



San Gabriel Basin Water Quality Authority

1720 W. Cameron Avenue, Suite 100, West Covina, CA 91790 • 626-338-5555 • Fax 626-338-5775

**WQA ADMINISTRATIVE/FINANCE COMMITTEE
AND SPECIAL MEETING OF THE BOARD OF DIRECTORS
TO BE HELD ON TUESDAY, JUNE 14, 2022 AT 10:00 A.M.
AT
1720 W. CAMERON AVE., SUITE 100 IN WEST COVINA, CA**

With passage and signing of AB 361 and in light of the ongoing Statewide State of Emergency originally declared by Governor Newsom on March 4, 2020, WQA Board Meetings will continue to be conducted via remote teleconferencing, subject to the requirements of Government Code Section 54953(e). Members of the public can participate remotely via Zoom following the instructions provided below. Members of the public may also submit comments in writing to Stephanie@wqa.com which comments will be distributed to the members of the Board, provided such written comments are received prior to the meeting start time. To address the Board during the meeting you may use the "raise hand" feature and you will be called up on when appropriate.

To attend the meeting please register in advance at:

https://us06web.zoom.us/webinar/register/WN_a9sPbYKTR6Gwkg9tHG5OQQ

A confirmation email will be sent to you with instructions on how to join the meeting virtually or a call-in option

**The Administrative/Finance Committee meeting is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board that are not assigned to the Administrative/Finance Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the Committee as advisory to the Board, members of the Board who are not assigned to the Administrative/Finance Committee will not vote on matters before the Committee*

AGENDA

Committee Members: Mike Whitehead, Lynda Noriega and Mark Paulson

Liaison Member: Dave Michalko

- I. Call to Order
- II. Public Comment
- III. Update Regarding WQA Office Lease
- IV. Discussion Regarding WQA Office Schedule [enc]
- V. Discussion Regarding Reaffirming WQA Investment Policy and Guidelines [enc]
- VI. Discussion Regarding Amendment and Restatement of the WQA Employee Pension Plan [enc]
- VII. Discussion Regarding New Copier Lease [enc]
- VIII. Discussion Regarding Continued Participation in the Coalition for Environmental Protection Restoration and Development [enc]
- IX. Discussion Regarding Federal Funding Program Administration (FFPA) Guidelines [enc]
- X. Discussion Regarding Cost of Living Adjustment [enc]
- XI. Discussion Regarding Job Description for Project Resource Specialist [enc]
- XII. Executive Director's Report
- XIII. Adjournment



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AGENDA SUBMITTAL

To: Administrative/Finance Committee
From: Randy Schoellerman, Executive Director
Date: June 14, 2022
Subject: WQA Office Schedule

Summary

Staff is recommending modifying the days that the WQA office is open to Monday-Thursday, and closed on Fridays. WQA employees work four 10-hour days each week. Prior to the office closure due to the pandemic, some employees worked Monday-Thursday and some worked Tuesday-Friday to keep the office open Monday-Friday. However, activities on Fridays had diminished over the years such that there would be no impact to WQA's mission if the office was closed on those days. Additionally, closing the office on Fridays would allow for all of staff to be working on the same schedule. Therefore, with the office now open once again, staff is recommending having the office open Monday-Thursday, closed on Fridays.

Recommendation / Proposed Action

Approve office schedule of Monday – Thursday, closed on Fridays



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AGENDA SUBMITTAL

To: WQA Administrative / Finance Committee
From: Randy Schoellerman, Executive Director
Date: June 14, 2022
Subject: Affirm WQA Investment Policy and Guidelines

Recommendation / Proposed Action

Staff is requesting that Administrative Procedure No. 26, Investment Policy and Guidelines be affirmed as of June 22, 2022.

Discussion

It is WQA's policy to submit the Administrative Procedure No. 26, Investment Policy and Guidelines for affirmation by the Board at the beginning of each fiscal year. Procedure No. 26 was affirmed by the Board last fiscal year on June 16, 2021. The Policy itself was last updated on September 25, 2013, in accordance with the relevant Government Code Sections and the Local Agency Investment Guidelines. These code sections and guidelines are still in effect.

The investment guidelines require that WQA invest its public funds in a manner which will provide the highest investment return while meeting the daily cash flow demands, maintaining an appropriate risk level and conforming to all state and local statutes. Procedure No. 26 itemizes the acceptable investment instruments for the WQA and includes a specific requirement that investments be limited to a 12-month term.

Attachments

Administrative Procedure No. 26

SAN GABRIEL BASIN WATER QUALITY AUTHORITY
Policy and Procedure Manual

ADMINISTRATIVE PROCEDURES

No. 26

Date: 6/19/95; Revised: 9/25/13; Affirmed: 6/21/17; Affirmed: 6/20/18; Affirmed: 8/21/19;
Affirmed 8/19/20; Affirmed 6/16/21

INVESTMENT POLICY AND GUIDELINES

Approve: _____

POLICY

The Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern.

The legislative body of a local agency may invest monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Section 53601.

It is the policy of the San Gabriel Basin Water Quality Authority (WQA) to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands and conforming to all statutes governing the investment of public funds.

PRUDENCE

Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the WQA, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code Section 53600.3) and shall be applied in the context of managing an overall portfolio. WQA's Board of Directors, acting in accordance with WQA written procedures and this investment policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

SCOPE

WQA's Board of Directors may invest that portion of WQA funds not required for immediate expenditure as is deemed wise or expedient and in compliance with the governing provision of law as set forth in this investment policy.

Any reference to portfolio shall mean the total of the WQA's cash and securities under management by WQA's Board of Directors. Those securities held in trust or escrow by a trustee or escrow agent on behalf of the WQA are invested under the direction of WQA's Board of Directors and the authority and terms of the specific trust agreements and indentures related to those securities.

OBJECTIVES

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing WQA funds, the primary objectives, in priority order, of the investment activities shall be:

- a. **Safety:** Safety and preservation of principal is the foremost objective of the investment program. Investments of the WQA shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification and maturity limitations are required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- b. **Liquidity:** The investment portfolio will remain sufficiently liquid to enable the WQA to meet all operating requirements which might be reasonably anticipated. Securities should mature concurrent with cash needs to meet anticipated demands.
- c. **Return on Investments:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk restrictions and the cash flow characteristics of the portfolio. Return on investment is of secondary importance compared to the safety and liquidity objectives.

INVESTMENT AUTHORITY

The authority of WQA's Board of Directors to invest funds is derived from Section 53601 of the California Government Code. WQA's Board of Directors shall establish procedures for the management of investment activities, including the activities of WQA staff in strict accordance with this policy. WQA's Board of Directors may retain the services of an outside investment advisor or manager to assist it with WQA's investment program. Any investment advisor selected shall make all investment decisions and transactions in strict accordance with State law, and this policy.

ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall not engage in any personal business activity which could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Executive Director shall maintain a list of approved security broker/dealers who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by federal and state laws

For broker/dealers of government securities and other investments, the WQA shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, WQA's Board of Directors shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the WQA's account with that firm has reviewed this investment policy and that the firm understands the policy and intends to present investment recommendations and transactions to the WQA that are appropriate under the terms and conditions of this investment policy.

ACCEPTABLE INVESTMENT INSTRUMENTS

Funds required to meet daily cash flow demands shall be held in checking accounts (interest bearing and/or non-interest bearing) of a nationally or state chartered bank or a state or federal association located within the State of California. The account balances are to be secured by federal insurance and maintained at levels that are considered necessary for the purposes for which the accounts were established.

The classes of investments, as listed below, that most adequately meet the above-mentioned criteria shall be allowed for purchase. Adequate diversification, when appropriate, from the range of authorized instruments and acceptable institutions shall be applied to these investments. For purposes of diversification, pooled-type investment funds are acceptable and the liquidity of assets in case of immediate requirements as well as the marketability of the security should be considered at the time of purchase. The investments specifically identified below which are authorized by the Government Code are allowed to be included in the WQA investment portfolio. Other types of investments that are authorized by the Government Code can be added as an amendment to the approved policy if conditions ever warrant their use.

Investments under this policy are restricted to a term of 12 months or less. Long-term investments (over one year) can be added as an amendment to the approved policy.

For each category of investment set forth below, information is first provided regarding the portfolio and maturity limitations established by California law and is then followed by the portfolio and maturity limitations that are permitted under this policy.

A. STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF) (California Government Code Section 16429.1)

State law: No portfolio percentage or maturity limitations.
This policy: No portfolio percentage or maturity limitations.

B. NEGOTIABLE CERTIFICATES OF DEPOSITS (California Government Code Section 53601(i))

State law: 30% portfolio limitation, 5 year maturity limitation.
This policy: 30% portfolio limitation, 1 year maturity limitation.

Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by California Financial Code Section 5102), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed 30 percent of WQA's funds that may be invested pursuant to Government Code Section 53601. WQA's Board of Directors is prohibited from investing WQA funds, or funds in the custody of WQA in negotiable certificates of deposit issued by a state or federal credit union if a member of WQA's Board of Directors or a person with investment decision-making authority at WQA also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

C. U.S. TREASURIES (California Government Code Section 53601(b))

State Law: No portfolio percentage limitation, 5 year maturity limitation.
This Policy: No portfolio percentage limitation, 1 year maturity limitation.

United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

D. U.S. AGENCIES (California Government Code Section 53601(f))

State Law: No portfolio percentage limitation, 5 year maturity limitation.
This policy: No portfolio percentage limitation, 1 year maturity limitation.

Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to

principal and interest by federal agencies or United States government-sponsored enterprises.

SAFEKEEPING AND CUSTODY

All security transactions entered into by the WQA shall be conducted on a delivery-vs.-payment basis. All securities purchased or acquired shall be delivered to the WQA by book entry, physical delivery or by third party custodial agreement.



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AGENDA SUBMITTAL

To: WQA Administrative / Finance Committee
From: Randy Schoellerman, Executive Director
Date: June 14, 2022
Subject: WQA Employee Pension Plan
Required Amendment and Restatement

Recommendation

Staff requests that the Committee recommend approval of Resolution 22-012 for the amendment and restatement of the WQA Employee Pension Plan.

Background and Discussion

The plan document for the WQA Employee Pension Plan needs to be amended and restated to comply with the Pension Protection Act (PPA). While the bulk of the revisions will have no impact on the operation of the plan, the restatement is required to maintain the Plan's tax-qualified status. This amendment and restatement will be effective January 1, 2022.

Certain specific changes include:

- **Secures/Cares/CAA Addendum** – Intended as a good faith effort to comply with the requirements of the Further Consolidated Appropriations Act, 2020, including the SECURE Act provisions, the Coronavirus, Aid, and Economic Security (CARES) Act, and the Consolidated Appropriations Act, 2021 (CAA) and corresponding guidance. *See Addendum A pages - 16 to 19.*
- **The definition of a "regular" part-time employee** has been changed from an employee regularly scheduled to work 20 or more hours per work week and under 32 hours per work week to an employee regularly scheduled to work more than 20 hours per work week to less than 30 hours per work week. This conforms to WQA Administrative Procedure No. 36 – Part-Time Personnel. *See Addendum A – page 4.*
- **Updated Summary Plan Description** – Once the amended and restated Pension Plan is approved, this document will need to be distributed to all participants.

The approval of the amended and restated plan document requires a Resolution of the Board of Directors authorizing the amendment and restatement of the Plan document and directing the authorized parties to execute the Amended and Restated WQA Employee Pension Plan.

Enclosures

Resolution 22-012

Restated WQA Employee Pension Plan documents

Exhibit A – Basic Plan Document

Exhibit B – Trust Agreement

Exhibit C – Summary Plan Description

DRAFT

RESOLUTION No. 22-012

A RESOLUTION
OF THE
SAN GABRIEL BASIN WATER QUALITY AUTHORITY
AMENDMENT AND RESTATEMENT OF THE WQA EMPLOYEE PENSION PLAN

WHEREAS, the San Gabriel Basin Water Quality Authority (the “WQA”) maintains a Money Purchase Pension Plan (Plan) which qualifies under Section 401(a) and 501(a) of the Internal Revenue Code; and

WHEREAS, the Pension Protection Act (PPA) requires an amendment and restatement of the Plan to maintain the Plan’s tax-qualified status; and

WHEREAS, said changes require the Plan to be amended and restated to maintain its qualified status under Section 401(a) and 501(a) of the Internal Revenue Code; and

NOW, THEREFORE, BE IT RESOLVED, that the Plan be amended and restated to comply with the provisions of the PPA; and

BE IT FURTHER RESOLVED that the amendment and restatement of the Plan, with effective dates as detailed in the amendment and restatement, presented in this meeting are hereby approved and adopted; and

BE IT FURTHER RESOLVED that an authorized representative of the WQA is hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan, including any separate amendments being concurrently adopted.

BE IT FURTHER RESOLVED that Randall Schoellerman and Mary H. Saenz are hereby retained as the Trustees of the Plan.

THE UNDERSIGNED FURTHER CERTIFIES that attached hereto as Exhibits A, B and C, respectively, are true copies of the WQA Pension Plan, the Summary Plan Description, and the Trust Agreement, which are hereby approved and adopted in the foregoing resolution.

PASSED, APPROVED, AND ADOPTED this 22nd day of June 2022.

Valerie Munoz
WQA Chairwoman

Bob Kuhn
WQA Secretary

WQA EMPLOYEE PENSION PLAN
BASIC PLAN DOCUMENT
EXHIBIT A

WQA EMPLOYEE PENSION PLAN

WQA EMPLOYEE PENSION PLAN

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ADOPTION AGREEMENT #002
GOVERNMENTAL MONEY PURCHASE NON-STANDARDIZED PLAN

The undersigned adopting employer hereby adopts this Plan. The Plan is intended to qualify as a tax-exempt plan under Code section 401(a). The Plan is further intended to qualify as a governmental plan under Code section 414(d). The Plan shall consist of this Adoption Agreement, its related Basic Plan Document #02, and any Addendum to the Adoption Agreement. Unless otherwise indicated, all Section references are to Sections in the Basic Plan Document.

EMPLOYER INFORMATION

***NOTE:** An amendment is not required to change the responses in items 1-10 below.*

***NOTE:** The Plan Sponsor must be an entity that is eligible to adopt a governmental plan as defined in Code section 414(d).*

1. Name of adopting employer (Plan Sponsor): San Gabriel Basin Water Quality Authority
2. Address: 1720 W. Cameron Avenue, Suite 100
3. City: West Covina
4. State: California
5. Zip: 91790
6. Phone number: 626-338-5555
7. Fax number: _____
8. Plan Sponsor EIN: 33-0445678
9. Plan Sponsor fiscal year end: 12/31
10. State of organization of Plan Sponsor: California

SECTION A. GENERAL INFORMATION**PLAN INFORMATION****SECTION A. GENERAL INFORMATION****Plan Name/Effective Date**1. Plan Number: 001

2. Plan name:

a. WQA Employee Pension Plan

b. _____

*NOTE: A.1 is optional.*3. **Effective Date**a. Original effective date of Plan: 01/01/1998b. ☒ This is a restatement of a previously-adopted plan. Effective date of Plan restatement: 01/01/2022*NOTE: The dates specified above in A.3a or A.3b may not be earlier than the first day of the Plan Year during which the Plan is adopted or amended and restated by the Plan Sponsor.*4. **Plan Year**a. Plan Year means each consecutive 12-month period ending on 12/31 (e.g. December 31)b. ☐ The Plan has a Short Plan Year. The Short Plan Year begins _____ and ends _____

i. In the event of a Short Plan Year, service conditions will be pro-rated based on months for the following purposes:

☐ None☐ All purposes (i.e., eligibility, allocation conditions, and vesting)☐ Other: _____*NOTE: The provisions of A.4b apply only in the event of an initial Plan Year. A Short Plan Year for reasons other than the initial Plan Year requires a Plan amendment.*5. **Limitation Year means:**a. ☒ Plan Yearb. ☐ calendar yearc. ☐ Other: _____*NOTE: If "Other" is selected, the Limitation Year must be a consecutive 12-month period.*6. **Frozen Plan**a. ☐ The Plan is frozen as to eligibility effective: _____b. ☐ The Plan is frozen as to benefit accruals effective: _____**Plan Features**7. **Employee Contributions (Section 4.01)**

a. Mandatory Employee Contributions (pick-up contributions) are permitted under the Plan:

i. ☐ Yes, _____% of Plan Compensationii. ☐ Yes, salary schedule according to the chart below:Salary RangeMandatory Employee Contributionsiii. ☐ Yes, other fixed method: _____iv. ☒ No

b. Voluntary (After-Tax) Contributions are permitted under the Plan:

i. ☒ Yesii. ☐ Noiii. ☐ Formerly Allowed

c. Mandatory After-Tax Employee Contributions are permitted under the Plan:

i. ☐ Yes, _____% of Plan Compensationii. ☐ Yes, salary schedule according to the chart below:Salary RangeMandatory After-Tax Employee Contributionsiii. ☐ Yes, other fixed method: _____iv. ☒ No

SECTION A. GENERAL INFORMATION

NOTE: If A.7a is "No", questions regarding Mandatory Employee Contributions are disregarded.

NOTE: If other method (A.7a.iii or A.7c.iii) is selected, the method must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

Compensation**8. Statutory Compensation**

- a. Definition of Statutory Compensation (as defined in Article 2 of the Basic Plan Document):
- i. ☐ Section 415 Compensation
 - ii. ☒ W-2 Compensation
 - iii. ☐ Withholding Compensation
 - iv. ☐ Section 415 Safe Harbor Option
- b. ☐ Include deemed Code section 125 compensation in definition of Statutory Compensation.
- c. ☒ Include Post Severance Compensation in definition of Statutory Compensation.
- d. ☐ Include Post Year End Compensation in definition of Statutory Compensation.

9. Plan Compensation

- a. Definition of Plan Compensation (as defined in Article 2 of the Basic Plan Document) for purposes of allocations will be Statutory Compensation with the following exclusions:

	Mandatory/Voluntary/Mandatory After-Tax Contributions	Pension Contributions
i. No Exclusions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ii. Pay earned before participation	<input type="checkbox"/>	<input type="checkbox"/>
iii. Amounts which are contributed by the Employer pursuant to a salary reduction agreement and not includible in the gross income of the Participant under Code sections 125, 402(e)(3), 402(h), 403(b), 132(f) or 457	<input type="checkbox"/>	<input type="checkbox"/>
iv. All of the following benefits (even if includable in gross income): reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation, and welfare benefits (Treas. Reg. section 1.414(s)-1(c)(3))	<input type="checkbox"/>	<input type="checkbox"/>
v. Differential military pay as defined in Code section 3401(h)(2)	<input type="checkbox"/>	<input type="checkbox"/>
vi. Final Paycheck Pay	<input type="checkbox"/>	<input type="checkbox"/>
vii. Post Severance Compensation	<input type="checkbox"/>	<input type="checkbox"/>
viii. Post Year End Compensation	<input type="checkbox"/>	<input type="checkbox"/>
ix. Other adjustments (e.g., commissions, bonuses, etc.):	<input type="checkbox"/>	<input type="checkbox"/>

NOTE: If any exclusions are selected which do not meet the safe harbor exclusions as described under Section 414(s) Compensation, the definition of Plan Compensation will cause the Plan to fail to qualify for any contribution safe harbors, such as the permitted disparity allocation or safe harbor contributions.

NOTE: If "Other adjustments" is selected, the description must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

NOTE: See Section 4.01(c) for rules regarding elections for bonuses or other special pay.

