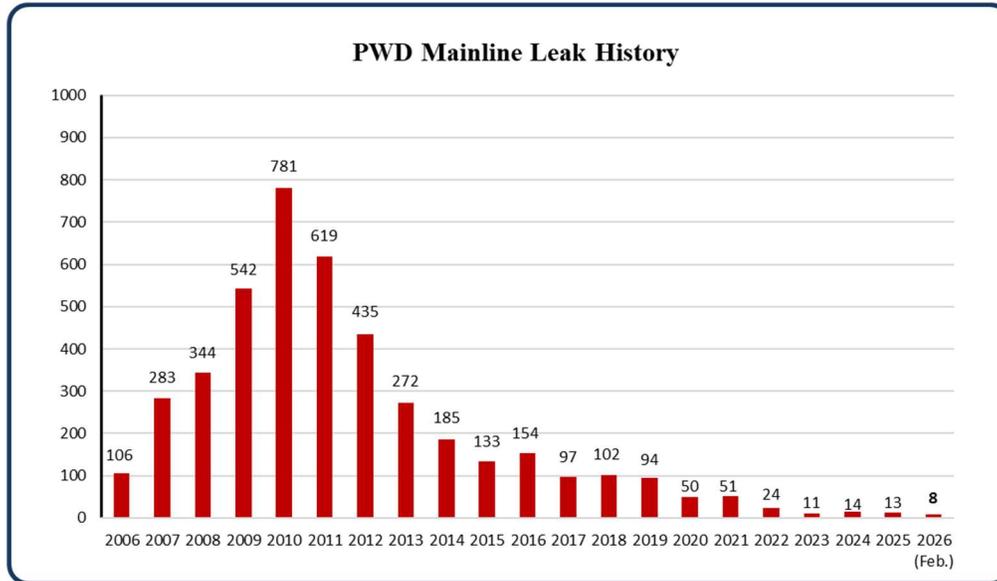
- The District has continued to find ways for internships and training opportunities for college and high school students who are interested in the water industry.
- A salary survey was finalized and its recommendations were approved by the Board of Directors at the December 15, 2025 Board meeting along with updated certification and education requirements for job positions.
- Staff is working on a second round of potential salary structure changes. One involves the bandwidth or difference between the first and last step for each position's salary range. The District is currently somewhat smaller than similar agencies. This will be presented to the Personnel Committee when a recommendation is ready.
- The District's Risk and Resiliency Plan and Emergency Response Plan were successfully updated in 2025. The Emergency Response plans for Littlerock and Harold (Palmdale) Dams will be updated in 2026.
- The 2026 Strategic Plan Update process will begin after the Water Ambassador Academy (WAA) program is completed in April. It will involve Board, staff, and WAA graduate workshops.



Systems Efficiency *Independence, Technology, Research*

This initiative largely focuses on the state of the District's infrastructure. The recent highlights are as follows:

- The effects of the District’s past efforts in replacing failing water mains can be seen in the reduced number of mainline leaks. This is illustrated in the following chart titled “PWD Mainline Leak History.” 2025 ended with 13 mainline leaks. There were eight mainline leaks and ten service line leaks through February 2026.



- The positive effect of both water main and water meter replacement programs has resulted in the 24-month running average for water loss being 10% or less over the last ten years. This is an indication of a healthy water distribution system.
- The District approved two solar PV projects to provide energy for wells, the Clearwell booster, and the Leslie O. Carter Water Treatment Plant in December 2022. One will be located north of the maintenance yard and will provide power for a set of wells. The other will be located between Avenue S and Avenue R-8 on the west side of the railroad tracks. It will provide power for the Clearwell booster and Leslie O. Carter Water Treatment Plant. Both of these facilities are currently under construction with a deadline of April 2026 to meet net metering tariff requirements.
- The Resources and Facilities Committee and Board approved contracts in 2023 to address improvements needed for the 6 Million Gallon (6M) tank used as the Clearwell for treated water from the Leslie O. Carter Water Treatment Plant. Tank Industry Consultants (TIC) was hired by the District a few years ago to inspect the District’s tanks, including the 6M.

Staff has completed some of TIC’s recommendations. Other recommendations will be addressed when possible until the 6M can be taken out of service. This will be possible after the new 2950’ booster station at the 3M tank is completed and the 3M can be used as the

Clearwell. The 2950' Booster station is estimated to be complete in May 2026. The ^M project will then be circulated for bids with work anticipated to begin in late fall this year. Meanwhile, staff is ensuring the 6M is operating safely.