- b. Plan Compensation is determined over the period specified below ending with or within the Plan Year:
- i. ☒ Plan Year
 - ii. ☐ calendar year
 - iii. ☐ Plan Sponsor Fiscal Year
 - iv. ☐ Limitation Year
 - v. ☐ Other 12-month period beginning on: _____ (enter month and day)

SECTION A. GENERAL INFORMATION**Definitions****10. Disability**

Definition of Disability

- a. ☐ The Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The permanence and degree of such impairment shall be supported by medical evidence.
- b. ☒ Under the Social Security Act. The determination by the Social Security Administration that the Participant is eligible to receive disability benefits under the Social Security Act.
- c. ☐ Inability to engage in comparable occupation. The Participant suffers from a physical or mental impairment that results in his inability to engage in any occupation comparable to that in which the Participant was engaged at the time of his disability. The permanence and degree of such impairment shall be supported by medical evidence.
- d. ☐ Pursuant to other Employer Disability Plan. The Participant is eligible to receive benefits under an Employer-sponsored disability plan.
- e. ☐ Under uniform rules established by the Plan Administrator. The Participant is mentally or physically disabled under a written policy.
- f. ☐ Other: _____

NOTE: If "Other" is selected, the definition provided must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

11. Choice of Law/State Law

- a. Name of state or commonwealth for choice of law (Section 12.05): California
- b. Enter any state law provisions that apply to the Plan: _____

NOTE: Only state law and regulations may be entered in A.11b. The Plan may not violate applicable state law.

SECTION B. ELIGIBILITY**Exclusions****1. The term "Eligible Employee" shall not include (Check items as appropriate):**

	Mandatory/Voluntary/Mandatory After-Tax Contributions	Pension Contributions
a. No Exclusions	<input type="checkbox"/>	<input type="checkbox"/>
b. Union Employees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Leased Employees	<input type="checkbox"/>	<input type="checkbox"/>
d. Non-Resident Alien	<input type="checkbox"/>	<input type="checkbox"/>
e. Other Employees (Section 3.06(a)): <u>Employees who are employed as Interns of the Employer; Employees who are hired as "Regular part-time employees" who have not successfully completed a sixty-day probationary period. "Regular part-time employee" is defined as an employee who is regularly scheduled to work 20 or more hours per work week and under 30 hours per work week; Employees who are hired as "Part-time employees". "Part-time employee" is defined as an employee who is regularly scheduled to work under 20 hours per work week; Employees who are actively participating in the California Public Employee Retirement System. Notwithstanding the above, any "Regular Part-Time Employee" or "Part-Time Employee" who works a minimum of 1,000 hours in a calendar year will be an "Eligible Employee".</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

NOTE: If "Other Employees" is selected, the definition provided must be objectively determinable and may not name a specific individual or be specified in a manner that is subject to Employer discretion.

SECTION B. ELIGIBILITY**2. Opt-Out**

☐ An Employee may irrevocably elect not to participate in the Plan.

NOTE: If the Plan provides for Mandatory Employee Contributions (A.7a.iv is not selected), B.2 shall not apply to Mandatory Employee Contributions.

Eligibility Service Rules**3. Other Employer Service**

☐ Count service with employers other than the Employer for eligibility purposes. List other employers along with any limitations: _____

4. Special Participation Date

a. ☐ Allow immediate participation for all Eligible Employees employed on a specific date. All Eligible Employees employed on _____ shall become eligible to participate in the Plan as of _____

b. ☐ The Plan provides conditions or limitations on immediate participation: _____

NOTE: Describe the conditions or limitations that apply. The conditions/limitations must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

Eligibility for All Contribution Types**5. Age Requirement for Plan Participation**

	Mandatory/Voluntary/Mandatory After-Tax Contributions	Pension Contributions
a. Age Requirement	21	21

6. Service Requirement for Plan Participation

	Mandatory/Voluntary/Mandatory After-Tax Contributions	Pension Contributions
a. No Minimum Service	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
b. Completion of _____ Year(s) of Eligibility Service - Elapsed Time	<input type="checkbox"/>	<input type="checkbox"/>
c. Completion of _____ Hours of Service (not to exceed 1,000) in a _____ month period (not to exceed 12; hours of service failsafe applies)	<input type="checkbox"/>	<input type="checkbox"/>
d. Completion of _____ Hours of Service (not to exceed 1,000) within a 12-month period. The service requirement shall be deemed met at the time the specified number of Hours of Service are completed	<input type="checkbox"/>	<input type="checkbox"/>
e. Completion of _____ month(s) of service - Elapsed Time	<input type="checkbox"/>	<input type="checkbox"/>
f. Completion of _____ day(s) of service - Elapsed Time	<input type="checkbox"/>	<input type="checkbox"/>
g. Other: _____	<input type="checkbox"/>	<input type="checkbox"/>
h. Additional Requirements: _____	<input type="checkbox"/>	<input type="checkbox"/>

NOTE: If "Other" is selected, the service requirements provided must be definitely determinable and may not be specified in a manner that is subject to Employer discretion.

NOTE: Any "Additional Requirements" provided must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

7. Entry Dates

	Mandatory/Voluntary/Mandatory After-Tax Contributions	Pension Contributions
a. Immediate	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
b. First day of each payroll period	<input type="checkbox"/>	<input type="checkbox"/>
c. First day of the calendar month	<input type="checkbox"/>	<input type="checkbox"/>

SECTION B. ELIGIBILITY

- | | | | |
|----|---|--------------------------|--------------------------|
| d. | First day of each Plan quarter | <input type="checkbox"/> | <input type="checkbox"/> |
| e. | First day of the first month and seventh month of the Plan Year | <input type="checkbox"/> | <input type="checkbox"/> |
| f. | First day of the Plan Year | <input type="checkbox"/> | <input type="checkbox"/> |
| g. | Other: | <input type="checkbox"/> | <input type="checkbox"/> |

NOTE: If B.7g is selected, the other entry date must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

8. Entry Timing for Plan Participation

An Eligible Employee shall become a Participant on the entry date that is:

	Mandatory/Voluntary/Mandatory After-Tax Contributions	Pension Contributions
a. Coincident with or next following the date the eligibility requirements are met	<input type="checkbox"/>	<input type="checkbox"/>
b. Next following the date the eligibility requirements are met	<input type="checkbox"/>	<input type="checkbox"/>
c. Coincident with or immediately preceding the date the eligibility requirements are met	n/a	<input type="checkbox"/>
d. Immediately preceding the date the eligibility requirements are met	n/a	<input type="checkbox"/>
e. Nearest to the date the eligibility requirements are met	n/a	<input type="checkbox"/>

NOTE: If B.7a. is selected, an Eligible Employee shall become a Participant eligible to make Mandatory Employee Contributions/Voluntary Contributions/Mandatory After-tax Employee Contributions immediately upon meeting the eligibility requirements.

Transfers/Rehires**9. Transfers/Rehires**

- a. If an Employee either (1) upon rehire again qualifies as an Eligible Employee, (2) or if not previously an Eligible Employee who due to a change in status becomes an Eligible Employee, he shall become a Participant with respect to the contributions for which the eligibility requirements have been satisfied (Section 3.05):
- ☒ as of the later of the effective date of such subsequent change of status or the date the Employee meets the eligibility requirements of this Article 3
 - ☐ on the entry date as of the later of the effective date of such subsequent change of status or the date the Employee meets the eligibility requirements of this Article 3
- b. An individual who has satisfied the applicable eligibility requirements set forth in Article 3 before his rehire date, and who is subsequently reemployed by the Employer as an Eligible Employee shall resume or become a Participant (Section 3.05):
- ☒ immediately upon his rehire date with respect to the contributions for which the eligibility requirements of this Article 3 have been satisfied
 - ☐ on the entry date coincident with or next following his rehire date with respect to the contributions for which the eligibility requirements of this Article 3 have been satisfied

SECTION C. CONTRIBUTIONS**Voluntary Contributions**

NOTE: If A.7b is "Yes" (Voluntary Contributions are permitted), an Eligible Employee who has met the requirements of B.5 through B.7 shall be eligible to make Voluntary Contributions to the Plan as follows (Section 4.01):

1. Minimum and Maximum Voluntary Contributions

- Minimum Voluntary Contribution: None
- Maximum Voluntary Contribution: None
- Other limits on Voluntary Contributions apply: None

NOTE: C.1a and C.1b may not be more than 100% of Plan Compensation.

NOTE: If C.1c is selected the requirements provided must be objectively determinable and may not be specified in a manner that is subject to

SECTION C. CONTRIBUTIONS*Employer discretion.***Pension - Service**

NOTE: An Eligible Employee who has met the requirements of B.5 through B.7 and who has satisfied the following requirements shall be eligible to receive an allocation of Pension Contributions during the applicable Plan Year.

2. Allocation Service Requirements for Pension Contributions

- a. ☒ None
- b. ☐ In order to share in the allocation of Pension Contributions, a Participant is required to complete at least the following number of Hours of Service in the applicable Plan Year _____
- c. ☐ In order to share in the allocation of Pension Contributions, a Participant is required to be employed by the Employer on the last day of Plan Year
- d. ☐ In order to share in the allocation of Pension Contributions, a Participant is required to be employed by the Employer on the last day of Plan Year or complete at least _____ Hours of Service in the applicable Plan Year

NOTE: C.2b and C.2c are inapplicable if C.2a or C.2d is selected.

3. Exceptions to Allocation Service Requirements for Pension Contributions

- a. ☐ A Participant whose employment terminates on the last day of the Plan Year is treated as being employed by the Employer on the last day of the Plan Year.
- b. Modify Hour of Service requirement or last day requirement for a Participant who Terminates employment with the Employer during the Plan Year due to:
 - i. ☐ death
 - ii. ☐ Disability
 - iii. ☐ attainment of Normal Retirement Age
 - iv. ☐ attainment of Early Retirement Age
- c. Any Hour of Service requirement and last day requirement shall be modified as follows:
 - i. ☐ Waive both the Hour of Service requirement and last day requirement
 - ii. ☐ Waive the Hour of Service requirement only
 - iii. ☐ Waive last day requirement only
- d. ☐ The following other modifications shall be made to the requirements specified in C.2-3c: _____

NOTE: Other modifications must be specified in a manner that is objectively determinable and may not be specified in a manner that is subject to Employer discretion.

Pension Contributions - Formula

- 4. Pension allocation formula. The Employer's Pension Contribution shall be allocated to eligible Participants who have met the requirements of B.5 through B.7 and C.2 through C.3 as follows (Section 4.03):
 - a. ☐ Pro rata. In the amount of _____ to be allocated in the ratio that each Participant's Plan Compensation bears to the Plan Compensation of all eligible Participants.
 - b. ☐ Points. In the amount of _____ to be allocated as described in C.5.
 - c. ☐ Fixed Amount. In the amount of _____ to be allocated by dividing the total amount by the number of Participants eligible to share in such contribution.
 - d. ☒ Defined Groups. See C.6
 - e. ☐ Other fixed formula: _____

NOTE: If B.4e is selected, the other fixed formula must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

5. Pension Contribution - Points

If C.4b is selected, the Employer's Pension Contribution shall be allocated to eligible Participants who have met the requirements of B.5 through B.7 and C.2 through C.3 in the ratio that such Participant's points bears to the points of all eligible Participants. Each Participant shall receive to the extent provided in C.5a: (a) the points described in C.5d for each year of age he has attained (as of his birthday during such Plan Year), (b) the points described in C.5c for each Plan Year, including the current Plan Year, during which he was eligible to participate in the Plan after meeting the requirements of Article 3 (regardless of any service or last day requirement in Article 4) applicable to Pension Contributions, and (c) the points described in C.5b for each \$_____ of Plan Compensation he has earned for such Plan Year.

- a. Points will be computed on basis of:

SECTION C. CONTRIBUTIONS

- i. ☐ Age, Service and Plan Compensation
- ii. ☐ Age and Service
- iii. ☐ Age and Plan Compensation
- iv. ☐ Service and Plan Compensation
- v. ☐ Age Only
- vi. ☐ Service Only
- b. Points awarded for \$_____ of Plan Compensation: _____
- c. Points awarded for each year of participation: _____
- d. Points awarded for each year of age: _____

NOTE: C.5b, C.5c and C.5d apply to the extent that C.5a provides points for Plan Compensation, Years of Service or age, respectively.

6. Pension Contribution- Defined Groups

If C.4d is selected, the Employer's Pension Contribution shall be allocated to eligible Participants who have met the requirements of B.5 through B.7 and C.2 through C.3 in an amount designated by the Employer to be allocated to each group described in C.6. The contribution for a group shall then be further allocated to the members of such group who are eligible to receive allocations of Pension Contributions in the method as specified in C.6 for such group. The amount allocated to one group need not bear any relationship to amounts allocated to any other group. The Employer shall notify the Plan Administrator in writing of the amount of contributions allocated to each group.

The groups and allocations shall be determined as follows:

- a. Group One: each Participant formally designated by the Employer's Board of Directors as an Executive Director An amount equal to:
 - i. ☒ A percentage of Plan Compensation 12.726%
 - ii. ☐ A fixed dollar amount \$_____
 - iii. ☐ the greater of i. or ii.
- b. Group Two: each other Participant not designated as an Executive Director An amount equal to:
 - i. ☒ A percentage of Plan Compensation 12.726%
 - ii. ☐ A fixed dollar amount \$_____
 - iii. ☐ the greater of i. or ii.

NOTE: Groups must be defined in a manner that is objectively determined with no Employer discretion. Groups may not be designed so that the permanency requirement of Treas. Reg. section 1.401-1(b)(2) is violated.

NOTE: See Section 3.06 for rules regarding eligibility requirements.

7. Determination Period for Pension Contributions

- a. Pension Contributions are determined at the following time(s):
 - i. ☐ End of Plan Year
 - ii. ☐ Semi-annually
 - iii. ☐ Quarterly
 - iv. ☒ Each calendar month
 - v. ☐ Each pay period
- b. Minimum and Maximum Pension Contributions
 - i. ☐ Allocations of Pension Contributions for a Participant shall be subject to a minimum amount: _____
 - ii. ☐ Allocations of Pension Contributions for a Participant shall be subject to a maximum amount: _____

NOTE: Any service requirements specified in C.2 through C.3 shall be applied pro rata to the period selected in this C.7a. Any last day rule specified in C.2 through C.3 shall be applied as of the end of each period selected in this C.7a.

8. Paid Time Off

- a. ☐ The Employer will contribute a Participant's unused paid time off (vacation or sick leave) as a Pension Contribution to the Plan. Unused paid time off shall be contributed to the Plan:
 - i. ☐ Each Plan Year
 - ii. ☐ Upon Termination
- b. ☐ The following limitations/conditions shall apply: _____

NOTE: Any unused paid time off where the Participant has the right to request cash payment is not eligible for contribution to the Plan under this C.8.

NOTE: The unused paid time off contributions must be contributed by multiplication of the Participant's current daily rate of pay against the amount of accrued unpaid leave.

NOTE: Paid time off contributions must conform with Revenue Rulings 2009-31 and 2009-32.

9. Pension - Disability

- ☐ Allocate Pension Contributions to Disabled Participants who do not meet the allocation service requirements (Section 4.03(d)). Allocations to Disabled Participants end as of the earliest of: (i) the last day of the Plan Year in which occurs the _____ anniversary of the start of the Participant's Disability or (ii) such other time specified in Section 4.03(d).

SECTION C. CONTRIBUTIONS**10. Collective Bargaining Agreement**

- a. ☐ In addition to the formula selected in C.4, an amount necessary to meet the Employer's requirements under an applicable collective bargaining agreement shall be allocated as follows: _____
- b. The collective bargaining allocations will offset other Employer contribution allocations that would otherwise be made to a Participant:
- i. ☐ Yes - Pension contributions only
 - ii. ☐ No
 - iii. ☐ Other: _____

NOTE: C.4-7 (amount, timing, maximum and minimum Pension Contributions) will not apply to collectively bargained contributions. Collectively bargained contribution allocation timing, maximums and minimums will be determined under the collective bargaining agreement unless otherwise specified in C.10b.

Other Contributions**11. Prevailing Wage**

- a. ☐ The Employer will make a prevailing wage contribution for each Participant who performs an hour or more of service under a public contract subject to the Davis-Bacon Act. The formula for allocating prevailing wage contributions shall be specified in the Prevailing Wage Addendum to the Adoption Agreement. The contribution allocated will be dependent on the Participant's job classification and the hourly rate established:
- i. ☐ by the applicable federal, state, or municipal prevailing wage laws.
 - ii. ☐ in the Prevailing Wage Addendum to the Adoption Agreement.
- b. Offset of other contributions:
- i. ☐ Any other Pension Contribution allocations that would otherwise be made to a Participant
 - ii. ☐ Other: _____

NOTE: If C.11a.ii is selected, the Prevailing Wage Addendum entry should include job classifications and applicable hourly rates. To the extent the hourly rates established in the Prevailing Wage Addendum result in a smaller contribution than is required under the applicable federal, state, or municipal prevailing wage laws, the Plan Administrator retains the discretion to make the larger contribution as the prevailing wage contribution.

12. Rollovers

Rollover Contributions are permitted (Section 4.04):

- a. ☐ No
- b. ☐ Yes - All Eligible Employees may make a Rollover Contribution even if not yet a Participant in the Plan
- c. ☒ Yes - Only active Participants may make a Rollover Contribution
- d. ☐ Yes - _____ Participants may make a Rollover Contribution

NOTE: The Plan Administrator must use its discretion in a consistent and nondiscriminatory manner.

13. Deemed IRAs

- ☐ The Plan may accept voluntary contributions to deemed IRAs (Section 4.08)

14. Death or Disability During Qualified Military Service

- ☐ For benefit accrual purposes, a Participant that dies or becomes Disabled while performing qualified military service will be treated as if he had been employed by the Employer on the day preceding death or Disability and terminated employment on the day of death or Disability pursuant to Code section 414(u)(9) (Section 6.02).

15. 415 Additional Language

- ☐ Additional language necessary to satisfy Code section 415 because of the required aggregation of multiple plans: _____.

SECTION D. VESTING**Vesting Schedules****1. Pension**

Pension Contribution Account Vesting Schedule:

- a. ☐ 100%
- b. ☒ 1 year cliff
- c. ☐ Other:

i. Other Pension Schedule -

xii. Other Pension Schedule -

SECTION D. VESTING

- less than 1 year: _____%
- ii. Other Pension Schedule -
1 years but less than 2 years: _____%
- iii. Other Pension Schedule -
2 years but less than 3 years: _____%
- iv. Other Pension Schedule -
3 years but less than 4 years: _____%
- v. Other Pension Schedule -
4 years but less than 5 years: _____%
- vi. Other Pension Schedule -
5 years but less than 6 years: _____%
- vii. Other Pension Schedule -
6 years but less than 7 years: _____%
- viii. Other Pension Schedule -
7 years but less than 8 years: _____%
- ix. Other Pension Schedule -
8 years but less than 9 years: _____%
- x. Other Pension Schedule -
9 years but less than 10 years: _____%
- xi. Other Pension Schedule -
10 years but less than 11 years: _____%
- 11 years but less than 12 years: _____%
- xiii. Other Pension Schedule -
12 years but less than 13 years: _____%
- xiv. Other Pension Schedule -
13 years but less than 14 years: _____%
- xv. Other Pension Schedule -
14 years but less than 15 years: _____%
- xvi. Other Pension Schedule -
15 years but less than 16 years: _____%
- xvii. Other Pension Schedule -
16 years but less than 17 years: _____%
- xviii. Other Pension Schedule -
17 years but less than 18 years: _____%
- xix. Other Pension Schedule -
18 years but less than 19 years: _____%
- xx. Other Pension Schedule -
19 years but less than 20 years: _____%
- xxi. Other Pension Schedule -
20 years: 100%

NOTE: A cliff vesting schedule means no vesting is provided until the Participant meets the number of Years of Vesting Service provided in D.1b.

NOTE: D.1b and D.1c may not be completed with a cliff vesting schedule of more than 15. However, if substantially all Participants are qualified public safety employees within the meaning of Code section 72(t)(10)(B), the limit is increased to 20.

NOTE: D.1c may provide for a graded vesting schedule of up to 5 to 20 years.

2. Other Vesting Schedule

☐ The Plan has another vesting schedule: _____

NOTE: The vesting schedule in D.2 is in addition to the vesting schedule in D.1.

NOTE: The other vesting schedule must be definitely determinable and may not be specified in a manner that is subject to Employer discretion.

Vesting Service Rules

NOTE: If D.1a is selected and D.2 is not selected, the remaining options in section D.3-7 are inapplicable.

3. Vesting Computation Period

- a. ☐ Calendar year
- b. ☒ Plan Year
- c. ☐ The consecutive 12-month period commencing on the date the Employee first performs an Hour of Service; each subsequent consecutive 12-month period shall commence on the anniversary of such date
- d. ☐ Other: _____

NOTE: D.3d must be based on creditable years of service.

4. Other Employer Service

☐ Count service with employers other than the Employer for vesting purposes. List other employers for which the service applies along with any limitations: _____

5. Vesting Exceptions (Section 6.02)

- a. ☒ Death. Provide for full vesting for a Participant who Terminates employment with the Employer due to death while an Employee.
- b. ☒ Disability. Provide for full vesting for a Participant who Terminates employment with the Employer due to Disability while an Employee.
- c. ☒ Early Retirement. Provide for 100% vesting upon the attainment of Early Retirement Age while an Employee.

6. Vesting Exclusions

- a. ☐ Exclude Years of Vesting Service earned before age 18.
- b. ☐ Exclude Years of Vesting Service earned before the Employer maintained this Plan or a predecessor plan.

7. Vesting Forfeitures

SECTION D. VESTING

- a. Upon termination, nonvested account balances shall be forfeited
- ☒ as soon as administratively feasible
 - ☐ other timeframe: _____
- b. Upon receiving a distribution, the nonvested portion of the account shall be forfeited
- ☒ as soon as administratively feasible
 - ☐ other timeframe: _____

NOTE: The other timeframes must be definitely determinable and may not be specified in a manner that is subject to Employer discretion.

8. Forfeitures and Re-employment

- a. ☐ forfeited account balances shall be restored and continue to vest (select any of the following if applicable)
- ☐ only if the period of severance was less than or equal to the following period _____
 - ☐ only to the extent the vested account balance was not distributed
 - ☐ only to the extent the vested distributed account balance is restored to the Plan
- b. ☒ forfeited account balances shall not be restored

9. Use of Forfeitures

Forfeitures will be used in the following manner (Article 6):

- a. ☒ Any permissible method described in Section 6.03(d)
- b. ☐ Other: _____

NOTE: If D.9a is selected, forfeitures may be allocated in any manner at the discretion of the Plan Administrator.

NOTE: D.9b is limited to one or a combination of the options described in Section 6.03(d), may be used to further restrict the uses of forfeitures, and must be applied in a consistent and nondiscriminatory manner.

10. Special Vesting Provisions

- ☐ Provide for special vesting provisions (e.g., 100% vesting as of a certain date, or to set a different vesting schedule for employees based on division): _____

NOTE: The special vesting provisions must be definitely determinable and may not be specified in a manner that is subject to Employer discretion.

SECTION E. DISTRIBUTIONS**1. Normal Retirement**

Normal Retirement Age means:

- a. ☒ Attainment of age (not to exceed 65): 62
- b. ☐ Later of attainment of age _____ or the _____ anniversary of Plan participation.
- c. ☐ Other: _____

NOTE: Effective Plan Years beginning on or after the later of (1) January 1, 2015 or (2) the close of the first regular legislative session of the legislative body with the authority to amend the Plan that begins on or after the date that is 3 months after the final regulations are published in the Federal Register, the definition of Normal Retirement Age must satisfy Treas. Reg. section 1.401(a)-1(b) pursuant to IRS Notice 2012-29.

2. Early Retirement

Early Retirement Age means:

- a. ☐ None. The Plan does not have an early retirement feature.
- b. ☒ Attainment of age 55
- c. ☐ Later of attainment of age _____ or _____ service.
- d. ☐ Other: _____

3. Time of Payment (Other than Death)

Distributions after Termination of Employment for reasons other than death shall commence (Section 7.02):

- a. ☒ Immediate. As soon as administratively feasible with a final payment made consisting of any allocations occurring after such Termination of Employment.
- b. ☐ End of Plan Year. As soon as administratively feasible after all contributions have been allocated relating to the Plan Year in which the Participant's Account balance becomes distributable.
- c. ☐ Normal Retirement Age. When the Participant attains Normal Retirement Age.
- d. ☐ Other: _____

NOTE: Any entry in "Other" must comply with Code section 401(a)(9), Section 7.02(e) and other requirements of Article 7.

4. Form of Payment (Other than Death)

SECTION E. DISTRIBUTIONS

Medium of distribution from the Plan:

- a. ☒ Cash only
- b. ☐ Cash or in-kind
- c. ☐ Other: _____

5. Default Form of Payment (Other than Death)

- a. Unless otherwise elected by the Participant, distributions shall be made in the form of:
 - i. ☒ Lump sum only
 - ii. ☐ Other: _____
- b. In addition to the form described in E.5a, distributions from the Plan after Termination for reasons other than death may be made in the following forms (select all that apply):
 - i. ☒ Lump sum only
 - ii. ☐ Lump sum payment or substantially equal annual, or more frequent installments over a period not to exceed the joint life expectancy of the Participant and his Beneficiary
 - iii. ☐ Partial withdrawals - a Participant may withdraw such amounts at such times as he shall elect
 - iv. ☐ Other: _____

NOTE: Any entry in E.5a.ii or E.5b.iv must comply with Code section 401(a)(9), Section 7.02(e) and other requirements of Article 7.

6. Permit Distributions as an Annuity

- ☒ Permit distributions in the form of an annuity

NOTE: If E.6 is selected, a Participant/Beneficiary may elect to have the Plan Administrator apply his entire vested Account toward the purchase of an annuity contract, which shall be distributed to the Participant/Beneficiary. The terms of such annuity contract shall comply with the provisions of this Plan and any annuity contract shall be nontransferable.

7. Payment upon Participant's Death

Distributions on account of the death of the Participant shall be made in accordance with the following:

- a. ☒ Pay entire Account balance by end of fifth year for all Beneficiaries in accordance with Sections 7.02(b)(1)(A) and 7.02(b)(2)(A) only
- b. ☐ Pay entire Account balance no later than the 60th day following the end of Plan Year in which the Participant dies
- c. ☐ Allow extended payments for all Beneficiaries in accordance with Sections 7.02(b)(1)(A), (B) and (C) and 7.02(b)(2)(A) and (B)
- d. ☐ Pay entire Account balance by end of fifth year for Beneficiaries in accordance with Sections 7.02(b)(1)(A) and 7.02(b)(2)(A) and allow extended payments in accordance with Sections 7.02(b)(1)(B) and (C) and 7.02(b)(2)(B) only if the Participant's spouse is the Participant's sole primary Beneficiary
- e. ☐ Other: _____

NOTE: Any entry in "Other" must comply with Code section 401(a)(9), Section 7.02(b) and other requirements of Article 7.

8. Beneficiaries

- a. Death benefits when there is no designated beneficiary:
 - i. ☒ In accordance with Section 7.04(b)
 - ii. ☐ Other: _____
- b. ☒ A beneficiary designation to a spouse shall be automatically revoked upon the legal divorce of the Participant and the spouse.

NOTE: If "Other" is selected, must be definitely determinable and may not be specified in a manner that is subject to Employer discretion.

9. Force-Out Provisions

- a. ☒ Maximum force-out amount for purposes of Section 7.03 (not to exceed \$5,000): \$5000
 - i. ☒ Exclude amounts attributable to Rollover Contributions in determining the value of the Participant's nonforfeitable account balance
 - ii. Force-outs will be subject to the automatic rollover provisions of 7.06(c) if over: \$1000
- b. Force-out of a terminated Participant's Account balance is deferred under Section 7.03(b) until:
 - i. ☐ Later of age 62 or Normal Retirement Age - payment made in a lump sum only
 - ii. ☒ Required Beginning Date - Participant may elect payment in a lump sum or installments
 - iii. ☐ Required Beginning Date - payment made in a lump sum only

NOTE: If E.9a is less than \$1,000, E.9a.i may not be selected.

10. Required Beginning Date

Required Beginning Date for a Participant:

- a. ☒ Retirement. April 1 of the calendar year following the later of the calendar year in which the Participant attains age 70-1/2 or retires
- b. ☐ Age 70-1/2. April 1 of the calendar year following the calendar year in which the Participant attains age 70-1/2
- c. ☐ Election. The option provided in E.10a; provided that a Participant may elect to commence distributions pursuant to either E.10a or E.10b

SECTION F. IN-SERVICE WITHDRAWALS**SECTION F. IN-SERVICE WITHDRAWALS**

NOTE: See Section 8.05 for limits on in-service distributions.

In-Service Withdrawals**1. Retirement**

- a. ☒ Allow in-service distributions after attainment of Normal Retirement Age (Section 7.01(b)) from the following Accounts: All Accounts

Other Withdrawals**2. At Any Time (Section 8.03(b))**

In-service withdrawals are allowed from the following Accounts at any time:

- a. ☒ Voluntary Contribution Account
b. ☒ Rollover Contribution Account

NOTE: If nothing is indicated, no in-service withdrawals are allowed under this Section.

3. Disability

- ☒ Allow distributions upon Disability.

4. Other Conditions/Limitations

- ☐ The following limitations, conditions or special rules apply to in-service withdrawals: _____

NOTE: Unless otherwise specified, the limitations will apply to all in-service withdrawals (F.1 through F.3).

SECTION G. PLAN OPERATIONS**1. Permitted Investments**

- a. ☐ Plan may invest in life insurance (Section 9.06)
b. ☐ Participants may invest in a Qualifying Longevity Annuity Contract (Section 9.07)

2. Participant Self-Direction

- a. Specify the extent to which the Plan permits Participant self-direction (Section 9.02):
i. ☒ All Accounts
ii. ☐ Some Accounts
iii. ☐ None
b. If "Some Accounts" is selected, a Participant may self-direct the following Accounts:
i. ☐ Mandatory Employee Contribution Account
ii. ☐ Mandatory After-tax Employee Contribution Account
iii. ☐ Pension Contribution Account
iv. ☐ Voluntary Contribution Account
v. ☐ Rollover Contribution Account
vi. ☐ Transfer Account
vii. ☐ Other: _____
c. ☐ Participants may also establish individual brokerage accounts.
d. ☒ Participants may exercise voting rights with respect to investments (Section 9.05).

3. Valuation Date

Enter Valuation Date:

- a. ☐ Last day of Plan Year
b. ☐ Last day of each Plan quarter
c. ☐ Last day of each month
d. ☒ Each business day
e. ☐ Other: _____ (Must be at least annually).

4. Plan Administration

- a. Designation of Plan Administrator (Section 10.01):

SECTION G. PLAN OPERATIONS

- i. ☒ Plan Sponsor
- ii. ☐ Committee appointed by Plan Sponsor
- iii. ☐ Other: _____
- b. Establishment of procedures for the Plan Administrator and the Investment Fiduciary (Sections 10.01(c) and 10.02(c)):
 - i. ☒ Plan Administrator and Investment Fiduciary adopt own procedures
 - ii. ☐ Governing body of the Plan Sponsor sets procedures for Plan Administrator and Investment Fiduciary
- c. The Trustee is also the Investment Fiduciary (Section 10.02):
 - i. ☒ Yes
 - ii. ☐ No. The Investment Fiduciary is: _____
- d. Type of indemnification for the Plan Administrator and Investment Fiduciary:
 - i. ☐ None - the Employer will not indemnify the Plan Administrator or the Investment Fiduciary
 - ii. ☒ Standard according to Section 10.06
 - iii. ☐ Provided pursuant to an outside agreement
- e. ☐ The following modifications shall be made to the duties of the applicable parties: _____

SECTION H. MISCELLANEOUS

Failure to properly fill out the Adoption Agreement may result in disqualification of the Plan.

The Plan shall consist of this Adoption Agreement #002, its related Basic Plan Document #02, and any Addendum to the Adoption Agreement.

The adopting Employer may rely on an opinion letter issued by the Internal Revenue Service as evidence that the Plan is qualified under Code section 401 only to the extent provided in Revenue Procedure 2017-41 and any superseding guidance. The Employer may not rely on the opinion letter in certain other circumstances or with respect to certain qualification requirements, which are specified in the opinion letter issued with respect to the Plan and in Revenue Procedure 2017-41 and any superseding guidance. In order to have reliance in such circumstances or with respect to such qualification requirements, application for a determination letter must be made to Employee Plans Determinations of the Internal Revenue Service. The Pre-Approved Plan Provider will inform the adopting Employer of any amendments made to the Plan or of the discontinuance or abandonment of the Plan. The Pre-Approved Plan Provider, CCH Incorporated, DBA ftwilliam.com may be contacted at 1245 E. Washington Ave., Ste. 101 Madison, WI 53703; 414-226-2442.

SECTION I. EXECUTION PAGE

SECTION I. EXECUTION PAGE

The undersigned agree to be bound by the terms of this Adoption Agreement and Basic Plan Document and acknowledge receipt of same. The parties have caused this Plan to be executed this _____ day of _____, 2022.

SAN GABRIEL BASIN WATER QUALITY AUTHORITY:

Signature: _____

Print Name: _____

Title/Position: _____

SECURE/CARES/CAA ADDENDUM**SECURE/CARES/CAA ADDENDUM**

This Addendum is intended as a good faith effort to comply with the requirements of the Further Consolidated Appropriations Act, 2020, including the SECURE Act provisions, the Coronavirus, Aid, Relief and Economic Security (CARES) Act, and the Consolidated Appropriations Act, 2021 (CAA), and corresponding guidance (the "Applicable Law"). This Addendum is to be construed in accordance with the Applicable Law and both the Addendum and the Applicable Law will supersede any inconsistent Plan provisions.

OPTIONAL PROVISIONS:

For each item below, if the check boxes are empty, the *italicized* provision will apply.

1. **Qualified Birth or Adoption Distributions (see Section A. below)**

The Plan does not permit qualified birth or adoption distributions as a separate distribution event.

- ☐ Effective ____ (no earlier than 01/01/2020), the Plan permits qualified birth or adoption distributions as a separate distribution event.
- ☐ The following limitations and conditions apply: ____.

2. **Treatment of 2020 RMDs (see Section B. below)**

*Effective 01/01/2020, unless the Participant or beneficiary chooses otherwise, a Participant or beneficiary who would have been required to receive a 2020 RMD will **not** receive this distribution.*

Effective ____ (no earlier than 01/01/2020):

- ☐ Unless the Participant or beneficiary chooses otherwise, a Participant or beneficiary who would have been required to receive a 2020 RMD will **not** receive this distribution.
- ☐ Unless the Participant or beneficiary chooses otherwise, a Participant or beneficiary who would have been required to receive a 2020 RMD will receive this distribution.

3. **2020 RMDs as Direct Rollovers (see Section B. below)**

A direct rollover is not offered for 2020 RMDs or Extended 2020 RMDs.

For purposes of the direct rollover provisions of the Plan, the following will be treated as eligible rollover distributions in 2020:

- ☐ 2020 RMDs.
- ☐ 2020 RMDs and Extended 2020 RMDs.
- ☐ 2020 RMDs, but only if paid with an additional amount that is an eligible rollover distribution without regard to Code section 401(a)(9)(l).

4. **Portability of Lifetime Income Options (see Section F. below)**

The Plan does not permit "qualified distributions" or "qualified plan distribution annuity contracts" of lifetime income investment options.

- ☐ The Plan permits "qualified distributions" or "qualified plan distribution annuity contracts" of lifetime income investment options when such investment options are no longer authorized to be held as an investment option under the Plan effective: ____ (no earlier than the plan year beginning after 12/31/2019).
- ☐ The following limitations and conditions apply: ____.

5. **In-Service Withdrawals**

The existing Plan provisions, if any, remain in effect for distributions to a Participant who has not separated from employment (e.g., age

cannot be less than 62).

- ☐ Effective ____ (no earlier than 01/01/2020), the Plan permits distributions to a Participant who has not separated from employment if the Participant attains: ____ (age cannot be less than 59-1/2).

STANDARD PROVISIONS:

A. Qualified Birth or Adoption Distributions

To the extent provided above, a Participant may receive a distribution up to \$5,000 during the 1-year period beginning on the date on which the Participant's child is born or on which the legal adoption by the Participant of an eligible adoptee is finalized. An eligible adoptee is any individual (other than a child of the Participant's spouse) who has not attained age 18 or is physically or mentally incapable of self-support. The \$5,000 maximum is an aggregate amount of such distributions from all plans maintained by the Employer.

B. Required Minimum Distributions

In defining Required Beginning Date or determining required minimum distributions, any references to age 70-1/2 are replaced with: age 70-1/2 (for Participants born before 07/01/1949) or age 72 (for Participants born after 06/30/1949).

Notwithstanding other provisions of the Plan to the contrary and if selected above, a Participant or beneficiary who would have been required to receive required minimum distributions in 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of 04/01/2021) but for the enactment of section 401(a)(9)(l) of the Code ("2020 RMDs"), and who would have satisfied that requirement by receiving distributions that are either: (1) equal to the 2020 RMDs, or (2) one or more payments (that include the 2020 RMDs) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant and the Participant's designated beneficiary, or for a period of at least 10 years ("Extended 2020 RMDs"), may receive those distributions.

C. Distribution on Account of Death for Certain Eligible Retirement Plans

Whether before or after distribution has begun, a Participant's entire interest will be distributed to the designated beneficiary by 12/31 of the calendar year containing the tenth anniversary of the Participant's death unless the designated beneficiary meets the requirements of an "eligible designated beneficiary". An "eligible designated beneficiary" may receive distributions over the life of such designated beneficiary. If there is no designated beneficiary as of 09/30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by 12/31 of the calendar year containing the fifth anniversary of the Participant's death.

An "eligible designated beneficiary" is defined as any designated beneficiary who is: (i) the surviving spouse of the Participant; (ii) a minor child of the Participant; (iii) disabled; (iv) a chronically ill individual; or (v) an individual who is not more than 10 years younger than the Participant. The determination of whether a designated beneficiary is an "eligible designated beneficiary" is made as of the date of death of the Participant. If an "eligible designated beneficiary" dies before the portion of the Participant's interest is entirely distributed, the remainder of such portion must be distributed within 10 years after the death of such "eligible designated beneficiary".

D. Qualified Automatic Contribution Arrangement (QACA)

If a Qualified Automatic Contribution Arrangement (QACA) feature is elected, the Plan Administrator has the discretion to increase automatic elections subsequent to the initial period up to a maximum limitation of 15% of Plan Compensation.

E. Safe Harbor Notice

If the non-elective contribution method is elected for safe harbor plan exemption (including under a Qualified Automatic Contribution Arrangement), effective for Plan years beginning on or after 01/01/2020, the safe harbor notice is not required for satisfying the conditions of Code sections 401(k)(12) or 401(k)(13).

F. Portability of Lifetime Income Investments

To the extent provided above, any amounts invested in a "lifetime income investment" may be distributed through either "qualified distributions" or

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"qualified plan distribution annuity contracts" no earlier than 90 days prior to the date that such "lifetime income investment" may no longer be held as an investment option under the Plan.

The following terms are used in this section:

"Qualified distribution" means a direct trustee-to-trustee transfer described in Code section 401(a)(31)(A) to an eligible retirement plan (as defined in Code section 402(c)(8)(B)).

"Qualified plan distribution annuity contract" means an annuity contract purchased for a Participant and distributed to the Participant by a plan or contract described in subparagraph (B) of Code section 402(c)(8) (without regard to clauses (i) and (ii) thereof).

"Lifetime income investment" means an investment option which is designed to provide an employee with election rights which: (a) are not uniformly available with respect to other investment options under the plan, and (b) are to a "lifetime income feature" available through a contract or other arrangement offered under the plan (or under another eligible retirement plan (as so defined), if paid by means of a direct trustee-to-trustee transfer described in Code section 401(a)(31)(A) to such other eligible retirement plan).

"Lifetime income feature" means: (a) a feature which guarantees a minimum level of income annually (or more frequently) for at least the remainder of the life of the employee or the joint lives of the employee and the employee's designated beneficiary, or (b) an annuity payable on behalf of the employee under which payments are made in substantially equal periodic payments (not less frequently than annually) over the life of the employee or the joint lives of the employee and the employee's designated beneficiary.