Financial Health and Stability *Strength, Consistency, Balance*

- The 2026 Operating Budget was approved by the full Board on December 15, 2025. Staff will also be prioritizing potential capital projects as funds become available.
- The District was working on two software implementations in 2025. One is upgrading MS Great Plains to MS Business Center. The other is moving to Paylocity for payroll and HR purposes. These implementations were canceled. Finance and HR staff have investigated more complete software packages and plan to make a recommendation to the Board in March.
- The District is seeking assistance from the State's SAFER Program to provide water service to the Alpine Springs Mobile Home Park on Sierra Highway. It has stopped using its well due to poor water quality, has several health violations, and now relies on hauled water. This will be considered a consolidation as the Alpine Springs MHP is currently a separate public water system.

A grant agreement is now in place to fund water hauling until the connection to the District is approved by the State, constructed, and operational. A grant has also been approved by the State to fund the construction of the water system improvements needed to serve the mobile home park. The design work is approximately 60% complete.

- The District is also beginning to work with Joshua Acres Mutual Water Company (Joshua). Joshua has requested to be served by the District. A legal review of the process has been done and a draft plan with estimates of the cost to bring the Joshua water system up to the District's standards has been prepared and shared with Joshua. An assessment district will likely be needed to fund the improvements. More input will be needed from the residents to proceed.



Regional Leadership *Engage, Lead, Progress*

This initiative includes efforts to involve the community, be involved in regional activities, and be a resource for other agencies in the area. The recent highlights are as follows:

- The PRWA Board consists of two Palmdale City Councilmembers, two PWD Board Members, and public director Joe Pallon. Construction of new purple pipes with PRWA is on hold as the

District works on the Pure Water AV Project. SOAR High School was recently added as a recycled water customer. Another project on 30th Street East, California Together, will be added in the next several weeks.

- The District and other members of the Public Water Agencies Group (PWAG) share the services of an Emergency Preparedness Coordinator. This approach also helped the District successfully comply with the America’s Water Infrastructure Act (AWIA) of 2018 and respond to the COVID-19 event. It has also been critical in developing mutual aid agreements, universal mobile generator connections, and updating the Emergency Response Plan.

- **United Water Conservation District Memorandum of Understanding**

The District and United Water Conservation District (United) approved a memorandum of understanding (MOU) to work cooperatively on projects where our interests overlap. These include internships and cooperation with community colleges, combined recreational funding for Piru and Littlerock Reservoir recreational improvements, and assistance and funding of advanced treatment of recycled or brackish water for potable use projects.

Additional coordination will also be focused on both agencies’ advanced water treatment projects. The United project will treat brackish groundwater for potable use by the military. The PWD project, Pure Water AV, will treat tertiary water for potable use by our customers. Once Pure Water AV is more established, joint meetings with state and federal representatives will be held to obtain funding assistance.

- **Littlerock Reservoir Recreation Area (Area)**

The San Gabriel Mountains National Monument in the Angeles National Forest started a process in March 2025 by issuing a Request for Economic Interest (RFEI) for rehabilitating and operating the Area. The District did not receive a copy of this request until summer. The City of Palmdale and a private company submitted proposals. The District prepared and submitted a response to the RFEI to clean up and operate the Area in October 2025. The Response allows for partnership(s) with other entities to successfully open and run the Area.



Customer Care, Advocacy, and Outreach *Promote, Educate, Support*

This initiative includes efforts to better serve our customers. The recent highlights are as follows:

- Applications for 2026 were accepted beginning in November 2025. The Rate Assistance Program reached its capacity in February 2026. Staff continually monitors the Program for

openings. Two major cell tower leases now have significant extensions. These will fund the program into the future.

- Customer Care is now managing the District's water meter replacement program with the assistance of the Facilities, Finance, and IT Departments. The 2026 meter replacement program was approved by the Board for consideration at the February 23, 2026 regular meeting.
- Changes are underway to reduce the number of vendors used for electronic customer payments. The transition is planned to be completed in March 2026.
- Staff successfully conducted virtual coffee meetings with Directors and their constituents, online "Let's Talk H2O" meetings, issued regular internal and public newsletters, coordinated drive-through giveaways for customers, an in-person customer appreciation day, monitored and maintained the District's social media, and assisted with information for the current drought. In-person workshops have also been held.
- The "PWD Water Ambassador Academy" (WAA) is scheduled for April 2026.
- Two Junior Water Ambassadors Academy will be scheduled this fall for two consecutive days at the Leslie O. Carter Treatment Plant (WTP). This one-day academy includes presentations on District functions and water careers, hands-on demonstrations, and a tour of the WTP.
- Staff is working on the first PWD public event at Lake Palmdale. It will be a 5K run/walk and is scheduled for June 13, 2026.