G. Disaster or Coronavirus-Related Relief

Notwithstanding any provision of the Plan to the contrary, the Plan may grant temporary disaster or coronavirus-related relief in compliance with Code sections 1400M and 1400Q, section 15345 of the Food, Conservation, and Energy Act of 2008, section 702 of the Heartland Disaster Tax Relief Act of 2008, section 502 of the Disaster Tax Relief and Airport and Airway Extension Act of 2017, section 11028 of the Tax Cuts and Jobs Act of 2017, section 20102 of the Bipartisan Budget Act of 2018, subtitle II of Division Q of the Further Consolidated Appropriations Act, 2020, section 2202 of the Coronavirus, Aid, Relief and Economic Security Act, and Title III of Division EE of the Consolidated Appropriations Act, 2021 ("Applicable Law"). This Section only applies to the extent the Plan has provided some or all of the relief listed below in compliance with Applicable Law.

A. Qualified Distributions

- I. "Qualified Distribution" means a distribution to a qualified individual within the applicable time periods as defined in the relevant sections of Applicable Law which may not exceed \$100,000 in aggregate from all plans maintained by the Employer.
- II. If the Plan permits rollover contributions, at any time during the 3-year period beginning on the day after the Qualified Distribution was received, an individual may contribute as a rollover to the Plan an aggregate amount that does not exceed the amount of the Qualified Distribution.
- III. If the Plan permits rollover contributions, an individual who received a withdrawal for the purchase of a home, but could not use the withdrawal amount due to the disaster, may contribute as a rollover to the Plan an aggregate amount that does not exceed the amount of the withdrawal amount within the applicable time periods as defined in the relevant sections of Applicable Law.

B. Expanded Loan Provisions

- I. The maximum loan limit under Code section 72(p)(2)(A) may be applied by substituting "\$100,000" for "\$50,000" and substituting "the present value" for "one-half the present value" under the Loan Procedures for a qualified individual within the applicable time periods as defined in the relevant sections of Applicable Law.
- II. The loan repayment may be delayed for 1 year for a qualified individual within the applicable time periods as defined in the relevant sections of Applicable Law.
- III. Subsequent repayments will be adjusted to reflect the 1-year delay and any interest accrued during such delay.
- IV. The 1-year delay will be disregarded in determining the 5-year maximum term of loans under Code section 72(p)(2)(B) and (C).

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H. Difficulty of Care Payments Included in Statutory Compensation

In determining the contribution limitation, Statutory Compensation will be increased by qualified foster care payments. Qualified foster care payments are difficulty of care payments excluded from gross income under Code section 131. Any contribution by the Participant which is allowable due to such increase is treated as an after-tax contribution.

I. Long-Term, Part-Time Employees

Notwithstanding any provision of the Plan to the contrary, effective for Plan years beginning after 12/31/2020, any Employee working at least 500 hours of service during each of three consecutive 12-month periods ("LTPT Employee") becomes a Participant eligible to make Elective Deferrals on the date specified in the Plan provided that he or she is an Eligible Employee and has attained the applicable age requirement, if any, on such date. No 12-month period beginning before 01/01/2021 is taken into account. Each 12-month period for which an LTPT Employee has at least 500 hours of service is treated as a year of service for vesting purposes.

WQA EMPLOYEE PENSION PLAN
TRUST AGREEMENT
EXHIBIT B

WQA EMPLOYEE PENSION PLAN

TRUST AGREEMENT

2022
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TRUST AGREEMENT

THIS TRUST AGREEMENT is effective 01/01/2022, between San Gabriel Basin Water Quality Authority (the "Employer"), and Mary H. Saenz and Randall Schoellerman (collectively, the "Trustee").

WHEREAS, the Employer sponsors the WQA Employee Pension Plan (the "Plan") for the benefit of employees eligible to participate therein (the "Participants") and their beneficiaries (the "Beneficiaries");

WHEREAS, the Employer designates the Trustee to act as the trustee of a trust constituting a part of the Plan (the "Trust"), pursuant to which assets are being held to provide for the funding and payment of benefits under the Plan;

WHEREAS, the Trustee is willing to serve as trustee for the Plan and to hold in trust those assets of the Plan that have been and will be transferred to the Trustee in accordance with the provisions of this Agreement (the "Trust Fund");

WHEREAS, the Employer is, or has designated a person(s) to act as, the "Plan Administrator" as that term is defined in the Plan;

WHEREAS, the Employer has designated a fiduciary to select Trust Fund investments and perform other duties with respect to the investment of the Trust Fund (the "Investment Fiduciary");

WHEREAS, the Employer and the Trustee deem it necessary and desirable to enter into a written agreement of trust; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto, intending to be legally bound, hereby agree and declare as follows:

ARTICLE I TRUST FUND

Section 1.01 Trust Fund. A Trust is hereby established or continued under the Plan and the Trustee will maintain a trust account for the Plan and, as part thereof, accounts for such individuals as the Employer shall from time to time give written notice to the Trustee are Participants in the Plan. The Trustee will accept and hold in the Trust Fund such contributions on behalf of Participants as it may receive from time to time from the Employer, including amounts transferred by any prior trustee of the Plan, and such earnings, income and appreciation as may accrue thereon; less losses, depreciation and payments made by the Trustee to carry out the purposes of the Plan. The Trust Fund shall be fully invested and reinvested in accordance with the applicable provisions of the Plan.

Section 1.02 Exclusive Benefit. All contributions made to the Plan are made for the exclusive benefit of the Participants and their Beneficiaries, and such contributions shall not be used for, or diverted to, purposes other than for the exclusive benefit of the Participants and their Beneficiaries (including the costs of maintaining and administering the Plan and corresponding Trust).

Section 1.03 Return of Contributions. Notwithstanding any other provision of the Plan: (a) as contributions made prior to the receipt of an initial determination letter are conditional upon a favorable determination as to the qualified status of the Plan under Code section 401(a), if the Plan receives an adverse determination with respect to its initial qualification, then any such contribution may be returned to the Employer within one year after such determination, provided the application for determination is made by the time prescribed by law; (b) contributions made by the Employer based upon mistake of fact may be returned to the Employer within one year of such contribution; (c) as all contributions to the Plan are conditioned upon their deductibility under the Code, if a deduction for such a contribution is disallowed, such contribution may be returned to the Employer within one year of the disallowance of such deduction; and (d) after all liabilities under the Plan have been satisfied, the remaining assets of the Trust shall be distributed to the Employer if such distribution does not contravene any provision of applicable law.

In the case of the return of a contribution due to mistake of fact or the disallowance of a deduction, the amount that may be returned is the excess of the amount contributed over the amount that would have been contributed had there not been a mistake or disallowance. Earnings attributable to the excess contributions may not be returned to the Employer but losses attributable thereto must reduce the amount to be so returned. Any return of contribution or distribution of assets made by the Trustee pursuant to this Section shall be made only upon the direction of the Employer, which shall have exclusive responsibility for determining whether the conditions of such return or distribution have been satisfied and for the amount to be returned.

Section 1.04 Assets Not Held by Trustee. The Trustee shall not be responsible for any assets of the Plan that are held outside of the Trust Fund. The Trustee is expressly hereby relieved of any responsibility or liability for any losses resulting to the Plan arising from any acts or omissions on the part of any insurance company holding assets outside of the Trust Fund. The Trustee may require the Employer to serve as custodian for all promissory notes and related documents issued in connection with the Plan's Participant loan program and require the Employer to be responsible for the safekeeping of same.

Section 1.05 Group Trust. In the event that the Trust is a part of any group trust (within the meaning of Internal Revenue Service Revenue Rulings 81-100 and 2011-1): (a) participation in the Trust is limited to (i) individual retirement accounts which are exempt under Code section 408(e), (ii) pension and profit-sharing trusts which are exempt under Code section 501(a) by qualifying under Code section 401(a) and (iii) accounts under Code sections 403(b)(7), 403(b)(9) and governmental retiree benefit plans under Code section 401(a)(24) to the extent the requirements of Revenue Ruling 2011-1 are met; (b) no part of the corpus or income which equitably belongs to any individual retirement account or Employer's trust may be used for or diverted to any purposes other than for the exclusive benefit of the individual or the Employees, respectively, or

their Beneficiaries who are entitled to benefits under such participating individual retirement account or Employer's trust; (c) no part of the equity or interest in the Trust Fund shall be subject to assignment by a participating individual retirement account or Employer's trust; and (d) the Trustee shall maintain separate accounts for each participating trust or individual retirement account.

ARTICLE II DUTIES OF THE TRUSTEE

Section 2.01 In General. The Trustee is not a party to, and has no duties or responsibilities under the Plan, other than those that may be expressly contained in this Article. The Trustee shall have no duties, responsibilities or liability with respect to the acts or omissions of any prior trustee. The Trustee shall discharge its assigned duties and responsibilities under this Article and the Plan with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

Section 2.02 Contributions. The Trustee agrees to accept contributions that are paid to it by the Plan Administrator (as well as rollover contributions and direct transfers from other eligible retirement plans) in accordance with the terms of this Article. Such contributions shall be in cash or in such other form that may be acceptable to the Trustee. In-kind contributions of other than qualifying employer securities are permitted only in non-pension plans provided that the contribution is discretionary and unencumbered. Qualifying employer securities may be contributed to both pension and non-pension plans subject to the requirements of ERISA section 408(c). The Trustee shall have no responsibility for any property until it is received by the Trustee. The Plan Administrator shall have the sole duty and responsibility for the determination of the accuracy or sufficiency of the contributions to be made under the Plan, the transmittal of the same to the Trustee and compliance with any statute, regulation or rule applicable to contributions.

Section 2.03 Distributions. The Trustee shall make distributions out of the Trust Fund pursuant to instructions described in Article V. The Trustee shall not have any responsibility or duty under this Article for determining that such are in accordance with the terms of the Plan and applicable law, including without limitation, the amount, timing or method of payment and the identity of each person to whom such payments shall be made. The Trustee shall have no responsibility or duty to determine the tax effect of any payment or to see to the application of any payment. In making payments, the Employer acknowledges that the Trustee is acting as a paying agent and not as the payor, for tax information reporting and withholding purposes. In the event that any dispute shall arise as to the persons to whom payment or delivery of any assets shall be made by the Trustee, the Trustee may withhold such payment or delivery until such dispute shall have been settled by the parties concerned or shall have been determined by a court of competent jurisdiction.

Section 2.04 Records. The Trustee shall keep full and accurate accounts of all receipts, investments, disbursements and other transactions hereunder, including such specific records as may be agreed upon in writing between the Employer and the Trustee. All such accounts, books and records shall be open to inspection and audit at all reasonable times by any authorized representative of the Employer or the Plan Administrator. A Participant may examine only those individual account records pertaining directly to him.

Section 2.05 Accounting. The Trustee shall file with the Plan Administrator a written account of the administration of the Trust Fund showing all transactions effected by the Trustee subsequent to the period covered by the last preceding account and all property held at the end of the accounting period. The Trustee shall use its best effort to file such written account within ninety (90) days, but not later than one hundred twenty (120) days after the end of each Plan Year. Upon approval of such accounting by the Plan Administrator, neither the Employer nor the Plan Administrator shall be entitled to any further accounting by the Trustee. The Plan Administrator may approve such accounting by written notice of approval delivered to the Trustee or by failure to express objection to such accounting in writing delivered to the Trustee within six (6) months from the date on which the accounting is delivered to the Plan Administrator.

Section 2.06 Participant Eligibility. The Trustee shall not be required to determine the facts concerning the eligibility of any Participant to participate in the Plan, the amount of benefits payable to any Participant or Beneficiary under the Plan, or the date or method of payment or disbursement. The Trustee shall be fully entitled to rely in good faith solely upon the written advice and directions of the Plan Administrator as to any such question of fact.

Section 2.07 Indicia of Ownership. The Trustee shall not hold the indicia of ownership of any assets of the Trust Fund outside of the jurisdiction of the District Courts of the United States, unless in compliance with section 404(b) of ERISA and regulations thereunder.

Section 2.08 Notice. The Trustee shall provide the Employer with advance notice of any legal actions the Trustee may take with respect to the Plan and Trust and shall promptly notify the Employer of any claim against the Plan and Trust.

Section 2.09 Other Fiduciaries. The Trustee shall not be responsible for the acts or omissions of any other persons except as may be required by ERISA section 405.

ARTICLE III GENERAL INVESTMENT POWERS

In addition to all powers and authority under common law, statutory authority and other provisions of this Article, the Trustee shall have the following powers and authorities to be exercised in accordance with and subject to the provisions of Article IV hereof:

Section 3.01 Invest and reinvest the Trust Fund in any property, real, personal or mixed, wherever situated, and whether situated, and whether or not productive of income or consisting of wasting assets, including, without limitation, common and preferred stock, bonds, notes,

debentures, options, mutual funds, leaseholds, mortgages (including without limitation, any collective or part interest in any bond and mortgage or note and mortgage), certificates of deposit, and oil, mineral or gas properties, royalties, interests or rights (including equipment pertaining thereto), without being limited to the classes of property in which trustees are authorized by law or any rule of court to invest trust funds and without regard to the proportion any such property may bear to the entire amount of the Trust Fund;

Section 3.02 Hold property in nominee name, in bearer form, or in book entry form, in a clearinghouse corporation or in a depository, provided that such property is held in conformance with DOL Reg. section 2550-403a-1(b) and that such property is held by (i) a bank or trust company that is subject to supervision by the United States or a state, or a nominee of such bank or trust company, (ii) a broker or dealer registered under the Securities Exchange Act of 1934, or a nominee of such broker or dealer; (iii) a "clearing agency," as defined in section 3(a)(23) of the Securities Exchange Act of 1934, or its nominee; or (iv) any other entity as provided in DOL Reg. section 2550-403a-1(b);

Section 3.03 Collect income payable to and distributions due to the Trust Fund and sign on behalf of the Trust any declarations, affidavits, certificates of ownership and other documents required to collect income and principal payments, including but not limited to, tax reclamations, rebates and other withheld amounts;

Section 3.04 To sell, exchange, convey, transfer, grant options to purchase, or otherwise dispose of any securities or other property held by the Trustee. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency, or propriety of any such sale or other disposition;

Section 3.05 Pursuant to the terms of Article VI, to vote upon any stocks, bonds, or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options, and to make any payments incidental thereto; to oppose, or to consent to, or otherwise participate in, corporate reorganizations or other changes affecting corporate securities, and to delegate discretionary powers, and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities, or other property;

Section 3.06 Take all action necessary to pay for authorized transactions or make authorized distributions, including exercising the power to borrow or raise monies from any lender, upon such terms and conditions as are necessary to settle such transactions or distributions;

Section 3.07 To keep such portion of the Trust Fund uninvested in cash or cash balances as the Trustee may, from time to time, deem to be in the best interests of the Plan, without liability for interest thereon;

Section 3.08 To accept and retain for such time as the Trustee may deem advisable any securities or other property received or acquired as Trustee hereunder, whether or not such securities or other property would normally be purchased as investments hereunder;

Section 3.09 To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

Section 3.10 To settle, compromise, or submit to arbitration any claims, debts, or damages due or owing to or from the Trust Fund, to commence or defend suits or legal or administrative proceedings, and to represent the Plan and/or Trust Fund in all suits and legal and administrative proceedings;

Section 3.11 To invest in Treasury Bills and other forms of United States government obligations;

Section 3.12 To deposit cash in accounts in the banking department of the Trustee or an affiliated banking organization;

Section 3.13 To deposit monies in federally insured savings accounts or certificates of deposit in banks or savings and loan associations;

Section 3.14 To invest and reinvest all or any portion of the Trust Fund collectively with funds of other retirement plan trusts exempt from tax under Code section 501(a), including, without limitation, the power to invest collectively with such other funds through the medium of one or more common, collective or commingled trust funds which have been or may hereafter be operated by the Trustee, the instrument or instruments establishing such trust fund or funds, as amended from time to time, being made part of this Trust so long as any portion of the Trust Fund shall be invested through the medium thereof;

Section 3.15 To sell, either at public or private sale, option to sell, mortgage, lease for a term of years less than or continuing beyond the possible date of the termination of the Trust created hereunder, partition or exchange any real property which may from time to time constitute a portion of the Trust Fund, for such prices and upon such terms as it may deem best, and to make, execute and deliver to the purchasers thereof good and sufficient deeds of conveyance therefor and all assignments, transfers and other legal instruments, either necessary or convenient for the passing of the title and ownership thereof to the purchaser, free and discharged of all trusts and without liability on the part of such purchasers to see to the proper application of the purchase price;

Section 3.16 To repair, alter, improve or demolish any buildings which may be on any real estate forming part of the Trust Fund or to erect entirely new structures thereon;

Section 3.17 To renew, extend or participate in the renewal or extension of any mortgage, upon such terms as may be deemed advisable, and to agree to a reduction in the rate of interest on any mortgage or to any other modification or change in the terms of any mortgage or of

any guarantee pertaining thereto, in any manner and to any extent that may be deemed advisable for the protection of the Trust Fund or the preservation of the value of the investment; to waive any default, whether in the performance of any covenant or condition of any mortgage or in the performance of any guarantee, or to enforce any such default in such manner and to such extent as may be deemed advisable; to exercise and enforce any and all rights of foreclosure, to bid on property in foreclosure, to take a deed in lieu of foreclosure with or without paying a consideration therefor, and in connection therewith to release the obligation on the bond or note secured by the mortgage; and to exercise and enforce in any action, suit or proceeding at law or in equity any rights or remedies in respect to any mortgage or guarantee;

Section 3.18 To purchase any authorized investment at a premium or at a discount;

Section 3.19 To purchase any annuity contract; and

Section 3.20 To do all such acts and exercise all such rights and privileges, although not specifically mentioned herein, as the Trustee may deem necessary to carry out the purposes of the Plan.

ARTICLE IV OTHER INVESTMENT POWERS

Section 4.01 Requirement for Preapproval. The powers granted the Trustee under Article III shall be exercised by the Trustee upon the written direction from the Investment Fiduciary pursuant to Article V and VI. Any written direction of the Investment Fiduciary may be of a continuing nature, but may be revoked in writing by the Investment Fiduciary at any time. The Trustee shall comply with any direction as promptly as possible, provided it does not contravene the terms of the Plan or the provision of any applicable law. The Investment Fiduciary, by written direction, may require the Trustee to obtain written approval of the Investment Fiduciary before exercising such of its powers as may be specified in such direction. Any such direction may be of a continuing nature or otherwise and may be revoked in writing by the Investment Fiduciary at any time. The Trustee shall not be responsible for any loss that may result from the failure or refusal of the Investment Fiduciary to give any such required direction or approval.

Section 4.02 Prohibited Transactions. The Trustee shall not engage in any prohibited transaction within the meaning of the Code and ERISA.

Section 4.03 Legal Actions. The Trustee is authorized to execute all necessary receipts and releases and shall be under the duty to make efforts to collect such sums as may appear to be due (except contributions hereunder); provided, however, that the Trustee shall not be required to institute suit or maintain any litigation to collect the proceeds of any asset unless it has been indemnified to its satisfaction for counsel fees, costs, disbursements and all other expenses and liabilities to which it may in its judgment be subjected by such action. Notwithstanding anything to the contrary herein contained, the Trustee is authorized to compromise and adjust claims arising out of any asset held in the Trust Fund upon such terms and conditions as the Trustee may deem just, and the action so taken by the Trustee shall be binding and conclusive upon all persons interested in the Trust Fund.

Section 4.04 Retention of Advisors. The Trustee, with the consent of the Investment Fiduciary, may retain the services of investment advisors to invest and reinvest the assets of the Trust Fund, as well as employ such legal, actuarial, medical, accounting, clerical and other assistance as may be required in carrying out the provisions of the Plan. The Trustee may also appoint custodians, subcustodians or subtrustees as to part or all of the Trust Fund.

ARTICLE V INSTRUCTIONS

Section 5.01 Reliance on Instructions. Whenever the Trustee is permitted or required to act upon the directions or instructions of the Investment Fiduciary, Plan Administrator or Employer, the Trustee shall be entitled to act in good faith upon any written communication signed by any person or agent designated to act as or on behalf of the Investment Fiduciary, Plan Administrator or Employer. Such person or agent shall be so designated either under the provisions of the Plan or in writing by the Employer and their authority shall continue until revoked in writing. The Trustee shall incur no liability for failure to act in good faith on such person's or agent's instructions or orders without written communication, and the Trustee shall be fully protected in all actions taken in good faith in reliance upon any instructions, directions, certifications and communications believed to be genuine and to have been signed or communicated by the proper person.

Section 5.02 Designation of Agent.

(1) Employer. The Employer shall notify the Trustee in writing as to the appointment, removal or resignation of any person designated to act as or on behalf of the Investment Fiduciary, Plan Administrator or Employer. After such notification, the Trustee shall be fully protected in acting in good faith upon the directions of, or dealing with, any person designated to act as or on behalf of the Investment Fiduciary, Plan Administrator or Employer until it receives notice to the contrary. The Trustee shall have no duty to inquire into the qualifications of any person designated to act as or on behalf of the Investment Fiduciary, Plan Administrator or Employer.

(2) Trustee. If there is more than one Trustee, the Trustees may designate one or more of the Trustees to act on behalf of the Trustees. Such designated Trustee shall be authorized to take any and all actions and execute and deliver such documents as may be necessary or appropriate.

Section 5.03 Procedures. The Trustee may adopt such rules and procedures as it deems necessary, desirable, or appropriate

including, but not limited to: (a) taking action with or without formal meetings; and (b) in the event that there is more than one Trustee, a procedure specifying whether action may be taken by a less than unanimous vote.

Section 5.04 Payment of Benefits. The Trustee shall pay benefits and expenses from the Trust Fund only upon the written direction of the Plan Administrator. The Trustee shall be fully entitled to rely in good faith on such directions furnished by the Plan Administrator, and shall be under no duty to ascertain whether the directions are in accordance with the provisions of the Plan.

ARTICLE VI INVESTMENT OF THE FUND

Section 6.01 Investment Funds. The Investment Fiduciary shall have the exclusive authority and discretion to select the investment funds available for investment under the Plan ("Investment Funds"). In making such selection, the Investment Fiduciary shall use the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Subject to the first sentence of Section 6.02, the available investments under the Plan shall be sufficiently diversified so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. The Investment Fiduciary shall notify the Trustee in writing of the selection of the Investment Funds currently available for investment under the Plan, and any changes thereto.

Section 6.02 Participant Self-Direction. To the extent permitted by the Plan Administrator, each Participant shall have the right, in accordance with the provisions of the Plan, to direct the investment by the Trustee of all amounts allocated to the separate accounts of the Participant under the Plan among any one or more of the available Investment Funds; provided that during any transition period as may be determined by the Investment Fiduciary, the Investment Fiduciary may direct the investment by the Trustee into the Investment Funds available during such period with respect to which individual Participant's directions shall not have been made or shall not have been permitted to be made under the Plan. All investment directions by Participants shall be timely furnished to the Trustee by the Plan Administrator, except to the extent such directions are transmitted telephonically or otherwise by Participants directly to the Trustee or its delegate in accordance with rules and procedures established and approved by the Plan Administrator and communicated to the Trustee. In making any investment of the assets of the Trust Fund, the Trustee shall be fully entitled to rely on such directions furnished to it by the Plan Administrator or by Participants in accordance with the Plan Administrator's approved rules and procedures, and shall be under no duty to make any inquiry or investigation with respect thereto. If the Trustee receives any contribution under the Plan that is not accompanied by instructions directing its investment, the Trustee shall notify the Plan Administrator of that fact, and the Trustee may, in its discretion, hold all or a portion of the contribution uninvested without liability for loss of income or appreciation pending receipt of proper investment directions.

Section 6.03 Investment Managers.

(1) **Appointment of Investment Managers.** The Investment Fiduciary may appoint one or more investment managers as described in section 3(38) of ERISA ("Investment Managers") with respect to some or all of the assets of the Trust Fund as contemplated by section 402(c)(3) of ERISA. Any such Investment Manager shall acknowledge to the Investment Fiduciary in writing that it accepts such appointment and that it is an ERISA fiduciary with respect to the Plan and the Trust Fund. The Investment Fiduciary shall provide the Trustee with a copy of the written agreement (and any amendments thereto) between the Investment Fiduciary and the Investment Manager. By notifying the Trustee of the appointment of an Investment Manager, the Investment Fiduciary shall be deemed to certify that such Investment Manager meets the requirements of section 3(38) of ERISA. The authority of the Investment Manager shall continue until the Investment Fiduciary rescinds the appointment or the Investment Manager has resigned.

(2) **Separation of Duties.** The assets with respect to which a particular Investment Manager has been appointed shall be specified by the Investment Fiduciary and shall be segregated in a separate account for the Investment Manager (the "Separate Account") and the Investment Manager shall have the power to direct the Trustee in every aspect of the investment of the assets of the Separate Account. The Trustee shall not be liable for the acts or omissions of an Investment Manager and shall have no liability or responsibility for acting pursuant to the direction of, or failing to act in the absence of, any direction from an Investment Manager, unless the Trustee knows that by such action or failure to act it would be itself committing a breach of fiduciary duty or participating in a breach of fiduciary duty by such Investment Manager, it being the intention of the parties that each party shall have the full protection of section 405(d) of ERISA.

Section 6.04 Proxies.

(1) **Delivery of Information.** The Trustee shall deliver, or cause to be delivered, to the Employer or Plan Administrator all notices, prospectuses, financial statements, proxies and proxy soliciting materials received by the Trustee relating to securities held by the Trust or, if applicable, deliver these materials to the appropriate Participant or the Beneficiary of a deceased Participant.

(2) **Voting.** The Trustee shall not vote any securities held by the Trust except in accordance with the written instructions of the Employer, the Investment Fiduciary, or if otherwise permitted in the Plan, the Participant or the Beneficiary of the Participant, if the Participant is deceased. However, the Trustee may, in the absence of instructions, vote "present" for the sole purpose of allowing such shares to be counted for establishment of a quorum at a shareholders' meeting. The Trustee shall have no duty to solicit instructions from Participants, Beneficiaries, the Investment Fiduciary or the Employer.

(3) **Investment Manager.** To the extent not delegated to Participants pursuant to subsection (2), the Investment Manager shall be responsible for making any proxy voting or tender offer decisions with respect to securities held in the Separate Account and the Investment Manager shall maintain a record of the reasons for the manner in which it voted proxies or responded to tender offers.

ARTICLE VII
COMPENSATION AND INDEMNIFICATION

Section 7.01 Compensation. The Trustee shall be entitled to reasonable compensation for its services as is mutually agreed upon with the Employer; provided that such compensation does not result in a prohibited transaction within the meaning of the Code and ERISA. If the Trustee and the Employer mutually agree that the Trustee may retain as additional compensation for its services any earnings resulting from the anticipated short-term investment of funds ("float") on Plan assets deposited in or transferred to a Trustee general or omnibus account, then the Trustee shall be authorized to retain such float; provided, that such agreement: (i) discloses the specific circumstances under which float will be earned and retained, (ii) in the case of float on distributions, discloses when the float period commences and ends, and (iii) discloses the rate of the float or the specific manner in which such rate will be determined. If approved by the Plan Administrator, the Trustee shall also be entitled to reimbursement for all direct expenses properly and actually incurred on behalf of the Plan. Such compensation or reimbursement shall be paid to the Trustee out of the Trust Fund unless paid directly by the Employer.

Section 7.02 Indemnification. The Employer shall indemnify and hold harmless the Trustee (and its delegates) from all claims, liabilities, losses, damages and expenses, including reasonable attorneys' fees and expenses, incurred by the Trustee in connection with its duties hereunder to the extent not covered by insurance, except when the same is due to the Trustee's own gross negligence, willful misconduct, lack of good faith, or breach of its fiduciary duties under the Plan or ERISA.

ARTICLE VIII
RESIGNATION AND REMOVAL

Section 8.01 Resignation. The Trustee may resign at any time by written notice to the Plan Administrator which shall be effective 60 days after delivery unless prior thereto a successor Trustee assumes the responsibilities of Trustee hereunder.

Section 8.02 Removal. The Trustee may be removed by the Employer at any time.

Section 8.03 Successor Trustee. The appointment of a successor Trustee hereunder shall be accomplished by and shall take effect upon the delivery to the resigning or removed Trustee, as the case may be, of written notice of the Employer appointing such successor Trustee, and an acceptance in writing of the office of successor Trustee hereunder executed by the successor so appointed. Any successor Trustee may be either a corporation authorized and empowered to exercise trust powers or one or more individuals. All of the provisions set forth herein with respect to the Trustee shall relate to each successor Trustee so appointed with the same force and effect as if such successor Trustee had been originally named herein as the Trustee hereunder. If within 45 days after notice of resignation shall have been given under the provisions of this Article a successor Trustee shall not have been appointed, the resigning Trustee or the Employer may apply to any court of competent jurisdiction for the appointment of a successor Trustee.

Section 8.04 Transfer of Trust Fund. Upon the appointment of a successor Trustee, the resigning or removed Trustee shall transfer and deliver the Trust Fund to such successor Trustee, after reserving such reasonable amount as it shall deem necessary to provide for its expenses in the settlement of its account, the amount of any compensation due to it and any sums chargeable against the Trust Fund for which it may be liable. If the sums so reserved are not sufficient for such purposes, the resigning or removed Trustee shall be entitled to reimbursement for any deficiency from the Employer.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Trust to be executed this _____ day of _____, 2022.

SAN GABRIEL BASIN WATER QUALITY AUTHORITY:

Signature: _____

Print Name: _____

Title/Position: _____

TRUSTEES:

Mary H. Saenz

Randall Schoellerman

WQA EMPLOYEE PENSION PLAN
SUMMARY PLAN DESCRIPTION
EXHIBIT C

WQA EMPLOYEE PENSION PLAN PLAN HIGHLIGHTS

IMPORTANT: *This is a summary of the Plan features. For full details, please refer to the Plan document.*

ADMINISTRATIVE INFORMATION

The Plan Sponsor and Plan Administrator is San Gabriel Basin Water Quality Authority.
Address: 1720 W. Cameron Avenue, Suite 100, West Covina, California 91790
Phone number: 626-338-5555
Employer Identification Number: 33-0445678

DEFINITIONS

Compensation

Plan Compensation is wages within the meaning of Code section 3401(a) and all other payments of compensation paid to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code sections 6041(d), 6051(a)(3), and 6052 over the Plan Year.

Unless otherwise indicated below, Plan Compensation will exclude Deemed 125 Compensation and Post Year End Compensation which includes amounts earned during a year but not paid during that year solely because of the timing of pay periods and pay dates when: (i) these amounts are paid during the first few weeks of the next year; (ii) the amounts are included on a uniform and consistent basis with respect to all similarly situated Employees; and (iii) no compensation is included in more than one year for purposes of all contributions.

Disability

Disability means the determination by the Social Security Administration that the Participant is eligible to receive disability benefits under the Social Security Act.

Early Retirement Age

Early Retirement Age is the attainment of age 55.

Eligible Employee

All Employees are eligible to participate in the Plan except those listed below.

- Employees who are included in a unit of employees covered by a collective bargaining agreement, if retirement benefits were the subject of good faith bargaining, and if the collective bargaining agreement does not provide for participation in this Plan.
- Employees who are employed as Interns of the Employer; Employees who are hired as "Regular part-time employees" who have not successfully completed a sixty-day probationary period. "Regular part-time employee" is defined as an employee who is regularly scheduled to work 20 or more hours per work week and under 30 hours per work week; Employees who are hired as "Part-time employees". "Part-time employee" is defined as an employee who is regularly scheduled to work under 20 hours per work week; Employees who are actively participating in the California Public Employee Retirement System. Notwithstanding the above, any "Regular Part-Time Employee" or "Part-Time Employee" who works a minimum of 1,000 hours in a calendar year will be an "Eligible Employee"..

Limitation Year

The Limitation Year is the Plan Year.

Normal Retirement Age

Normal Retirement Age is the attainment of age 62.

Plan Year

The Plan Year is each 12-consecutive month period ending on 12/31.

Required Beginning Date

The Required Beginning Date is the later of age 70-1/2 or retirement.

PENSION CONTRIBUTIONS

Eligibility

Eligible Employees must meet the requirements listed below to receive Pension Contributions.

- Attain age 21.

Eligible Employees will enter the Plan with respect to Pension Contributions immediately upon meeting the above eligibility requirements they meet the above eligibility requirements.

Contributions

Pension Contributions will be allocated utilizing a defined groups allocation formula.

Vesting

Participants will be 100% vested in their Pension Contributions after 1 years of vesting service.

EMPLOYEE CONTRIBUTIONS

Eligibility

Eligible Employees must meet the requirements listed below to contribute to the Plan.

- Attain age 21.

Eligible Employees will enter the Plan with respect to Employee Contributions immediately upon meeting the above eligibility requirements.

Voluntary Contributions

Voluntary Contributions are permitted under the Plan.

The maximum Voluntary Contribution is None.

Vesting

Participants will always be 100% vested in their Employee Contributions.

DISTRIBUTIONS

Loans

Loans are permitted under the Plan.

Termination of Employment

Upon termination of employment, Participants will be able to take a distribution immediately.

In-Service Distributions - Normal Retirement Age

In-service distributions will be allowed at Normal Retirement Age for the following Accounts: All Accounts.

In-Service Distributions - Voluntary Contributions

In-service distributions of Voluntary Contributions will be allowed at any time.

In-Service Distributions - Rollover Contributions

In-service distributions of Rollover Contributions will be allowed at any time.

In-Service Distributions - Disability

In-service distributions will be allowed on account of Disability.

Note: These Plan highlights are intended to be a very concise overview of the Plan's features. For a detailed description of the Plan's features, please contact the Plan Administrator for more information. The Plan features described in these Plan Highlights are subject to change, and in the event of a discrepancy between the Plan document and these Highlights (or any other summary of Plan features, written or oral), the Plan document will control.



San Gabriel Basin Water Quality Authority

1720 W. Cameron Avenue, Suite 100, West Covina, CA 91790 • 626-338-5555 • Fax 626-338-5775

AGENDA SUBMITTAL

To: WQA Administrative Finance Committee
From: Randy Schoellerman, Executive Director
Date: June 14, 2022
Subject: New Copier Lease

Background and Discussion

The WQA's lease for its Canon IRC 5560i multifunction copier expires September 14, 2022. The copier is leased from Canon Financial Services and the maintenance contract is with CBE Office Solutions. The lease was for a 60-month term.

Staff has been pleased with the service received through Canon Financial Services and CBE Office Solutions and wishes to retain their services for a new Canon copier lease. The attached proposal is for a Canon Image Runner DX C5860i which is an upgraded version of the current copier model in use. There are two options offered. The first option is very similar to our current lease. The 2nd option significantly reduces the allowance for BW prints and Color prints while increases the costs for overages. Upon staff's analysis of both options, we recommend option one, similar to our current lease. The projected costs are as follows:

Copier lease - Monthly	\$434.00 plus applicable sales tax
Maintenance - Quarterly	\$395.00 plus applicable sales tax

The projected annual cost of option 1 is \$7,450, which is an increase of approximately \$600 over the current lease.

In addition, there will be no buy-out of the current lease as we anticipate the new lease agreement will start at the end of the current lease agreement. There is a three to four-month wait for delivery.

Recommendation / Proposed Actions

Authorize staff to enter into a 5-year lease for the Canon IR DX C5860i.

Attachment:

Proposal of Copier Lease and Maintenance for the Canon IR DX C5860i.



2021 Account Review Exclusively Prepared for
San Gabriel Basin WQA

From: Anthony Echeveste
CBE OFFICE SOLUTIONS
909-816-5271

May 25, 2022

Current Expenses:

Canon IRC 5560i (Serial # WXC07195)

Monthly Lease Payment	\$376.00
----------------------------	----------

Service Package:

*****Lease includes:**

- **All Inclusive program (On-site Service & Supplies)**
- **On-site service (parts & labor)**
- **Unlimited supplies (all color drums & toners)**
- **Current print volume is far below the amount allotted**

Quarterly Service Cost:

\$432.00*plus sales tax*



Early Upgrade Promotion

New Canon Image Runner DX C5860i

60-pages-per-minute Color system
Scans up to 270ipm
200 Sheet Single Pass Duplexing feeder
Four paper drawers
Prints sizes up to 12x18 sheets
Booklet Finisher unit
2/3 Hole punching unit
Mobile Printing functions
Cloud App Integration (like Google Drive)

New Promotional Program Highlights:

- *Includes ALL Service and ALL Supplies (excluding paper).*
- *Current Service program will transition to the new lease program.*
- *Save Monthly with new technology*
- *Current lease will terminate without any penalties or buyouts*
- *CBE will ship and return equipment back to leasing company without any costs to you*
- *All delivery, installation and network set-up is included*
- *100% White Glove service on all deliveries, safe and sanitary delivery service*

New Lease Programs available:

Option 1

Same service option as your current one,

All-inclusive program with on-site service (parts & labor) and unlimited supplies (drums & toners).

10,000 BW prints with overages at .008 and 5,000 Color prints with overages at .065

60-Month Lease payment: \$434.00

All-inclusive service plan: \$395.00/Quarterly

Option 2

Same service option as your current one,

All-inclusive program with on-site service (parts & labor) and unlimited supplies (drums & toners).

5,000 BW prints with overages at .0095 and 2,000 Color prints with overages at .075

60-Month Lease payment: \$434.00

All-inclusive service plan: \$255.00/Quarterly

**EQUIPMENT**

Equipment MFG Model & Description	Serial Number	Accessories
Canon Image Runner DX C5860i		
<input type="checkbox"/> See attached schedule for additional Equipment / Accessories		

Billing Address: **1720 W. Cameron Ave #100** West Covina, CA 91790
Equipment Location: **Same as above**

SUPPLIER

Cell Business Equipment
4 Mason Ste. A
Irvine, CA 92618

TRANSACTION TERMS

Payment: \$ **434.00** (plus applicable taxes) Term: **60** (months)
Billing Period: Monthly Document Fee: \$75.00 (included on first invoice)
The following additional payments are due on the date this Lease is signed by you:
Advance Payment: \$ _____ (plus applicable taxes) Applied to: ☐ First ☐ Last

1. **PAYMENTS.** Commencement of this Lease and acceptance of the Equipment described above and on any attached schedule shall occur upon delivery of the Equipment to you. You agree to inspect the Equipment upon delivery and verify such information as we may require. You agree to remit to us the Payment and all other sums described in this Lease ("Charges") when due and payable each Billing Period on the date and at the address we provide to you. Payments are due whether or not you are invoiced. You agree that cash and cash equivalents are not acceptable forms of payment for this Lease. ~~You authorize us to adjust the Payments by not more than 15% to reflect any reconfiguration of the Equipment or adjustments to reflect applicable sales taxes or the cost of the Equipment by the manufacturer and/or supplier.~~ If the commencement of this Lease falls on any day other than the 20th day of a month, you agree to pay us interim rent from Commencement through, but not including, the 20th day of the month next following Commencement (the "Interim Period") at a rate equal to 1/30th of the Payment set forth herein for each calendar day during the Interim Period. You agree to pay or reimburse us all sales, use and property taxes and other charges in connection with this Lease or the ownership or use of the Equipment and to pay us an administrative fee for the processing of such taxes. If a payment is not made within three (3) days of when due, you agree to pay a late charge not to exceed the higher of 10% of the amount due or \$35 (not to exceed the maximum amount permitted by applicable law) as reasonable collection costs. Restrictive endorsements on checks you send to us will not reduce your obligations to us. **YOUR OBLIGATIONS ARE ABSOLUTE AND UNCONDITIONAL AND ARE NOT SUBJECT TO CANCELLATION, REDUCTION, OR SETOFF FOR ANY REASON WHATSOEVER.** THIS LEASE CANNOT BE CANCELED BY YOU FOR ANY REASON, INCLUDING EQUIPMENT FAILURE, LOSS OR DAMAGE. THE SUPPLIER AND ITS REPRESENTATIVES ARE NOT AGENTS OR ANY ASSIGNEE OF LESSOR AND ARE NOT AUTHORIZED TO WAIVE OR MODIFY THE TERMS OF THIS LEASE. Any fee that is charged under this Lease may include a profit and is subject to applicable taxes. We may receive compensation from the manufacturer and/or supplier of the Equipment in order to enable us to reduce the cost of this Lease below what we otherwise would charge. If we received such compensation, the reduction in the cost of this Lease is reflected in the Payment.

2. **TITLE; MAINTENANCE; INDEMNIFICATION.** We are the owner of the Equipment (excluding software). If this Lease is deemed to be a secured transaction, you grant us a first priority security interest in the Equipment to secure all of your obligations under this Lease. Without our prior written consent, you may not (a) assign any rights or obligations under this Lease, (b) sub-lease the Equipment, or (c) remove the Equipment from the address indicated above. **WE MAKE NO REPRESENTATION OR WARRANTY TO YOU OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, THE LEGAL, TAX OR ACCOUNTING TREATMENT OF THIS LEASE OR OTHERWISE. YOU SELECTED THE EQUIPMENT AND THE SUPPLIER.** You agree to (a) keep the Equipment in good repair, condition and working order; (b) pay all costs of maintenance, supplies, replacements and repairs to the Equipment; (c) keep the Equipment free of liens; (d) USE THE EQUIPMENT ONLY IN THE LAWFUL CONDUCT OF YOUR BUSINESS, AND NOT FOR PERSONAL, HOUSEHOLD OR FAMILY PURPOSES; (e) give us reasonable access to inspect the Equipment; and (f) indemnify us for all claims, losses and liabilities, including attorney's fees and costs (including those incurred in connection with responding to subpoenas, third party or otherwise) relating to the Equipment including its use, condition or possession. This indemnity shall continue after the Term for acts or omissions which occurred during the Term. We may increase the Payments to offset the loss of any tax benefits caused by your acts or omissions or a change in the applicable tax laws.

3. **RISK OF LOSS; INSURANCE.** You are responsible for and accept the risk of loss or damage to the Equipment. If any item of Equipment is lost, stolen or damaged, you shall repair the item or replace the item with a comparable item reasonably acceptable to us. No such loss or damage shall relieve you from your payment obligations under this Lease. At your own expense, you agree to: (a) keep the Equipment insured against all risks of physical loss or damage for its full replacement value, naming us as loss payee, and (b) maintain public liability insurance, covering personal injury and Equipment damage for not less than \$300,000 per occurrence, naming us as additional insured. The policy must be issued by an insurance carrier acceptable to us, must provide us with not less than 15 days' prior written notice of cancellation, non-renewal or amendment, and must provide deductible amounts acceptable to us. If you do not provide acceptable insurance, we have the right, but no obligation to obtain insurance covering our interest (and only our interest) in the Equipment for the Lease Term and any renewals. Any insurance we obtain will not insure you against third party or liability claims and may be cancelled at any time. In the event that we elect to obtain such insurance, you will be required to pay us an additional amount each billing period for the cost of such insurance and an administrative fee, the cost of which insurance and administrative fee may be more than the cost to obtain your own insurance and on which we may make a profit.

4. **DEFAULT; REMEDIES.** If you fail to remit to us any payment within ten (10) days of its due date or you breach any other obligation under this Lease or any other agreement with us or our assignees, we may do one or more of the following: (a) recover from you, AS LIQUIDATED DAMAGES FOR LOSS OF BARGAIN AND NOT AS A PENALTY, the sum of: (i) all past due and current Payments and Charges, (ii) the present value of all remaining Payments and Charges, discounted at the rate of 6% per annum (or the lowest rate permitted by law, whichever is higher) and (iii) the Fair Market Value of the Equipment; (b) declare any other agreements between us in default; (c) require you to return all of the Equipment in the manner outlined in Section 5, or take possession of the Equipment, in which case we shall not be held responsible for any resulting losses or damages, and to lease or sell the Equipment or any portion thereof, and to apply the proceeds (less reasonable selling and administrative expenses) to the amounts due hereunder; (d) charge you interest on all amounts due from the due date until paid at the rate of 1-1/2% per month, but in no event more than the lawful maximum rate; (e) charge you for expenses incurred in connection with the enforcement of our remedies including, without limitation, repossession, repair and collection costs, attorneys' fees and court costs. These remedies are cumulative, are in addition to any other remedies provided for by law, and may be exercised concurrently or separately. Any failure or delay by us to exercise any right shall not operate as a waiver of any other right or future right.

5. **END OF TERM OPTIONS.** If you are not in default, at the end of the Term and upon 30 days written notice to us, you may either (1) purchase all of the Equipment AS-IS, WHERE-IS, WITHOUT ANY WARRANTY AS TO CONDITION, TITLE OR VALUE, for its fair market value (plus applicable taxes), as determined by us in our sole reasonable discretion, or (2) return the Equipment, freight and insurance prepaid at your cost and risk, to wherever we indicate in the continental United States, with all manuals and logs, in good order and condition (except for ordinary wear and tear from normal use), packed per the shipping company's specifications. You will pay us for any loss in value resulting from the failure to maintain the Equipment or for damages incurred in shipping and handling. If you fail to purchase or return the Equipment, this Lease shall automatically renew for one additional term of twelve (12) months and thereafter on a successive month-to-month basis (the additional 12 month term and successive monthly renewals, each a "Renewal Term") and all of the provisions of this Lease shall continue to apply, including your obligation to remit Payments and other charges, until the Equipment is returned to us or purchased by you in accordance with the terms of this Lease. You are solely responsible for removing all data from all disk drives or magnetic media prior to returning the Equipment and selecting an appropriate removal standard that complies with applicable law.

6. **MISCELLANEOUS.** We may, without notifying you, assign this Lease and our interest in the Equipment. If we do, our assignee will have all of our rights under this Lease, but none of our obligations. You agree not to assert against our assignee claims or defenses you may have against us. This Lease is the entire agreement between us, and cannot be modified except by another document signed by us. All financial information you have provided is true and a reasonable representation of your financial condition. You authorize us or our agent or assignee to (a) obtain credit reports and make credit inquiries, (b) release information we have about you and this Lease, including payment history, to credit reporting agencies and assignees or parties having an economic interest in this Lease or the Equipment, including the seller, supplier or manufacturer of the Equipment and (c) file a UCC financing statement with respect to the Equipment. If a court finds any provision of this Lease to be unenforceable, all other terms shall remain in effect and enforceable. You authorize us to insert or correct missing information on this Lease, including your proper legal name, serial numbers and any other information describing the Equipment. If you so request, and we permit the early termination of this Lease, you agree to pay a fee for such privilege. **THE PARTIES INTEND THIS TO BE A "FINANCE LEASE" UNDER ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE ("UCC"). YOU WAIVE ALL RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A OF THE UCC.** You acknowledge that (a) the name of the Equipment supplier is indicated above, (b) you may have rights under the contract with the supplier, and (c) you may contact the supplier for a description of these rights. We transfer to you any supplier or manufacturer warranties. This Lease and other related documents (each a "Document") may be executed in counterparts (manually or by electronic means) by either party and transmitted to us by facsimile or other electronic means. No Document is binding on us until we sign it. When a copy of each Document containing your signature is signed by us (manually or electronically) and in our possession, then such copy shall constitute the original document for all purposes and this Lease shall constitute chattel paper as that term is defined in the UCC. If you sign or transmit any Document to us electronically, you shall provide the counterpart of such Document containing your original manual signature to us at our request. You agree not to raise as a defense to the enforcement of any Document that it was executed by electronic means by either party or transmitted to us by facsimile or other electronic means. **TO HELP THE GOVERNMENT FIGHT THE FUNDING OF TERRORISM AND MONEY LAUNDERING ACTIVITIES, FEDERAL LAW REQUIRES ALL FINANCIAL INSTITUTIONS TO OBTAIN, VERIFY AND RECORD INFORMATION THAT IDENTIFIES EACH PERSON WHO OPENS AN ACCOUNT. WHAT THIS MEANS TO YOU: WHEN YOU OPEN AN ACCOUNT, WE WILL ASK FOR YOUR NAME, ADDRESS AND OTHER INFORMATION THAT WILL ALLOW US TO IDENTIFY YOU. WE MAY ALSO ASK TO SEE IDENTIFYING DOCUMENTS. THIS LEASE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF IOWA OR THE STATE OF LESSOR OR ITS ASSIGNEE'S PRINCIPAL PLACE OF BUSINESS, AS ELECTED BY LESSOR OR ITS ASSIGNEE. YOU CONSENT TO THE JURISDICTION AND VENUE OF FEDERAL AND STATE COURTS IN IOWA OR THE STATE OF THE LESSOR OR ITS ASSIGNEE'S PRINCIPAL PLACE OF BUSINESS, OR IN ANY OTHER COURT OR COURTS HAVING JURISDICTION OVER YOU OR YOUR ASSETS, ALL AT THE SOLE DISCRETION OF THE LESSOR OR ITS ASSIGNEE. BOTH PARTIES AGREE TO WAIVE ALL RIGHTS TO A JURY TRIAL.** We may receive compensation from the manufacturer and/or Supplier of the Equipment in order to enable us to reduce the cost of this Lease below what we otherwise would charge. If we received such compensation, the reduction in the cost of this Lease is reflected in the Lease Payment.

LESSOR ("We", "Us")	LESSEE ("You")
Cell Business Equipment	San Gabriel Basin Water Quality Authority
By: X _____	(Lessee Full Legal Name)
Name: _____	By: X _____
Title: _____	Name: _____ Title: _____
Date: _____	Date: _____ Federal Tax ID: _____



Office Solutions
www.cbesolutions.com

Sales and Service Agreement

Page 1 of 1

Customer	Purchase Order No.		Date		Terms				Salesperson	
			6/1/2022		<input type="checkbox"/> Purchase <input type="checkbox"/> Lease Type FMV		Months	Payment	Deposit	Anthony Echeveste
	SOLD TO:		San Gabriel Basin Water Quality Authority			SHIP TO:		San Gabriel Basin Water Quality Authority		
			1720 W. Cameron Ave #100					1720 W. Cameron Ave #100		
			West Covina, CA 91790					West Covina, CA 91790		
	Contact	Michelle Sanchez			Contact		Michelle Sanchez			
	Phone	626-338-5555			Phone		626-338-5555			
	E-mail	michelle@wqa.com			E-mail		michelle@wqa.com			

Equipment	Qty	Product Code	Description	Amount
			Canon Image Runner DX 5860i	
			Cassette Feeding Unit	
			2/3 Hole Punch Unit	
			Booklet Finisher Unit	
			Surge Protector	
			***Delivery, Installation and Network Connectivity	
			***Professional Training	

Notes	***CBE will pick up the current equipment and cancel contract# 0753751-001		Subtotal	\$	-
	***This Agreement is for the Sales Agreement and will be billed separately from the Lease Agreement		Initial Set-up	\$	-
			Sales Tax	\$	-
			Delivery	\$	-
			Trade-In		
			Total Due	\$	-
			Amount Paid		

Service	Includes: Labor, Parts, Consumable Supplies. Excludes: Paper, Staples				Balance Due	\$	-
	Base Rate	\$395.00	Billing Period (monthly if not checked) <input type="checkbox"/> Monthly <input checked="" type="checkbox"/> Quarterly				
	Monthly Allowance of Impressions	Black	10,000	Color	5,000		
	Overage Rate per Impression	Black	\$0.0080	Color	\$0.0630		

Acceptance	Overage Billing Period (monthly if not checked) <input type="checkbox"/> Monthly <input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Semi-annually <input type="checkbox"/> Annually	
	Customer Signature:	Title: _____ Date: _____ _____ _____
	CBE Acceptance:	Title: _____ Date: _____ _____ _____

Locations	<u>Corporate Office</u>	<u>Los Angeles and the Valleys Office</u>	<u>Torrance/South Bay Office</u>	<u>Inland Empire Office</u>
	4A Mason St	13200 Crossroads Pkwy	19191 So Vermont Ave	800 N Haven Ave
	Irvine CA 92618	Suite 135	Suite 470	Suite 220
	949.830.1400	Industry CA 91746	Torrance CA 90502	Ontario CA 91764

SIGNATURES BY BOTH PARTIES ACT AS A BINDING CONTRACT AND CANNOT BE CANCELLED OR TERMINATED AND CONFIRMS YOU HAVE READ AND UNDERSTAND THE MAINTENANCE TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS DOCUMENT.				
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CELL BUSINESS EQUIPMENT: SALES AND SERVICE AGREEMENT

Terms And Conditions

- 1. COMMENCEMENT AND TERM.** This Agreement shall commence on the date the last party executes the attached purchase order ("Commencement Date") and shall continue for the period identified on the purchase order ("Initial Term"). Sixty days prior to the conclusion of the Initial Term, you must provide CBE with written notice of your intention to return the equipment in the case of an equipment lease, or of your intention to terminate this Agreement in the case of a purchase or service-only agreement. If you fail to provide CBE with such written notice, then this Agreement shall automatically renew for successive one-year terms ("Renewal Term(s)") at the conclusion of the Initial Term (or the Renewal Term), and all of the provisions of this Agreement shall continue to apply until the Renewal Term is properly terminated. The charge for any renewal term will be the charge in effect at the time of renewal. CBE may increase its maintenance rate and Per Image Charges up to 10% annually.
- 2. EQUIPMENT.** "Equipment" means the equipment and supplies identified in this Agreement. You agree the Equipment is for your business use (not resale), and will not be used for personal, household or family purposes. To the extent that the Equipment includes intangible property or associated services such as periodic software licenses and prepaid database subscription rights, such intangible property shall be referred to as "Software." You understand that and agree that we have no right, title or interest in the Software and you will comply throughout the Term of this Agreement with any license and/or agreement ("Software License") entered into with the supplier of the Software ("Software Supplier"). You are responsible for entering into any Software License with the Software Supplier no later than the Commencement Date of this Agreement.
- 3. SCOPE OF SERVICE.** This Agreement covers ordinary maintenance, repair, and replacements of parts required by normal use of the Equipment for the period of time specified on the face of the Agreement and/or in the purchase order. This Agreement does not cover charges for de-installation/re-installation of Equipment if it is moved. Damage to the Equipment or its parts arising out of or caused by misuse, abuse, negligence, attachment of unauthorized components, accessories or parts, use of substandard paper or substandard supplies, or other causes beyond the control of CBE are not covered by this Agreement and may subject Customer to a surcharge or to cancellation of this Agreement. In addition, CBE may terminate the service portion of this Agreement if the Equipment is modified, damaged, altered, or serviced by personnel other than CBE Authorized Personnel, or if parts, accessories, or components not meeting machine specifications are attached to the Equipment. This Agreement does not cover charges for repairs due to Customer or third party modifications to software or hardware.
- 4. DELIVERY AND INSTALLATION.** Customer is responsible for and shall pay all delivery, installation and freight charges identified in this Agreement, if any. CBE shall choose the method of delivery, and reserves the right to deliver the Equipment in installments. Delay in delivery of any installment shall not relieve Customer of its obligations under this Agreement, including the obligation to accept remaining installments. Equipment shall be installed in accordance with manufacturer's specification. At Customer's sole cost and expense, Customer shall insure that equipment is placed in an environment that conforms with the manufacturer's specifications and requirements, and will bear all costs and expenses for any additional necessities required for installation such as telephone and electrical wiring, remodeling, noise and power filters. Any electrical work external to the Equipment (i.e., associated peripheral equipment, power, transmission and phone lines) are not covered by this Agreement.
- 5. ELECTRICAL.** In order to ensure optimum performance by the CBE equipment, it is mandatory that specific models be plugged into a dedicated line to comply with manufacturer electrical specifications.
- 6. SERVICE CALLS.** Service calls under this Agreement will be made during normal business hours at the installation address(es) provided by the Customer. Travel and labor time for service calls after normal business hours, on weekend and on holidays, if and when available, will be charged at the published overtime rates in effect at the time the service call is made. CBE representatives will not handle, disconnect, or repair unauthorized attachment or components. Customer is responsible for disconnecting and reconnecting unauthorized attachments or components. Customer hereby indemnifies and holds CBE and its representatives harmless for claims for damages to any unauthorized parts, components, or accessories resulting from service performed on CBE Equipment. Labor performed during a service call includes lubrication and cleaning of the equipment, and the adjustment, repair, or replacement of parts described below.
- 7. REPAIR AND REPLACEMENT OF PARTS.** All parts necessary to the operation of the Equipment, due to normal wear and tear, with the exception of the parts listed below and subject to the general scope of coverage, will be furnished free of charge during a service call included in the maintenance service provided by this Agreement.
- 8. RECONDITIONING.** Rebuilding, reconditioning, or major overhauls are not covered by this Agreement. In addition, when in its sole discretion CBE determines that reconditioning is necessary due to age or normal wear and tear to the Equipment over time, CBE will submit to the Customer an estimate of needed repairs and their cost in order to keep the equipment in working condition. If the Customer does not authorize such reconditioning, CBE may discontinue service of the equipment under this Agreement, or may refuse to renew its service agreement upon expiration of this Agreement. Thereafter, CBE may make service available on a "Per Call" basis based upon published rates in effect at the time of service.
- 9. REMOTE SERVICES.** Certain models of Equipment are supported and serviced using data that is automatically collected by CBE from the Equipment via electronic transmission from the Equipment to a secure off-site location. Examples of automatically transmitted data include product registration, meter reads, supply level, Equipment configuration and settings, Software version, and problem/fault code data. All such data shall be transmitted in a secure manner specified by CBE or the Equipment manufacturer. The automatic data transmission capability will not allow CBE to read, view, or download the content of any Customer documents residing on or passing through the Equipment.
- 10. USE OF NON-CBE SUPPLIES.** If the Customer uses non-CBE supplies and if such supplies are defective or unacceptable for use in CBE machines and cause abnormally frequent service calls or service problems, then CBE may, at its option, assess a surcharge or terminate the service portion of this Agreement. In this event, the Customer may be offered service on a "Per Call" basis based upon published rates. It is not a condition of this Agreement, however, that the Customer only use CBE authorized supplies.
- 11. SUPPLY INCLUSIVE CONTRACTS.** If supplies are included under this Agreement, CBE will supply toner, ink, and developer, unless otherwise stated in this Agreement, to the Customer based upon normal yields for the Equipment being serviced. If the Customer's usage of the supplies exceeds the normal yields for the Equipment being serviced, CBE will invoice and the Customer agrees to pay for the excess supplies at CBE's current retail prices then in effect. CBE reserves the right to charge and Customer agrees to pay for freight on all supply shipments. Freight will not be charged for supply orders placed online via CBE's website. Customer must purchase copier paper and staples separately.
- 12. MAINTENANCE CHARGES.** If applicable, the maintenance charge with respect to the initial term of this Agreement shall be set forth on the face of this Agreement and/or in the purchase order, including, without limitation, Per Image Charges. If Equipment is moved to a new CBE service territory, CBE shall have the option to charge, and the Customer agrees to pay the difference in published maintenance charges between the current territory and the new territory (on a pro rata basis). If Equipment is moved beyond CBE's service territory, CBE reserves the right to cancel or the Customer agrees to pay a fair and reasonable upcharge for continued service, taking into account the distance to Customer's new location and CBE's published rates for service on a "Per Call" basis. Reestablishing network connection after a move is not covered under this Service Agreement. Customer will provide CBE with the actual meter readings on the Equipment via: (a) telephone, email or facsimile; or (b) access to the Equipment through an automatic meter reading device installed on the Equipment. CBE may estimate the number of images produced if you do not provide us with meter readings within seven (7) days of request. CBE will adjust the estimated charge for images upon receipt of actual meter readings.
- 13. PAYMENT.** Invoices shall be due and payable by the Customer for all Equipment, accessories, supplies, Software, Per Image Charges, and maintenance purchased pursuant to this Agreement on the due date identified on the invoice, which shall be net fifteen (15) unless otherwise stated on the invoice. Your payment obligations are absolute and unconditional, and are not subject to cancellation, reduction, or setoff for any reason whatsoever. For any payment not

CELL BUSINESS EQUIPMENT: SALES AND SERVICE AGREEMENT

Terms And Conditions

received within three (3) days of its due date, Customer agrees to pay a late charge not to exceed the higher of 10% of the amount due or \$35 (not to exceed the maximum amount permitted by law) as reasonable collection costs.

14. TITLE AND RISK OF LOSS. If Customer has purchased or leased Equipment from CBE in conjunction with this Agreement, title to the Equipment shall pass upon payment in full for each unit of Equipment delivered. Risk of loss shall pass to the Customer upon delivery of the Equipment.

15. SECURITY INTEREST. If Customer has purchased or leased Equipment from CBE in conjunction with this Agreement, or any renewal thereof, CBE expressly reserves a security interest in the Equipment until payment has been collected in full for the same. Customer agrees to notify CBE prior to relocation of any Equipment for which CBE has a security interest. Customer shall execute any other document, including a UCC-1 financing statement or document similar to the UCC-1, necessary to protect CBE's security interest in the Equipment. Customer authorizes CBE to file, at customer's expense, any financing statement relating to the Equipment without customer's signature except where prohibited by law.

16. TAXES. Customer is responsible for and shall pay all applicable taxes, including sales, use, and import taxes, along with fees or charges of any kind (including interest and penalties). This includes taxes assessed by any governmental entity on this Agreement or on the amounts payable under this Agreement ("Taxes"), which will be included in CBE's invoice. Taxes do not include taxes on CBE's income.

17. DEFAULT. The occurrence of the following shall constitute an Event of Default under this Agreement: (a) the Customer fails to remit any portion of any payment owed to CBE as provided by this Agreement, when due; (b) the Customer fails to duly perform any covenant, condition or limitation of this Agreement; (c) a petition is filed by or against Customer or any guarantor under any bankruptcy or insolvency law; (d) any representation made by Customer is false or misleading in any material respect; (e) Customer becomes insolvent, is liquidated or dissolved, merges, transfers a material portion of its ownership interest or assets, stops doing business, or assigns rights or property for the benefit of creditors.

18. REMEDIES. If Customer defaults, CBE may, in addition to its other remedies: (a) require immediate payment of all amounts due under the Agreement, plus the fair market value of the Equipment for which full payment has not been made in full, plus interest at the rate of 1.5% per month (not to exceed the maximum amount permitted by law), plus all applicable taxes; (b) terminate this Agreement and/or declare any other agreements between Customer and CBE in default; (c) require you to return all Equipment for which payment in full has not been made; (d) charge you for expenses incurred in connection with enforcement of our remedies; (e) refuse to service the Equipment; and (f) furnish service on a C.O.D. "Per Call" basis based upon published rates in effect at the time of service. If CBE elects to terminate this Agreement as a result of Customer's default, CBE shall submit to Customer an itemized invoice for all fees and expenses due, including any Per Call fees, and shall be entitled to payment for all work in progress plus reimbursements for out-of-pocket expenses. These remedies are cumulative, are in addition to any other remedies provided by law, and may be exercised concurrently or separately. Any failure or delay by us to exercise any right shall not operate as a waiver of any right(s).

19. COSTS AND ATTORNEYS' FEES. CBE shall be entitled to recover from Customer all costs and expenses, including, without limitations, attorneys' fees and disbursements, incurred by CBE in connection with actions taken by CBE or its representatives (i) to enforce any provision of this Agreement; (ii) to effect any payments or collections provided for herein; (iii) to institute, maintain, preserve, enforce and foreclose on CBE's security interest in or lien on the goods, whether through judicial proceedings or otherwise; or (iv) to defend or prosecute any action or proceedings arising out of relating to any CBE transactions with Customer.

20. DEFENSE AND INDEMNITY. You are responsible for all losses, damages, claims, injuries, attorneys' fees and costs, including, without limitation, those incurred in connection with responding to subpoenas, third party claims, or otherwise ("Claims"), incurred or asserted by any person, in any manner relating to the Equipment, including its use, condition, or possession. You agree to defend and indemnify CBE against all Claims, although CBE reserves the right to control its defense and to select or approve defense counsel. Customer agrees that, if it assumes CBE's defense, it will not settle any claim that results in any liability to CBE without first obtaining CBE's prior written consent. In the event Customer fails to defend such action, CBE may do so and recover from Customer all costs and expenses, including attorneys' fees incurred in connection therewith. The foregoing provision of Paragraph 22 shall survive the termination of this Agreement.

21. INTEGRATION. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, and may not be amended, modified, supplemented or waived in any way except in writing signed by the parties (other than pricing changes provided for herein).

22. SUCCESSORS AND ASSIGNS. This Agreement shall be binding on the parties hereto, their heirs, successors, and assigns. This Agreement may not be assigned by the Customer without the consent of CBE. CBE may, without notifying you, assign all or any portion of this Agreement or our interest in the Equipment without your consent.

23. SEVERABILITY. If any provision of this Agreement shall be determined unlawful, void or unenforceable, then that provision shall be deemed severable from this agreement and shall not affect the validity and enforceability of the remaining portions of this Agreement.

24. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall constitute one Agreement binding on all parties hereto, notwithstanding that all the parties have not signed the same counterpart. A faxed or e-mailed signature of this Agreement bearing authorized signatures may be treated as an original.

25. WAIVER. THE PARTIES IRREVOCABLY WAIVE THE RIGHT TO A TRIAL BY JURY.

26. LIMITATION OF LIABILITY. IN NO EVENT SHALL CBE BE LIABLE FOR ANY DAMAGES WHATSOEVER, INCLUDING, WITHOUT LIMITATION, DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES ARISING FROM OR RELATING TO THIS AGREEMENT, WHETHER THE CLAIM ALLEGES TORTIOUS CONDUCT (INCLUDING NEGLIGENCE) OR ANY OTHER LEGAL THEORY. CBE IS NOT LIABLE FOR ANY CLAIM MADE BY A THIRD PARTY, OR MADE BY YOU FOR A THIRD PARTY.

27. FORCE MAJEUR. CBE shall not be liable to Customer for any failure or delay caused by events beyond CBE's control, including, without limitation: Customer's failure to furnish information; sabotage; boycotts; embargos; labor disputes; accidents; shortages of labor, fuel, raw materials, machinery, or equipment; technical failures; fire; storm; flood; earthquake; hurricane or typhoon; explosion; acts of the public enemy; war; insurrection; riot; public disorder; epidemic; quarantine restrictions; acts of God; acts of any government or any quasi-governmental entity.

28. NO EXPRESS OR IMPLIED WARRANTIES. CBE DISCLAIMS ALL WARRANTIES, EXPRESS, OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, TECHNICAL COMPATIBILITY, FITNESS FOR USE, OR FITNESS FOR A PARTICULAR PURPOSE.

29. INSURANCE. Customer shall obtain and maintain, at its own expense, insurance relating to claims for injury and/or property damage (including commercial general liability insurance) based on its use of the Equipment, goods and machinery.

30. JURISDICTION. This Agreement shall be governed by and construed under the laws of the State of California, without regard to conflict of laws principles. All parties consent and voluntarily submit to jurisdiction and venue in the state and federal courts located in Orange County, California.

31. MISCELLANEOUS. Notices must be in writing and will be deemed given five (5) days after mailing or two (2) days after sending by nationally recognized overnight courier. Notices will be sent to Customer at the "Bill to" address identified in this Agreement, and to CBE at 4A Mason, Suite A, Irvine, California 92618. You represent that: (a) you have authority to enter into this Agreement and by so doing you will not violate any law or agreement; and (b) this Agreement is signed by your authorized officer or agent. All financial information you have provided is true and a reasonable representation of your financial condition. You authorize us, or agent or assignee to: (a) obtain credit reports and make credit inquiries; (b) furnish your information, including payment history and account information, to credit reporting agencies and our assignees, potential purchasers or investors and parties having an economic interest in this Agreement or the Equipment, including, without limitation, the seller, Supplier or any manufacturer of the Equipment. You authorize us to insert or correct missing information on this Agreement, including your proper legal name, serial numbers, and any other information describing the Equipment.



PHONE: (949) 830-1400
ADDRESS: 4 A MASON, IRVINE, CA 92801
WEB SITE: www.cbeofficesolutions.com

Meter Collection

This Addendum supplements the existing business relationship between CBE Office Solutions;
and _____ and is effective as of _____.

In order for CBE to provide the best possible service to our customers and to provide 100% accuracy in our billing of our customers, CBE has developed a Managed Print Services program that enables CBE to remotely collect meter reads, automate supply fulfillment and report service information for managing fleets of copiers, printers, fax machines, and multi-functional devices. To help us to do this we need your agreement to the

BACKGROUND RECITALS: Both parties desire to supplement their business relationship to include the provision of remote meter reading services and certain other functionality defined below. By mutual agreement both parties agree as follows:

1. Description: CBE provides cost recovery and remote meter collection solutions from Print Audit Inc., – Facilities Manager, part of the remote meter collection suite uses a small software program called the Information Collection Engine (ICE) to perform periodic scans in the environment in which it is installed. (ICE) creates a scan file in XML format, encrypts it and sends it to Print Audit's secure server as a zipped file. No personal information is collected or sent from Facilities Manager. Only the following information is gathered and transmitted to Print Audit's secure server:

- Make, Model, Location, Serial Number
- IP Address - MAC Address
- Page Counts
- Toner levels <option>
- Status / Alerts (e.g. out of paper, paper jam) <option>

2. Activation: CBE's MPS technician and or Customer will install Print Audit Facilities Manager (ICE) on a mutually agreed upon server or computer dedicated for this purpose. You will need to provide the location and name of the server / computer the software will be installed on. The designated computer must be connected to your network and have internet access. Additional information will be required for multiple locations / networks (Subnets, VLans) Note: Print Audit Facilities Manager (ICE) is only available to customers that are covered by a valid maintenance agreement.

3. Cost of Services & Termination. There are no additional fees for the basic Print Audit Facilities Manager license provided by CBE. At any time you may request that the Print Audit Facilities Manager license be deactivated. We may deactivate the Print Audit Facilities Manager license if you attempt to use it for any improper use or use with another vendor.

4. Ownership, Use & Security of Data. CBE retains all rights and interest to the data collected by Print Audit Facilities Manager (ICE), which it may use or provide to third parties authorized by CBE to provide better service to you. CBE may also use the data for its regular business purpose including but not limited to research, and marketing. So long as the information is not attributed or identifiable to you, CBE may "sanitize" the data and provide it to third parties for research, marketing and similar business purposes. Except for the limited data captured by Print Audit Facilities Manager (ICE), this Agreement does not grant CBE any rights to your documents or information. CBE may dispose of the data at any time when it is no longer necessary for CBE's own business purposes and without notice to you. CBE uses reasonable available technology and security procedures to maintain the security of Print Audit Facilities Manager (ICE) and the data gathered from the solution; however, you acknowledge that no provider can absolutely prevent interception of data or guaranty security of information maintained on computers on the Internet.

5. Ownership of Intellectual Property. Print Audit Facilities Manager (ICE) technology is confidential and proprietary information of Print Audit Inc. and/or its licensors protected by copyright, trade secret and other laws and treaties. Print Audit Inc. and/ or its licensors retain all right, title and interest in and all intellectual property associated with Print Audit Facilities Manager (ICE). CBE is an intended beneficiary of this Addendum.

6. No Other Modifications. Except as specifically modified by this Addendum the terms of the business relationship remain unchanged. Intending to be legally bound, both parties must have signed this Addendum, effective as of the date shown above.

Customer:		Authorizations:			
San Gabriel Basin Water Quality Authority		Meter Request. This addendum will in no way prohibit CBE from requesting meters in an alternative method. Print Audit Facilities Manager (ICE) software requires the print device(s) to be connected to the network and turned on in order to collect the data. The computer hosting the Print Audit Facilities Manager (ICE) software will also have to be on at the time the software is set to collect the data. <i>If meter information cannot be obtained using our automated method the customer will be contacted for meters via email, fax and or by phone.</i>			
Company					
1720 W. Cameron Ave #100					
Address					
West Covina, CA 91790					
City State Zip					
Michelle Sanchez	626-338-5555				
Contact	Phone				
michelle@wqa.com					
Email Address					

Authorized Signature

Authorization - CBE Meter Collection

Title

Date

CBEMCV120401-1



San Gabriel Basin Water Quality Authority

1720 W. Cameron Avenue, Suite 100, West Covina, CA 91790 • 626-338-5555 • Fax 626-338-5775

AGENDA SUBMITTAL

To: WQA Administrative/Finance Committee
From: Randy Schoellerman, Executive Director
Date: June 14, 2022
Subject: Continued Participation in the Coalition for Environmental Protection Restoration and Development

Summary

WQA played a key role in developing the 97-005 User Guide for the permitting of highly impacted water supply wells with the Coalition for Environmental Protection, Restoration and Development (CEPRD). This past year we helped to develop training materials and training webinars on the 97-005 process that allowed participants to get contact hours to benefit their water treatment operator certification requirements. Now staff is recommending continuing that participation and support of the group in furtherance of policies regarding contaminants of emerging concern (CECs) such as PFAS and PFOA.

Discussion

The 97-005 User Guide is publicly available on the State Water Resources Control Board Division of Drinking Water's (DDW) website. WQA took the lead with the development user guide by contributing funding and contracting with Stetson Engineers to draft the original document. The document was developed with the CEPRD group that included DDW management. The document provides guidance for both DDW personnel and water entities on how to obtain a water supply permit for a highly contaminated well. Subsequently, the CEPRD focused on producing training materials that were used to conduct training webinars for regulators, water entities and consultants. The public training was hosted by WQA. The group is now focusing its attention to CECs such as PFAS and PFOA and will continue to work with DDW and other stakeholders to provide a dialog about the development of PFAS regulations. The CEPRD has a strong track record of collaboration with stakeholders such as Orange County Water District, Metropolitan Water District, Los Angeles Department of Water and Power, DDW, Honeywell, Lockheed Martin, and others. The cost for continued participation is \$25,000.

Recommendation / Proposed Action

Approve \$25,000 for continued participation in the Coalition for Environmental Protection Restoration and Development

Attachment: Project Overview - CEPRD Regional Reliability and Sustainability Project

Draft Project Overview - For Discussion Purposes Only
CEPRD Regional Reliability and Sustainability Project

**Achieving Results in the Effort to Develop Sustainable Local Water Supplies -
The 97-005 Refresh and Next Steps**

Goal: To develop opportunities for utilization of updated 97-005 guidance procedures for current projects and related CEC issues. Particular attention will be devoted to updating guidance to account for MCLE technical requirements, 1.4 Dioxane, etc. and addressing challenges faced by small water system agencies in securing 97-005 permit approvals.

Background: The Coalition for Environmental Protection, Restoration and Development (CEPRD), a 501(c)(3) corporation, and its Water Project Stakeholders (Stakeholders) have worked collaboratively to create a common framework of understanding for addressing CECs and putting impaired waters and groundwater basins to beneficial use. The September 2020 User Guide for DDW Process Memo 97-005 provides a tool for such action. Having now conducted training sessions for over 250 regulatory, water agency and private sector representatives, there is a need for constant improvement. It has been determined that this is an effort which merits the continued involvement of CEPRD.

Methodology: In coordination with CEPRD members, Project Stakeholders, staff, and consultants, California Partnerships, Inc. on behalf of CEPRD will perform services in the following areas:

- 1) Convene a working group to meet on a regular basis to provide a vehicle for greater coordination among industry, regulatory agencies, and water purveyors for the purpose of updating the 97-005 process consistent with the September 2020 User Guide.
- 2) Provide a forum for Stakeholders to discuss and develop streamlined solutions for containing and cleaning up contamination in the region's groundwater basins, putting water from impaired groundwater basins to beneficial use, and using groundwater basins to store new sources of water such as recycled wastewater.
- 3) Provide a vehicle for coordination with the SWRCB Division of Drinking Water (DDW), Division of Water Quality (DWQ), and other state agencies regarding the development and use of regulatory thresholds for CECs and in the state's regulatory programs, including the NPDES and TMDL programs.
- 4) Explore the development of a concurrent pilot project(s) based upon existing 97-005 related activities and pending CEC efforts with an initial focus on small water system agency support.
- 5) Develop a framework for targeted regulatory actions to address CECs and advance the development of an integrated and sustainable water supply strategy for the region.
- 6) Conduct a day and a half off-site to provide the parties with an opportunity to refine strategies in furtherance of project objectives and develop recommendations for future action.



San Gabriel Basin Water Quality Authority

1720 W. Cameron Avenue, Suite 100, West Covina, CA 91790 • 626-338-5555 • Fax 626-338-5775

AGENDA SUBMITTAL

To: Administrative/Finance Committee
From: Randy Schoellerman, Executive Director
Date: June 14, 2022
Subject: Federal Funding Program Administration Guidelines

Summary

Staff is recommending committee approval of the updated Federal Funding Program Administration (FFPA) guidelines in anticipation of the next round of FFPA funding. In addition, staff continues to work with the United States Bureau of Reclamation (USBR) to access the recently appropriated San Gabriel Basin Restoration Fund (Restoration Fund) funds. Once staff is confident the funding has been secured, staff would like to proceed with soliciting proposals for another round of FFPA funding.

Background and Discussion

In late 2000, Congress passed the San Gabriel Basin Drinking Water Initiative authorizing the creation of the "Restoration Fund" and \$75 million for groundwater cleanup in the San Gabriel Basin. In 2008, the authorization was increased to \$125 million. To date, a total of \$90 million has been appropriated into the Restoration Fund with approximately currently \$10 million available for WQA's allocation.

In February 2002, WQA established its FFPA program as a way to distribute federal funds appropriated by Congress from the Restoration Fund. Since the inception of the FFPA program, WQA has held nine previous funding rounds with the most recent in 2014.

In March 2022, the federal FY22 budget omnibus bill was signed into law which included a \$10 million earmark for the Restoration Fund. Having not conducted a full FFPA funding round since

2014, staff determined it would be prudent to review and update the guidelines prior to proceeding with another round of funding.

Staff is currently working with the USBR to access the FY22 earmarked funds. Unfortunately, USBR has required an update to WQA's current funding agreement which is delaying the next round of FFPA solicitations. In order to expedite the FFPA process, staff recommends proceeding with the solicitation prior to full execution of the updated funding agreement with USBR as soon as staff is confident the funds will be available to WQA.

Recommendation / Proposed Action

Recommend approval of revised FFPA guidelines to the full Board and authorizing staff to solicit proposals at the discretion of the Executive Director.

Attachments

Federal Funding Program Administration Guidelines Round X



San Gabriel Basin Water Quality Authority

1720 W. Cameron Avenue, Suite 100, West Covina, CA 91790 • 626-338-5555 • Fax 626-338-5775

DATE

To: Interested Parties and Applicants

Subject: Application Period No. X Ending DATE
San Gabriel Basin Water Quality Authority
Federal Funding Program Administration ("FFPA")

This is to notify you that the San Gabriel Basin Water Quality Authority ("WQA") is soliciting applications for the allocation of federal funding. WQA will accept applications beginning DATE and ending on DATE. Staff has estimated that up to \$10,000,000 is available from the Restoration Fund during this process.

For Application Period No. X, WQA will accept and consider new applications. Applications must include a letter identifying project specific information, including a cost estimate and schedule. In addition, please identify how the project(s) meets the requirements and how it addresses each of the criteria questions contained in the enclosed Federal Funding Program Administration ("FFPA") Guidelines.

Please review the FFPA in its entirety as requirements may have been changed or clarified.

If you have any questions, please don't hesitate to contact Dan Colby or myself at 626-338-5555.

Sincerely,

Randy Schoellerman
Executive Director

Enclosure: FFPA Round X Guidelines

DRAFT
FEDERAL FUNDING
PROGRAM ADMINISTRATION GUIDELINES
by the
San Gabriel Basin Water Quality Authority
Revised June 9, 2022

Summary

The San Gabriel Basin Water Quality Authority (WQA), in furtherance of its goals and objectives, is now accepting proposals for reimbursement funds from the San Gabriel Basin Restoration Fund (Restoration Fund) authorized by Congress. The following sections describe eligibility requirements, priority ranking criteria, and process for making application for these funds. The program requires that 100% of project funds be deposited into WQA accounts prior to making each reimbursement request. Amounts shown will be allocated at the discretion of the WQA Board based upon available appropriations and local funding needs.

Schedule of Applications for Currently Available Funds:

Accept Applications	Restoration Fund*		TOTAL
TBD	\$10 million		\$10 million
TOTAL AVAILABLE FUNDS	\$10 million		\$10 million

* Dates and/or amounts are subject to change.

General Information

In late 2000, Congress passed the San Gabriel Basin Drinking Water Initiative authorizing the creation of the Restoration Fund and \$75 million for groundwater cleanup in the San Gabriel Basin. In 2008, Congress authorized an additional \$50M for the Restoration Fund bringing the total authorization to \$125 million. Since that time, a total of \$90 million has been appropriated into the Restoration Fund and \$80M has been obligated by WQA to projects in the San Gabriel Basin. This request for proposals will allow the WQA to consider obligating the currently available funding totaling approximately \$10M. Please

note that the WQA, at its discretion, may not obligate the entire amount available. Furthermore, direct costs of USBR and/or WQA may reduce the amount of funding available. This program requires a 35% non-federal match deposited into the Restoration Fund to reimburse the project up to a maximum of 65% from federal sources. Funds from this program may be used for design, construction and treatment & remediation (T&R) for up to 10 years following construction. The Restoration Fund is administered via the U.S. Bureau of Reclamation (USBR) directly to the WQA for use within the San Gabriel Basin.

Congress acknowledged that millions of dollars have already been spent in the San Gabriel Basin to remediate and protect groundwater contamination and prevent further contamination. Therefore, Congress allowed the use of those dollars to be credited towards the 35% non-federal matching requirement under this program. The USBR is responsible for approving all qualifying prior expenditures, however, WQA, in its discretion, will use this credit to eliminate the need to provide an additional 35% of the project costs to release the Restoration Funds.

Eligible Projects

In April 2004, WQA expanded its involvement in cleanup projects to include nitrate removal under certain conditions. During its evaluation, WQA took into consideration the natural occurrence and pervasiveness of this constituent throughout the basin, particularly in the vadose zone. In addition, nitrates are characterized significantly different from other contaminants because it cannot be directly linked to potentially responsible parties.

However, in an effort to advance groundwater cleanup, WQA is now including nitrate removal as part of its federal funding award program subject to the following conditions:

1. Nitrate treatment WILL qualify if the well also requires the treatment of VOCs and emerging chemicals (nitrate will be evaluated in conjunction with the overall project)
2. Nitrate treatment WILL qualify if nitrate treatment was not a part of the original treatment project but is now required to maintain operation of the VOC/emerging chemical treatment portion of the project
3. WQA will NOT fund infrastructure necessary for purposes of treating nitrates through blending.

Eligibility for WQA Grant Funding

Proposed project must meet all of the following conditions:

1. Project must be located within the jurisdictional boundaries of the WQA
2. Applicant(s) must demonstrate that the project water will be put to beneficial use, with priority given to those projects which include an affected water purveyor and provides potable water, if applicable
3. Project must conform and further the objectives of the WQA §406 Plan or the intent thereof

4. Project must be consistent with the legislative intent of the statute(s) authorizing or appropriating the public funds used for project funding reimbursement
5. Project cannot have been used in calculating the 35% credit provision in the Restoration Funds
7. Start of project construction for a new project must be anticipated within 12 months of executed agreement between WQA and applicant(s)
8. Applicant(s) must provide a plan that commits 100% of the required funds in WQA's account in advance of each payment owed on the project and prior to each reimbursement request. See Attachment A for allowable reimbursement costs.

Priority Ranking Criteria

WQA will use the following criteria to grant reimbursement from the Restoration Funds and to determine the level of reimbursement. The answer to each question may be scored between 0 and 15 points, depending on the question. The individual scores are combined to provide a final project score. The higher project scores represent a higher ranked priority position within each category for available funding. The highest possible score a project may obtain is 100 points with the lowest score being 0 points. A bonus question is included to provide additional opportunity for a higher score against the total 100 points possible.

CATEGORY	SCORING RANGE		RESTORATION FUNDS
Category 1	90-100		up to 65% capital and/or T&R
Category 2	80-89		up to 50% capital and/or T&R
Category 3	70-79		up to 40% capital and/or T&R
Category 4	0-69		up to 30% capital and/or T&R

1	Is applicant(s) ready to proceed with the groundwater remediation project?	0 = not fully ready to proceed 10 = yes, ready to proceed
2	Does the project complement U.S. EPA's plans? Is it consistent with U.S. EPA's plans and the NCP?	0 = does not complement plan and is not consistent 5 = complements and is consistent w/EPA plans 10 = complements and is consistent w/ EPA plans and NCP

3	How effective is project relative to amount of water treated and made available for use? Does the project use technology consistent with BAT?	0 = not effective relative to amount treated & available for use 5= somewhat effective and consistent with BAT 10 = effective relative to amount treated & available for use, consistent with BAT
4	What are the impacts or potential impacts to the plume(s) within the Main San Gabriel Basin?	0 = No 5 = Some impact 15 = Very significant impact
5	Is project a joint cleanup and water supply project?	0 = Not a joint cleanup and supply project 5 = Only a cleanup project 15 = Yes, project is a joint cleanup/supply project
6	Is project partially or solely funded by affected purveyor(s)?	0 = n/a 5 = yes, partially funded by purveyor(s) 10 = yes, solely funded by purveyor(s)
7	Does the project address immediate water supply needs in the MSG Basin?	0 = No 15 =Yes
8	Does the project address a need for migration control?	0 = No 15 =Yes
BONUS QUESTION	Is project partially or solely funded by PRPs through an executed agreement?	0 = no PRP agreement 5 = yes, partially funded by PRPs with an agreement 10 = yes, solely funded by PRPs with an agreement

Application Process

Applicant(s) may apply for Restoration Funds for a groundwater remediation project by submitting a written request to the WQA following the opening of a Federal Funding Program Administration request for proposals. Staff will review and analyze request and determine if all eligibility requirements are met. If eligible, staff will rank the project and evaluate possible funding from the Restoration Funds.

WQA Authority

1. The WQA's jurisdiction includes the entire Main San Gabriel Basin as described in Section 201 of its enabling act. In 1984, the United States Environmental Protection Agency (USEPA) designated several areas in the San Gabriel Valley Superfund Site as Operable Units (OUs) with identifiable plumes of

groundwater contamination. WQA recognizes that some areas of groundwater contamination do not align with USEPA OU boundaries but still require remediation. The WQA acknowledges and will take into consideration all designated groundwater plumes, their respective sizes, potential threats to water supplies and clean areas, costs, and levels of contamination.

2. The WQA may, at its discretion, award funds to reimburse its costs related to projects owned and operated by the WQA.
3. Project capital costs (estimated or actual) provided by each applicant(s) does not include costs for USBR administrative charges or project costs incurred directly by WQA (separate costs). Therefore, WQA shall reserve a projected amount to cover all these additional costs.
4. Funding provided under the FFPA is subject to WQA's Procedure No. 42 which established a fee for services to support WQA's efforts in pursuing, obtaining, and securing all varieties of funding on behalf of producers. The fee, not to exceed 5%, is determined annually based the prior calendar year funding received and is invoiced separately to each producer.

ATTACHMENT A

SAN GABRIEL BASIN WATER QUALITY AUTHORITY ALLOWABLE PROJECT CAPITAL AND TREATMENT AND REMEDIATION COSTS

ALLOWABLE PROJECT CAPITAL COSTS

(Copies of Invoices Required on Items 1-9)

1. Outside Engineering & Design
2. Equipment
3. Contractor/Sub-Contractor
4. Energy/Utilities
5. Permit Fees
6. Laboratory Costs
7. Additional Required Property & Liability Insurance
8. Outside Legal Fees
 - a. General preparation and review of project documents (RFPs, contracts, etc.)
9. Land/Property
10. Interest
11. Direct Labor & Fringe (Summary Breakdown Req'd.)
 - a. Directly tracked labor (timesheets req'd.)
 - b. Medical benefits
 - c. Worker's Compensation
 - d. Payroll taxes
 - e. Pension/Retirement
 - f. Other employee benefits
12. Overhead (Summary Breakdown Req'd.)
 - a. Property taxes
 - b. General Property & Liability Insurance
 - c. Administrative & Management Salaries & Benefits
 - d. Vehicle Expense (not mileage)
13. Other Tracked Direct Costs (Breakdown Documentation Req'd.)
 - a. Postage
 - b. Shipping
 - c. Copies/Facsimiles
 - d. Phone
 - e. Vehicle mileage
 - f. Other tracked direct costs
14. Unique cost items for a specific project (Requires approval by WQA)

ALLOWABLE PROJECT TREATMENT & REMEDIATION COSTS

(Copies of Invoices Required on Items 1-9)

1. Laboratory Costs
2. Consumables
3. Energy/Utilities
4. Incremental energy/utilities costs (Treatment Plant)
5. Permit Fees

6. Contractor/Sub-Contractor
7. Outside Legal Fees
 - a. General preparation and review of project documents (RFPs, contracts, etc.)
8. Equipment
9. Additional Required Property & Liability Insurance
10. Direct Labor & Fringe (Summary Breakdown Req'd.)
 - a. Directly tracked labor (timesheets req'd.)
 - b. Medical benefits
 - c. Worker's Compensation
 - d. Payroll taxes
 - e. Pension/Retirement
 - f. Other employee benefits
11. Overhead (Summary Breakdown Req'd.)
 - a. Property taxes
 - b. General Property & Liability Insurance
 - c. Administrative & Management Salaries & Benefits
 - d. Vehicle Expense (not mileage)
12. Other Tracked Direct Costs (Breakdown Documentation Req'd.)
 - a. Postage
 - b. Shipping
 - c. Copies/Facsimiles
 - d. Phone
 - e. Vehicle mileage
 - f. Other tracked direct costs



San Gabriel Basin Water Quality Authority

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AGENDA SUBMITTAL

To: WQA Administrative / Finance Committee
From: Randy Schoellerman, Executive Director
Date: June 14, 2022
Subject: **WQA Employees: Proposed increase in both Salary Ranges and Salaries**

Recommendation / Proposed Action

Recommend approval of the following:

- Increase the salary ranges for employees by 7.9% according to Procedure 40.
- Increase the staff salaries by 7.9% according to Procedure 40.

Background and Discussion

Procedure 40 establishes the Cost-of-Living Adjustment (COLA) procedures for WQA Employees. The COLA increase is based on the April Consumer Price Index for All Urban Consumers ("CPI-U"). The CPI-U percentage increase from April 2021 to April 2022 is 7.9%.

Listed below are both the current and proposed monthly salary ranges. If the increase is approved by the Board, it will be effective July 1, 2022.

<u>Job Titles</u>	<u>Current</u> <u>Monthly Salary Range</u>		<u>7.9% increase</u> <u>Monthly Salary Range</u>	
	<u>7/1/21 to 6/30/22</u>		<u>7/1/22 to 6/30/23</u>	
	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
<u>Exempt Positions</u>				
Asst. Executive Director/Sr. Project Manager	\$8,858	\$14,747	\$8,858	\$15,912
Director of Finance	\$7,792	\$13,780	\$7,792	\$14,869
<u>Non-Exempt Positions</u>				
Project Resource Specialist	\$4,459	\$8,651	\$4,459	\$9,335
Exec. Assistant/Public Outreach Coordinator	\$4,329	\$8,008	\$4,329	\$8,640
Admin/Accounting Assistant	\$3,636	\$6,297	\$3,636	\$6,795

Attachments:

Table 4 from Consumer Price Index CPI-U for April 2022

Schedule of CPI-U for July 2012 through July 2021

Table 4. Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, all items index, April 2022
[1982-84=100, unless otherwise noted]

Area	Pricing Schedule ¹	Percent change to Apr. 2022 from:			Percent change to Mar. 2022 from:		
		Apr. 2021	Feb. 2022	Mar. 2022	Mar. 2021	Jan. 2022	Feb. 2022
U.S. city average.....	M	8.3	1.9	0.6	8.5	2.3	1.3
Region and area size²							
Northeast.....	M	7.2	1.9	0.6	7.3	2.0	1.3
Northeast - Size Class A.....	M	6.8	2.1	0.8	6.7	1.7	1.3
Northeast - Size Class B/C ³	M	7.6	1.7	0.4	8.0	2.3	1.3
New England ⁴	M	7.0	1.6	0.1	7.4	2.1	1.4
Middle Atlantic ⁴	M	7.2	2.1	0.8	7.2	1.9	1.2
Midwest.....	M	8.2	1.8	0.5	8.6	2.2	1.3
Midwest - Size Class A.....	M	7.9	2.0	0.7	8.0	2.2	1.3
Midwest - Size Class B/C ³	M	8.5	1.6	0.4	8.9	2.1	1.2
East North Central ⁴	M	8.1	1.7	0.4	8.5	2.2	1.2
West North Central ⁴	M	8.5	2.0	0.7	8.6	2.2	1.3
South.....	M	8.8	1.9	0.5	9.1	2.6	1.4
South - Size Class A.....	M	9.0	2.0	0.5	9.2	2.7	1.4
South - Size Class B/C ³	M	8.7	1.8	0.4	9.1	2.5	1.4
South Atlantic ⁴	M	8.8	1.6	0.3	9.2	2.4	1.3
East South Central ⁴	M	7.8	2.2	0.7	7.9	2.6	1.5
West South Central ⁴	M	9.3	2.4	0.6	9.5	3.0	1.7
West.....	M	8.3	2.0	0.7	8.7	2.1	1.3
West - Size Class A.....	M	8.1	2.0	0.6	8.4	2.1	1.4
West - Size Class B/C ³	M	8.6	2.0	0.7	9.0	2.2	1.2
Mountain ⁴	M	9.8	2.2	0.7	10.4	2.6	1.4
Pacific ⁴	M	7.8	1.9	0.7	8.1	2.0	1.2
Size classes							
Size Class A ⁵	M	8.0	2.0	0.6	8.1	2.2	1.4
Size Class B/C ³	M	8.5	1.8	0.5	8.9	2.3	1.3
Selected local areas							
Chicago-Naperville-Elgin, IL-IN-WI.....	M	7.2	1.8	0.4	7.8	2.2	1.4
Los Angeles-Long Beach-Anaheim, CA.....	M	7.9	2.0	0.5	8.5	1.8	1.5
New York-Newark-Jersey City, NY-NJ-PA.....	M	6.3	2.2	0.9	6.1	1.6	1.3
Atlanta-Sandy Springs-Roswell, GA.....	2	10.8	1.9				
Baltimore-Columbia-Towson, MD ⁶	2	9.1	1.6				
Detroit-Warren-Dearborn, MI.....	2	8.3	2.5				
Houston-The Woodlands-Sugar Land, TX.....	2	8.5	2.4				
Miami-Fort Lauderdale-West Palm Beach, FL.....	2	9.6	1.5				
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD.....	2	8.4	2.2				
Phoenix-Mesa-Scottsdale, AZ ⁷	2	11.0	2.5				
San Francisco-Oakland-Hayward, CA.....	2	5.0	1.5				
Seattle-Tacoma-Bellevue, WA.....	2	9.1	2.1				
St. Louis, MO-IL.....	2	8.4	2.3				
Urban Alaska.....	2	7.5	1.9				
Boston-Cambridge-Newton, MA-NH.....	1				7.3	1.9	
Dallas-Fort Worth-Arlington, TX.....	1				9.0	3.0	
Denver-Aurora-Lakewood, CO.....	1				9.1	2.0	
Minneapolis-St. Paul-Bloomington, MN-WI.....	1				8.2	2.1	
Riverside-San Bernardino-Ontario, CA ⁴	1				10.0	2.7	
San Diego-Carlsbad, CA.....	1				7.9	2.1	
Tampa-St. Petersburg-Clearwater, FL ⁸	1				10.2	2.1	
Urban Hawaii.....	1				7.5	2.4	
Washington-Arlington-Alexandria, DC-VA-MD-WV ⁶	1				7.3	1.9	

¹ Foods, fuels, and several other items are priced every month in all areas. Most other goods and services are priced as indicated: M - Every month.

1 - January, March, May, July, September, and November. 2 - February, April, June, August, October, and December.

² Regions defined as the four Census regions.

SAN GABRIEL BASIN WATER QUALITY AUTHORITY
SCHEDULE OF CPI-U FOR YEARS JULY 2012 TO JULY 2021

DEFINITIONS

CPI-U: All Urban Consumers, selected areas, all items index
Selected area = Los Angeles, Long Beach and Anaheim CA

All Urban Consumers represents about 93% of the total US population, based on expenditures of almost all residents of urban or metropolitan areas.

<u>Year</u>	<u>Staff</u> <u>CPI Increases</u>	<u>April CPI-U</u>
7/1/2012	1.5%	1.5%
7/1/2013	2.0%	0.9%
7/1/2014	5.0%	1.4%
7/1/2015	1.0%	0.5%
7/1/2016	2.0%	2.0%
7/1/2017	2.7%	2.7%
7/1/2018	4.0%	4.0%
7/1/2019	3.3%	3.3%
7/1/2020	0.7%	0.7%
7/1/2021	3.6%	3.6%
	<hr/>	
10 YEAR-AVERAGE	<u><u>2.6%</u></u>	



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AGENDA SUBMITTAL

To: Administrative/Finance Committee
From: Randy Schoellerman, Executive Director
Date: June 14, 2022
Subject: Project Resource Specialist Job Description

Summary

Staff is planning to fill a vacant technical position with Project Resource Specialist that would report to the Assistant Executive Director/Senior Project Manager and provide technical support for the development, planning and funding of groundwater remediation projects that further WQA's mission. The Project Resource Specialist position would also be responsible for the WQA's GIS mapping and water quality database systems.

Recommendation / Proposed Action

Approve Project Resource Specialist job description.

Attachment: Project Resource Specialist job description

Project Resource Specialist

JOB SUMMARY

This position reports to the Assistant Executive Director/Senior Project Manager. The position provides technical support for the development, planning and funding of groundwater remediation projects as well as the management of the operation of Authority facilities. The position is responsible for Authority's GIS mapping and water quality database systems.

EXAMPLE OF DUTIES

Assist the Assistant Executive Director/Senior Project Manager with the management of Authority groundwater remediation projects and groundwater contaminant source investigations, the preparation of state and federal grant applications and quarterly reporting, developing project budgets, updating the Authority's basin groundwater remediation plan, management of agency site access agreements with public and private partners, supervision of agency engineering and geotechnical consultants, and monitoring state and federal drinking water regulations and advancements in groundwater treatment technologies. Creating/updating basin contaminant plume maps and updating the Authority's water quality database and maps utilizing the Authority's GIS software.

MINIMUM QUALIFICATIONS

Bachelor's degree in engineering, hydrogeology, chemistry, or related environmental field. One to three years of experience in groundwater remediation. Knowledge of practices related to water treatment activities, including contract administration, planning and development, design, construction, operation and maintenance; federal and state drinking water regulations; federal and state grant proposals; geographic information systems. Ability to analyze conceptual engineering proposals; review the work of professionals and technical engineering personnel, make analyses and arrive at appropriate conclusions, meet and deal with the general public in an efficient and tactful manner; coordinate activities with other agencies and consultants; conduct research, write and present reports. Required to have excellent oral and written communications skills. Proficient with MS Office applications and ESRI ArcView. A valid California driver's license is required.

WQA SALARY RANGE (LOW TO HIGH)

\$4,459 \$6,555 \$8,651